HR*MARS*
Exploring Intellectual Capital

Students' Decision Factors in Choosing Private Higher Education Institutions

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Abstract
The decision to enroll in a higher education institution is extremely important because during these university years one's future career is being built. Therefore, when making a decision regarding the future university, individuals evaluate several alternatives offered by the institutions. In Malaysia, the higher education is under the Ministry of Education (MOE) who is in charge of ensuring that a high quality of education is provided to all Malaysian citizens. Currently, a market-sensitive educational system is evolving in Malaysia due to the fact that the country is experiencing an increase in competition from both local and international universities. One of the key-triggering factors is the enrolment rate that each higher education institution (HEI) achieves at every academic calendar year. The purpose of this research is to examine the significant decision factors that influence students to enroll in a private higher education institution. The study was conducted in a private higher education institution in Perak and a total of 200 sample size was collected. Through regression analysis, findings show that financial aid, promotion and social influences all play a vital role in influencing students' decision when it comes to choosing higher education institution.
Keywords: Decision Factors, Higher Education Institutions, Students' Enrolment, Financial Aid, Facilities and Resources, Social Influences.

1.0   Introduction
In Malaysia, the higher education is under the Ministry of Education (MOE) who is in charge of ensuring that a high quality of education is provided to all Malaysian citizens. Currently, a market-sensitive educational system is evolving in Malaysia (Mazzarol 1998). This is due to the fact that Malaysia is experiencing an increase in competition from both local and international universities and one of the key-triggering factors is the enrolment rate that each higher education institution (HEI) achieves at every academic calendar year.

According to Grapragasem, Krishnan & Mansor (2014) in 1989, the National Philosophy of Education was released and became part of Malaysia's Vision 2020, which was to gain the

1372

status of a fully developed country by the year 2020. In order to strengthen Vision 2020 and better prepare the younger generation for the needs of the 21st century, the MOE has developed a new National Education Blueprint (NEB), which was launched in December 2012. The government has restructured the system of higher education and developed the strategies in order to enable it to fulfill the need for Malaysian in accordance with the nine challenges in Vision 2020. Besides that, the government wants to ensure that HEI are ready to accept the changes and attain excellence to face the competition posed by the global education market. The objective of these plans is to ensure that Malaysian universities achieve world-class status and operates as a hub for higher education in the Southeast Asia region (Ministry of Higher Education, 2007).

Having said that, there is a noticeably increase in the existence of private higher education institutions in the country; offering popular programs such as business administration, accounting, human resource management while others offer more specialized programs such as arts, engineering and other skill-based programs. With the growth and intense competition in this sector, past research has agreed that there is limited study on the factors influencing students choice to study in private higher education institutions (Shah, Sid Nair & Bennet (2013). It is well acknowledge that students entering higher education institutions these days are different than those of previous generations (Abrahamson, 2000). This research aims to fill this gap and add into the body of knowledge of the attributes that students choose in making their decision choice.

Therefore the purpose of this study is twofold: to examine the significant decision factors influencing students' choice into private higher education institutions; and to identify its rank of importance.

2.0   Literature Review

In such a competitive market due to the increase in demand and supply of the education market, recruiting students should be a well-planned marketing strategy (Munisamy, Mohd Jaafar & Nagaraj, 2013). Past researches acknowledged that the decision of choosing higher education is influenced by various factors. According to Lau (2009) there were six proposed factors: cost of education, content and structure, people, physical facilities and resource aspects, value of educations and institutional information. The research finds that cost of education, people and physical facilities were among the most important factors. Following on the same area, Shah et al. (2013) proposed student perceptions, access and opportunities and learning environments are the more significant choice factors.

2.1   Financial Aid

Financial aid has continuously contributes to the importance of students' choice to further studies in the HEI. Financial aid has been priority compared to other factors according to Hayden (2010). The result supports the work of Coy-Ogan (2009) who stated that the cost of attending HEI for example tuition fees had becomes a burden to some students. In the same

matter, So & Hyun (2015) differentiate between financial aid and tuition fees. According to their study, financial aid acts as helps to fund the students' tuition fees; inputs for financial aid could come from many sources. For example, it can be injected from the governments or federals, HEI itself and specific foundations and it can come in different forms such as loans, scholarships and grants. A significant finding by Claire & Jackson (2005) show that there was a relationship between debt and social class issues. This finding emphasizes that those students from less financially advantage backgrounds are exposed to debt more than those who come from others social class.

