



Choice Modelling in Choosing Higher Education Institution (Case Study in Private Higher Education Institutions in Gorontalo)

Deby Rita Karundeng¹, Silvya L Mandey², Magdalena Wullur³, Hendra N.
Tawas⁴

¹Student of Doctoral Program in Management Sciences, Faculty of Economics and Business, Sam Ratulangi University

^{2,3,4}Lecturer at Faculty of Economics and Business, Sam Ratulangi University

Corresponding Author: Deby Rita Karundeng

ABSTRACT: The objectives of this study are: 1) evaluating the effect of services quality on the private higher education institutions image in Gorontalo, 2) analyzing the effect of services quality on the decision to choose a private higher education institution in Gorontalo, 3) analyzing the effect of private higher education institution image on the decision to choose a private higher education institution in Gorontalo and 4) evaluating the effect of private higher education institution image as a variable mediating the effect of services quality of higher education institution on the decision to choose a private higher education institution in Gorontalo. **Methodology:** This is an explanatory research. The data used was the primary data gathered by distributing questionnaire to the private higher education institutions in Gorontalo which population was around 14.266. The sample was 389 and the respond rate was 286. The data was analyzed using Partial Least Square (PLS). The result of study showed that : 1) the services quality of higher education institution had a positive and significant effect on the private higher education institutions image in Gorontalo, 2) the services quality of higher education institution had a positive and significant effect on the decision to choose a private higher education institution in Gorontalo, 3) the institution image had a positive and significant effect on the decision to choose a private higher education institution in Gorontalo, and 4) the institution image was a variable mediating the effect of services quality of higher education institution on the decision to choose a private higher education institution in Gorontalo.

KEYWORDS: Services Quality, Institution Image, Decision to Choose.

Received 22 November, 2018; Accepted 08 December, 2018 © The Author(S) 2018.

Published With Open Access At [Www.Questjournals.Org](http://www.Questjournals.Org).

I. BACKGROUND

The rapid development of private higher education institutions in Indonesia creates a rivalry in obtaining students who will enter to the higher education institutions. Thus, it is needed to examine the factors becoming students' consideration in choosing a higher education institution.

The rivalry among higher education institutions in Gorontalo is quite great, because on that place there have been 13 private higher education institutions and 3 state higher education institutions. Based on the data about the number of labour force graduated from senior high school or equal in 2015 was 8053 people (Badan Pusat Statistik Provinsi Gorontalo, 2016).

The higher education institutions in Gorontalo especially the private higher education institutions are lack of lecturers in each study program and some has not required the minimum standard of lecturers that are required.

The graduates of higher education institutions in Gorontalo are still not suitable for the qualification needed in the work field because it is related to the lack of stakeholder involvement in designing a high quality curriculum. It affects on the number of graduates who are unemployed. Based on the data, the total of labour force in Gorontalo in 2015 consisted of 517.788 people. The number of employed people is 493.687 and the number of unemployed people is 24.101. The number of unemployments is 4,65% (Badan Pusat Statistik Provinsi Gorontalo, 2016).

Based on the background and phenomena identified above, it can be viewed that there is a decrease in the number of students choosing private higher education institutions in Gorontalo. It is in accordance with the

variable affecting on the decision-making namely services quality (Andreti, Zhafira, Akmal, & Kumar, 2013), (Andreti et al., 2013)(Soltani, Esfidani, Jandaghi, & Soltaninejad, 2016), (Meilyaningsih & Sisilia, 2015), but it is not in accordance with (Wu, Gary Yeong-Yuh Yeh, & Chieh Ru-Shiao, 2011); stated that the services quality did not affect on the decision-making, but it affected on the image.

Then(Prasetya, Kumadji, & Yulianto, 2014), (Adam, 2014), (Hasyim & Anindita, 2015),(Kusumawati, 2013)in their studies found that the image affected on the decision making although the other researchers got different things, namely Navarro et.al.in(Fianto, Hadiwidjojo, Aisjah, & Solimun, 2014).

