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STRENGTHENING COMPANY IMAGE IN SERVICE SECTOR BY IMPROVING RELATIONAL CAPITAL

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Abstract

This paper aims to contribute to the theoretical model of managing intellectual capital with an emphasis on the relational capital. Relational capital is especially relevant in the service sector, where differentiation is mostly based on non-price competition. Development of relational capital which strengthens the image through satisfaction of internal and external users encourages innovation and allows each process to be enriched with new knowledge. To illustrate this concept, the paper presents an empirical study of the participants of international students' conference, coming from nine faculties from Bosnia and Herzegovina, Serbia and Croatia. Paper intends to define the steps to follow in developing a model of relational capital management at universities, taking in consideration the interaction between students' needs, defined through five levels and relationships with higher education institutions. The aim of research is also to encourage innovative processes in Bosnia and Herzegovina and region, which are not always needed to be directly connected to curricular activities, but are derived from them. The results indicate the motives and motivation of both students and professors at fifth level of interaction. It also presents possible ways to expand cooperation in the fifth stage of interaction between students and higher education institutions. As the image of the company and its employees and clients is interconnected, this research points to elements that can be improved in further interaction, in order to achieve effects on each side.

Keywords: Relational Capital, Improvement, Effects, Satisfaction, Image

1. Introduction

According to Kotler (1999, p.572) service is "any activity or benefit that one party can offer to another, mostly intangible and does not result in the ownership of anything. Its production can, but does not have to be tied to a physical product". Customers can be attracted to those companies, whose services they are most satisfied with. Loyal customers promote the company's image, therefore building and maintaining loyalty has multiple benefits. By conducting customer satisfaction surveys, companies can gain valuable inputs for improvements, since surveys and other types of research convey message to loyal customers that company cares about them, also transferring the message how customers perceive value of those services (Dosen and Previsic, 1997).

Higher education provides services of social value, where knowledge, as an input and output variable, is present in all phases of interaction between students and higher education institutions. Economic globalization requires well-educated workforce that can adapt to rapid changes in the environment. Among other important factors, higher education is driving force for economic development. In the Global competitiveness report (World Economic Forum, 2016) higher education represents the pillar 5, i.e. efficiency enhancers' sub index, connected to efficiency-driven economies. On the other hand, innovation as the pillar 12 is related to the innovation-driven economies. With other sub-indexes, higher education is the fundament for advancement from the phase of efficiency to the phase of innovation. At the phase of innovation focus is on: technological advancement; cooperation between universities and industry and adjustment of workforce skills with the companies needs.

In addition to effects and value that higher education provides to individuals and society, its image on macro level is primarily linked to the quality of both education and vocational training in the country. On this journey of building the image of higher education on macro level, each of the institution, as micro-unit, has a role and responsibility in process of creating effects on individuals and society as a whole. Quality plays a major role in process of creating desired image, because "quality is the level of meeting the needs and requirements of consumers that is consistent with their growing demands and expectations" (Avelini, 2000, p.17). Quality is assessed by costumers, comparing perceptions with expectations (Peter *et al.* 1995). Quality assessment applies to all levels of students' needs. In order to create solid ground for partnership loyalty, it is necessary to strengthen relational capital. Cooperation with the students in process of education is crucial, but cooperation with industry, other higher education institutions and strategic partners is of the same importance. Other stakeholders, such as employers, are faced with the final product of the system, i.e. graduates (Owlia, 1996); therefore it is extremely important to follow, above all, the satisfaction of students and their potential during the study. Each of the stages of interaction between institutions and students has its own objectives related to the acquisition and knowledge sharing that brings effects to end users, whether in terms of employees, students, or the economy. As partnership loyalty belongs to the fifth stage of interaction between students and higher education institutions, it is important to establish system that enables shift from passive loyalty to partnership loyalty. Relational capital is dealing with issues that strengthen the company's image, as an upgrade to achieved level of image.

