

# Determinant Factors of University Choice for UPH Students

Rocky Nagoya<sup>a</sup>, Innocentius Bernarto<sup>b</sup>, <sup>a,b</sup>Graduate School of Management, Universitas Pelita Harapan, Indonesia, Email: <sup>a</sup>rockyuph@gmail.com, <sup>b</sup>bernarto227@gmail.com

The objective of this research is to answer the following questions. Firstly, is there a positive correlation between the Quality of Academic Resources and University Choice? Secondly, is there a positive correlation between University Spirituality Value and University Choice? Lastly, is there a positive correlation between Applied Oriented Service and University Choice? This study is based on Questionnaires distributed among 153 students at Pelita Harapan University (UPH), Tangerang. The data was analysed using Partial Least Square – Structural Equations Modelling (PLS-SEM). The results of this research showed that the Quality of Academic Resources, University Spirituality Value, and Applied Oriented Service has a positive correlation with University Choice. This research can be used by Pelita Harapan University or other Higher Education Bodies to examine their curriculum relating to those three Variables.

**Key words:** *University Choice, Academic Resources, Spirituality Value, Applied Oriented Service.*

## Introduction

Being a graduate from high school is presumed not a guarantee to deliver a comfortable standard of living, as written by Cohen and Git (Mustafa, Sellami, Elmaghraby, & Al-Qassass, 2018). Thus, higher education is needed to keep a person competitive in the market. A person, in Indonesia, can choose one from of over 1000 universities that are currently available. However, in deciding which university will be selected, a person must recognise what the important factors are that affect the selection process.

Many previous types of research have been done to find out what is essential in selecting the right university. Al Jamil, Sarker, & Abdullah (2012) have found that educational quality and cost of study are some essential factors in influencing the choice, whereas Fernandez (2010) found that the essential factors are good reputation, adequate facilities, availability of programs, and type of courses. The element of status was also found to be an influencing factor in

selecting higher education (Joseph, Mullen, & Spake, 2012; Kusumawati, Yanamandram & Perera, 2010; Souter & Turner, 2002). That cost of study is a common factor in influencing the decision has been found in Kusumawati, Yanamandram & Perera (2010), Joseph, Mullen, & Spake (2012) and Wagner & Fard (2009). The career prospect is also an essential factor, as found by James, Baldwin & McInnis (2012) and Veloutsou, Lewis, & Paton (2004).

However, only a few papers discussed how significant Spirituality Value is in choosing a University. This research gap will be discussed further. Furthermore, the correlation between the Quality of Academic Resources and Applied Oriented Service toward university choice will be discussed as well. The purpose of this research is to find out: does the quality of academic resources influence university choice? Does university spirituality value resources influence university choice? Does applied oriented service influence university choice? By knowing the correlation between those variables, it can help the university to understand what they should offer to fulfil the wants and the needs of the student. The contribution of this paper is to acknowledge the importance of Spirituality Value in choosing a university. If the Spirituality Value has a positive correlation with university choice, it is a significant result for this research. Thus, the university must adapt the Spirituality Value into the vision, mission, and curriculum to attract students.

## Literature Review and Hypothesis

### University Choice

According to Hossler and Gallagher (as cited in Raposo & Alves, 2007, p.2), "the three phases of the model to understand university choice process include Predisposition, Search and Choice." The choice is the last phase for students to decide a higher education body to apply to. Iswayanti (2010) defined "the choice as a final process to fulfil the needs and wants of a person after certain consideration." Sriwardiningsih, Angelia, & Aulia (2006, p. 15) defined choice as "an outcome from the purchase decision process." As shown in Figure 1, Kotler & Keller (2015, p.195) defined the buying decision process as "the consumer typically passes through five stages: problem recognition, information search, evaluation of alternatives, purchase decision and post-purchase behaviour." This "stage model" is known as the Five-Stage Model of the Consumer Buying Process.



