Customer Focus Practice Among Skills Training Institutions in Malaysia and the Performance of Organisations

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ABSTRACT

Customer focus is essential in ensuring the performance of an organisation including education and training organisations. Customers in the education and training sectors consist of a variety of groups including students, parents, industry, civil society and the relevant authorities. Other than that, the faculty and staff are also internal customers whose needs and expectation need to be satisfied. Students are the main customers, and they receive training and support services at institutions. Instructors and staff are prime movers in training and services in an institution. However, research and literature on customer focus practices in the education and training sectors are still limited, particularly in the skills training sector in Malaysia. This study is carried out so that the gap can be reduced. This study aimed to examine the extent to which customer focus is practised by skills training institutions in Malaysia and to evaluate the extent of the impact of this focus on the performance of institutions that offer such training. A questionnaire survey was used as the research instrument. Questionnaires were distributed to the managers of 500 training institutions throughout the country. A total of 218 completed and eligible questionnaires for analysis were received, representing a response rate of 43.6%. Data were analysed using descriptive and inferential statistical techniques. The results show that student, instructor and staff focus practice are is at a moderate level, which is at about five of seven points on the Likert scale. The regression analysis shows that the student focus and the instructor and staff focus significantly affect the performance of the

institutions. These findings demonstrate that customer focus greatly influences the performance of the organisation, and therefore, management of these institutions should increase efforts to ensure customer satisfaction.

Keywords: Customer focus, organisation's performance, skills training

INTRODUCTION

Customer focus refers to the level an organisation meets the needs and expectations of the customer on an on-going basis (Zhang, 2000). Customer focus is one of the main pillars of the Total Quality Management (TQM) (Hackman & Wagemen, 1995). In a highly competitive business environment, one of the most intense pressures for the management of the organisation is to focus on the customers' needs (Piercy, 1995). The key to quality management is maintaining close contact with customers so that the customers' needs can be completely understood and the requirements can be fulfilled and further accepted by the client (Zhang, 2000). Information about the needs, wishes, complaints and customer satisfaction should be collected and analysed (Zhang, 2000; Lagrosen et al., 2004; Phusavat et al., 2009). Only organisations that meet the requirements and needs of the customers will be able to continue to operate and compete effectively in the present business market. Organisations need to be aware of the need to keep the customer as the main focus in the decision-making process and practise a customer-centred culture.

The same is true for the education and training sectors. Moreover, the education and training sectors need to manage various groups of customers, both internal and external. However, the research and literature on customer focus practices in the education and training sectors are still limited, in particular, concerning the skills training sector in Malaysia. Thus, this study was carried out so that the gap can be reduced. This study aimed to identify the extent to which customer focus is practised among the skills training institutions in Malaysia and to evaluate the extent of the impact of this focus on the performance of the institutions.

LITERATURE REVIEW

Customers are individuals who receive or have the effect of a product or service (Juran, 1988). Training and educational institutions need to meet the needs and expectations of the different customer groups and stakeholders including students, alumni, parents, employers and government (Mahapatra & Khan, 2007). According to Frazier (1997) there are two types of customer in the education sector, namely internal and external customers. Internal customers are those individuals or groups who directly produce and consume the product or service. They include the instructors, supporting staff, students, administrators etc. while the external customers are those individuals or groups who have an interest in the product or services but do

not produce or consume it directly. They include employers, parents, tax payers and the government.

The training institution is responsible for providing the best possible services to ensure that they are viewed positively by customers. Quality of services provided is fundamental to the training institution if it wishes to succeed in the competition for resources, instructors and students and the increasing demands and expectations of stakeholders in terms of quality and accountability (Shelnutt & Buch, 1996). It is necessary to measure customer feedback so that service quality can be efficiently managed. Customer feedback is very useful for evaluation and improvement (Abili et al., 2011).

Feedback from the students as the main customer allows the training institution to evaluate its service quality. Students are the customer group that should be given priority because they are the direct recipients of training and use most of the services provided. The students' relationship with service providers is different from the relationship between the main customer and service providers from other sectors because in the education sector, instructors and students must work together to achieve effective learning. The absence of cooperation between the two parties leads to ineffective training delivery.

The implementation of good quality management will affect the students. Sakthivel et al. (2005) has developed a model of total quality management

(TQM) for academic excellence and empirically tested the relationship between TQM implementation and student satisfaction in terms of academic performance. The study found a significant relationship between student satisfaction with academic performance with five constructs of TQM, namely, the commitment of top management, course delivery, campus facilities, friendly service and customer feedback and improvement.