Student conferences have major role in fostering innovation. They are result and product of knowledge acquired during the previous phases of interaction with higher education institutions and environment. Solutions that students in their professional and scientific papers offer to businesses, academic community and institutions, are combination of knowledge gained from curricular activities and practices during education. This activity, as an extension of cooperation with students, provides multiple benefits. For students, it is the opportunity to create knowledge platforms and to network with other participants and businesses at the local, regional and international level. To higher institution it enables to create a base of partnership loyalty, which attracts new talented students, also creating the basis for other forms of cooperation with graduates students, economy, partner institutions, thereby strengthening the image. To the economy it offers workable solutions from the areas covered by the conference. Through satisfaction surveys, dealing with students' conference, higher education institutions can indentify directions for improving relationships with stakeholders.

2. Theoretical Background and Hypotheses

2.1. Partnership and Image

When it comes to production of services, according to Eiglier (1999, p.18), "personnel providing services, equipment and customer" are required. The basic element of each service is the contact with customers or potential users. Contact is necessary because the design and establishment of services that the company offers is based on costumers' perception of quality, which occurs every time when mutual communication is realized. Perception is often an individual experience emerged from customers' experiential field. Taking into account other

factors of influence on the perception, it comprises of three stages: “exposure and selection of information; processing of information in accordance with the cognitive structure and interpretation and retention of information” (Hawkins *et al.* 1995, p.237). Costumers and potential users are looking for services in which they have an increasing role in the process of modeling the characteristics of services; therefore communication with them is crucial. Partnership loyalty is actually based on constant communication in which costumers’ opinion and suggestions are used for improvements and development of services which they are asking for.

Higher education institutors are running in a business like way in some segments, with an increasing number of private higher education institutions in Bosnia and Herzegovina. According to Center for Information and Recognition of Qualification in Higher Education in Bosnia and Herzegovina (2016), there are ten public and 36 private higher education institutions. Among 46 of them, 24 are universities and 22 independent faculties. Most of them have started to work five to ten years ago, and only five state universities have longer tradition. They provide services to an average of 117,011 students per year, according to statistical data for period from year 2011 to year 2015, issued by Federal Office of Statistics (2015) and Institute of Statistics (2015), Republic of Srpska. There is a high competition in providing educational service in Bosnia and Herzegovina, where attracting and keeping students motivated and satisfied requires a lot of effort. Creating and strengthening image that has value for students and other stakeholders is demanding process. Relational capital has major role in process of developing and strengthening image.

Students have become more active participants in the delivery of services and the assessment of its quality. It is therefore very important to monitor their satisfaction during the study and achievements after graduation. The quality of higher education institutions is subject of evaluation by the institutions in charge of processes of accreditation, as well as by employers. However, the basic instance for self-evaluation is the satisfaction of students, who are the ultimate bearers of knowledge resulting from the quality of educational services. The process of comparing the established standards of quality, in combination with perception of quality, can roughly determine the level of quality (Thompson and Strickland, 2001). Assessment of the quality of studies has various dimensions. They range from the dimension of perceived quality of studies to the dimension of achieved effects after graduation. The question of effects, in terms of career development, is closely linked to the image of higher education institutions perceived by companies and other higher education institutions at the local and international market.

According to Alves and Rasposo (2007) “long-term partnership with students brings positive publicity and attracting new students in the system”. In addition, partnership keeps existing and graduate students interested in continuation of cooperation through various activities. That can also include business cooperation with companies in which graduate students work, especially when it comes to top industries. All this affects the image of higher education institution, but also affects the image of students. On the labor market, the image of the employee is often identified with the image of the institution in which they acquired knowledge and skills. In process of creating the image, the role of communication is most important, since the image is defined as “cognitive image of the company, product, process, person, or situation that individual forms on the basis of all previous experience, attitudes, opinions, and images that are more or less in line with the actual characteristics” (Kesic, 1997, p.297).