2.2   Program Content and Structure

A program structure contains information content and learning methodology for a particular program in a higher education. The program content and structure is controlled, revised and monitored from time to time by the respective HEIs in order to ensure of its high quality. In a comparative study, Wagner & Fard (2009) found that students in Indonesia feels the program content and structure is of less important compared to New Zealand and Malaysian students. On the other hand, Osman, Muhammad & Andy (2013) highlighted that the programs offered in a particular higher education institution is said as the top attribute as the decision choice for students' enrolment. Furthermore, students who were well equipped with information towards programs offered at the particular HEI definitely will choose the program when enroll into institutions. Apart from that, a wide range of programs offered seems to be a competitive advantage to the institutions. Flexibility of a program content and structure attracts student to choose the particular HEI as they can choose the mode of study whether it's a full time or part time basis (Lau, 2009).

2.3   Facilities and Resources

Lau (2009) demonstrates that location of the institutions can infuse competitive advantage to the institutions. The author reveals that students focus more on the physical aspects in making choice to enroll in the HEIs. Physical aspects such as place, favorable learning environment, recreation and sports, cleanliness, safe environment and campus social life plays a vital role. These factors acts as an additional advantage as the decisions choice (Garwe, 2016). According to Ionela, George & Blaga (2014), there were many facilities and resources provided by HEI. Location of the institutions is important as it can determine number of students' enrollment. Institutions that have area with less transportation (public or institutions) facilities could result in fewer students enrollment. Students may prefer to study in an institution that is close by their hometown to save the cost of transportation (Garwe, 2016).

Subsequently, the availability of necessary support services such as Internet access and library is also one of the considerations that students made when deciding to enroll in an HEI (Shah et al., 2013). Aligned with the nature of students programs, necessary resources such as digital collections from library can help students in their learning process.

2.4   Reputation

The influence of company reputation, or what is often referred to as corporate reputation, can be expected to become more important when there are higher levels of service (Cretu & Brodie, (2007). A company (corporate) reputation has been defined as ''a particular type of feed-back received by an organisation from its stakeholders, concerning the credibility of the organisation's identity claims'' (Whetten & Mackey, 2002, p. 401). A constructive and visibly recognized name or position for value, achievement and reliability represent the reputation as a whole. It represents the symbolic of an institution's image; hence play an important role in putting forth the visibility of an organization to the public. Reputation involves the process of forming, building and organizing institution's judgment (Kewell, 2006). Reputation for a HEI is derived from ranking; its reflection of good reputation is built by age, accreditation and competitiveness of admission and brand name, (Ionela et al., 2014). The institutions with a respectable identity will derive the institution to have a better-perceived value to a target market than its rivals can provide. Ranking helps HEI to build up their reputation and where they stand in education industry. Furthermore, this ranking can be a dimension medium to classify which HEI to mull over or close the eyes to (Ionela et al., 2014).

Khan, Mridha & Barua (2009) found that the reputation or image of HEI is the second highest important factor compared to quality of teaching. Similarly Munisamy et al., (2013) agrees that reputation falls on the second factor as the decision choice in choosing a particular HEI compared to the graduates employability factor. Further, academic recognition and reputation was ranked to number three compared to quality of teaching and learning and fees and cost structure (Garwe, 2016).

2.5   Promotion

The HEI industry these days portrays a rapid expansion in the market in that they are very aggressive in communicating their attributes. As mentioned in the earlier part of this paper, HEI needs to have a well-planned marketing strategy in order to compete with other education institutions. A well-communicated marketing content of a particular institution will enable a high possibility of reputation as well as students' enrolment. In a recent study by Osman et al., (2013) regarding students' decisions in choosing private institutions of higher education in Malaysia, it was found that promotion has a positive impact on the choice of study.

This finding contrast with the work of Lau (2009) who contend that promotion was not a prominent factor. However it is agreed that HEI have to filter which information can be used as promotional expressions (Sia, 2010; Osman et al., 2013).

