STUDENT AS STAKEHOLDER: “VOICE OF CUSTOMER” IN HIGHER EDUCATION QUALITY DEVELOPMENT

According to the continuous improvement principles, all Higher Education Institutions (hereafter – HEIs) focus on the requirement to improve organizational processes and achieve quality, create added value and achieve stakeholders’ satisfaction. The aim of the research is to analyse the concept “quality in higher education”, define the stakeholders within the system of higher education and to analyse students’ opinion about the importance and performance of the factors of quality of higher education. The research methods are a literature overview, analysis and synthesis, logical and comparative analysis, as well as Importance-Performance Analysis (IPA). The results of analysis showed that there are two global strategies for defining quality of higher education. The first strategy is process-oriented, the second used the specific indicators (administrative, student support, instructional; procedural quality; student performance, employability etc.). The research results show that the concept of quality is very complicated and depends on different factors, objectives of the organisation and personal experience. It is clear that students are the most important stakeholders; quality of the academic staff and study programmes are the most important elements in ensuring quality of higher education; organisation of the study process and delivery of study programmes are the most important activities. The factors that should be considered in the future are Clear achievement assessment and feedback, Teaching methods, Student-centred learning, State subsidized studies according to quality criteria and Funding of higher education. As a perspective for investigation, it would also be helpful to find out why students consider extracurricular activities (sports, arts, etc.) and HEI reputation as factors with a low impact on quality of education, but so much attention is paid to them.

Keywords: quality in higher education, stakeholder, Stakeholder Theory, added value.

Introduction. The modern epoch is characterised by indefiniteness, fragmentation, de-canonization, pessimism, “everyone has their own truth”, denial of authority, personal opinions are often placed above the truth, personal experience – above science, individual needs stand more important than those of the society. Conversely, values of higher education stem from the Enlightenment that was characterised by optimism, inquisitiveness, science, conscientiousness, learning from previous generations and following the framework of existence. Nowadays they are substituted by denial of time restrictions and norms. This is an essential contradiction that has to be overcome in the modern education system.

The concept of quality is still frequently misrepresented and/or misunderstood with a lot of problems to identify the stakeholders involved with the institution or to concretely establish the needs of stakeholders and the level of impact (Dobni and Luffman, 2003; Doherty, 2008; Pounder, 1999). According to Mainardes et al. (2010), the Stakeholder Theory is highly useful to higher education institutions. Stakeholders can
effectively represent opportunities or threats to an organisation (Chapleo and Sims, 2017).

The aim of the research is to analyse the concept “quality in higher education”, define the stakeholders within the system of higher education and to analyse students’ opinion about the importance and performance of the factors of quality of higher education. The research methods are literature overview, analysis and synthesis, logical and comparative analysis, and Importance-Performance Analysis (IPA).

Literature overview: Quality in Higher Education. There are different understanding and usage of the concept “quality assurance”, the concept imported into higher education from the world of business (and primarily from the sector of manufacturing) like the related term “quality control” (Mazais et al., 2012; Nicholson, 2011). The main differences between the world of business and education are related to the perception of the goal and values of higher education. For example, Quality results from expertize of professoriate (in Education) vs. Quality results from producer's expertise (in Business), External rankings, such as Macleans Resource orientation (in Education) vs. Acceptable performance at an acceptable price (in Business), Outcomes meet specified requirements (in Education) vs. Quality defined by costumers’ needs and preferences (in Business). In the business environment, quality is seen from the perspective of a client, whereas in education the perception of quality is multi-faceted, thus, more complicated.

A singular view of quality of higher education is not possible, sometimes it is conflicting and always depends on the views of stakeholder groups (Cullen et al., 2003). HEIs can be seen as both a service and a product (Garvin, 1984; Newton, 2007). In addition, education and research is not only a service in its traditional understanding. The specifics of this field are that the education system provides public service that the theory of economics refers to as “public goods and services with the highest value” (Lapina and Aramina, 2011; Mazais et al., 2012).

There are two global strategies for defining quality of higher education. The first strategy is process-oriented including elements of the Input – Process – Output (hereafter: IPO model) (Table 1).

On the one hand, quality can be seen as meeting minimum requirements. On the other hand, quality is seen as excellence. The concept of quality ranges from meaning “standards” to meaning “excellence”. It is impossible to draw the line between levels of requirements, as well as it is impossible to separate the requirements of quality of input, process and output. Quality standards and principles used by HEIs to a great extent depend on national and international requirements and guidelines, socio-economic conditions, the short-term goals and needs, the long-term strategy, organizational life cycle, as well as management style, etc. (Frolova and Lapina 2015; Lapina et al. 2015; Rivža, et al. 2015; Straujuma et al. 2017). Excellence is a performance stage of exclusiveness and the highest level of satisfaction of the stakeholder (Bank CM and Bank M, 2014).