The issue of communication and relationships with students in the process of providing educational services cannot be considered as a classic marketing approach (Svensson and Wood, 2007), where students are treated as costumers in the literal sense of the word. As the basis for building relations with students, the system of managing intellectual capital with focus on relational capital is more appropriate. Taking into consideration the latter changes in higher education system and its orientation to practice and collaboration with industries, some elements of marketing cannot be denied. Integrated marketing communication needs to develop a compelling and effective communicational process. Student is placed in the position of active participant in the education process, through various communication processes. In this way

student is treated as a valuable relational capital, enabling higher education institutions to establish long-term relationships and to maintain satisfaction. By fostering the image of student through a relational capital, higher education institutions also foster their own image. It should be taken in consideration that the concept of image of higher education institutions is directly linked to the image of teaching staff as well. In process of building image, each higher institution attracts teaching staff with good reputation in specific fields. Relational capital is related to the satisfaction of both internal and external stakeholders.

Compatibility between costumers' and company's image occurs, among other reasons, when the products and services are socially significant (Sirgy, 1982). The concept of the relationship with the students is not perceived as a classic marketing approach, but there are some elements which can be identified as such. After graduation, cooperation with the students takes on a form of providing after-sales services, here post-study activities. This does not have to be solely profit-making cooperation, but is meant to expand the network of new clients, as one of the benefits of continuing such cooperation. From marketing point of view, costumers loyal to brand recommend products to their friends (Hawkins *et al.* 2007). That is the case in higher education as well.

2.2. Intellectual Capital and Image

Managing intellectual capital gives its effects both in profit and nonprofit sectors. Implementation of intellectual capital enables: alignment of company activities with the mission, vision and strategy; improvement of internal and external communications, and monitoring organizational performance in line with strategic goals. The complexity of intellectual capital indicates the need for its establishment in stages. Because of its multidimensional character, intellectual capital is not easy to define by one overarching definition, but it is undeniable that intellectual capital is product of individual and company knowledge (Stewart, 1997; Sullivan, 1998; Edvinsson, 2002; Nonaka and Toyama, 2005). Dynamic definition of intellectual capital includes knowledge that can be transformed into value or profit. This is the value embedded in ideas, people, processes, customers and stakeholders. According to the theorists of intellectual capital, it consists of three main components: human capital, structural capital and relational or consumer capital (Sundac and Svast, 2009; Sveiby, 1989; Pulic and Kolakovic, 1999). The first represents the knowledge, skills and experience of employees. Relational capital represents relationships with customers, suppliers, distributors, investors. Structural capital indicates organizational systems, culture, practices, processes, information systems.

The exchange of knowledge takes place not only within company, but also between company and external users, i.e. relational capital. Model of intellectual capital management combines the overall business activities. The most common mistakes in organizational performance are related to the three main elements of intellectual capital: gaps in human resource management, shortcomings in the organization of business and failures in relations with costumers. Relationship with customers is success key in service sector, more than in primary and secondary industries. A characteristic feature of the service is that it is very difficult to fix errors and improve quality, after being fully delivered to the costumer. The importance of care for costumers indicates that in the service sector it is necessary to give the same importance to relational capital as to human and structural capital. That is because of more frequent direct communication with end users. According to Sundac and Svast (2009) relational capital consists of: business networks, brands and consumers. Brand, according to the same authors, consist of following components: image creation, importance at the market, the ability to attract the customer and to create value for them. Costumers are treated from communicational aspect, through relations and communication with existing and prospective customers in order to achieve customer satisfaction and loyalty.

Following the level of students' needs, and the achieved level of loyalty, higher education institutions need to carry out continuous survey of students' satisfaction (Figure 1). After the analysis of the current image, the company selects the strategy of positioning the image. Measuring satisfaction and inducing students loyalty is easier in the process of education, while the satisfaction survey and creation of partnership loyalty after graduation is

more difficult task, because student is no longer in the system as an active participant. At this stage, the program's membership and frequent contacts (Reicheld, 1996) can give effects. Membership in the Alumni Association and frequent contacts with reference to the activities of interest for further students' professional development are possible with a high-quality database of active members of the association. In addition to the activities offered, further customer satisfaction surveys can provide qualitative inputs for development of cooperation. The fact that higher education institutions have several levels of satisfaction surveys, at all stages of interaction indicates that creation of company image is a process that never ends (Ind, 1996).

