



QUALITY IN HIGHER EDUCATION: A REVIEW OF THE RESEARCH LITERATURE

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Abstract: Quality is one of the most used and most determined terms in the business world. Quality is important and one of the most frequent focuses of research in many disciplines such as: marketing, management, economics, engineering, and operations, strategy and market research. The last decade was characterized by increasing of competition among higher education institutions. High quality service is an essential prerequisite for competitiveness and survival in the market of higher education. The biggest challenge for academic institutions is which level of quality institutions must achieve in order to remain competitive in the market. Besides taking care about the quality of services, academic institutions are becoming more aware of the importance of student satisfaction since students' satisfaction has a positive influence on their decision to continue their education at that institution.

Keywords: Quality, Higher education institutions, Quality in higher education

INTRODUCTION

Educational service is intangible, expendable and at the same time it is produced by the service provider and consumed by users. The quality of education services in higher education institutions can not be objectively measured, but it is a complex and varied concept that should be explored. The conditions in which they operate academic institutions have significantly changed in recent years. In this sense it is important to mention technologically progress that has improved ways of teaching and learning. High quality service is an essential prerequisite for competitiveness and survival in the market of higher education. As with most of the services, also in higher education students' expectations significantly affect the assessment of service quality, and satisfaction of students. For the admission to higher education institutions, students' expectations are based on their past experiences of high school and the oral tradition of students who attend or have attended some of the programs. Apart from their concern about the quality of services, academic institutions are aware that satisfaction of students is very important since the students' satisfaction has a positive influence on their decision to continue their education at that institution.

Numerous studies in this area have shown that students' satisfaction has a positive effect on students' motivation, their attendance, to attract prospective students and increase revenue (Vranešević, 2006, p. 13). Faculties are aware that education is a service industry and that it is of paramount importance to meet the needs and desires of their clients/students. Nowadays educational service does not merely mean the teacher - student relationship and lectures, but the process involves a comprehensive process - from the entrance of the student, ie. their applications for enrollment until the completion of the study and its inclusion in the alumni association. Quality is one of the most used and most determined terms in the business world. According to Golder, Mitra and Moorman (2012, p. 18) quality is probably the most important and most complex component of a business strategy. Customers look for quality in services and products, so companies compete on quality and markets are transformed by it. Quality is important and one of the most frequent focuses of research in many disciplines



such as: marketing, management, economics, engineering, and operations, strategy and market research.

1. BACKGROUND OF QUALITY

The concept of quality is derived from the Latin word *qualitas* (property, excellence, value, quality, characteristic, feature, capability). Our distant ancestors manage the quality, as evidenced by the stored data from Mesopotamia, Egypt and China. Demand for quality is likely to occur in the very first forms of business, so-called barter or exchange of tangible goods.

The beginning of development of quality control begins in 1910th, when the company Ford (founded in 1907th year) introduced the practice of manufacturing automotive industry based on principles of Organization F. W. Taylor. A function of control was in the process of separating the bad of good products and it became independent and separate from the production function. Further expansion of the economy and the development of technology after World War II have given rise to the increasing complexity of production processes and products. This resulted in the first attempts of standardization and quality record in America, where the expansion and its effects were most notably. In such an environment specification of the quality system called MIL - Q - 9858 and MIL - I - 45208. Both standards are used today and are referred to U.S. contracts of defense.

The first statistical quality control of the production was made by WA Sherwart in 1924. From this control, during World War II, there was developed a statistical quality control. Sherwart founded statistics as a means of quality control. Quality becomes a fundamental way of managing the strategic goal of organization. This is confirmed by the text of the European Charter of quality signed at the First European Convention on Quality in Paris, on 23rd of October 1998. Historical background of quality we will finish with stages of development of internal quality control (Injac, 1998):

- pre-industrial (auto)control - until the Industrial Revolution: a fundamental feature of the internal Quality control is characterized by a direct and constant insight of owners in all stages of product development;
- the organization of the industrial revolution to the 1914: the development of industrial company ceases to direct quality control of the owner and exceed the jurisdiction to the particular specialized workers-controller;
- organization of 1914-1940: a fundamental feature of the emergence of an independent Group carried Affairs quality;
- organization of 1940-1955: quality control department does not rise only vertically (hierarchy), but begins to include activities that are not only direct production;
- organization of 1955-1987: a fundamental feature of the internal quality control is to grow at a company hierarchy to the level of second-line management and dissemination at the level of departments (purchasing, sales, etc.).
- organization of 1987 to date: the emergence of a series of ISO 9000, internal quality control escalates into an integrated system for management and quality assurance.