2.6   Social Influences

Social influences reflected from various elements, which comprises of one's sentiment, judgment, or actions. Basically, social influences are attracted or influenced by other parties who are closed to them. Lau (2009) proves that social influence comes from individuals who are close to the students and have socially affiliation with them. Significantly, influences from families, teachers, friends and peers contributed to factors of decision making to enroll HEI

(Garwe, 2016). The findings support the work of Munisamy et al. (2013) who also indicates that social influences come from recommendation from graduates and influence from teacher.

A research conducted by Shah et al., (2013) mentioned that most of the students responded that they decided to choose a particular HEI based on the campus visit and communication with the institution's representatives such as course advisor and staffs. In contrast, according to Munisamy et al., (2013) proved that social influences falls on the third factor to consider when choosing HEI compared to employability of graduates and reputation.

3.0   Methodology

This study is a descriptive research that adopts a quantitative design method and six hypotheses testing were conducted to achieve the purposes. Primary data was collected using self-administered questionnaires that are adapted from the work of Lau (2009). A total of 292 (n=292) first year student samples were selected using Krejcie & Morgan (1970) based on convenience sampling in a private higher education institution in Perak. Sample sizes greater than 30 and fewer than 500 respondents are applicable for most study (Roscoe, 1975). Hence it can be said that the total sample selected is sufficient to present the population of the private education institution under study (N=1213).

Nominal scale was used to measure the demographic profile of the respondents such as age group, program group, parents' income level and education background. According to Sekaran & Bougie (2013), nominal scale applies a numbers as labels to allow the researcher to allocate subjects to certain categories or groups. Meanwhile, Likert Scale also was used to measure the student decision attributes for the students' decision choice. Each of the questions was scaled using Five-Point Likert Scale and the respondents were required to choose the scale that best fit with their opinion. According to Sekaran & Bougie (2013), Likert scale is a scale designed to measure the respondents' level of agreement or level of satisfaction (1=strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree).

5.0   Data Analysis and Result

Reliability test was conducted to measure the consistency and stability of every questionnaire items (Sekaran & Bougie, 2011). It is to ensure that the questionnaire items were free from error and yield consistent result. So, the result should similar across time and situation (Zikmund, 2003). Sekaran & Bougie (2011) suggested that Cronbach's Alpha is less than 0.6, the questionnaire items or the data is said to be poor. The good reliability statistic results were same for each dependent and independent variables.

Table 1 *Reliability Test Result*

INDEPENDENT VARIABLES	NO. OF ITEMS	CRONBACH'S ALPHA	REMARKS
Cost Of Education	5	0.937	Excellent
Program	5	0.959	Excellent
Facilities & Resources	8	0.868	Very Good
Reputation	5	0.847	Very Good
Promotion	5	0.875	Very Good
Social Influences	8	0.915	Excellent
DEPENDENT VARIABLE	NO. OF ITEMS	CRONBACH'S ALPHA	REMARKS
Decision Choice	7	0.935	Excellent

Table 1 above presents the reliability test for the variables. As can be seen all variables satisfy the reliability test as according to Sekaran & Bougie (2011). Hence, they are fit to proceed for further analysis.

Table 2 *Pearson Correlations Analysis*

Variable	Correlation
Financial Aid	0.596[**]
Program	-0.152[**]
Facilities and Reputation	-0.094[**]
Reputation	0.281[**]
Promotion	0.468[**]
Social Influences	0.434[**]
Decision to study at KPTM Ipoh	1.000[**]

Table 2 above shows the result of Pearson correlation analysis. The relationship between the independent and dependent variables was investigated using Pearson-product moment correlation coefficient. The value of correlation coefficient (R) of six independent variables (Financial Aid, Program, Facilities and Resources, Reputation, Promotion and Social Influences) with the dependent variable (decision choice) was 0.65. Therefore, a preliminary insight into this study can be said as having a positive and moderate correlation between six independent variables and dependent variable.