Enriched corporate knowledge being used to align business strategies with the needs of external users is at the level of passive loyalty result of surveys conducted with previous generations of students. With each new generation of students, higher education institutions gain new potential for improving the image. Comparative research on employees and students attitudes are here conducted in order to identify possible communicational deviations and to improve communication and actions in further cooperation.

Based on elaborated theoretical postulates and relationship between intellectual capital and the company's image, following hypotheses are set:

H1: In process of building the image, focus on all elements of intellectual capital is needed in order to achieve quality of service

H2: Quality of service is attracting customers to company

H3: In process of strengthening company image, with the aim to create partnership loyalty, the most important role has relational capital

2.3. Students' Needs and Development of Loyalty

Some authors (Bayraktar *et al.* 2008), pointed out identifying the needs of students as a way of creating the preconditions for fulfillment of their expectations and satisfaction, stating that in this close relationship with the students it is crucial to identify these needs. Students' satisfaction greatly affects their motivation, as well as keeping the interest for the institution (Vranesevic *et al.* 2007). Depending on the quality of meeting the needs of students, they will go through phases of loyalty, in order to achieve desired partnership level. Partnership level leads to interaction between the image of higher education institution and the image of students. Students link their acquired knowledge and business successes with the institution where they initially have gained their knowledge.

Loyalty means immunity of costumers to other service providers. For the development of loyalty, three types of programs can be used (Reicheld, 1996): program to create a connection, programs to encourage frequent contact and membership programs. All these above mentioned programs are applicable to higher education through different levels of students' needs, where programs of membership in the Alumni Association support loyalty that lasts even after graduation. For the successful business it is important to apply the image strategy using guided impressions, in order to achieve positioned image in the market and in the minds of costumers (Babic, 2004). The objective of image strategy is delivering services that are different from competing companies. It can be different type of service or different way of delivering and implementing service. This differentiation is based on specific values, orientation to quality, organizational culture, and excellence in business that confers competitive advantage, resulting with desired image.

There are five levels of student's needs and loyalty, connected to certain activities provided by higher education institutions: first level is the need for employment, self-employment and job retention; second level is security need; third level are social needs; fourth level is the need for status and recognition; fifth level is the need for career development and training (Fehric and Jaganjac, 2012). Apart from necessity to identify students' need, higher education institutions need to develop model of interacting with students, in order to reach partnership loyalty.

At first level, students make decision to study and start to explore between several variants of choice. Among other elements, prospective students consider public perception of higher education institutions' image. In the first stage of passive loyalty, emphasis is on the relational capital, which apart from public perception includes effects provided to graduated students. The information about the higher education institution are also collected on the basis of the recommendations, as well as on the basis of results of students' satisfaction, those who have already used the services and consumed the quality of the institutions taken in consideration. At the level of security need and conditional loyalty, when the safety of the quality of educational institutions and accreditation program is decisive for the choice between more variants, potential students rely on trusted institution, with certified quality. At this stage, there is equal importance of all elements of intellectual capital presented through the following groups of quality criteria: human capital, which refers to the quality of teaching, non-teaching staff and the ability of management to create a strategy that fulfill all given criteria; structural capital, which in addition to the strategy includes also culture of quality, variety of procedures, internal quality assurance management, quality of physical and information resources; relational capital, which includes public relations and international cooperation. At the third level of social needs and conditional loyalty, focus is on both human capital and relational capital. The motivation of students to be engaged in various extracurricular activities and to participate in international cooperation and exchange is mostly influenced by mentors and possibilities to participate in network of cooperation with other institutions. Students are promoters of institution at this level, but there is still possibility to migrate to other higher education institution. To prevent that, there is a need to conduct regular satisfaction survey related to overall satisfaction (academic and non academic activities, facilities, programs, and image). At stage four, connected to need for status and recognition (studying and graduation) and loyalty to the completion of studies, focus is on both structural capital and human capital, engaged through educational programs and IT support, and teaching staff, through the processes of teaching. The teaching process according to the standards of quality and innovation in teaching, in conjunction with regular satisfaction survey related to curriculum and teaching methods are important at this stage of students' need and level of loyalty. At the fifth level of need for career development and training connected to partnership loyalty, the utmost importance has relational capital. Maintaining relationship with graduated students and investigating their further training and educational needs is crucial. There are several types of satisfaction surveys needed for qualitative feedback, being used for improvement of this post-study cooperation. These are surveys of studying experience and overall satisfaction, satisfaction survey of employers, alumni members' satisfactions survey, and satisfaction survey for each post-study activity.