Hypothesis

The result of study conducted by(Andreti et al., 2013)found that the services quality affected on the consumers' decision-making. This study fully concluded that the price, promotion and services quality greatly affected on the consumers' decision-making in department store. While according to (Soltani et al., 2016), the services quality affected on the consumers' willingness and stated that consumers both spending much more time and interacting with the employee. It was expected the services quality could greatly affect on the consumers' willingness.

The result of study above was not in accordance with the result of study conducted by (Wu et al., 2011). It was concluded that the services quality did not affect significantly on the consumers to buy.

Based on the explanation above, it was found a different result of study related to the services quality on the consumers' decision-making. Based on the result of study conducted by (Andreti et al., 2013)and(Soltani et al., 2016),it was foundthat the services quality affected significantly on the consumers' decision-making, while the result of study conducted by(Olson & Paul., 2014)concluded that the services quality did not affect significantly on the consumers to buy.

For the gap in this study, the researcher made a mediation concept namely image, while the study conducted by(Quoquab, 2013)found that the services quality affected the corporate image positively. Specifically, the corporate image was from the evaluation process of services quality. The services quality is a function of consumers' experience. If the consumers felt satisfied with the services provided, they will hold positive image for the corporate. In accordance with the study conducted by (Saragih, Hamid, & Kusumawati, 2015)that tried to explain the effect of services quality on the corporate image and customers. The result obtained showed that there was an effect from the services quality on the corporate image.

Then (Kusumawati, Yanamandram, & Perera, 2010)cited by(Adam, 2014)stated that the honorable reputation of institution was the main factor in choosing a university. The study conducted by (Adam, 2014)obtained a result that the private higher education institution image affected significantly on the students in choosing higher education institution. Based on the result of study conducted by(Kusumawati, 2013), the reputation of university affected on the attitude to choose institution in some ways, such as status of university, rank of university, and achievement of university.

From the explanation of previous theory and research, the researcher proposed some hypothesis as follows :

The first hypothesis (H₁): The services quality of higher education institution has a positive and significant effect on the private higher education institutions image in Gorontalo. Thus, the better the services quality of higher education institution provides, the better image of higher education institution gets.

The second hypothesis(H₂): The services quality of higher education institution has a positive and significant effect on the decision to choose a private higher education institution in Gorontalo. Thus, the better the services quality of higher education institution provides, the higher decision-making is obtained by the higher education institution.

The third hypothesis (H₃) :The institution image has a positive and significant effect on the decision to choose a private higher education institution in Gorontalo. Thus, the better institution is, the higher decision-making is obtained by the higher education institution.

The fourth hypothesis(H₄) :The institution image is a variable mediating the effect of services quality of higher education institution on the decision to choose a private higher education institution in Gorontalo.

II. METHODOLOGY

This is an explanatory research namely, a causality explaining the relationship among variables through hypothesis testing. The data used was the primary data obtained by distributing questionnaire to the private higher education institutions which population was around 14.266. The sample was 389 and the respond rate was 286. The data was analyzed using Partial Least Square (PLS).

III. RESULT

The data analysis starts with validity and reliability test of each construction on the latent variable.

Table 1. Validity and Reliability of Indicator

Variable	Indicator	CV/SLF	AVE	CR	CA
ServicesQuality	Learning Quality	0.804	0.658	0.906	0.870
	Academic Guide	0.827			
	Supporting Source	0.821			
	Extracurricular	0.813			
	Administration Services	0.790			
InstitutionImage	Academic Reputation	0.832	0.748	0.899	0.832
	The Appearance of Campus	0.899			
	Qualification of Graduate	0.862			
The decision to choose a private higher education institution	Decision to Register	0.802	0.662	0.855	0.750
	Decision to Study	0.854			
	Ready to Sacrifice	0.784			

Source :Data processed, 2018

Based on the table 4.13, it can be viewed that the value of Standardized loading factor (SLF) for all items in indicator of variable shows > 0,5. It can be stated that the correlation of each indicator item with its construction is valid. (Hair, Black, Babin, & Anderson, 2010) suggested the value of SLF ≥ 0,5 showing convergent validity which was obtained well good has been achieved or it was expected SLF ≥ 0,7. The value of AVE for all latent variables has a value of AVE > 0,5. (Hair et al., 2010) stated the value of AVE ≥ 0,5 showed adequate convergence. The structural model in PLS was evaluated using path coefficient and its significance was assessed based on the value of t-statistic and p values in each path.

