

BEYOND SATISFACTION: ENGAGING STUDENTS AND FACULTY IN A ROMANIAN BUSINESS SCHOOL

SEBASTIAN A. VADUVA, Emanuel University of Oradea

IOAN S. FOTEA, Emanuel University of Oradea

MIHAI CORCEA, Emanuel University of Oradea

MARIANA LAZAR, Emanuel University of Oradea

This paper aims at explaining the faculty-student encounter from a new paradigm on service quality management that combines the traditional views of relationship marketing and human resources management with new research findings. Due to the rising importance of educational services with its impact on both the development of society as well as on the development of individual careers, ensuring a high-quality education can be achieved by adopting a perspective that views students as customers of a service organization that is in the business of transferring, developing knowledge as well as innovation. When managing knowledge-service encounter, one must take into account the fact that a major factor for something to go wrong is human nature, which dominates the encounter. One of the approaches for managing the engagement of the faculty-student encounter is the HumanSigma model which uses the irrationality and volatility of human nature in order to strategically align management of customers and employees. The paper proceeds in the following manner: first, the impact of quality in educational services is explained; second, the patterns of engagement are presented; third, a case study, based on an applied research on a Romanian School of Management is offered.

INTRODUCTION

The importance of education is determined by its impact on two levels: the overall development of society and the development of individual needs and career opportunities. First, at the macro-level in society, though education has been seen as of paramount importance in the last decades (Anon. 2002), the current context of recession increased even further the importance of an efficient educational system. The performance of education in a country is one of the indicators of that society's overall perspectives on its development, especially regarding its capacity to innovate, overcome difficulties, seize opportunities and become competitive in the global landscape. One of the main products of higher education is innovation (Sawyer 2006), due to the research component of every higher education institution. As higher education organizations become increasingly efficient and effective, their research results

become an important foundation for the advancement of knowledge that enables the society to enhance its development. Such knowledge, that empowers skilled professionals, has become one of the key elements for overcoming the national and global crisis that fosters complex threats to the society (Datar, Garvin, and Cullen 2010). Overcoming the problems determined by a recession relies on innovative solutions that can be researched and tested within higher education institutions. Higher education enables the understanding, seeking and identifying of opportunities in a global environment marked by vast adversities providing the necessary prerequisites for global competitiveness. Second, at the micro-level, higher education also impacts the development of individuals with regard to their personal needs and career opportunities. As highlighted by Maslow's pyramid, individual needs encompass self-esteem and self-actualization which are partly achieved through degree-based accomplishments and career development of individuals (Mruk 2006).

The impact of quality in educational services must be assessed in the context of its particular characteristics that differentiate educational services from other professional services. There are four distinctive elements that must be taken into consideration. First, because it involves knowledge and innovation, the educational service process is radically different from other services. The service encounter in higher education institutions is different from that of other organizations due to the fact that, as Peter Drucker affirmed, knowledge is not impersonal like money, it does not reside only in a book that contains information. Because knowledge is always embodied in a person, offering a service of knowledge in higher education organizations must focus on how the soft, relational experience of the students, as customers, can be improved, whereas the shift to the knowledge society places the person in the center (Drucker 2008), raising new challenges, new issues, new and quite unprecedented questions about the educated person and the way educational services must be managed. Second, the educational services market faces a high degree of governmental regulation that must be strictly obeyed in order to maintain accreditation. Because governmental regulation is, at least in some countries, partially obsolete, and not adapted to current global landscape, and highly restrictive, many innovations in managing the faculty-student encounter cannot be implemented appropriately (McLendon, Hearn, and Deaton 2006). Third, many higher education institutions are non-profits and operate in a trust market, without the drive to become efficient for the sake of higher profits, thus facing the lack of urgency for performance improvement (Fife 2003). Fourth, the current trend in higher education emphasizes a shift from a socio-political mission of propagating national culture towards corporate mission serving global customers rather than national subjects (Scott 2006).

When understanding the importance and distinctive characteristics of educational services, the impact of quality on the level of overall societal advancement, individual

success and wellbeing (Rath and Harter 2010) as well as global competitiveness can be observed. The accomplishments in today's universities have a long term and lasting impact on the future of a society and on the lives of the customers (students). If a nation's future health can be forecasted based on the current performance of medical schools, it can therefore be assessed that what happens in higher education institutions regarding the quality of the educational process, will have a determinative effect upon the performance of individuals and society as well.