**Figure 1. Five-Stage Model of the Consumer Buying Process**

Source: Kotler & Keller (2015, p.195)

Thus, in this model, the consumer must recognise the problem, then search the needed information, evaluating the alternatives before deciding to purchase or making a choice. Furthermore, this is showing that the decision to purchase or making the choice are essential stages to take after comparing other possible options or alternatives. In this paper, since the respondent already enrolled in the University, it means purchase decision or choice decided.

### **Quality of Academic Resources**

Quality is influencing the buying decision for the consumer. Therefore, it is a factor that will be considered by the customer, as mentioned by Alfred (2013). Walley, Custance, & Taylor (2007) also emphasised that quality is an essential factor for influencing customers in the decision process. Andrianto (2013); Mongi, Mananeke & Repi (2013); Soenawan & Malonda (2015) found that quality has a significant influence on a purchase decision. Alsaudi (2016) found that quality of instruction in the teaching process as one of the essential factors for parents in deciding their choice of school. Al Jamil et al. (2012) revealed that the quality of education is the number one criterion in choosing a private university.

*H1: There is a positive correlation between Quality of Academic Resources (QA) and University Choice (UC)*

### **University Spirituality Value**

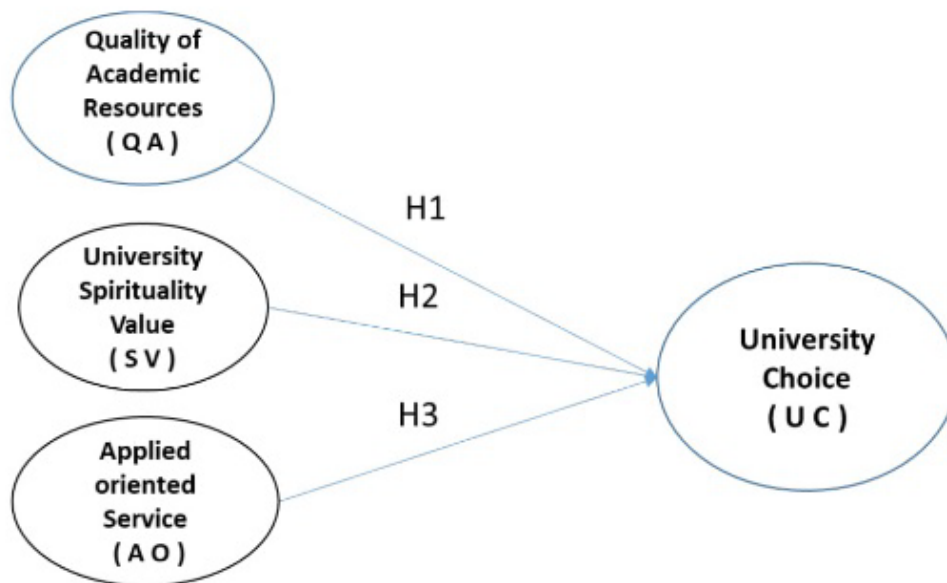
Value has many kinds of definitions. For this research, the author has chosen to use the definition of value by Vargo et al. (as cited in Yousefian 2015, p. 25). Vargo et al. classify value meanings into two perspectives: value-in-exchange and value-in-use perspectives. While the value-in-exchange perspective argues that producers create and distribute value and customers consume it, the value-in-use view supposes that value is co-created by both producers and customers jointly through the interaction and integration of resources. Shareef et al. (2008) wrote that perceived customer values have a moderate role (or positive correlation) toward a purchase decision. The results of Ariyanti & Iriani (2014) and Wulandari & Ekawati (2015) studies indicate that there is a positive relationship between perceived value and purchase intention. These results suggest that as consumers' perception of the value of the product increases, the purchase intention will increase as well. Whereas Kusdyah (2012) found the perceived value variable has a significantly positive effect on the intention to repurchase variable. Furthermore, Bosetti (2004) found that schools should respond to the preference values chosen by the parents.