In the second strategy, the specific indicators are used. Indicators that focus more on inputs are administrative, student support, instructional (Schindler et al., 2015; Lagrosen et al., 2004), on process – procedural quality (Sallis, 2002), on outputs – student performance, employability etc. (Støren and Aamodt, 2010).

Literature overview: Stakeholders within the system of higher education. Stakeholder Theory, elaborated by Freeman in 1984, or a stakeholder approach in the strategic management of an organization means introducing and implementing such a strategy that would satisfy the interests of all stakeholders. It can ensure the long-term success of the organization (Lapina et al., 2013). When providing quality of higher education, HEIs are affected by several stakeholders (Fig. 1). In the context of Stakeholder Theory and quality of higher education, the authors have chosen the IPO model. At every IPO model stage, the stakeholders’ impact is different. According to Angappapillai and Annapoorni (2012), parents' impact can be larger at the Input and Output stage because parents assess quality of education through the prism of investments and results. Students are actively involved at the Process and Output stage, whereas faculty members assess quality of education in the context of the whole education system. Employers always assess quality of education by students' skills and ability to compete on the labour market.
### Table 1 – Understandings of the concept “quality of higher education”

<table>
<thead>
<tr>
<th>Elements in the Input</th>
<th>Gilmore, 1974; Crosby, 1979 cited by Choon et al., 2010; Kavosa et al. (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality as specifications and requirements</td>
<td>Gilmore, 1974; Crosby, 1979 cited by Choon et al., 2010; Kavosa et al. (2017)</td>
</tr>
<tr>
<td>Quality as defect avoidance in education process</td>
<td>Crosby, 1979 cited by Choon et al., 2010; Kavosa et al. (2018)</td>
</tr>
<tr>
<td>Quality as perfection (zero defects)</td>
<td>National quality management and organisational values in higher education, 2012.</td>
</tr>
<tr>
<td>Quality within mission, quality as fitness for purpose</td>
<td>Bogue, 1998; National quality management and organisational values in higher education, 2012; Mazais et al., 2012; Schindler et al., 2015; Woodhouse, 1999.</td>
</tr>
<tr>
<td>Elements in the Output / Results</td>
<td>European University Association, 2006.</td>
</tr>
<tr>
<td>A standards-based approach; quality as a set of minimum standards</td>
<td>European University Association, 2006.</td>
</tr>
<tr>
<td>Quality as transformation, development and improvement, focusing on the customer, meeting or exceeding customer expectations of education</td>
<td>Bogue, 1998; European University Association, 2006; Findlow, 2008; Harvey and Green, 1993; Harvey and Newton 2007; Lapina et al. (2016); National quality management and organisational values in higher education, 2012; Parasuraman et al., 1985 cited by Choon et al., 2010; Sallis, 2002; Schindler et al., 2015, Watty, 2003.</td>
</tr>
<tr>
<td>Quality as value-added, quality addition in education</td>
<td>Bogue, 1998; Feigenbaum, 1951 cited by Choon et al., 2010; Lentjušenkova et al. (2016) Rivža et al., 2015.</td>
</tr>
<tr>
<td>Quality as value for money, fitness of educational outcome</td>
<td>Juraj and Gryná, 1988 cited by Choon et al., 2010; National quality management and organisational values in higher education, 2012.</td>
</tr>
<tr>
<td>Quality as excellence, based on high standards</td>
<td>Peters and Waterman, 1982 cited by Choon et al., 2010; Lapina et al. (2015); Straujuma et al., 2017.</td>
</tr>
<tr>
<td>Quality as accountability, based on professional or academic standards, minimal or of a high level to attain excellence</td>
<td>Schindler et al., 2015.</td>
</tr>
<tr>
<td>Quality as exceptionalism, quality as limited supply</td>
<td>Kosowski, 2006; Schindler et al., 2015.</td>
</tr>
</tbody>
</table>

The main criterion that determines stakeholders’ influential power is expected benefits. Depending on the stakeholders, it can be career opportunities, remuneration, status, reputation, income, quality of education, municipal teaching staff, welfare and competitiveness, stability, etc. Understanding the correlation between the stakeholders’ impact on quality of higher education and expected benefits can help find new solutions to efficient use of resources.

According to Figure 1, stakeholders that have impact on the quality of students’ initial knowledge can be municipalities and their schools, parents, funding establishments. Schools may have also a business partner’s role in ensuring students’ initial knowledge. If so, the faculty and staff of HEIs will have impact on the Input stage.