A series of interactions between students and higher education institutions, created through the quality of service and satisfaction survey results, can enrich and multiply innovation, leading to improvements of all processes influencing service quality. The interaction can initiate changes and transition through levels of loyalty. For the development of loyalty, it is necessary to identify the types of satisfaction surveys in certain phases of interaction in accordance with the identified levels of students' loyalty, as well as to identify which elements of intellectual capital are in focus at these levels of loyalty. Building and strengthening the image is achieved by all the activities that involve interest of company to invest in its human, structural and relational capital. Thus, strengthening the image of higher educational institution is process which goes through development on loyalty, relying on relational capital. Since image of higher education institution is related to public perceptions as well, communication with all targeted groups goes through appropriate communication channels (Fig. 1).

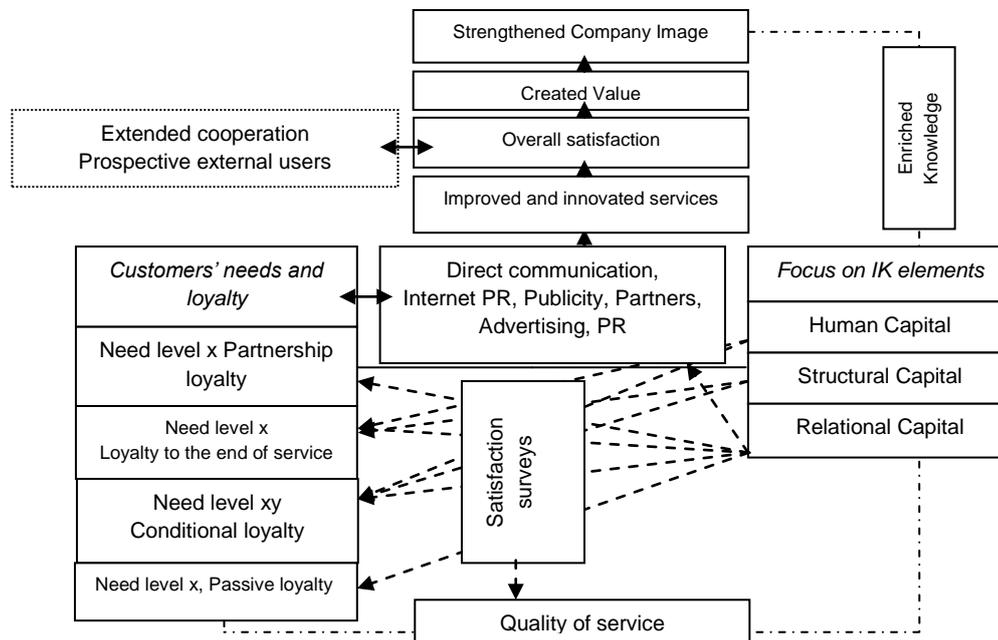


Figure 1. Strengthening Company Image

3. Research Methodology

3.1. Sample and Data Collection

The above named hypotheses are tested through an online survey that included student participants and faculty teaching staff (mentors and members of the program committee). Students' Conference SKEI 2016 (economics and informatics) hosted 63 participants, of which 55 students presented their papers at the conference and to which online questionnaires has been sent. From 55 student participants, 47 of them responded to the questionnaires (85%), while from 13 members of the program committee and mentors, 11 of them responded to the questionnaires (84.6%). Participants and members of the program committee were from nine faculties from Bosnia and Herzegovina, Serbia and Croatia. Most of participants were students who have graduated at higher education institution which organized conference (79%)