Based on existing trends, the next stage in the development of quality management was Total Quality Management (hereinafter: TQM). In the most general sense, the quality is a trait that denotes a particular object or phenomenon and distinguishes them from other objects or phenomena. There is no unique definition of quality. The reason is that the quality is in fact perception of quality. What the user perceives as quality, it is the quality (Kelly, 1997). Deming (1986) says that quality is predictable ratio of standardization and customization with low price and market orientation, and Juran (1970) considers that quality as the suitability requirements estimated by the user. Quality is "an integral part of human cognition that moves through an endless spiral progress ... never reaching the limit" (Injac, 1999). There is no human activity which does not pay attention to quality. If we analyze the quality from the perspective of the company, there is inevitably the question of quality processes and product as factors of total quality. Quality is the degree of excellence which organizations can achieve in delivering products or services to its customers. Armstrong (2001, p. 181) distinguishes three types of quality: quality solutions (project design), quality compliance and customer satisfaction. For an organization the most important is customer satisfaction. Quality has become a fundamental factor for survival in the market, profitability and development, not only of individual activities and organizations but also the entire economy of the country.

The history of quality is as old as the history of mankind. Quality has different meanings for people, organizations, nations and civilizations. Therefore, there are different interpretations of scientists, philosophers, producers, users, etc. System series of ISO 9000 defines quality as the totality of features and product features underlying their ability to meet the explicit requirements.

1.1 Terms and definitions

Quality is understood and interpreted differently depending on who looks at the quality. Different perceptions of quality have consumers and producers. From the standpoint of the consumer a quality product or service is the product or service that meets a specific need. From the standpoint of the manufacturer quality shows how their product or service was sold and how successful was it (Wilson, 1978). The quality from the standpoint of the market is the extent to which certain goods or services meet a particular customer in relation to identical goods or services offered by competition. Many authors have defined quality in a different ways. The perspective of the customer or user of the service or product is one of the most important perspectives in the process of defining quality. Wilson (1978) says that customer's perception is a key element of the valuation of each individual and consists of the following factors: the quality of products or services, services provided by the institution, the employees, the image of the organization, the selling price of products or services, the total cost of the customer for the product or service. Marketing of higher education institutions and their attempts to influence the perception of customers/beneficiaries are the most powerful tool in the attempt of positioning of higher education institutions in the market and the environment.

According to Green (1993) in addition to the impact on the perception of the customer, it is important that the service offered by the organization has value for the user. Distinctiveness of



the product or service that affects the perception of the customer provides a large contribution to the creation of a complex construct of quality (Cornuel, 2007, p. 29). Crosby (1980) considers that quality is free, because in fact what cost is low quality and the need to perform additional activities that occurred as a result of poor performance. It is important to do the right job at the first time, in order to avoid negative consequences and increasing costs of repeat the process of producing products or services. Feigenbaum (1961) has highlighted key role of costumers in defining quality standards: "The quality is determined by the consumer, based on their actual experience with the product or service, measured according to their expectations - imposed or unspoken, merely sensed or conscious, entirely subjective or technically operational - presenting such a movable target in the highly competitive market." Hammer and Champy (2003) are dealing with defining quality of the process as the sum of activities that take one or more items in the input and create the output, in order to have satisfied consumers, customers, or clients.

1.2. Stages of development of service quality

Every organization or company already has a quality assurance system that sometimes is not implemented or recognized as such. However, organizations that do not have a quality assurance system, could not carry out their business processes. Consequently, it is essential that every organization recognizes the existing quality assurance system, to assess, repair defects in the future, the structure and development of the organization, and manage it. Quality management is a particular way of organizing the efforts of all employees. The ultimate goal is to harmonize their work in such a way that not only people approach tasks with enthusiasm, but to participate in improving the way business is done. Quality management introduces significant changes in the relationship between those who govern and those who are working.