Quality of higher education is the result of stakeholders’ concerted activities, whereas the stakeholders do not have a common understanding of quality of higher education. Students and faculty members’ attention is usually drawn to the quality of the process, whereas employers’ attention – to the quality of the result. Most stakeholders are involved in the middle stage of ensuring quality of education. On the one hand, the education system prepares people (young professionals) who can apply these breakthroughs. On the other hand, education prepares people of science (young scientists), who can create new technologies and devices, improve work performance in different economic spheres (Lapina and Aramina 2011; Lapina et al., 2017; Nikitina and Lapina, 2017).
At the Output stage, the number of involved stakeholders can decrease because many of them no longer have direct impact on quality of education, but retain the feedback influence in the future. It may be called post-impact on quality of higher education.

At all the stages, the decisive role belongs to the quality of the academic staff and study programmes (Cernajeva, 2011; Lapina et al., 2016; Støren and Aamodt, 2010). The teachers' competence and quality of teaching ensure high learning results. The quality of the academic staff's work cannot be separated from the quality of study programs. In the context of quality of higher education, the organisation of the study process and delivery of study programmes are also important (Tudor, 2006).

Quality of study programmes and teachers' work results together with organisation of the study process affect students' abilities to accept contemporary challenges, respond to opportunities and limitations of the epoch. Later on, these abilities are crucial in one's career and self-realization as well as have long-term influence on national welfare.

The results of most of the researches show that the students are the most important stakeholders and failure in fulfilling the students' needs and expectations may dramatically affect the operation of HEIs (Geryk, 2018; Mainardes et al., 2010; Shah and Nair, 2010). Students' assessment and satisfaction have the crucial role (Chapleo and Sims, 2017; Lapina et al., 2016; Marić, 2013; Thanassouli et al., 2017).

Emerging students decide to enrol in higher education establishment if knowledge, skills and diploma of the establishment can ensure better position in the labour market (Adamsone, 2010).

Dosberg (2011) points out that the students' view of quality studies may differ from organizational or national views, because students have a multi-faceted understanding of quality in higher education as interested party, study members, external and internal assessors, advisors, direct and indirect investors, beneficiaries.
Quality of higher education in the context of Stakeholder Theory can be viewed as an hourglass (Fig. 2), where the government provides opportunities and sets limitations, HEIs are resource managers, students are resource users, employers and society are beneficiaries. When the hourglass is turned over, values created by education add to the state welfare. Students are placed in the narrowest point of the process, which highlights the need for the most efficient use of stakeholders’ resources to create added value and satisfaction among labour market players and for the state welfare. It means that both stakeholders have an equal influence on quality of higher education: the state acts as a legislative power, but students – as an internal power. Students, faculty and staff are the main stakeholders with a crucial impact on quality of higher education (incl. staff qualification, teaching quality, quality of study content and materials, equipment, planning, support, mobility etc.).

Considering the fact that academic staff quality and quality of study programmes play an essential role in quality of higher education, it is possible to draw a conclusion that students, faculty and staff are the main stakeholders with crucial impact on quality of higher education (incl. staff qualification, teaching quality, quality of study content and materials, equipment, planning, support, mobility etc.).

Quality of higher education is influenced by nine strategic drivers: government and regulatory bodies (regulations and regulators, legislation and policies, government funding, government); globalisation and internationalisation; technology; social issues; collaboration; market; students; resources; quality processes and productivity, accountability. Government funding is the most dominant (Rossouw, Goldman 2014). Alongside with the government funding, both students and their parents are looking for added value for their money (Lapiņa et al. 2016). They are also direct investors in the system of education. Each stakeholder expects some benefit from the invested resources. The more satisfied the stakeholder is with the ratio of the invested resources and the gained benefits, the more efficient is the quality assurance process and the use of resources of HEI.

Empirical study in Latvia: “voice of customer” or student as stakeholder. Methodology. The empirical study is based on comparative analysis and Importance-Performance Analysis (IPA). The research was carried out by sending an electronic questionnaire to 30 representatives who are active members of the Council of Student Union of Latvia, 24 valid questionnaires were received, which represents 80% of the sample. The survey was conducted in July 2018. The responses from the members of the Council of Student Union of Latvia were processed by IPA. This is a simple and useful technique that can help managers identify which attributes should be improved to increase overall student satisfaction. The matrix of four groups of factors was obtained: “Concentrate
IPA was used for assessing students’ perceptions of the importance and performance of the factors of quality of higher education. The methodology of the empirical research was articulated in three main steps: (i) selection of variables to be included in IPA according to the survey research; (ii) definition and execution of the survey; (iii) data-analysis and presentation of the results.

As for the selection of the determinants of students’ perception, the choice has been made based on literature overview. The following categories and attributes were selected:

**Study process (SP), Support and Resources (SR), External Factors and Results (EFR).**

Students evaluated the importance and performance of each factor. Rating of Importance obtained from a four-point Likert scale ranging from “No influence to quality of higher education” (1) to “Very significant influence” (4). Rating of Performance obtained from a four-point Likert scale ranging from “Not considering this factor” (1) to “Paying very great attention” (4).

