

**SERVICE QUALITY IN EARLY CHILD CARE CENTER.
DOES PARENTS SATISFIED?**

AIDANAZIMA ABASHAH

**MASTER OF SCIENCE (MANAGEMENT)
UNIVERSITI UTARA MALAYSIA
JANUARY 2015**

809958

PERMISSION TO USE

In presenting this projects paper in partial fulfillment of the requirements for a Post Graduate degree from Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying of this projects paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my project paper. It is understood that any copying or publication or use of this project paper or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any materials in my project paper.

Request for permission to copy or make other use of materials in this project paper in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman

ABSTRAK

Kajian ini mengkaji kesan kepuasan pelanggan terhadap kualiti perkhidmatan di Pusat Penjagaan Kanak-kanak terutamanya di Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz (PPKKTPIIS) yang terletak di Universiti Utara Malaysia, Sintok, Kedah dan Pewaris Generasi UniMAP di Kangar, Perlis bagi mengenal pasti sama ada mereka berpuas hati dengan perkhidmatan yang ditawarkan atau tidak. Antara objektif kajian ini adalah bagi mengenal pasti hubungan di antara kualiti perkhidmatan (kualiti kebolehpercayaan, kualiti empati, kualiti responsif, kualiti jaminan dan kualiti keboleh memahami) dan kepuasan pengguna terhadap perkhidmatan yang di tawarkan di kedua-dua pusat asuhan ini seperti yang terdapat pada rangka kerja kajian. Kajian ini dijalankan dengan menggunakan pendekatan kuantitatif di mana kaedah kajian soalan soal selidik telah digunakan dan diedarkan kepada setiap ibu bapa yang menghantar anak mereka di kedua-dua pusat jagaan ini. Soalan kajian soal selidik ini telah mengguna pakai instrumen SERVQUAL oleh Parasuraman et al., (1990) iaitu kualiti kebolehpercayaan, kualiti empati, kualiti responsif, kualiti jaminan dan kualiti keboleh memahami manakala kepuasan pelanggan diukur dari Best, (1977: 174). Seterusnya, data yang diperoleh dianalisa menggunakan perisian SPSS. Dari hasil kajian, kesimpulannya didapati bahawa hanya kualiti empati yang digunakan oleh Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz dan Pewaris Generasi UniMAP boleh dianggap sebagai berkesan dan memuaskan pihak ibu bapa dari pelbagai perspektif berbanding empat kualiti yang lain. Selain itu, didapati ibu bapa lebih tertarik kepada faktor yuran yang jauh lebih murah dan jarak dengan tempat kerja yang lebih dekat dan memudahkan mereka. Kedua-dua faktor ini adalah antara faktor yang mendorong ibu bapa menghantar anak-anak mereka selain kualiti yang terdapat di dalam instrumen SERVQUAL.

Kata kunci: Kepuasan Pelanggan, Kualiti Perkhidmatan, SERVQUAL, Pusat Jagaan Kanak-Kanak.

ABSTRACT

This study investigates the effect of customer satisfaction on service quality in child care center especially in Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz (PPKKTPIS) located in University Utara Malaysia, Sintok, Kedah and Pewaris Generasi UniMAP located in Kangar, Perlis in order to identify whether parents who are send their kids to both child care center are satisfied with services provided or not. The objectives of this study is to identify the relationship between service quality (reliability quality, assurance quality, tangible quality, empathy quality and responsiveness quality) and user satisfaction of services offered in both child care center as appear in the framework of study. This study was conducted using a quantitative approach where the questionnaire question survey method had been used and were distributed among entire parents which are send their child to both child care center. It was applied by adopting the SERVQUAL instruments by Parasuraman et al., (1990) which are reliability quality, assurance quality, tangible quality, empathy quality and responsiveness quality while customer satisfaction adopting from Best, 1977: 174). Next, the data were analyzed using SPSS software. From the findings of study, it was concluded that empathy quality applied by Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz and Pewaris Generasi UniMAP can be considered as effective and satisfactory by parents from difference perspectives other than other four dimensions. In addition, parents are more attracted to the fees that are much cheaper compared to fees to the other child care center and a distance to workplaces is much closer and convenience. These factors are the reasons for parents to sending their kids to both child care center rather than service quality in SERVQUAL instruments.

Keywords: Customer Satisfaction, Service Quality, SERVQUAL, Child Care Center.

ACKNOWLEDGEMENT

Thank you to Allah SWT. Praise is to Allah SWT, the Most Merciful, and the Most Compassionate, for granting me with the patience, perseverance, strength, and wisdom to successfully complete this thesis.