According to Oscar (2007) development of quality took place in five stages:

- Phase 1 is called the "seller's market" and implies an orientation towards production and quantity. What marks the period up to the 1963 is that the supply is lower than demand, ie the customer due to scarcity accepts whatever is offered. This phase is called "Phase quality control".
- Phase 2 - there is a strong balance between supply and demand. There the concept of quality assurance is introduced and with quality measurement of the same, the era of statistical quality control begins here.
- Phase 3 is called "market of customer" and it is characterized by expanding market demand, competition from suppliers, a growing number of statistical procedures. The first time the produciton or quality measurement processes are systematically organized and in 1987 standard ISO 9000 was introduced, A certified quality assurance system makes it a competitive edge and serves as a base of trust of supplier and customer.
- Phase 4 is characterized by changing and expanding the understanding of the concept of the product. Here, the buyer sets conditions - quality services and products. Additional services now constitute the criterion of distinction. Customer satisfaction is



a measure of quality. Significant becomes a philosophy of comprehensive quality management TQM.

- Phase 5 or TQM phase: Market orientation on network connectivity, information and ecology. This phase defines supplier-customer interconnection, quality of service, the importance of environmental protection, joint planning requirements of customers and suppliers in terms of quality.

2. QUALITY IN HIGHER EDUCATION

Educational service is intangible and it is produced by the service provider (teacher) and consumed by users (students) at the same time. Service quality in higher education institutions can not be objectively measured, but it is a complex and diverse concept that should be explored (Hameed & Amjad, 2011, p. 151). The last decade was characterized by increasing of competition among higher education institutions. High quality service is an essential prerequisite for competitiveness and survival in the market of higher education. The biggest challenge for academic institutions is which level of quality institutions must achieve in order to remain competitive in the market. To successfully overcome the aforementioned challenges higher education institutions are required to identify students' needs and understand the formation of student perceptions of service quality. Students' expectations significantly affect the assessment of service quality, and students' satisfaction. For the admission to higher education institutions, students' expectations are largely based on their past experiences of high school and the positive experience of students who attend or have attended that program. Besides taking care about the quality of services, academic institutions are becoming more aware of the importance of student satisfaction since students' satisfaction has a positive influence on their decision to continue their education at that institution. Students' satisfaction influences on student motivation, their attendance and increase of revenue of educational institution (Vranesevic, 2006, p. 14). Because of all the foregoing, higher education institutions are under pressure from government and society to achieve better relationship between the provided services and the financial compensation they receive and to make an effort to ensure a higher quality of education that will meet individual and social needs of students.

Accreditation is a process through which the (non) governmental or private body evaluates the quality of an educational institution as a whole or a specific educational program and whether the program meets the minimum evaluation criteria and standards. The result is the awarding of a status. According to Cullen and Hassall (2003, p. 20) the accreditation process involves three stages:

- The process of self-evaluation carried out by the employees, and the end result of the process is a report prepared on the basis of a set of standards and criteria of the accrediting body;
- Study visit carried out by expert group accreditation body (inspection records, facilities, conducts interviews with scientific and academic and administrative staff);
- The evaluation of the evidence and recommendations from a number of criteria related to quality, which has resulted in making the accreditation body.



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Accreditation of institutions implies accreditation of the entire university or college with all programs, sites, and methods of delivery, etc., while under the accreditation of the study program accreditation involves an individual study program, which is planned to be implemented at an accredited higher education institution. Assessment represents a system of collecting, quantifying, and using information about educational institution (institutional assessment) or individual educational program (evaluation of educational programs). It is defined as technically designed process for evaluating the results of student learning and improving student learning and development, as well as the effectiveness of teaching. The process of institutional verification is based on the verification of evidence, and peer review, which examined the procedures and mechanisms for ensuring and improving the quality of institutions. Audit report is a document drafted on the basis of peer review, during the visit institutions in order to evaluate the quality, ie. the quality of institutions, academic standards, educational infrastructure and personnel. There are three methods of internal checks and audits: a) a group of experts; b) audit performed by users inside and outside the sector; c) consulting firm conducts internal audit.