*H2: There is a positive correlation between University Spirituality Value (SV) and University Choice (UC)*

## Applied Oriented Service

Service, as written by Walley et al. (2007), is an essential factor in influencing customers to purchase. Furthermore, Lahindah and Merisa (2018) wrote that service quality has a significant effect on buying decision. Engel (as cited in Shih et al., 2015, p. 391) declared that "consumer buying behaviour is directly related to the consumption of services which are triggered by the decision-making process before and after." Furthermore, (Iswayanti, 2010; Meliana & Setiawan 2013; Weenas, 2013) found that service quality has a positive influence on the decision to buy. In Setiawati & Murwanti (2006, p.90), service quality has a significant effect on consumer purchase intentions.

*H3: There is a positive correlation between Applied Oriented Service (AO) and University Choice (UC)*



**Figure 2. Research Model.**

## Method

A survey method is used in this research. Data collection is by using the questionnaire instrument. The targeted population is all students of management program faculty of the economy of UPH. The sampling technique is done by convenience sampling. The number of respondents is 153. Statistics analysis is by using the approach of partial least square-structural equation modelling (PLS-SEM). The instrument used to measure the variables is by applying the 5-point Likert Scale which is 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree.



## Results

### Profile of Respondents

The number of respondents is 135 respondents consisting of 66 females (49%) and 69 males (51%). Furthermore, the respondents' school of origins are 7% from public high schools and 93% from private schools. The occupations of parents are mostly entrepreneurs (80%); employees (13%), professionals/doctors (2%), teachers (1%), police (1%), and others (3%). Students of 2019; 2018; 2017; 2016; 2015 are respectively 1%; 24%; 24%; 44%; and 7%.

### Outer Model

In this stage, the reliability test is done by measuring composite reliability. An instrument is said reliable if the value of composite reliability  $> 0.7$ . Then, besides the reliability test, the validity test of the instrument is also done. The validity test is measured by considering the value of the average variance extracted (AVE), factor loading, and discriminant validity. Validity of instrument is fulfilled if the value of AVE  $> 0.5$  and factor loading  $> 0.7$ . Furthermore, discriminant validity is fulfilled when the square root value of AVE  $>$  the correlation value between variables. Hair, Hult, Ringle, and Sarstedt (2014) explained that the value of factor loading between 0.5 and 0.6 is still acceptable as long as the value of AVE  $> 0.5$ . Table 1 shows the result of the validity test and reliability test evaluation.

**Table 1. Evaluation of Reliability and Validity of Instrument**

Variable and Item	Factor Loading
<b>Applied Oriented Service (AVE=0.583; CR=0.892)</b>	
AO1 University must have an internship program.	0.840
AO2 An internship allows me to be better prepared for actual work.	0.869
AO3 An internship allows me to apply the theory to the real world.	0.740
AO4 The obligation for an internship as part of the curriculum is important.	0.716
AO5 I am glad if the university facilitates a part-time job.	0.611
AO6 The opportunity for an internship is an important matter.	0.778
<b>Quality of Academic Resources (AVE=0.533; CR=0.848)</b>	
QA1 University must have a library.	0.538
QA2 I am concerned with the number of lecturers with a master's degree.	0.827
QA3 I am involved with the number of lecturers with a doctoral degree.	0.846
QA4 The number of professors at the university is an essential matter to me.	0.702
QA5 The number of professors in the faculty I choose is essential to me.	0.695
<b>Spiritual Value (AVE=0.611; CR=0.904)</b>	
SV1 University must have a vision of spirituality.	0.834
SV2 University must have a mission of spirituality.	0.836
SV3 University must have spiritual assistance for the students who need it.	0.811
SV4 University must give support to the students' religious activities.	0.772
SV5 University requires the students to join religious activities according to their beliefs.	0.670
SV6 The subject of spirituality comparison is mandatory for university.	0.756
<b>University Choice (AVE=0.649; CR=0.880)</b>	
UC1 I am sure that the university I choose fulfils my expectations.	0.824
UC2 I am glad about the university I chose.	0.879
UC3 I am sure that the university I chose is by my needs.	0.713
UC4 I am sure that this university can support my future career.	0.797

