



**FACTORS AFFECTING INTERNATIONAL STUDENTS'  
LEVEL OF SATISFACTION TOWARDS SELECTED  
PUBLIC HIGHER LEARNING INSTITUTIONS IN  
MALAYSIA**

**BY**

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## **ABSTRACT**

Customer satisfaction is one the most vital and key important parts for the success of the firms regardless the type of industry including product and service. Education industry is not an exception as this industry is a provider of services. Here consumers are students who have versatile demands. Malaysia is among the Asian countries which are aiming to be established as extraordinary international educational hub. Consequently, it is important for public higher learning educational institutions to find out the most influential factors those affect the satisfaction of international students. Only by figuring out these factors public higher learning institutions can decide to invest their time, money and effort on the appropriate way. Therefore, this type of research to find the factors affecting international student satisfaction and has become part and parcel for a country like Malaysia. Through the comprehensive review of literatures, it is found that this type of research is already conducted in Malaysia for overall higher learning industry. Especially for private higher learning institutions but very minimal research was conducted concentrating the public higher learning institutions, hence this type of study is still needed as the present literatures are not sufficient to enclose all the facts those are required to be found. As a consequence, through this study it can be expected to get valuable information for the policy makers of this particular area for the ultimate betterment of international student satisfaction in public higher learning education. Quantitative analysis is used in this study. Stratified proportionate random sampling technique is applied to select the respondents. Total 200 respondents were involved from the selected public higher learning institutions. SPSS statistical analysis is applied to measure the relationships between and among the constructs. Based on several statistical and scientific researches and the results found by the study is that, international students in Malaysian public higher learning institutions treat three factors mainly Facilities, Teaching quality and E-learning significant while connecting them with their satisfaction level. Future research is suggested in order to find out the in-depth information about the international students from other public higher learning institutions and different geographic region regarding their satisfaction factors, facts in public higher learning institutions by using mixed method or involving qualitative method of study beside quantitative method.

## خلاصة البحث

رضا العملاء هو أحد الأجزاء الأكثر حيوية و أساسية مهمة لنجاح الشركات بغض النظر عن نوع من الصناعة بما في ذلك المنتجات والخدمات. يعتبر قطاع التعليم هو توفير الخدمات. هنا المستهلكين هم الطلاب الذين لديهم مطالب تنوعا. ماليزيا هي من بين البلدان الآسيوية التي تهدف إلى إنشاء كمركز تعليمي دولي غير عادي. ونتيجة لذلك ، من المهم للمؤسسات التعليمية التعليم العالي العامة للوقوف على العوامل الأكثر تأثيرا التي تؤثر على هذين البعدين. فقط عن طريق معرفة هذه العوامل و مؤسسات التعليم العالي يمكن أن تقرر للاستثمار وقتهم والمال والجهد على الطريقة المناسبة. لذلك، هذا النوع من الأبحاث للعثور على العوامل التي تؤثر على رضا الطلاب الدوليين ، وأصبحت جزءا لا يتجزأ بالنسبة لبلد مثل ماليزيا. من خلال مراجعة شاملة لل أدبيات ، تبين أن هذا النوع من الأبحاث أجريت بالفعل في ماليزيا لصناعة التعليم العالي بشكل عام. خاصة بالنسبة للمؤسسات التعليم العالي الخاصة، ولكن تم إجراء ضئيل جدا البحوث تركيز مؤسسات التعليم العالي الحكومية ، وبالتالي لا تزال بحاجة إلى هذا النوع من الدراسة كما الأدبيات الحالية ليست كافية لإحاطة كل الحقائق مطلوبة تلك التي يمكن العثور عليها. ونتيجة لذلك ، من خلال هذه الدراسة أنه يمكن توقع الحصول على معلومات قيمة ل صانعي السياسة من هذا المجال بالذات من أجل تحسين النهائي ل رضا الطلاب الدوليين في مجال التعليم العالي العام. يستخدم التحليل الكمي في هذه الدراسة. يتم تطبيق تقنية طبقية عينة عشوائية متناسبة لتحديد المشاركين. وبلغ إجمالي 200 العينة المعنية من مؤسسات التعليم العالي العامة المختارة. يتم تطبيق SPSS التحليل الإحصائي لقياس العلاقة بين و بين بنيات. واستنادا إلى العديد من الأبحاث الإحصائية والعلمية والنتائج التي عثر عليها الدراسة هي أن الطلاب الأجانب في مؤسسات التعليم العالي الحكومية الماليزية علاج ثلاثة عوامل أساسا المرافق و جودة التدريس و التعلم الإلكتروني كبير بينما ربطها مع مستوى رضاهم. يقترح بحث في المستقبل من أجل معرفة معلومات متعمقة حول الطلاب المحليين بشأن العوامل رضاهم ، والحقائق في مؤسسات التعليم العالي الحكومية باستخدام طريقة مختلطة أو التي تنطوي على طريقة النوعي لل دراسة بجوار طريقة الكمي .

## APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion, it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a thesis for the degree of Master of Science in Marketing

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## DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 BACKGROUND OF THE STUDY**

The field of academic-oriented research has developed an extended field of marketing and management research, focusing almost exclusively on satisfaction and not on other aspects of management process. Consumer satisfaction is an imperative part for the survival of any organization. Each business aims to acquire and serve lifelong customers, which are the fundamentals of customer satisfaction. A standout amongst the most vital matters which are accentuation by both principles (ISO and QA) is client satisfaction and fulfillment.

The general achievement of any organization depends on its ability to upgrade corporate image by dynamically meeting or surpassing customers' expectation (Parasuraman et al., 1988; Zeithaml et al., 1996; Kuo et al., 2009; Aurier and N. Goala, 2010; Seng and Ling., 2013). However, students are consumers for higher education institutions (HEIs). Thus, achieving students' level of satisfaction is crucial for universities alike most service firms (Jones and Sasser, 1995; Kuo et al., 2009). Consumer satisfaction and client maintenance prompts profitability, positive word-of-mouth, and thus lessen promotion expenses (Heskett et al., 1997; Kim and Ok, 2010). Typically, businesses such as academic institutions, monitor customer satisfaction level on their past experience on an ongoing basis (Peterson & Wilson, 1992; Heskett et al., 1997; Kim and Ok, 2010).

The history of international students in Malaysia is very advanced. However, based on research, the typology of the history of higher education in Malaysia has three stages. The typology arranges the four unique periods in Malaysian higher education as taking after: the primary stage named "Education for Elites"; the second as "Education for Affirmative Action", the third as "Instruction As and For Business" and the last stage as "Education for worldwide rivalry". It is clear that before 1970; there was only one university to provide tertiary education in Malaysia because national-based higher education framework was not taken as a primary need by the government (Skilbeck, 1997). The government also initiated and encouraged to build partnerships with foreign institutions of higher education. There were two goals of the internationalization strategy .Firstly, is was to offer more openings for Malaysians to higher education through the facilitation of transnational education programs and secondly is to draw international students' attention. Ultimately, the government wants to fulfill their plan to build up the nation as a provincial center point for higher education in Southeast Asia by developing the knowledge-based economy, with an objective of attracting 200,000 foreign students by 2020 (Yusliza and Shankar, 2010).

Malaysia's HEIs accommodated more than a million students in 2011, among them around 93,000 were foreign students from 100 countries (Ministry of Higher Education, 2014). These students originated from diverse parts of the world such as China, Bangladesh, Iran, Indonesia, Maldives, Sudan, Yemen, Botswana, Nigeria, Thailand and Saudi Arabia. It is thus not surprising that in the world Malaysia was ranked 11th position as one of the main option to pursue their education among international students (Chong & Amlı, 2013). Recent statistics showed that as of 31<sup>st</sup> December, 2014, approximately 135,502 foreign students from about 160 countries was studying in Malaysian private and public higher education institutions.