Jalali et al. (2011) also identified the factors that affect student satisfaction in higher education institutions in Malaysia. They found that academic activities are more important than non-academic activities. However, academic activities are not limited only to activities in the classroom but include aspects that can develop good values, attitudes, behaviour and personality of the students. Douglas et al. (2006) in their study to measure student satisfaction in a university in the United Kingdom also found that the most important aspect in determining student satisfaction relates to teaching and learning.

However, Douglas et al.'s (2006) findings that the relevant aspects of physical facilities are less important in influencing student satisfaction are contrary to findings by Sapri et al. (2009), who found that the facilities provided by the institution are the most important aspect. They stated that physical facilities are the pull factor that will influence the student to register. When the student

has enrolled, then teaching and learning becomes more important than the physical facilities. However, this study involved only one university in the United Kingdom that was equipped with the latest facilities and equipment, so this aspect was not an issue for the students. A study by Sapri et al. (2009) involving universities in Malaysia found that factors such as libraries, laboratories and campus environment were important from the perspective of the students.

Petruzzellis et al. (2006) conducted case studies at a university in Italy regarding student satisfaction and service quality. The findings showed that universities should focus their efforts on improving the quality of both teaching and non-teaching aspects to ensure that they could react to and handle the request and the good economic environment well.

Besides focussing on providing quality service to the students, the instructor factor is also noteworthy. One important factor in determining the quality of education and the training programmes is the quality of the teaching staff. The instructors are responsible for trainees, employers in the industry, community and the government. The skills and efficiency of the instructors are the important factors in determining the success of the teaching process. One of the efforts that can be implemented to improve the quality of the instructors is to raise their level of education and qualifications. According to Jovanova- Mitkovska (2010), the development of instructors is really important nowadays in order to develop trainees in order to:

- Create an environment of lifelong learning for all;
- Provide opportunities for the improvement of specific and general knowledge, expertise, professional and academic progress;
- Enhance knowledge and information to increase performance;
- Improve and innovate in training delivery;
- Provide impact on teamwork and collaboration among instructors; and
- Transform strategies and methods of teaching.

Instructor development is a process of long-term sustainable development starting from the beginning to the end of an instructor's career. The development process consists of various methods including training in new knowledge, skills, strategies in specific areas and the use of technology. Training institutions should create an environment that encourages teaching staff to improve their professionalism, knowledge and skills and to develop their career.

It can be concluded then that the satisfaction of internal and external customers is important in determining the consistency of training and educational institutions. Failure of the institution to meet these requirements will affect the well-being and resilience of the organisation.

METHODOLOGY

The questionnaire was used in this study to measure the performance of customer focus practices among training institutions in Malaysia and its' influence on the performance of the institution. The respondents were made up of managers of the training institutions, who provided feedback on the extent to which the institution is orientated towards internal and external customers. The survey questionnaire is a popular method for collecting data because the information is readily available and the answer is easy to encode (Sekaran, 2003). Content validity of the measurement instruments is considered acceptable as all the items in the questionnaire were identified through a thorough literature review and consultation with experts in academic and skills training.

The survey covered three main parts. Part one contained a statement of research objectives and questions relating to the background of the training institutions. The second part measured the implementation of TQM principles and performance of the institutions using a 7-point Likert scale. The final section contained demographic information including information on gender, age, position, work experience and scope of work. Questionnaires were sent via e-mail and mailed to 500 respondents based on their convenience. The respondents were officers at the managerial level and above from 500 training institutions nationwide. The survey was conducted over three months starting in August 2013 and ending in November 2013. A total of 218 respondents (43.6%) returned the completed questionnaires. Data were recorded and analysed using descriptive and inferential statistical techniques.

Two hypotheses were developed to focus on customer-related practices and their impact on the performance of the institution.

i. Student focus practice has a positive effect on the performance of the institution.

ii. Instructor and staff focus has a positive impact on the performance of the institution.

Instructor and staff represent two groups of internal customers who need to be focussed on by top management. These two groups are equally important in ensuring service quality in training institutions.

RESULTS

Demographic Information of the Respondents

Table 1 shows the demographic information of the respondents. Of the 218 respondents, 52.3% were male and 47.7% were female. The majority of the respondents were aged between 31 and 40 years (48.6%), followed by those aged 21 to 30 years (29.4%) followed by those aged 41 to 50 years (13.8%). Most of them (78%) were from public training institutions and the rest were from private training institutions. More than two thirds of the respondents (71.6%) had less than 10 years' working experience.