Information: AVE=average variance constructed; CR=composite reliability

Source: Data Processing Result

The value of AVE is starting from 0.533 to 0.649. Then, the value of CR is between 0.848 and 0.904. Next, the value of factor loading is between 0.538 to 0.879. All requirements of validity and reliability have been fulfilled. Thus, it can be concluded that the instrument used is reliable

and valid. The requirement for discriminant validity is the value of the square root of each variable more than the value of the correlation between variables (Hair et al. 2014). Table 2 shows that the discriminant validity has been fulfilled. Therefore, the instrument is valid, which is shown by the fulfilled requirements for AVE, factor loading, and discriminant validity.

**Table 2. Evaluation of Fornel-Larcker Criteria**

	<b>Applied Oriented Service</b>	<b>Quality of Academic Resources</b>	<b>Spirituality Values</b>	<b>University Choice</b>
<b>Applied Oriented Service</b>	0.764			
<b>Quality Academic Resources</b>	0.117	0.730		
<b>Spirituality Values</b>	0.170	0.144	0.782	
<b>University Choices</b>	0.260	0.227	0.464	0.806

Source: Data Processing Result

### Inner Model

A hypothesis test is done in this stage. Moreover, the calculations of R<sup>2</sup> and collinearity tests are also done. Hypothesis testing is done by looking at the value of a significant level of  $\alpha=5\%$  (one-tailed proof) and is tested by comparing the cost of p-value with a level of significance ( $\alpha$ -value=5%). If  $p\text{-value} < \alpha\text{-value}$ , the hypothesis is supported. The value of R<sup>2</sup> is 0.270 (27%), meaning that the variable university choice is explained as much as 27% by variables of applied oriented service, quality of academic resources, and spiritual values. The rest, which is 73%, is explained by other variables not included in the model of research. Then, the collinearity test is done to examine whether independent variables are strongly related. Hair et al. (2014) stated that if the value of variance inflation factor (VIF) is less than 5, the collinearity does not occur. Table 3 shows that all costs of VIF are below 5. Thus, there is no tendency for collinearity.

**Table 3. Collinearity Evaluation**

	<b>VIF</b>
Applied Oriented Service	1.039
Quality of Academic Resources	1.031
Spirituality Values	1.047

Source: Data Processing Result



**Table 4. Hypothesis testing**

Hypothesis	Standardised Coefficient	p-value	Decision
H <sub>1</sub> : There is a positive correlation between Quality of Academic Resources and University Choice	0.148	0.020	Supported
H <sub>2</sub> : There is a positive correlation between University Spirituality Value and University Choice	0.413	0.000	Supported
H <sub>3</sub> : There is a positive correlation between Applied Oriented Service and University Choice	0.173	0.009	Supported

Source: Data Processing Result

The results of hypothesis testing are shown in Table 4. The results of the statistics test show that all hypotheses are supported, which is illustrated by the  $p\text{-value} < \alpha\text{-value} (=5\%)$ . All standardised coefficient values have a positive sign by the hypotheses. Then, the most influencing variable toward university choice is the variable of spiritual value, which is marked by the highest standardised value of 0.413. The next influencing variable is applied oriented service with a normalised coefficient value of 0.173. Furthermore, the least influencing variable toward university choice is the variable of quality of academic resources, which is shown by the normalised coefficient value of 0.148.