I would like to express my deepest appreciation to my supervisor Dr. Fairol Halim, my Research Methodology course's lecturer Dr. Chandrakantan and my examiner during Viva session Dr. Hasnizam for all the advice, guidance and motivation given throughout this thesis. Without good supports from them, this thesis would not be reality. Their frankness and constructive and vast knowledge, this thesis could not be completed within the timeframe.

I am also grateful to the management staff and teachers at Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz (PPKKTPIS) and Pewaris Generasi UniMAP for their support. Without their help and contribution this thesis would not be successfully completed. Special thanks also to supportive parents who contributed to share the information and feedback the question survey form completely. This is actually the critical part in gathering the data. Their contribution to this research is greatly appreciated.

Finally, I want to whole heartedly give my appreciations and special thanks to my beloved husband, Mohd Fathi and childrens, Safwan Arif, Safiyya Ameera and Luqman Haqem for giving me unlimited supports and motivation and of course their prayers as well. To a number of friends and family members, I am eternally grateful

for their care and support. Their helps and cooperation will never be forgotten. This thesis especially dedicated to them.

Thank you.

TABLE OF CONTENTS

PERMISSION TO USE	Page i
ABSTRAK	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
CHAPTER 1: INTRODUCTION	
1.1 Introduction	1
1.2 Background of the Study	1
1.3 Problem Statement	5
1.4 Research Questions	9
1.5 Research Objectives	10
1.6 Significance of the Study	10
1.7 Scope and Limitation of the Study	12
1.8 Chapter Organization	13
1.9 Summary of the Chapter	15
CHAPTER 2: LITERATURE REVIEW	
2.1 Introduction	17
2.2 Background: Pusat Perkembangan Kanak-kanak Tunku Puteri Intan Safinaz (PPKKTPIS)	17
2.3 Background: Pewaris Generasi UniMAP	19
2.4 Customer Satisfaction	20
2.5 Service Quality	24
2.6 Dimension of Service Quality (SERVQUAL)	26
2.7 Previous Study	30
2.8 Summary of the Chapter	37
CHAPTER 3: METHODOLOGY	
3.1 Introduction	38
3.2 Theoretical Framework	38
3.3 Research Hypothesis	40
3.4 Research Design	41
3.5 Questionnaire Design	41
3.5.1 Sampling	43
3.5.1.1 Sample size	44
3.5.1.2 Procedure and Data Collection	45
3.6 Pilot Study	46
3.7 Data Analysis	47
3.8 Summary of the Chapter	48

	Page
CHAPTER 4: RESULTS AND FINDINGS	
4.1 Introduction	49
4.2 Response Rate	49
4.3 Descriptive Analysis	50
4.3.1 Reliability Analysis	54
4.3.2 Mean, Minimum, Maximum, Standard Deviation	56
4.4 Inferential Analysis: Pearson Correlation	58
4.5 Multiple Regression Analysis	60
4.6 Summary of the Chapter	64
 CHAPTER 5: DISCUSSION AND CONCLUSIONS	
5.1 Recapitulation	65
5.2 Relationship of SERVQUAL and Customer Satisfaction	66
5.2.1 Reliability Quality and Customer Satisfaction	66
5.2.2 Assurance Quality and Customer Satisfaction	67
5.2.3 Tangible Quality and Customer Satisfaction	68
5.2.4 Empathy Quality and Customer Satisfaction	69
5.2.5 Responsiveness Quality and Customer Satisfaction	70
5.3 Suggestion for Future Research	71
5.4 Summary of the Chapter	72
 REFERENCES	
APPENDICES	

LIST OF TABLES

Tables	Page
Table 3.1 Reliability Coefficient for Multiple Item in Pilot Study (n=30)	47
Table 4.2 Summary for Questionnaires Distributed	50
Table 4.3 Background Information of the Respondents	52
Table 4.4 Reliability Test	55
Table 4.5 Mean, Minimum, Maximum, Standard Deviation	56
Table 4.6 Pearson Correlation Statistics	59
Table 4.7 Relationship between Service Quality and Customer Satisfaction	60
Table 4.8 Summary of the Hypothesis Testing Result	62

LIST OF FIGURES

Figures	Page
Figure 2.1 Customer Model	23
Figure 2.2 Theory of the Determinants of Perceived Quality	28
Figure 2.3 Customer Perceptions of Quality and Customer Satisfaction	31
Figure 3.1 Research Framework adopted from Theory of the Determinants of Perceived Quality	39
Figure 3.2 Classification of Satisfaction Level Source	43
Figure 3.3 Krejcie and Morgan Table	44

CHAPTER ONE

INTRODUCTION

1.1 Introduction

Generally in chapter one, there are discussion on an overview in background of the study generally mentioned about current situation when there are high demand in child care center in Malaysia because of both parents are working nowadays and some issues arise in child care industry when there are many cases on injury, negligence or death in child care center. Furthermore, the problem statement is focusing on the impact of satisfaction among parents towards service quality offered in child care center. In addition, it also highlighted on the research questions, research objectives which are focus on the relationship between service quality and customer satisfaction followed by significance of the study that explained on contributions to the body of knowledge and practical contributions to the owners, parents and government. Lastly, explained on scope and limitation arise in the study.