Table 2. path coefficient, t-statistic and p values direct effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
InstitutionImage -> The decision to choose a private college	0.375	0.374	0.056	6.709	0.000
Service Quality -> InstitutionImage	0.461	0.466	0.042	10.871	0.000
Service Quality -> The decision to choose a private higher education institution	0.274	0.278	0.050	5.521	0.000

Source :Data processed, 2018

Table 2 coefficient path, t-statistic and p values indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Service Quality -> InstitutionImage -> The decision to choose a private higher education institution	0.173	0.174	0.029	5.894	0.000

Source :Data processed, 2018

The table above shows that path coefficient from all coefficients has a positive value. It means that the direct relationship among variables is proportional. The value of t-statistic among variables is above the value of t table (1,97) and p values is below 0,05. It means that the direct relationship among variables is significant.

Theoretical Implication

The students' decision in choosing the higher education institution was affected by institution image owned by the higher education. (Adam, 2014), (Kusumawati, 2013), (Hasyim & Anindita, 2015) and (Fianto et al., 2014); image was an important asset for organization in study in the private higher education institution, because it affected the decision-making. Unfortunately there were many higher education institutions that did not pay attention on it. In addition, the other factor affecting on the decision-making was the services quality from management of higher education institution (Andreti et al., 2013) and (Meilyaningsih & Sisilia, 2015). Besides affecting the decision-making, the services quality also affected on the institution image (Dirgantari Puspo Dewi, 2012), (Quoquab, 2013) and Malik et al. in (Soltani et al., 2016). The result of this study supported the previous result of study conducted by (Quoquab, 2013), (Saragih et al., 2015), (Adam, 2014), (Hasyim & Anindita, 2015) and (Kusumawati, 2013) showing that the services quality had a positive effect on choosing the private higher education institution through institution image.

Practical Implication

This study aims to investigate how great the effect of services quality on the institution image and the decision to choose a private higher education institution is. The policy implication suggested in this study is intended to three implications as follows :

1. The result of study showed that the services quality of higher education institution had a positive and significant effect on the private higher education institution image in Gorontalo. It means that the better services quality of higher education institution provides, the higher education institution image is. It indicates institution that wants to improve its image must improve the learning quality, academic guide, supporting source, extracurricular and administration services.
2. The result of study showed that the services quality of higher education institution had a positive and significant effect on the decision to choose a private higher education institution in Gorontalo. It means that if the private higher education institution is able to optimize the learning services quality, academic guide, supporting source, extracurricular, and administration services, the decision to choose the higher education institution will be higher. Thus, the higher education that wants to be the students' priority must try to fulfill their wish.
3. The result of study showed that the institution image had a positive and significant effect on the decision to choose a private higher education institution in Gorontalo. It means that if the higher education institution improves its academic reputation, pays attention to the campus, and improves the qualification of graduates, the decision to choose the higher education institution will be higher. Thus, the higher education institution must try to make students have a good perception and description in various aspects related to the institution.
4. The result of hypothesis testing showed that the institution image was a variable mediating the services quality of higher education institution on the decision to choose a private higher education institution in Gorontalo. It means that the better quality of higher education institution provides, the higher decision to choose the higher education institution occurs, if it is mediated by the institution image.

Limitation

This study had some limitations which be made as recommendation for the next researcher, namely :

1. This study only focused on the object of study in the form of university and it did not analyzed other type of private higher education institution, such as college, institute and academy.
2. This study only focused on the object of study in the private higher education institution and ignored the state higher education institution.
3. This study was only conducted in one object located in one province, namely Gorontalo, without comparing to other provinces.