## Discussion

A positive correlation between the Quality of Academic Resources (QA) and University Choice (UC) is supported because of the  $p\text{-value} (=0.020) < \alpha\text{-value} (=5\%)$ . This result is supporting the finding of (Alfred 2013; Walley et al. 2013). It illustrates that as the quality of academic resources (QA) is increasing, it will increase the confidence level for the respondent in university choice (UC). The availability of library, the number of master's, doctoral, and professorial degrees in university and the number of professors in the chosen faculty are representing the importance of quality of academic resource (QA) that positively influences the university choice (UC) by the students.

Furthermore, these results are supporting the findings from (Al Jamil et al., 2012; Andrianto, 2013; Mongi, Mananeke, & Repi (2013); Soenawan & Malonda, 2015) stating that quality has significant influence in the purchase or choosing decision. Thus, the university should equip themselves with the library and must have a proper amount of lecturers with a masters, doctoral, and professorial degree. The university should support the lecturer in pursuing a higher academic degree and engaging in more academic research.

A positive correlation between University Spirituality Value (SV) and University Choice (UC) is supported because of the  $p\text{-value} (=0.000) < \alpha\text{-value} (=5\%)$ . This result is supporting Shareef et al. (2018) that argued that Perceived Customer Values has a positive correlation with



Purchase Decision. The result also supports (Ariyanti & Iriani, 2014; Wulandari & Ekawati, 2015), stating that perceived value has a positive relation with purchase intention, where the decision or choice will be based on. Furthermore, this result is also consistent with Bosetti (2004), that values are positively affecting the parents' choice in school selection. As defined by Vargo et al. (as cited in Yousefian 2015, p. 25), the value in use perspective supposes that value is co-created by both producers and customers, jointly through the interaction and integration of resources. Thus, Spirituality Value (SV) must be provided by the university, and the benefit of it must be perceived positively by the receiver (in this case are the students) to create a positive correlation with University Choice (UC).

In alignment with this finding, the university should have a vision and mission of spirituality. Furthermore, spiritual assistance should be provided if needed by students. Moreover, spiritual activities need to be supported by the university. Additionally, the university should require the students to join the spiritual activities according to their beliefs. Lastly, the university must have a subject for spirituality comparison in the curriculum.

A positive correlation between Applied Oriented Service (AO) and University Choice (UC) is supported because of the  $p$ -value ( $=0.009$ )  $<$   $\alpha$ -value ( $=5\%$ ). The hypothesis test result is consistent with Walley et al. (2007), stating that service is an essential factor in influencing a customer to purchase. As the value of service is increasing, the confidence level of students in choosing the right university is increasing as well. This result is also in line with Iswayanti (2010), Meliana & Setiawan (2013), Setiawati & Murwanti (2006), Weenas (2013), stating that service quality has a positive influence in the decision to buy or decision to choose. By knowing the importance of Applied Oriented Service, the internship program should exist as a part of the curriculum.

Furthermore, the internship program must be able to equip the student to face the actual working environment and application of the theories into the real business world. Moreover, the student must follow the internship as a part of the studies. Likewise, the university should be able to assist the students in getting a part-time job. Lastly, the university must realise that it is essential for the students to have an internship. Thus, the university should consider and present the internship as seriously as possible. The university must have a good relationship with corporations to ensure the availability of internship jobs and a part-time jobs.

## **Conclusion**

In conclusion, along with the Quality of Academic Resource and Applied Oriented Service variables, the Spiritual Value has prevailed as an essential variable in relating to choosing a university for UPH Students. The university should take necessary steps in embracing spiritual value into the curriculum.



This paper has some limitations. Firstly, the quantity of sample size. It is advisable, for future research, that the sample size should be more significant. Secondly, the survey only covers the students from 1 (one) University, which is Pelita Harapan University (UPH). Thus, the result may differ in other universities. For the next research, it should cover more universities to have more general effect. Thirdly, the respondents are coming from different academic years. Thus, they may have a different level of experience in answering the questions.