Limitations of the study are related to the fact that the survey is conducted once, without possibility to compare results with previous periods. It represents an initial study. A lot of studies can be found referring to quality in higher education (Firdaus, 2006; Duzevic *et al.* 2015; Kontic, 2014; Anninos, 2007; Cullen and Hassall, 2003; Hill, 1995), but not referred to building and strengthening image by improving relational capital. Quality is here considered from the standpoint of the process of building image, which is attracting students to company. In further communications and processes to strengthen the image, the focus is on the relational capital and satisfaction surveys, which does not only examine the satisfaction of existing services. Surveys can partly consist of elements of market research, in order to create a new service, in accordance with the recommendations given by participants. Model (Figure 1) is applicable from the point of identifying the level of costumers needs, in this case students needs and level of loyalty and satisfaction, connected to elements of intellectual capital. The study includes several elements of company image, but cannot measure and predict the impact on the overall service sector. Therefore it can serve as a framework model, which can be adjusted to specific company's need. To process data, SPSS 20 is used. In the analysis of research results descriptive statistics is used:

- the arithmetic mean, as the average value of the basic set, showing the mean value of the analyzed claims, so that conclusions on the consistency of the sample can be made

- the standard deviation, which shows the deviation around arithmetic mean, and based on that one can conclude the existence of differences in given answers of surveyed groups
- T-test, in order to prove the existence of a statistical difference between the two samples tested, at the level of 5%.

4. Results

In the category of student participants, 35% of them were from undergraduate studies, 37% of master's degree and 28% of doctoral studies. In the category of teaching staff and mentors, 64% were assistant professors; 18% associate professors and 18 % full professors. With aim to identify motives for participation at the conference, students were offered nine options: thematic areas of the conference; establishing business contacts; direct communication with the participants; publication of paper; acquiring new knowledge and information; continuing education; pursuing an academic career; professional development and the importance of the event. Professors were also offered the same response options, with a question about their attitudes regarding the motives of students for participation in the conference. As three most important motives students stated: professional development; acquiring new knowledge and information and publishing paper. Teachers perceptions toward three most important motives of students are: publishing the paper, professional development and development of academic career. Average mean of 4.83 is result for question whether the conference met students' expectations with respect to the above named motives to participate. All of the students have responded that they would again participate in the student conference or other event of interest for their further development. The same positive response was given by professors, who answered that they would again be mentors or otherwise active participants in activities of interest to graduate students.

Based on the collected and processed data it can be concluded that the conference met expectations in terms of quality of work and presentation, which confirms the high average scores of professors and students who participated in the same. The arithmetic mean of the attitudes of students amounted to 4.6809, while the attitudes of professor amounted to arithmetic mean 4.5455. Standard deviation shows that the deviations were not high, and therefore the results are gaining in importance. T test shows that there is no significant statistical difference between the attitudes of students and professors in terms of fulfillment of the expectations of the conference referring to quality of work and presentations (Table 1).

Table 1. Satisfaction with quality of papers and presentations

	N	Min	Max	Mean	Std. Deviation	T – test
Students: Did the conference meet your expectations in terms of quality of paper and presentation	47	1.00	5.00	4.6809	0.81043	T=2.193; P=0.052>0.05
Professors: Did the conference meet your expectations in terms of quality of paper and presentation	11	3.00	5.00	4.5455	0.68755	

When it comes to attitudes of professors and students in terms of the elements that have the most important influence to the quality of the papers, there are significant differences in the selection and ranking those elements. Students identified the three most important elements: 1. total quality of higher education institution where they have graduated; 2. knowledge of methodology of professional and scientific papers; 3. involvement of students in research work and projects during the study. Professors ranked three most important elements as follows: 1. mentors; 2. overall quality of higher education institutions; 3. knowledge of methodology of professional and scientific papers. Both students and professors were given following options to choose: overall quality of higher education institutions; involvement of students in research work and projects during the study; mentors; business practices during and after the study; ability to compile theoretical and practical knowledge; knowledge of methodology of professional and scientific papers.