Table 1
Demographics of Respondents

Item	Number	%
Gender		
Male	114	52.3
Female	104	47.7
Age (years)		
21 to 30	64	29.4
31 to 40	106	48.6
41 to 50	30	13.8
more than 50	18	8.2
Working Experience (years)		
Below 5	81	37.2
5 to 10	75	34.4
11 to 20	44	20.2
More than 20	18	8.2
Type of Institution		
Public	170	78.0
Private	48	22.0

Instrument's Reliability

The internal consistency of the scale of measurement was estimated using the Cronbach Alpha Reliability Coefficient. Cronbach Alpha values for the three constructs were between 0.930 and 0.947 as shown in Table 2. Cronbach Alpha values beyond 0.70 show that the scale of measurement was consistent and reliable. Therefore, the measurement instruments can be considered to have a degree of acceptable internal consistency reliability.

Table 2
Cronbach Alpha Value

Construct	No. of Items	Cronbach Alpha
1. Student focus	11	0.943
2. Instructor and staff focus	11	0.930
3. Institution performance	10	0.947

Level of Customer Focus Practice

Table 3 shows the mean scores for items related to the students' focus practice in the skills training institutions. Mean scores ranged from 5.16 to 5.49 on a scale of 7 where there was still room for improvement. Improvement can be done particularly in both core functions and supportive functions of the training institutions. Mahapatra and Khan (2007) indicated that students are generally assumed to be the principal customers and that they take on different roles within the institution. They are also the product of the process, the internal customers for many campus facilities and training delivery.

Table 3
Mean Score Values of Student Focus Practice

No.	Item	Mean	St. Dev.
1.	We have an established mechanism for identifying student needs and expectations.	5.16	.981
2.	We provide a conducive learning environment.	5.35	.915
3.	We have an effective employment service unit/student placement.	5.35	.879
4.	Our training programmes are dynamic and change as the market changes.	5.45	.853
5.	We use feedback from stakeholders to evaluate the programmes offered.	5.33	.892
6.	We take into account changes in training and service delivery methods.	5.38	.852
7.	Global and international needs are taken into account in designing our programmes.	5.34	.944
8.	We build active and ongoing relationships with students.	5.49	.907
9.	We have a mechanism to allow students to submit complaints about our programmes and services.	5.41	.887
10.	We create effective mechanisms to determine student satisfaction or dissatisfaction.	5.38	.873
11.	We use the information on student satisfaction and dissatisfaction to improve our training programmes and services.	5.43	.914
	Student Focus Mean	**5.37**	**.717**

The overall mean of student-focussed practice is 5.37. Student-focussed practice includes the identification of customer needs and expectations, providing an atmosphere and facilities that are conducive to learning, support services, relevant training programmes, good rapport with students and student feedback management. These things need to be improved on an on-going basis to ensure lasting student satisfaction with their training institutions.

Student satisfaction is influenced by various factors including factors related to the core and supportive functions of a training institution. Core functions are aspects that are related to teaching and other learning activities such as the competency of the instructor, curriculum, training delivery and training equipment. On the other hand, supportive functions are elements such as physical facilities, support services, library, and campus environment that affect the quality of students' daily lives. A thorough evaluation of these factors would help administrators in improving the quality of their training services and student satisfaction (Stukalina, 2012).

Instructor and staff focus involves matters such as communication systems, opportunities for lifelong learning,

performance management, reward and recognition, human resource management and career advancement (see Table 4). The overall mean score of instructor and staff focus practice was 5.34, where the mean for each item was between 5.11 and 5.51 on the scale of 7 points.

To ensure that instructors are competent in facilitating knowledge and skills, the institutions need to invest in instructor development through training and industrial attachment. Competency in both theory and practice of instructors is a key asset to the effectiveness of the learning experience of students.

Table 4
The Mean Score Value of Instructor and Staff Focus

No.	Item	Mean	St. Deviation
1.	We have an effective communication system across departments and functions.	5.36	1.021
2.	We ensure continuous education and training is provided to staff and instructors.	5.51	.897
3.	Our performance management system includes feedback to instructors and staff.	5.46	.911
4.	Our reward and recognition system is based on the students' evaluation of the instructors' performance in the classroom and workshop.	5.28	1.048
5.	Our reward and recognition systems include rewarding the achievement of best performance.	5.26	.940
6.	We have an effective method for managing the recruitment of instructors and staff.	5.22	.914
7.	We have an effective method to retain instructors and staff.	5.11	.968
8.	We ensure that instructors and staff show a variety of ideas and suggestions.	5.33	.989
9.	We manage an effective career development for all staff, administration and instructors.	5.26	.926
10.	We encourage the use of new knowledge and skills acquired by instructors and staff in the workplace.	5.48	.942
11.	We provide many opportunities for the development of skills and professionalism of the instructors and staff.	5.43	.894
	Instructor and Staff Focus Mean	**5.34**	**.739**

The overall mean score for the performance of the institutions is 5.33, where the mean for each item is between 5.11 and 5.56 (see Table 5).