Because higher education is of paramount importance, ensuring its quality and managing (McNay 2005) the student experience more efficiently has become a major concern for today's higher education administrative staff. The implications of a high-quality educational service is not limited to its customers, but the beneficiaries of research, innovation and knowledge can be found globally, as the means of communication have become more complex. Many higher education institutions have tried to implement management, marketing and quality assuring programs that were studied and elaborated in the manufacturing context (Bandyopadhyay and Lichtman 2007), but which were systems that failed to provide actual benefits for higher education institutions or for any kind of service organizations (Fleming and Asplund 2007). Scholars and researchers from various organizations have tried to assess a new, integrated perspective on managing the service sector with regard to its relationship marketing, human resource management and quality assuring functions. From this research concern, emerged the engagement concept, which does not only produce stakeholder satisfaction or loyalty but ensures a quality that determines passionate advocacy. One perspective on engagement is the HumanSigma model built by the Gallup Organization, according to which, the irrationality and volatility of human nature is used in order to strategically align the management of customers and employees. Implementing such a model, aims at determining a shift (Pompper 2006) from an

institution-centered or student-centered approach to a perspective that is centered on efficient relationships (Gummesson 2008) with all the stakeholders involved in the life of a higher education organization.

ENGAGING FACULTY AND STUDENTS IN THE SERVICE ENCOUNTER

The concept of engagement, as defined by the Enterprise Engagement Alliance is fostered by a new field of study that focuses on achieving long term financial results through a strategic alignment of the management of customers, distribution partners, employees, salespeople and all the human capital of the organization (EEA 2009a). Among the companies that have adopted such a perspective on managing their business are Astra Zeneca, McDonald's, and Southwest Airlines. The tactics of enterprise engagement focus on developing the company's leadership, its communication capabilities, buy-in, support, emotional attachment, and measurement and feedback (EEA 2009a). The idea of engagement manifests a high regard towards building trust-based relationships, having in mind that only service standardization and process fairness can foster a trust-based relationship (Fleming and Asplund 2007). Engagement researchers have assessed that trust depends on three key elements related to employees: operational competence, benevolence and the problem-solving orientation (Sirdeshmukh, Singh, and Sabol 2002). Having set trust relationships, the higher education institution must find creative ways to expand its reach into the lives of its customers and fulfill supplementary needs (Seybold 2001) in order to fulfill undiscovered student needs and wants. One of the desired outcomes of enterprise engagement is determining satisfaction which can be the right foundation for loyalty and engagement. Satisfaction is used as a predisposition to compare alternatives and guides final choice and loyalty, while the intervention of the marketer aims at improving the quality performance (Olsen 2002). A satisfied customer becomes loyal to the organization that services him, increasing that organization's long term

gain. Beyond satisfaction and loyalty, scholars discuss the concept of engagement (Fleming and Asplund 2007), as a passionate advocacy of both employees and customers. The concept of engagement is based on the observation that short term emotional feelings lead to long term effect on customer retention (Lemmink and Mattsson 2002). The Enterprise Engagement Alliance states that the concept of engagement aims at inspiring people over the long term, and not just changing their behavior month to month (EEA 2009b).

There are four dimensions to employee engagement (Fleming and Asplund 2007) that can be expressed as four questions that arise in every employee's mind, be it consciously or subconsciously.

1. What do I get? The employee perceives the level by which the company supports him regarding the technical needs he has in order to efficiently fulfill the job. Any employee that does not perceive real support from the organization will be frustrated and less productive.
2. What do I give? The employee perceives the measure of his value to the company as well as the importance of the job he or she does. An employee who doesn't perceive that he is carrying out an important task, meaningful for the company and for himself, will be less productive than another that feels that he is making an important contribution to the company.
3. How much do I belong? The employee perceives the level of his integration in the company's workforce environment, i.e., senses he belongs to the team and feels accepted by his peers, will not be inhibited, but rather would act normal, thus being more productive.
4. How do we develop? The employee perceives the number of personal development opportunities understanding if the job he is doing is part of a greater process that aims first at his own professional development – he must feel that the company contributes to a value

that is independent of employment at that company.

There are four dimensions to customer emotional attachment (Fleming and Asplund 2007) that frame the employee-customer engagement.

1. Trust. This dimension portrays how the client perceives the company in terms of keeping its promises every time, by offering a standardized and predictable service. For the customer the company becomes a name you can always trust. The customer knows exactly what to expect from the organization's employees and is completely fearless of unpleasant surprises. This perception is the foundation for all other emotional dimensions of the employee-customer encounter. Any variation of service from one encounter to another determines the deterioration of this foundation.
2. Integrity. This dimension shows the level by which the customer perceives the organization's standards. The management team must aim at the implementation of a system that will determine distributive, procedural and interactive fairness. If he is engaged at this level, the customer believes that if any problem arises, service provider will find a fair solution.
3. Pride. This dimension reveals the measure of respect perceived by the customer. Respected customers will be proud about the organization. Such pride will transform the customer into a promoter, thus reducing the costs of customer acquisition.
4. Passion. This facet is the supreme manifestation of feelings that a customer can have towards a company. The customer becomes the most important means for advertising the organization's services. For such a customer there could not be a world without his company and believes that the organization is perfect for people like him.