Table 2. Attitudes of professors and students regarding elements influencing the quality of papers

	Paired Differences						t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference					
				Lower	Upper				
Students: The quality of papers is mostly influenced by: Professors: The quality of papers is mostly influenced by:	-2.148	1.7255	0.3321	-2.8307	-1.4656	-6.4	26	0.000	

Data analysis showed that there is a statistical difference between the attitudes of students and professors, which refers to elements influencing quality of scientific papers, because $T = -6.4$, $P = 0.000 < 0.05$. Among the responses of teachers and students there is a difference, and that is -2.148 , where the value of T , which is negative and amounts to -6.4 . 95% confidence interval indicates that the deviation between the two groups tested is in the range from -2.8307 to -1.4656 , which is finally shown that there is still a significant statistical difference between the two examined groups (Table 2).

Data analysis showed that students perceived their participation in the conference as of great importance for the institution in which they work, as evidenced by the arithmetic mean, which are 4.0426 . Attitudes of professor are somewhat lower, arithmetic mean 3.8182 . Analysis of the differences between the responses of students and professors using the T -test showed that there is a significant statistical difference between the two groups tested. Students expressed that conference had high significance because of new information gained during the session, with arithmetic mean 4.4681 . Attitudes of professors are different, showing arithmetic mean 3.8182 . T -test showed that there are significant differences between the students and professors attitudes regarding the significance of the new information acquired during the session. Practical usefulness of the information gained at sessions had arithmetic mean 4.4255 from students' perspective. As in previous cases, professors rated this element somewhat lower with average mean 3.8182 . T -test showed that there is a significant statistical difference between the responses of students and professors in terms of the practical usefulness of the information provided. Attitudes of students and professors about their contribution to the profession and science are equal. The average mean of students' response was 4.234 , while the average mean of professors' response was 4.6364 . T -test showed no significant difference between the responses of students and professors in regard to contributions to the profession and science. Regarding the significance of the conference in process of encouraging innovation, students' results showed average mean of 4.6170 and 4.5455 professors' results. T -test showed no significant difference between attitudes of students and professors in terms of encouraging innovation as one of the goals of this conference. The significance of the conference for the expansion of business contacts is also highly rated. The average mean by students' response was 4.4468 and 4.2727 given by professors. T -test showed that there was no significant statistical difference between the two examined groups in terms of expanding business-contacts (Table 3).

Table 3. Analysis of the importance of the conference for student participants and teaching staff

	N	Min	Max	Mean	Std. Deviation	T - test
Students: importance for company where you work	47	1.00	5.00	4.0426	1.3015	T=4.851; P=0.001<0.05
Professors: importance for company where you work	11	2.00	5.00	3.8182	0.8739	
Student: new information gained at sessions	47	2.00	5.00	4.4681	0.8302	T=4.851; P=0.001<0.05
Professors: new information gained at sessions	11	2.00	5.00	3.8182	0.8739	
Students: practical usefulness of new information gained	47	2.00	5.00	4.4255	0.8533	T=3.993; P=0.003<0.05
Professors: practical usefulness of new information gained	11	2.00	5.00	3.8182	0.9817	
Students: contribution to profession and science	47	3.00	5.00	4.2340	0.8133	T=1.789; P=0.104>0.05
Professors: contribution to profession and science	11	3.00	5.00	4.6364	0.6742	
Students: encouraging innovation	47	1.00	5.00	4.6170	0.8484	T=2.193; P=0.053>0.05
Professor: encouraging innovation	11	3.00	5.00	4.5455	0.6876	
Students: Expanding business contacts and networking	47	1.00	5.00	4.4468	0.9043	T=1.896; P=0.087>0.05
Professors: Expanding business contacts and networking	11	1.00	5.00	4.2727	1.2721	