1.2 Background of the Study

Nowadays, parents are both working in order to survive and to fulfilling the current lifestyles as well because of rapid changes in education level and demographic profile. In long term, Malaysian will become very productive and economy will grow up by follow the economic demand. According to statistic from the Ministry of Women, Family and Community Development there are increased in percentage of

The contents of
the thesis is for
internal user
only

References

- Abili, K., Thani, F. N., & Afarinandehbin, M., (2012). *Measuring University Service Quality by Means of SERVQUAL Method*. Asian Journal on Quality Vol. 13 No. 3, 2012 pp. 204-211.
- Agbor, J. M., (2011). *The Relationship between Customer Satisfaction and Service Quality: A study of three Service sectors in Umea*.
- Ahmed, S. M. Z., & Shoeb, M. Z. H., (2009). *Measuring Service Quality of a Public University Library in Bangladesh using SERVQUAL*. Performance Measurement and Metrics Vol. 10 No. 1, 2009 pp. 17-32.
- Alexandris, K., Dimitriadis, N., & Markata, D., (2002). *Can Perceptions of Service Quality Predict Behavioral Intentions? An exploratory Study in the Hotel Sector in Greece*. Managing Service Quality. Vol. 12, No. 4, 2002, pp. 224-231.
- Alison, M. Dean., (2002). *Service Quality in Call Centres: Implication for Customer Loyalty*. Managing Service Quality. Vol. 12, No. 6, 2002, pp. 414-423.
- Allred, A. T., & Addams, H. L., (2000). *Service Quality at Banks and Credit Unions: What do Their Customers Say?* Managing Service Quality. Vol. 10, No. 1, 2000, pp. 52-60.
- Amy, W. O. M., Alison, M. D., & Christopher, J. W., (1999). *Analyzing Service Quality in the hospitality industry*. Managing Service Quality. Vol. 9 No 2, 1999, pp. 136-143.
- Angelos, P., & Nancy, B., (2014). *Quality and Price – Impact on Patient satisfaction*. International Journal of Health Care Quality Assurance Vol. 27 No 8, 2014 pp. 684-696.
- Anisah, S., (2014). *Discrimination Keeps Most Malaysian Women Out of Formal Job Market, Says Report*. The Malaysian Insider.
- Anthony, T. A., & Addams, H. L., (2000). *Service Quality at Banks and Credit Unions: What do their Customers Say?* Managing Service Quality Vol. 10 No. 1, 2000 pp. 52-60.

- Baldwin, A., & Sohal, A., (2003). *Service Quality Factors and Outcomes in Dental Care*. Managing Service Quality Vol. 13 No. 3, 2003 pp. 207-216.
- Bayraktar, E., Tatoglu, E., Turkyilmaz, A., Delen, D., & Zaim, S., (2011). *Measuring the Efficiency of Customer Satisfaction and Loyalty for Mobile Phone Brands with DEA*. Expert Systems with Applications. Vol. 39, 2011, pp. 99-106.
- Best, J. W., (1977). Research in Education. 3rd ed. Englewood Cliff, NJ: Prentice Hall, Inc.
- Butt, M. M., & Run, E. C., (2010). *Private Healthcare Quality: Applying a SERVQUAL Model*. International Journal of Health Care Quality Assurance Vol. 23 No. 7, 2010 pp. 658-673.
- Clare, C. C., & Raj, K., (2002). *Managing Service Quality by Combining Voice of the Service Provider and Voice of Their Customers*. Managing Service Quality. Vol. 12 No 2, 2002 pp. 77-86.
- Curry, A., & Sinclair, E., (2002). *Assessing the Quality of Physiotherapy Services Using Servqual*. International Journal of Health Care Quality Assurance Vol. 15 No 5, 2002 pp. 197-205.
- Debra, G., & Aron, O., (2001). *Attributions of Service Switching: A Study of Consumers' and Providers' Perceptions of Child-care Service Delivery*. Journal of Services Marketing, Vol. 15 No. 4 2001, pp. 300-321.
- Eda, A., Serkan, A., & Safak, A., (2003). *Mapping Service Quality in the Tourism Industry*. Managing Service Quality. Vol. 13 No 5, 2003 pp. 412-422.
- Malaysia Early Childhood Care and Education (ECCE) Programmes, (2007). *Education for All Global Monitoring Report 2007 Strong Foundations: Early Childhood Care and Education*. UNESCO International Bureau of Education (IBE) Geneva, Switzerland.
- George, T., Kostantinos, A., Sophia, K., (2014). *Predicting Visitors' Satisfaction and Behavioral Intentions from Service Quality in the Context of a Small-scale Outdoor Sport Event*. International Journal of Event and Festival Management, Vol. 5 No. 1, 2014 pp. 4-21.