CASE STUDY: ROMANIAN SCHOOL OF MANAGEMENT

We focused our attention on an organization to which we applied a HumanSigma analysis. We will further refer to this organization under the name of "Romanian School of Management" (RSM) because it is a recently founded college that reached its tenth generation of graduates. The institution is located in North-Western Romania and it is accredited by the Romanian government as a private higher education institution. Due to its short history, the college has only 30 students in the graduate program and 85 students in the undergraduate program tailored according to the standards set by the European Union Bologna process.

RSM faculty observed that though enrollment in the undergraduate program grew by 55 percent in 2007 and by 34 percent in 2008, there were problems with student retention in the Masters program and enrollment in the Masters program dropped by 67 percent in 2009. The RSM managing staff decided to investigate the sources of low customer retention and service repurchase. Because there were no symptoms of dysfunction in the organizational culture, the faculty built traditional instruments to assess periodically student satisfaction towards the learning experience. Such traditional instruments did not reveal concluding information regarding the causes of low student retention.

The next stage in exploring the factors determining low customer loyalty was an analysis based on the HumanSigma model, elaborated by Gallup researchers. Gallup instruments such as CE11 and Q12 were applied to 71 undergraduate students and 17 faculty members. The analysis that allowed the researchers assess the level of RSM enterprise engagement showed that the apparent positive organizational culture in the context of low customer retention was the top of an ice-berg of symptoms below the (Buckingham and Coffman 2005). The research was made on the entire population of employees and clients, with

the remark that there were three types of clients: clients I – first year (freshmen), clients II – second year, and clients III – third year (senior). The results showing employee engagement is represented in the following table:

TABLE 1

Q. nr.	Engagement Dimension	Score
1	What do I get?	4.25
2	What do I get?	4.125
3	What do I Give?	4.3125
4	What do I Give?	3.625
5	What do I Give?	4.5625
6	What do I Give?	4.8125
7	Belong	4.125
8	Belong	4.6875
9	Belong	4.5625
10	Belong	4.4375
11	Develop	3.9375
12	Develop	4.25
	Average	4.307

The results showing employee engagement is represented in the following table:

The research reveals the fact that the most disengaged customers were the third year students, while the most engaged students were the first year. The highest most variation among the engagement level of students was among first year clients, and the least variation was among employees. The percentage of clients who had a mean level of engagement of more than 4.5 from the students who spent three years within RSM is almost half of the first year students, and considering the lower standard deviation we can conclude that the third year students are overall less engaged with the School than the first year students.

We calculated the HumanSigma metric using the formula (Fleming, Coffman, and Harter 2005):

The HumanSigma score we obtained from the above formula was 0.60388 (in other words, the overall engagement is at the 60.388th percentile). This result shows that the variation of engagement between the employees and the clients is quite high, and the unit is not optimized from this point of view. The study

TABLE 2

Q. nr.		Clients I	Clients II	Clients III
1	Global satisfaction	4.45	4.08	4.12
2	Repurchase	3.09	1.96	2.24
3	Referral	4.36	4.21	4.36
4	Confidence	4.45	4.17	4.28
5	Confidence	4.32	3.79	3.88
6	Integrity	4.14	4.17	4.12
7	Integrity	4.00	4.13	4.32
8	Pride	4.27	4.25	4.64
9	Pride	4.45	4.21	4.52
10	Passion	3.95	3.79	4.44
11	Passion	2.64	2.92	3.44
	Average	4.01	3.79	4.033

TABLE 3

	Had an engagement score of over 4.5	Standard deviation of mean engagement level
Employees	31.25 %	0.441
Clients I	31.81 %	0.871
Clients II	16.66 %	0.614
Clients III	16.00 %	0.499

reveals the fact that, for both students and faculty, engagement is superficial and lacks the appropriate foundation.

CONCLUSIONS

The educational experience must be managed as a service encounter, engaging the human capital of the higher education organization, not fighting the human nature, but using it to strategically align the management of customers and employees. Customer wellbeing, career development and impact in the society, depends partly on the quality provided within the educational service encounter between faculty and students.

The analysis of RSM engagement provides the faculty important information that can be used in order to further develop student loyalty and retention. This approach to understanding and managing student and faculty experience within the educational service encounter will provide the faculty an insight on the key issues that must be developed in order that student loyalty will be enhanced.

Customers that benefited from three years of RSM educational services are less engaged than those who are in the first year of service. This information reveals the fact that during the three years of service, students have been disengaged due to service errors that affected the four dimensions of customer engagement within the educational encounter (faculty-students).

We recommend further research to be done at RSM in order to assess the specific factors that

lead to the current customer disengagement. Such a detailed research is the necessary foundation for elaborating the appropriate intervention measures that would improve customer engagement as well as the HumanSigma score.

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