5. Discussion and Conclusions

The results indicate that students' motives to participate the conference are mainly related to professional development and acquisition of new knowledge, as well as to publication of paper. The first two named motives indicate the need for continuous knowledge improvement. Based on that input, higher education institutions can develop their relational capital through activities of mutual interests, such as: student conferences, lifelong learning programs. The best way to retain students' interest is to create partnership relations through which they have opportunity to be active participants in process of creating services for their needs. This conference, according to presented results, gave expected benefit for the participants, but also has potential for future benefit for higher institution. In order to make graduated students promoters and to reach partnership loyalty, higher education institution need to meet their needs, not connected to curricular, but derived from them. What was emphasized in the responses of students through open questions is fact that this was students' and just for students conference. This in some way has status values and recognition for graduated students. Through open survey questions about the possible forms of future cooperation, following answers were given: round tables, seminars, conferences, trainings, business projects. Subjects of interests are as follows: fiscal policy; entrepreneurship, artificial intelligence, soft skills trainings; accountancy; human resource management; educational information systems etc. When it comes to the initial familiarity with the possibility of participation in the conference, 79% of respondents said that the initial communication was done by teaching staff. 6% of the participants were initially informed through the website; 5% through social networks; 6% through recommendations of other participants; and 4% through the media. These results are expected, since this was the first

conference and the initiation through personal contacts was the most important. Although the announcement of the conference was covered by the media, a decisive factor, however, was personal contact, which at fifth level of needs and loyalty is expected. That is because it is a form of membership program. However, the conference was welcoming also students who have graduated at other institutions, as well as students from partner institutions. Assumption is that in following conferences, new participants would be informed through word of mouth and recommendations of the participant. This discussion confirms the hypothesis number three.

Hypothesis 1 and Hypothesis 2 are mostly related, because attracting consumers (in this case student) is primarily based on the quality of service. Process of ensuring quality in higher education is associated to all of the elements of intellectual capital. This hypothesis is also confirmed. Students stated that decisive factor that affects the quality of the papers is total quality of higher education institution, where they have gained knowledge. Their knowledge is reflected also in the ability to produce paper according to given standards. There are many researches on the subject about students' perception of quality in higher education. In one of them, Duzevic *et al.* (2015), the authors refer to the fact that, The results of the main component analysis have shown that students in Croatian institutions of higher education perceive dimensions of higher education service quality equally as their colleagues in other countries (Firdaus, 2006; Brocado, 2009). There is compliance in the perception of certain elements of the image on both students and professors side, but there are differences as well. Significant difference in attitudes and perception can be found in the part that refers to the influence of a mentor. Professors stated that quality of paper mostly depends on their engagement, while students perceive importance of the overall system of quality. There is also a difference in the perception of professors regarding the motives of students for participation to the conference. Differences can also be found in the perception of: importance of this activity for the institutions in which they both work; the significance of the new information acquired during the conference and their practical usefulness. These differences arise from the different roles of professors and students and their motives. Elements that do not indicate a difference in the perception are: fostering innovation; contribution to the development of the profession and science and the expansion of business contacts.

These are actually goals of the conference, so it is important that these element match on both professors and students. Directions for improvement of communicational elements relate to proper assessment of the significance and role of all stakeholders in the process of acquiring knowledge. There is also need to establish and use targeted media channels when informing wider group of potential participants. On the other hand, the fact is that students mostly rely on the experience of participants from previous conferences and the quality of their own experience. This is initial factor for maintaining loyalty at level five. Membership programs need direct communication, but because of public perception of company image, it is not enough to rely only on, word of mouth. That type of publicity can be more of local character. Considering that for the question regarding the significance of the event for the institution, professors gave much lower grade than the students, indicates that professors perceived this activity more like additional service and effects that are more related to the students. There is need for raising awareness of the importance of all activities, which have benefit not only for users, but also for the institution and teaching staff. It is necessary to find proper motivational techniques for teaching staff. The study confirmed the applicability of the concept of Figure 1 but for its general application more research with higher temporal and spatial coverage is needed.

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