Table 5
Mean Score Value of Institution Performance

No.	Item	Mean	St. Dev.
1.	Overall students' achievement	5.45	.750
2.	The effectiveness of our training programme	5.56	.779
3.	Increased student intake	5.28	.932
4.	Positive feedback from students and stakeholders	5.44	.830
5.	View/evaluation of students and stakeholders of the organisation	5.36	.803
6.	Institutional relationships with former students (alumni loyalty)	5.11	.966
7.	Feedback from students and stakeholders based on their assessment of our training activities	5.28	.827
8.	Satisfaction levels of instructors and supporting staff	5.23	.927
9.	Experiencing an increase in the quality of service delivery regarding training and support service	5.34	.801
10.	An increase in short-term training and consultancy services to the industry	5.30	.869
	Institute Performance Mean	**5.33**	**.699**

The performance of institutions involves the students' achievement, programme effectiveness, student recruitment, customer feedback, relationships with alumni, customer satisfaction and service quality improvement.

Sapri et al. (2009) found that students' learning experience is influenced by three major factors, namely, lecturer's performance; service or process that is involved in delivery of the service; and facilities that support the core process. This is in line with Hill et al. (2003), who found in their study on student perception of quality experience in higher education that the quality of the lecturer and the student support system is the most influential factor. The quality of the lecturer's service includes delivery in the classroom, feedback to students and relationship with students.

The Relationship between Customer Focus and Performance Practices of the Institution

The correlation analysis was conducted to identify the relationship between the customer focus variables and performance of the institution. The results are shown in Table 6. The correlation analysis results showed that the relationship between customer focus practices and

organisational performance was strong and positive, where the correlation coefficient (R) was 0.739 and 0.764, respectively for student focus and instructor and staff focus. In conclusion, customer focus practice has a significant relationship with the performance of the institution.

Table 6
The correlation Between Customer Focus and Performance of the Institution

Factor	Correlation coefficients (R)
Student Focus	.739**
Instructor and Staff Focus	.764**

Further, the multiple regression analysis was conducted to explore how customer focus practices affect the performance of the institution. The Stepwise Linear Regression method was used because it is more time-saving. Only significant predictor variables were included in the regression model (Piaw, 2006). The analysis results showed that both variables, that is, student focus and instructor and staff focus, significantly affected the performance of the institute. The coefficient of determination R2 was 0.633, indicating that changes in the variance of student focus and instructor and staff focus resulted in a change of 63.3% of the variance in performance of the institution. Table 7 shows the results of the regression analysis.

Table 7
Results of the Regression Analysis

Model	Unstandardised Coefficient		Standardised Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.005	.226		4.447	.000
Instructor and Staff Focus	.453	.062	.479	7.294	.000
Student Focus	.356	.064	.365	5.563	.000

Discussion

Overall, customer focus practice among the training institutions in Malaysia are moderate in view of all the items that did not reach the minimum score value exceeding 6 of the 7 Likert-scale points. The results of the regression analysis showed that the student, instructor and staff focus practice affected performance of the organisation, illustrating that customer focus practice should be a

priority for all training institutions. The needs and expectations of the students should be given priority in terms of training and implementation and support services. This finding is consistent with the findings of Sultan and Wong (2013), who found that the three aspects that determine the quality of service in institutions of higher learning are the academic, administrative and facilities aspects.

An organisation that is focussing on customer management inevitably needs to also focus on its employees as an internal customer. Organisations can only provide satisfaction to customers if their employees are deriving work satisfaction (Chen et al., 2006). Instructors are the main source in the process of training delivery. Instructors should be viewed as internal customers of the training institution. An effective communication system should be established in an organisation to ensure effective information sharing. This would improve employee satisfaction, thereby improving job performance and further affecting the improvement of organisational performance. In an era of rapid technological changes in the industrial market, knowledge and skills of the instructors should always be improved through training and continuous education. In order to maintain the performance of instructors, performance management and reward systems must also be well managed. Career advancement should be addressed to ensure employees' loyalty and to motivate employees to improve business results. The findings of this study support the findings of Dobre (2013), which showed that if recognition for employees is increased, employee motivation will also increase and further improve the quality of work and organisational performance.

CONCLUSION

Overall, this study showed that the practice of customer focus by skills training institutions in Malaysia still needs to be improved. Satisfaction of the customer is crucial to the survival of training institutions. The factors that influence customer satisfaction are made up of factors associated with teaching and non-teaching aspects. Therefore, both aspects need to be taken into consideration in the quality improvement initiative. Customer focus practice has a strong relationship with the institution's performance, which means that the increase in customer focus practice will improve the overall performance of the institution. Customer focus practice is the human dimension of quality management; the education and training sector involve many dimensions of humanity, whether at the input, process or output stage.

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