REFERENCE

- [1]. Adam, M. (2014). Customer Trust : Influenced Factors of Private Higher Education in Aceh Province. *Journal of Education and Practice*, 5(29), 206–212.
- [2]. Andreti, J., Zhafira, N. H., Akmal, S. S., & Kumar, S. (2013). The Analysis of Product, Price, Place, Promotion and Service Quality on Customer s' Buying Decision of Convenience Store: A Survey of Young Adult in Bekasi, West Java, Indonesia. *International Journal of Advances in Management and Economics*, 2(6), 72–78. <https://doi.org/10.1111/j.1467-7687.2007.00564.x>
- [3]. Badan Pusat Statistik Provinsi Gorontalo. (2016). *Provinsi Gorontalo Dalam Angka 2016*. Badan Pusat Statistik Provinsi Gorontalo. Gorontalo: Badan Pusat Statistik Provinsi Gorontalo.
- [4]. Dirgantari Puspo Dewi. (2012). Pengaruh Kualitas Layanan Jasa Pendidikan Terhadap Kepuasan Mahasiswa Serta Dampaknya Terhadap Upaya Peningkatan Citra Perguruan Tinggi Negeri Menuju World Class University (Studi Pada Mahasiswa Asing Di ITB, UNPAD, Dan UPI). *Jurnal Ilmu Manajemen Dan Bisnis UPI*.
- [5]. Fianto, A. Y. A., Hadiwidjojo, D., Aisjah, S., & Solimun. (2014). The Influence of Brand Image on Purchase Behaviour Through Brand Trust. *Business Management and Strategy*, 5(2), 58. <https://doi.org/10.5296/bms.v5i2.6003>
- [6]. Hair, Black, Babin, & Anderson. (2010). *Multivariate Data Analysis*, 7th ed. Pearson Prentice Hall, New Jersey.
- [7]. Hasyim, & Anindita, R. (2015). Building Purchase Decision towards Private Higher Education through Perceived Value and Institution Image. *Journal of Marketing and Consumer Research*, 7(1980), 1–11.
- [8]. Kusumawati, A. (2013). A Qualitative Study of the Factors Influencing Student Choice: The Case of Public University in Indonesia. *J. Basic. Appl. Sci. Res*, 3(1), 314–327.
- [9]. Kusumawati, A., Yanamandram, V., & Perera, N. (2010). University marketing and consumer behaviour concerns : the shifting preference of university selection criteria in Indonesia. *Biennial Conference of the Asian Studies Association of Australia in Adelaide*, 5, 1–16.
- [10]. Meilyaningsih, E., & Sisilia, K. (2015). Analisis Faktor Pengambilan Keputusan Mendaftar Di Institusi Pendidikan Tinggi Swasta (Studi Pada Program Studi D3 Manajemen Pemasaran Universitas Telkom Angkatan 2014). *E-Proceeding of Management*, 2(3), 3597–3602.
- [11]. Olson, J. C., & Paul, P. J. (2014). *Perilaku konsumen dan strategi pemasaran*. Jakarta: salemba empat.
- [12]. Prasetya, C. H. A., Kumadji, S., & Yulianto, E. (2014). (Survei pada Pembeli Sepeda Motor Honda Vario pada PT Sumber Purnama Sakti di Kabupaten Gresik). *Jurnal Administrasi Bisnis*, 15(2).
- [13]. Quoquab. (2013). A Structural Look at Service Loyalty: Role of Service Quality, Corporate Image, and Trust. *American Journal of*

- Economics and Business Administration, 3(5C), 177–183. <https://doi.org/10.5923/c.economics.201301.30>
- [14]. Saragih, R. M. T., Hamid, D., & Kusumawati, A. (2015). Pengaruh Kualitas Pelayanan terhadap Citra Perusahaan dan Kepuasan Pelanggan (Survei pada Wisatawan Taman Rekreasi Selecta Batu). *Jurnal Administrasi Bisnis (JAB)*, 24(2), 1–4.
- [15]. Soltani, M., Esfidani, M. R., Jandaghi, G., & Soltaninejad, N. (2016). The Effect of Service Quality on Private Brand Image and Purchase Intention in The Chain Stores of ETKA. *World Scientific News*, 47(2), 202–216.
- [16]. Wu, P. C. S., Gary Yeong-Yuh Yeh, & Chieh Ru-Shiao. (2011). The effect of store image and service quality on brand image and purchase intention for private label brands. *Australation Marketing Journal (AMJ)*, 19(1).

Deby Rita Karundeng"Choice Modelling in Choosing Higher Education Institution"Quest
Journals Journal of Research in Business and Management ,vol.06,no.05,2018,pp 01-05