Table 3 *Model Summary of Multiple Regression Analysis*

Model	R	R Square
1	0.654ª	0.428

Table 4 *Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.683	2.947		2.947	.004
	FA	.472	.069	.438	6.859	.000
	PR	-.041	.052	-.045	-.783	.435
	FR	.047	.072	.037	.656	.513
	RP	.027	.120	.015	.229	.819
	PM	.301	.108	.198	2.784	.006
	SI	.141	.070	.138	2.008	.046
a. Dependent Variable: DC						

Table 5 *Hypotheses Findings*

HYPOTHESES	SIGNIFICANT FINDINGS	RESULT
H1: There is a significant positive relationship between financial aid attribute with students' decision to study at KPTM, Ipoh.	p = 0.000 (p < 0.05)	**ACCEPTED**
H2: There is a significant positive relationship between program (content and structure) attribute with students decision to study at KPTM, Ipoh.	p = 0.435 (p > 0.05)	REJECTED
H3: There is a significant positive relationship between facilities and resources attribute with students' decision to study at KPTM, Ipoh.	p = 0.513 (p > 0.05)	REJECTED
H4: There is a significant positive relationship between reputation attribute with students decision to study at KPTM, Ipoh.	p = 0.819 (p > 0.05)	REJECTED

H5: There is a significant positive relationship between promotion attribute with students decision to study at KPTM, Ipoh.	p = 0.006 (p < 0.05)	**ACCEPTED**
H6: There is a significant positive relationship between social influences (family, friend and teachers) attribute with students decision to study at KPTM, Ipoh.	p = 0.046 (p < 0.05)	**ACCEPTED**

Meanwhile, Table 3 and Table 4 above shows the result of multiple regression analysis. The R-square value of 0.428 implies that 42.8% of the variation in the decision choice to study at a private education institution can be explained by the variation in financial aid, program, facilities and resources, reputation, promotion and social influences. This is deemed acceptable however there are other variables that are influencing students' decision choice, which should be investigated in future research. The regression analysis results in Table 4 and Table 5 shows that three out of six hypotheses can be accepted as the p value is less than 0.05 (p<0.05); H1 (p=0.00), H5 (p=0.06) and H6 (p=0.046). Meanwhile, the other three hypotheses are rejected; H2 (p=0.435), H3 (p=0.513) and H4 (p=0.819). Therefore, based on these findings financial aid, promotion and social influences significantly affects students' decision to choose a particular private higher education institution. The other variables that are program content and structure, facilities and resources and reputation do not influence students' decision choice. The findings also reveal that financial aid is the utmost important predictor for students to choose private higher education followed by promotion done by the institution and lastly social influences.

6.0   Discussion and Conclusion

It is natural for any student to be concern about the fees that they have to pay. Financial assistance is indeed and was said to be very important in helping the students to further their higher-level education. Yusof & Rabin (2008) mentioned that financial assistance offered by university as one of the four very important attributes expected from a particular HEI of choice. According to Jackson (1988), students who receive financial assistance awards are more likely to enter college. Furthermore, he indicated that students are satisfied with college choice based on their information satisfaction with respect to financial factors (external influences) which include financial aids and affordable fees. Marketing efforts are very important in persuading prospects to consume product or service offers. It is in fact one of the factors that could stimulate sales, or in this context influence the students' decision in choosing higher education institution. A well strategized marketing activity accompanied with an effective design of advertisement (eg. printed, broadcast and electronic) will enable a wider spread of reachability. Family influences play two important roles, which are in socializing people and in affecting individual purchase decisions (Bearden, Ingram & LaForge (2007). A study conducted by Baharun (2006) stated that advice and recommendation from family was the most important

factor, with advice from the peers ranking second that impact on student's choice of HEI. According to Manski & Wise (1983), they stated that the larger the proportion of a student's classmates plan to enroll in college, the more likely that he or she will also make the same choice.

This study was conducted to have an insight on the students' decision factors in choosing private higher education in Malaysia and the findings contribute to the current body of knowledge. The limitation of the study is of its context where it focuses on Ipoh Perak. Future research could look into other states and types of education institution.

7.0   Recommendation

As the recommendation, the private education institution should provide some financial assistance in the form of loan or grants to its students. This could attract more candidates for the enrolment as they see the major issues affecting their potential higher education is being taken care of. This is because not many agencies provide such financial assistance to private college students and having such option could be a winning factor. As Osman et al, (2013) contend promotion is very crucial in impacting the learners' choice to study in private institution of higher education. There are various marketing programs that could be carried out such as indoor or outdoor marketing in order to promote a certain institution.

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1380

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