Evaluation of teaching and learning in a particular department or program encompasses all activities to determine the quality and appropriateness of the program. Indicators of evaluation of the operational variables are related to measurable characteristics of educational institutions, or programs of study. Using indicators, academic institutions can identify performance trends and areas for improvement. There are different types of indicators: economic indicators of efficiency and effectiveness. Culture of quality implies quality assurance mechanisms and quality control within the institution and the continuous application of the results. Quality culture is defined as the ability of institutions or programs to achieve continuous quality assurance, without relying on periodic evaluation.

The results (outcomes) are expected results or achieved results of the program, ie the goals of institution that measures a number of indicators. Outcomes are the result of an implementation of planned program of teaching in terms of students in all areas. Assessment may be related to the performance of teaching staff or the functioning of the department or program. The evaluation of students' results is the process of collecting and analyzing quantitative and qualitative data about teaching and learning outcomes in order to test compliance with the stated purpose and goals of education. Peer review, external review, is the process of evaluating the quality and effectiveness of academic programs in certain institutions, staff and/or its structure by external experts. Quality Score is the variable which indicates result of the process of external evaluation of quality of an educational institution and programs. This process consists of mechanisms, techniques and activities carried out by an external body. Important aspects of defining and working with the concept of quality assurance are:

- a) the context,
- b) method,
- c) levels,
- d) mechanisms,



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- e) certain quality values (academic values, traditional values - focus on the scientific area; management skills - focus on procedures and practices; pedagogical value - focus on staff, teaching skills and classroom exercises, employment).

Quality control refers to the formal and informal verification process used by the institution to track the quality and standards and ensure satisfactory results. Performance indicators are statistical parameters that measure the performance of institutions: qualitative and quantitative measurement of outputs, or programs (ie., the number of applications due to the enrollment quota, the workload of teachers, employment of graduates, grants and contracts for research, the number of published articles and studies, the proportion of students and science-teaching staff, revenues and expenses institutions and equipment, and infrastructure). Quality assurance refers to the means or processes by which institutions guarantees that the standards and quality of education is provided, maintained and upgraded. The concept of Quality Assurance (QA) is used for an external and internal quality assurance of the institution (Trivun et al., 2009, p. 329). Quality management is a group of measures that are taken at the level of systems or institutions, to ensure the quality of higher education, with an emphasis on quality improvement as a whole. As a generic term, quality management covers all activities ensuring compliance policy and quality objectives and implement them through quality control, quality assurance, quality planning, and quality improvement mechanisms.

Total Quality Management (TQM) is comprehensive approach to quality management that emphasizes the following factors: focus on customers, continuous improvement, strategic management, the need for explicit systems of quality assurance in higher education, guidance and supervision to strengthen employees (Yang, 2012). Since TQM is always based on the best in a particular area there have been introduced many national and international awards for quality. Earlier it was about getting awards thought grading that leads to prestige, and in the meantime the quality awards have got multiple meanings. All organizations and companies that apply have benefits of participation in the competition regardless of the final outcome. The most important international awards in the field of quality are: Deming Prize, Malcolm Baldrige National Revard and European Quality Award.

One of the major issues, which occurs in institutions of higher education, is the issue of quality assurance. The quality of higher education is the core of creating a European Higher Education Area. Institutions of higher education are required to ensure quality at institutional, national and European level. It is extremely important to develop common criteria and methodology for quality assurance. Each individual institutions is responsible for implementation of the principle of institutional autonomy, as well as the quality assurance of higher education, which is a good prerequisite for real accountability of the academic system within the individual countries. To ensure the quality of higher education, it is necessary to carry out the evaluation and assessment of educational institutions as a whole, a particular subject area curricula.

The interest in performance indicators at the international level over the past decade has increased the need for quantitative and qualitative evaluation of higher education institutions. On the one hand, that the system of higher education expanded, despite the increasing number



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of participants grew, so did concern the state administration for public accountability and transparency of institutions of higher education and sought to find objective measures of the effectiveness of institutions, but also of the entire system. On the other hand, one can say that the interest in performance indicators derived from the need to improve the quality of higher education institutions. With time and the higher education institutions, trying to better show the outside, market-oriented, competitive system, felt the need for objective measures of evaluation.