## REFERENCES

- Al Jamil, M.A., Sarker, M.M., & Abdullah, M. (2012). Students' choice criteria to select a private university for their higher education in Bangladesh. *European Journal of Business and Management*, 4(17), 177-185.
- Alfred, O. (2013). Influences of price and quality on consumer purchase of mobile phones in the Kumasi metropolis in Ghana: A comparative study. *European Journal of Business and Management*, 179-199.
- Alsaudi, F. (2016). Reasons influencing selection decision making of parental choice of School. *International Journal of Research in Education and Science*, 2(2), 201-211. <https://doi.org/10.21890/ijres.57410>
- Andrianto, H. N. (2013). Pengaruh kualitas produk, citra merek, harga dan promosi terhadap keputusan pembelian mobil jenis MPV merek toyota kijang innova di Semarang. [Unpublished bachelor's thesis]. Diponegoro University. Retrieved from <http://eprints.undip.ac.id/39642/1/ANDRIANTO.pdf>.
- Ariyanti, K., & Iriani, S.S. (2014). Pengaruh persepsi nilai dan persepsi resiko terhadap niat beli kosmetik organik. *Jurnal Ilmu Manajemen*, 2(4), 1186-1196.
- Bosetti, L. (2004). Determinants of school choice: understanding how parents choose elementary schools in Alberta. *Journal of Education Policy*, 19(4), 387- 405. <https://doi.org/10.1080/0268093042000227465>
- Fernandez, J.L. (2010). An exploratory study of factors influencing the decision of students to study at Universiti Sains Malaysia. *Kajian Malaysia*, 28(2), 107-136.
- Hair, J. F., Hult, G.T.M., Ringle, C.M., & Sarstedt, M. (2014). *A primer on partial least squares structural equation modeling (PLS-SEM)*. SAGE.
- Iswayanti, I.P. (2010). Analisis pengaruh produk, kualitas layanan, harga dan tempat terhadap keputusan pembelian [Bachelor's thesis]. Diponegoro University. Retrieved from [http://eprints.undip.ac.id/23470/1/Skripsi\\_Ika\\_Putri\\_Iswayanti\\_C2A606054.pdf](http://eprints.undip.ac.id/23470/1/Skripsi_Ika_Putri_Iswayanti_C2A606054.pdf).
- James, R., Baldwin, G., & McInnis, C. (1999). Which university? The factors influencing the choices of prospective undergraduates. Department of Education, Training and Youth Affairs.
- Joseph, M., Mullen, E.W., & Spake, D.(2012). University branding: Understanding students' choice of an educational institution. *Journal of Brand Management*, 20(1), 1-12. <https://doi.org/10.1057/bm.2012.13>
- Kusdyah, I. (2012). Persepsi harga, persepsi merek, persepsi nilai dan keinginan pembelian ulang jasa clinic kesehatan : Studi kasus Erha clinic Surabaya. *Jurnal Manajemen Pemasaran*, 7(1), 25-32. <https://doi.org/10.9744/pemasaran.7.1.25-32>