**Data-analysis and presentation of results.** IPA was done both in each of the factor groups and for all groups taken together.

IPA matrix in the group of “Study Process” is presented in Figure 3. Students highly evaluated the correlation between the importance and performance in the factors SP2 Quality of educational content, SP3 Teachers’ competence and SP6 Quality of study materials. Students consider the factors SP4 Strict and objective student evaluation, SP10 Employers and professionals’ involvement in the study process and SP14 Study process organization and administration are paid too much attention, although they have a relatively small impact on quality of education. The factors with the highest risk are SP5 Clear achievement assessment and feedback, SP7 Teaching methods, SP8 Student-centred study process, because they have a great impact on quality of education, but insufficient attention is paid to them in real life. Particularly large discrepancies are in the factor SP7 Teaching methods.

**Figure 3 – Importance-Performance Analysis in the group of “Study Process”**

(created by authors)
Importance-Performance Analysis in the group of “Support and Resources” shows that factors SR3 State subsidized studies according to quality criteria and SR7 Students’ active involvement in processes to improve quality are estimated as having lowest performance (Fig. 4). Students believe that undue great attention is being paid to the factors SR2 International mobility and SR11 Extracurricular activities (sports, arts, etc.) – these factors do not have such a high impact on quality of education in comparison to the attention paid to ensuring them. Students as insignificant in the context of quality of education consider the factors SR1 Opportunity to study and work, SR4 Allowances, grants and other financial student support, SR8 Students’ active involvement in student councils and SR9 Co-operation among secondary schools and HEIs when working on educational content and requirements.

In the group of “External Factors and Results”, the factors EFR7 Funding of higher education and EFR1 HEI reputation (Fig. 5) stand out. The most active members of the Council of Student Union of Latvia believe that the question of reputation is being paid too much attention, while the question of financing higher education is neglected, although it has a significant impact on quality of education.

IPA matrix of all the factors that influence quality of higher education is presented in Figure 6. The largest number of risk factors is in the group of “Study Process”, whereas in the group of “External Factors and Results” students expressly show the discrepancy between the funding to be awarded and its impact on quality of higher education. When evaluating all the factors together, there are bigger changes: the influence of the factor EFR7 increases, the factors EFR2 Higher education future prospects, EFR3 Graduates’ competitiveness on the labour market and EFR4 Strict accreditation requirements are no longer so close to the risk sector and are considered as factors with a high level of importance and performance.
Conclusions and discussions. Literature overview shows that a single definition of quality of higher education is not possible. Quality of higher education can be looked at from the perspective of a standard-oriented or process-oriented approach. Different groups of stakeholders have different goals, needs and priorities and use different criteria. Students, faculty and staff are the main stakeholders with crucial impact on quality of higher education.

The factors that significantly influence quality of higher education are: Quality of educational content; Teachers’ competence; Clear achievement assessment and feedback; Quality of study materials; Teaching methods; Student-centred study process; State subsidized studies according to quality criteria;
Friendly administrative staff; Co-operation between the management and students taking into account students’ needs; Students’ active involvement in processes to improve quality; Purposeful partnerships among all stakeholders (students, employers, HEIs, professional organizations, etc.); Equipment and infrastructure relevant to the needs of the study process; Higher education future prospects; Graduates’ competitiveness on the labour market; Strict accreditation requirements; and Funding of higher education.

The risk factors that should be considered in depth in future are Clear achievement assessment and feedback, Teaching methods, Student-centred learning, State subsidized studies according to quality criteria and Funding of higher education.

It would also be helpful to find out why students consider extracurricular activities (sports, arts, etc.) and HEI reputation as factors with a low impact on quality of education, but so much attention is paid to them.

Future studies require a more detailed analysis of the factors’ performance and conditions – why there is a contradiction between their impact and performance and how students as stakeholders can help achieve compliance between the importance and performance without overusing resources for factors with less impact on quality of higher education and maximizing investment in factors with great impact on quality. Future studies require the introduction of another dimension – the quality of the factors. It is necessary to find out whether in cases when students consider the factor having a significant influence on quality of education and that the educational institution pays great attention to it, they also consider the quality of the factor as high.


National quality management and organisational values in higher education. (2012). Chapter 2, in Quality in Higher Education. Research School of Health Professions Education of Maastricht University, pp. 23–42.
Student as Stakeholder: “Voice Of Customer” in Higher Education Quality Development


Marketing and Management of Innovations, 2018, Issue 2
http://mmi.fern.sumdu.edu.ua/en