Recently, interest in performance indicators in higher education increased, and emerged a number of reasons:

- The need for useful information for prospective students, their parents, school counselors and others involved in deciding which institution to access;
- Comparisons between institutions in terms of features and performance, how could indicate future advancement in the provision of educational services;
- The need to display the diversity of higher education institutions; and
- Contribution of public responsibility for much of the budget funds and help in the development of policies in higher education.

Performance indicators provide information on common characteristics of higher education institutions, as well as each other's differences. They also discover the many possibilities of student activities and evaluate the performance of institutions in the areas of importance for the purpose of institutions in the higher education. Other indicators, especially those related to the financial performance of institutions, measures available funding sources. In Australia, during the 90s, there was conducted extensive data collection related to the higher education system. There was established a wide range of indicators in which higher education institutions have shown the need for statistical data processing. During a decade a research group has developed a series of quantitative indicators appropriate for evaluating success in higher education. Most of the action was focused on the development of valid and reliable indicators for the purposes of comparing institutions within the national system. There were created two reports: DEET 1994 and 1996. Issued by the competent ministry and presented the various performance indicators relevant to higher education. In Australia, there are published over 200 indicators annually.

UK Government is occupied with measuring and improving the efficiency of the public sector, half a century. However, special attention is given to it in the past two decades since the United Kingdom starting to deal with the growing demands for more and better public services, as well as the resistance of the population towards higher tax liabilities. The UK Government began making performance indicators. The last trend is an attempt to improve the performance of state administration budget planning and management and reporting based on the measurement results. The reforms consequently seek to redirect the focus of the process related to the management and planning of the input values on results. In essence, this includes reporting units of the public sector on the objectives, indicators and targets with respect to the results achieved, and not according to how the service is provided. Improving management within the Government of Canada began in 2003 with the prospect of including significant financial resources to implement reforms. Over the years, the Canadian



government made a number of improvements in public sector management. Although many management challenges in the public sector are identical to those in the private sector, the public sector is required, however a different approach to their management. Despite awareness of the need for efficiency and evaluation of public funds, the government does not keep a motive of making profits. Acting within organizational boundaries, the government manages public resources and leads to balance regional needs and national development goals, economic opportunities and social benefits, and short-term plans with long-term goals. It manages various areas of organizational structure, international and national agreements, as well as collective agreements with public sector institutions. This is all we need to do in a transparent manner.

3. CONCLUSION

Service quality is becoming more important, and it is known that service users quickly leave the institution whose services do not meet expectations. Quality is the factor that should interest users, facilitate the sale of services, affects the achievement of customer satisfaction with the service provided and to develop and maintain loyal users. Quality is the degree to which a set of inherent characteristics fulfills requirements. The quality of a product or service determines the relationship between the needs of users and their implementation by the manufacturer. Quality control refers to the control of the production process during the process. Monitoring quality is carried out in two parts. The first is carried out internal quality control by the producers themselves. Then applied external quality control carried out by conformity assessment bodies, customers, competitors and the market itself. Quality control consists of monitoring the actual fulfillment functions, comparisons of fulfilling these functions and effects if the function is different from the norm. An important role in achieving quality has quality assurance. Quality assurance is part of the quality management system focused on providing confidence in meeting the essential requirements related to quality.

The quality of higher education remains an important concern in both research and practice. As the international competition intensifies, which is particularly the case with business schools across the globe, the quality of the offering and guarantees of that quality become a substantial concern for the schools themselves. On the other hand, finding the “right” way to measure service quality in general has been a subject of academic debate for a long time. Higher education institutions are under pressure from government and society to realize what is possible to do in order to achieve better relationship between the services provided and students' satisfaction. According to the law on higher education in Bosna and Herzegovina every higher education institution is required to conduct the evaluation of the personnel, or the success of the implementation of curricula after the end of each year of study. During the evaluation higher education institutions are required to evaluate: quality of teaching, correctness in communication, relationship of teachers and students in the classroom, availability of literature to which teaching staff indicates the student, the presence of the teacher in the classroom, as well as other elements that higher education institution established in its statute. According to the law on higher education in Bosnia and Herzegovina higher education institutions are required to analyze the results of the evaluation. However, none of these results are published on the websites of faculties.



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