

UNIVERSITI TEKNOLOGI MARA

**CULTURE OF EXCELLENCE
AND ITS INFLUENCE
ON INTERNAL SERVICE QUALITY,
EMPLOYEE SATISFACTION
AND LOYALTY
IN PUBLIC UNIVERSITIES**

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ABSTRACT

Ministry of Education Malaysia is strongly encouraged the institution of higher learning such as public universities (PUs) to offer excellent quality service to its internal and external customers. This is quite a challenge to most of PU and in order to achieve this objective, the organizations need to know and understand the elements that trigger to this excellence. There is no doubt that employees play an important role in providing the best quality of work. Ideally, if all these can be achieved, it will ensure a high productivity to the organization and at the same time it will optimize the employees' satisfaction and loyalty. Consistently outstanding work performance coupled with the right attitudes among employees help to transform the norm into a culture of excellence (CoE). Good co-ordination and relationship among the management teams and employees will help to improve the employee satisfaction and loyalty. Employees are regarded as the internal customers. Hence, the employee-perceived the internal service quality (ISQ) which can be instrumental to motivate the employees to perform better. This research aims to help the management teams of the public universities to cultivate and sustain the CoE for institutional excellence. The variables in this research were defined and operationalized accordingly. The dimensions and items of the variables were derived from the related literature and focus group interviews. Structured questionnaire was then designed. CoE consisted of eight (8) dimensions and 71 items, relevant for the public universities. This research developed the structural model to analyse the various relationships between the CoE, ISQ, employee satisfaction and loyalty. Critical factors of CoE were quantitatively determined using data obtained from employees of PUs throughout Malaysia. The measurement and relationship analyses were performed using SmartPLS modelling. Empirical findings suggested eight (8) dimensions of the CoE and the causal relationships among the CoE, ISQ, employee satisfaction and loyalty were found to be positive. Several implications and recommendations were discussed and proposed for the kind applications of the public universities.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The government of Malaysia introduced the Government Transformation Plan (GTP) in 2011 which included seven key result areas. These areas were aimed to achieve the nation's Vision 2020. One of the strategic sectors was education services and the government hoped to improve the quality of teaching and learning processes as well as the quality of the students or graduates. The institutions of higher learning which are sponsored and regulated by the government, specifically the public universities (PUs) were tasked to play more important roles to leverage the quality of the human capital. The Ministry of Higher Education had published The National Higher Education Strategic Plan and there were several strategic cores which were the crucial elements to be implemented and monitored for institutional excellence. The cores aimed to strengthen the service delivery system and were closely related to this study. To achieve the core targets, all the public universities are required to increase their service quality and programmes in order to create a conducive environment for students to live in and study as well as acquire the necessary knowledge, skills, attitudes and experiences. This probably will result in a good intended outcome and produce students/graduates with the right capabilities and attitudes to serve in the job markets. The underlying factors for this success will be from their employees which may range from the senior management teams to academic and support staff.

Undoubtedly, the frontline employees such as the service counter staff and lecturers are important to deliver quality educational services and customer service. All the employees, regarded as the internal customers, need to be well taken care off. They need to be satisfied, motivated and happy consistently and continuously in order to serve better. The very satisfied employees are most probably able and willing to produce good quality work and if the management is aware of this matter, it will ensure that the respective groups of employees will always be committed and in high level of work productivity by introducing good work incentive, good career path or even fair chances for their job promotions. This most likely will be able to create and leverage the employee