- Gi-Du, K., (2006). *The Hierarchical Structure of Service Quality: Integration of Technical and Functional Quality*. *Managing Service Quality* Vol. 16 No. 1, 2006 pp.37-50.
- Gounaris, S., (2005). *Measuring Service Quality in B2B Services: An Evaluation of the SERVQUAL Scale Vis-a`-vis the INDSERV Scale*. *Journal of Services Marketing* Vol. 19 No. 6, 2005 pp. 421–435.
- Grace, D., and O’Cass, A., (2003). *An Exploratory of Service Brand Associations*. *Journal of Service Marketing* Vol. 17 No. 5, 2003
- Grant Thornton’s International Business Report (2012). *Malaysia Amongst the Top 10 Economies with Women in Senior Management*.
- Grant Thornton’s International Business Report (2013). *Malaysia Lowest in ASEAN With 26% of Women in Senior Management*.
- Hague, P., & Harris, P., (1993). *Sampling and Statistics*. Kogan Page, London. Chapter 14, pp. 239-252
- Hantar Anak Kerana Murah, Dekat (2014). Retrieved 14th December, 2014, at <http://www.hmetro.com.my/node/10178?m=1>.
- Hussein, M. A., & Amal, M. S. D., (2013). *Patients' Satisfaction of Service Quality in Saudi hospitals: a SERVQUAL Analysis*. *International Journal of Health Care Quality Assurance* Vol. 26 No 1, 2013 pp. 20-30.
- Ioannis, E. C., & Lymperopoulos, C., (2009). *Service Quality Effect on Satisfaction and Word of Mouth in the Health Care Industry*. *Managing Service Quality* Vol. 19 No 2, 2009 pp. 229-242.
- Iram, U., & Butt, M. S., (2004). *Socioeconomic and Environmental Determinants of Child-care Patterns of Preschoolers in Pakistan*. *International Journal of Social Economics* Vol. 31 No. 3, 2004 pp. 218-238.
- Jeon, H., & Choi, B., (2012). *The Relationship Between Employee Satisfaction and Customer Satisfaction*. *Journal of Services Marketing* Vol. 26 No 5, 2012 pp. 332–341.

- John, T. B., & Shiang-Lih, C., (2001). *The Relationship Between Customer Loyalty and Customer Satisfaction*. International Journal of Contemporary Hospitality Management Vol. 13 No 5, 2001 pp. 213-217.
- Katcher, B. L., (2003). *Make More Strategic Use of Customer Satisfaction Surveys*. Journal Of Business Strategy.
- Krejeie, R. V., & Morgan, D. W., (1970). *Determining Sample Size for Research Activities, Educational and Psychological Measurement*. Vol. 30 pp. 607-10.
- Kumar, M., Kee, F. T., & Charles, V., (2010). *Comparative Evaluation of Critical Factors in Delivering Service Quality of Banks: An Application of Dominance Analysis in Modified SERVQUAL Model*. International Journal of Quality & Reliability Management Vol. 27 No 3, 2010 pp. 351-377.
- Keiningham, T. L., Aksoy, L., Andreassen, T. W., & Estrin, D., (2006). *Does Parent Satisfaction with a Childcare Provider Matter for Loyalty?* Journal of Consumer Marketing Vol. 23 No 7, 2006 pp. 470–479.
- Kotler, P., Armstrong, G., Saunders, J., & Wong, V., (2002). *Principle of Marketing*. 3rd Edition, Prentice Hall Europe.
- Mahpul, I. N., & Abdullah, A. N., (2011). *The Prevalence of Work-Family Conflict Among Mothers in Peninsular Malaysia*. Kuala Lumpur: National Population and Family Development Board.
- Marco, A. R., (2001). *Measuring and Managing Service Quality: Integrating Customer Expectation*. Managing Service Quality Vol. 11 No 1, 2001 pp. 22-31.
- Muzammil, H., Sehrish, H., & Adnan, R., (2010). *Factors Affecting Customer Satisfaction*. International Research Journal of Finance and Economics ISSN 1450-2887 Issue 60 (2010).
- Portal Rasmi Jabatan Kebajikan Masyarakat (2014). *Pengenalan dan Lain-lain*. Retrieved 2nd February, 2014 at http://www.jkm.gov.my/content.php?pagename=pengenalan_dan_lain-lain&lang=bm.