- Kusumawati, A., Yanamandram, V. K. & Perera, N. (2010). Exploring student choice criteria for selecting an Indonesian public university: A preliminary finding. ANZMAC 2010 Doctoral Colloquium, 1-27. Christchurch, New Zealand: ANZMAC.
- Kotler, P., & Keller, K. (2016). *Marketing management, 5<sup>th</sup> edition*, Pearson Education.
- Lahindah, L., & Merisa, R.A. (2018). The influence of product innovation and service quality to buying decision and the impact to repeat buying at progo road Bandung. *The Asian Journal of Technology Management*, 11(2), 118-124. <https://doi.org/10.12695/ajtm.2018.11.2.4>
- Mustafa, S.A., Sellami, A.L., Elmaghraby, E.A.A., & Al-Qassass, H.B. (2018). Determinants of College and University Choice for High-School Students in Qatar. *International Journal of Higher Education*, 7(3), 1-15. <https://doi.org/10.5430/ijhe.v7n3p1>
- Mongi, L., Mananeke, L., & Repi, A. (2013). Kualitas produk, strategi promosi dan harga pengaruhnya terhadap keputusan pembelian kartu simpati telkomsel, *Jurnal EMBA*, 1(4), 2336-2346.
- Raposo, M., & Alves, H. (2007). A model of university choice : An exploratory approach. Munich Personal RePEc Archive (5523). Retrieved from <https://mpra.ub.uni-muenchen.de/5523/>.
- Setiawati, E., & Murwanti, S. (2006). Pengaruh kualitas pelayanan dan kepuasan elanggan dalam pembentukan intensi pembelian konsumen. *BENEFIT*, 10(1), 79-92 .
- Shareef, M.A., Kumar, U., & Kumar, V. (2008). Role of different electronic-commerce (EC) quality factors on purchase decision : A developing country perspective. *Journal of Electronic Commerce Research*, 9(2), 92-113. <https://doi.org/10.1504/IJEMR.2008.019813>
- Shih, S.P., Yu, S., & Tseng, H.C. (2015). The study of consumers' buying behavior and consumer satisfaction in beverages industry in Tainan, Taiwan. *Journal of Economics, Business and Managements*, 3(3), 391-394. <https://doi.org/10.7763/JOEBM.2015.V3.215>
- Soenawan, A.D., & Malonda, E.S. (2015). Pengaruh kualitas produk, kualitas pelayanan dan harga terhadap keputusan pembelian konsumen D'Stupid baker spazio graha family Surabaya. *Jurnal Hospitality dan Manajemen Jasa*, 3(2), 395-409.
- Souter, G., & Turner, J. (2002). Students' preferences for university: a conjoint analysis. *The International Journal of Educational Management*, 16(1), 40-5. <https://doi.org/10.1108/09513540210415523>
- Sriwardiningsih, E., Angelia & Aulia, L. (2006), Pengaruh perilaku pembelian mahasiswa terhadap keputusan pembelian komputer notebook di lingkungan mahasiswa Binus International. *Journal The WINNERS*, 7(1), 14-25. <https://doi.org/10.21512/tw.v7i1.608>



- Sulistiono, M., & Setiawan, B. (2013). Pengaruh kualitas pelayanan dan kepercayaan konsumen terhadap keputusan pembelian. *Jurnal Ilmiah Manajemen Kesatuan*, 1(3), 247-254. <https://doi.org/10.37641/jimkes.v1i3.273>
- Veloutsou, C., Lewis, J. W., & Paton, R. A. (2004). University selection: Information requirements and importance. *International Journal of Educational Management*, 18(3), 160-171. <https://doi.org/10.1108/09513540410527158>
- Wagner, K. & Fard, P.Y. (2009). Factors influencing Malaysian students' intention to study at a higher educational institution. *E-Leader conference at Kuala Lumpur*. Retrieved from <http://www.g-casa.com/PDF/malaysia/Wagner-Fard.pdf>.
- Walley, K., Custance, P., Taylor, S., Lindgreen, A., & Hingley, M. (2007). The importance of brand in the industrial purchase decision : a case study of the UK tractor market. *Journal of Business & Industrial Marketing*, 22(6), 383-393. <https://doi.org/10.1108/08858620710780145>
- Weenas, J.R.S. (2013). Kualitas produk, harga, promosi dan kualitas pelayanan pengaruhnya terhadap keputusan pembelian spring bed comforta. *Jurnal EMBA*, 1(4), 607-618.
- Wulandari, N.L.P.S., & Ekawati, N.W. (2015). Peran kepercayaan dalam memediasi persepsi nilai terhadap niat beli produk ramah lingkungan. *E-Jurnal Manajemen Unud*, 4(7), 2095-2109.
- Yousefian, J. (2015). The effect of self-efficacy, role clarity and trust of customer well-being and loyalty through value co-creation: The case of fitness centres [Unpublished doctoral dissertation]. University of Hull.