The precedence for Ministry of Higher Education (MOHE) is to internationalize the higher education part of Malaysia. Malaysian universities are developing more effort to improve their world ranking in order to meet their objective of hosting at least 200,000 international students by year 2020. Strategies have been undertaken to make more 'Malaysian Chairs' at overseas universities to work together with high positioned universities on academic and research area. Moreover, Malaysian government has spelt out the directions to inspire public higher learning institutions to be more engaged in as the provider of higher education to become a regional center for schooling in South East Asia (David & Anne, 2007). Traditionally, public universities were responsible for providing higher education studies. Thus, the public territory education environment has turned out to be progressively aggressive since the formation of private colleges and universities since 1995 through the encouragement of the government, mainly through the Ministry of Education. This is on track with government's vision to give access for all eligible students to pursue tertiary education and to develop its own unique and inventive higher education systems.

The number of international students selecting Malaysia as their educational destination is expanding annually. Consequently, the country earns a huge number of foreign exchanges by welcoming foreign students. Studies also showed that there is an anticipated rise in the worldwide demand for international higher education, from 1.8 million students to 7.2 million by 2025 in Asia, primarily Malaysia, India and China, which contributed to approximately 70 percent of this growth (Bohm et al, 2002). Therefore, it is obvious that foreign students contributed significantly to Malaysia's educational industry and economy (Ashraf et al, 2016). Due to the strong competition amongst the higher institutions, universities need to focus on understanding the needs

of foreign students to improve customer satisfaction and consequently increasing future enrolments of foreign students. This is because the more satisfied the students are, the better their words of mouth will be, which may lead to higher enrolments in the future, as mentioned earlier (Memon et. al, 2014).

The quality level of service provided and received by students is one of the key evaluative models in current competitive business context. Thus, understanding international students' level of satisfaction is essential because students' level of satisfaction is directly associated with their academic performance, productivity and retention, as well as their loyalty to the university (Bolliger & Wasilik, 2009). Therefore, it is vital to explore the most significant factors that affect international students' level of satisfaction. More specifically, in PIHEs in Malaysia, there are students from various countries. Obviously their way of understanding and view of satisfaction is different because of dissimilar range of expectations. The center motivation behind this research is to explore the factors that impact the international students' level of contentment in PIHEs in Malaysia. This research also intends to suggest the fundamental dimension of satisfaction and areas to develop and improvise and other facilities for international students to enhance their satisfaction. Therefore, this research is pertinent to clearly identify the factors of satisfaction.



## **1.2 THEORETICAL SUPPORT**

The study will be based on the theory of customer satisfaction by Kotler and Armstrong (2001). In the theory of customer satisfaction, it was mentioned that every customer or consumer has a level of expectation related to any product or service. If any company or institute can meet the expectation of its customers or consumers, they will be satisfied. If it fails to do so then the customers will be disappointed and unsatisfied. If the company can provide more than their expectation the customers will be delighted. In today's competitive world, one of the major intentions of companies is to delight their customers.

Satisfied customers will have a higher intention to endorse the product or service to the prospective customers and re-purchase the same brand of product or service (Wiedemann & Anderson, 1985). If a customer has a good experience with any product or service, he or she will be satisfied and encouraged to share his or her experience or satisfaction with other people (Parasuraman et al, 1991; Stauss and Neuhaus, 1997; Pizam and Ellis, 1999).