- Portal Rasmi Jabatan Kebajikan Masyarakat (2014). *Pendaftaran Pusat Jagaan*. Retrieved 2nd February, 2014 at http://www.jkm.gov.my/content.php?pagename=pusat_jagaan&lang=bm
- Sadiq, M. S., (2003). *Service Quality in Hospital: More Favourable Than You Might Think*. *Managing Service Quality*. Vol. 13 No 3, 2003 pp. 197-206.
- Nacear, J., & Azaddin, K., (2005). *A Customized Measure of Service Quality in the UAE*. *Managing Service Quality*. Vol. 15 No 4, 2005 pp. 374-388.
- Naik, C. N. K., Gantasala, S. B., & Prabhakar, G. V., (2010). *Service Quality (Servqual) and its Effect on Customer Satisfaction in Retailing*. *European Journal of Social Sciences*. Vol. 16 2010.
- Noor, M. M. K., Sabariah, E., & Nadia, M., (2014). *A Demographic Transition in Malaysia: The Changing Roles Of Women*.
- Ojo, O., (2010). *The Relationship Between Service Quality and Customer Satisfaction in the Telecommunication Industry: Evidence from Nigeria*. *Broad Research in Accounting, Negotiation, and Distribution*. Vol. 1 No 1, 2010 pp. 88-100.
- Pankaj, D. V., & Ranjan, G. M., (2014). *College Clinic Service Quality and Patient Satisfaction*. *International Journal of Health Care Quality Assurance*. Vol. 27 No 6, 2014 pp. 519 – 530.
- Paramaporn, T., Atonio, L., & Ann, M., (2014). *An Empirical Model of Home Internet Services Quality in Thailand*. *Asia Pacific Journal of Marketing and Logistics*. Vol. 26 No 2, 2014 pp. 190 – 210.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L., (1988). *SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality*. *Journal of Retailing* 64 (Spring): 1240.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L., (1990). *Delivering Quality Service*. The Free Press, New York, NY.
- Perran, A., (1995). *Dimensions of Service Quality: A Study in Istanbul*. *Managing Service Quality*. Vol. 5 No 6, 1995 pp. 39-43.

- Prasanth, S. P., Pramod, V. R., Jagathy, R. V. P., & Christian, M., (2015). *Interpretive Structural Modeling (ISM) and its Application in Analyzing Factors Inhibiting Implementation of Total Productive Maintenance (TPM)*. International Journal of Quality & Reliability Management. Vol. 32 No 3, 2015 pp. -
- Pun, K. F., & Ho, K. Y., (2001). *Identification of Service Quality Attributes for Restaurant Operation: A Hong Kong Case*. Managing Service Quality Vol. 11 No 4, 2001 pp. 233-240.
- Rebekah, B., & Sharyn, R., (2004). *Customer Satisfaction Should Not be the Only Goal*. Journal of Services Marketing Vol. 18 No 7, 2004 pp. 514-523.
- Sekaran, U., (2000). *Research Methods for Business: A Skill-building Approach*. Third Ed. New York: John Wiley & Sons, Inc.
- Sekaran, U., (2003). *Research methods for business*. 4th Ed. Hoboken, NJ: John Wiley & Sons.
- Suneeta, B., & Sameer, K. S., (2014). *Conceptual Study of Relationship Between Service Quality and Customer Satisfaction*. International Research Journal of Social Sciences Vol. 3 No 2, 2014 pp. 9-14.
- Syed, A., R., Syed, T., J., Ayesha, H., (2015). *Internet Banking and Customer Satisfaction in Pakistan*. Qualitative Research in Financial Markets Vol. 7 No 1, 2015
- Tam, J., (2012). *Linking Perceived Service Quality to Relational Outcomes in a Chinese Context*. Journal of International Consumer Marketing Vol. 24 No 1, 2012 pp. 7-23.
- Wang, I. M., & Shieh, C. J., (2006). *The Relationship Between Service Quality and Customer Satisfaction: The Example of CJCJ Library*. Journal of Information & Optimization Sciences. Vol. 27, 2006 pp. 193-209.
- Wilson, A., Zeithaml, V. A., Bitner, M. J., & Gremler, D. D., (2008). *Services Marketing*. McGraw- Hill Education.