### **1.3 AN OVERVIEW OF MALAYSIAN HIGHER EDUCATION**

The government of Malaysia entrusted the Ministry of Higher Education (MOHE) the authority to provide quality education for the Public Institutions of Higher Education in Malaysia (PIHE). In 2002, the government established a Quality Assurance Division (QAD) within the MOE to check PIHEs. In 2005, the Ministry decided to setup Malaysian Qualification Agency (MQA), which would be in charge for quality assurance in all educational institutions in Malaysia. MQA is also responsible to make appropriate enactment, for example, The Education Act, 1996, the Private Higher Educational Institutions Act, 1996 and to implement the Malaysian Qualifications Act 2007 as well as the Malaysian Qualifications Framework (MQF). MQA is likewise appointed for quality affirmation and the endorsement of courses and other related operational capacities, for both public and private higher education institutions in Malaysia (Ministry of Higher Education Malaysia, 2015). Another method of the government to assist the international students in the case of higher education and its promotion, through their official website which provided all the relevant information ([www.universitymalaysia.net](http://www.universitymalaysia.net)). The higher education institutions in Malaysia consist of public and private institutions, and inaugurated with the establishment of the first public university which was University of Malaya in 1959.

Presently, with a differing ethnic populace of around 28.3 million, Malaysia has 20 public universities, 53 private universities and six foreign university's branch ; 403 dynamic private schools, 30 polytechnics and 73 open junior colleges. Among 20 public universities in Malaysia, five of them have research university status with financing for innovative research work. The remaining 15 public universities have been categorized as either comprehensive or focus universities (Ministry of Higher Education Malaysia, 2014). In 2012, The Ministry of Higher Education reported that

public universities have been given sovereignty in organization, financial and scholarly administration, student recruitment, human resources. The universities are Universiti Malaya, Universiti Kebangsaan Malaysia, Universiti Sains Malaysia, Universiti Putra Malaysia and Universiti Teknologi Malaysia. This initiative was aimed to enhance excellence among public institutions of higher learning (MOHE, 2012).

The Malaysian HEIs is in charge of offering brilliant education. The quality of any HEIs must be guaranteed by experienced and qualified scholarly staff. In 2006, there were more than 20,000 lecturers in public HEIs. Therefore, MOHE additionally expects to have 20 Research Excellent Centers which are of international standard by 2020. The ministry of higher education as also targeted to produce 100 researchers, scientists and engineers per 100,000 workforces by the year 2020. The 10<sup>th</sup> (2011-2015) aims to improve the nature of scholastic staff by expanding the number of scholastics with PhD graduates in public universities. The aim is to have at least 75 per cent in research universities and 60 per cent in public universities. To achieve this objective, the ministry implemented the MyBrain15 program for the purpose of increasing the number of PhD holders to total 18,000 by 2015.

### **1.3.1 Public Institutions of Higher Education in Malaysia**

The higher education framework in Malaysia is planned to guarantee that the public universities of higher education will be able to build up a variety which incorporates dynamism, capacity to envision future difficulties together with acting successfully and keeping pace with globalization. In accordance with this, universities in Malaysia are portrayed into three gatherings: Research Universities, Focused Universities

(specialized, training, administration and barrier) and Comprehensive Universities. To date, there are 20 universities involving 5 universities, 4 comprehensive universities, and 11 focused universities. The table below showed the categorized listing of public institutions of higher education in Malaysia (MOHE, 2015).

Table 1.1 Public Institutions of Higher Education (PIHE)

<b>Name</b>	<b>Characteristics</b>
<b>RESEARCH UNIVERSITIES</b>	
Universiti Malaya (UM)	Fields of Study: Research Based.
Universiti Sains Malaysia (USM)	Competitive entries
Universiti Kebangsaan Malaysia (UKM)	Quality lecturers
Universiti Putra Malaysia (UPM)	Ratio of undergraduates to postgraduates is
Universiti Teknologi Malaysia (UTM)	50:50
<b>COMPREHENSIVE UNIVERSITIES</b>	
Universiti Teknologi MARA (UiTM)	Various fields of study
Universiti Islam Antarabangsa Malaysia (UIA)	Competitive entries
Universiti Malaysia Sabah (UMS)	Quality lecturers
Universiti Malaysia Sarawak (UNIMAS)	Ratio of undergraduates to postgraduates is
	70:30
<b>FOCUSED UNIVERSITIES</b>	
Universiti Utara Malaysia (UUM)	Fields of Study: Focus is on research
Universiti Pendidikan Sultan Idris (UPSI)	Competitive entries
Universiti Tun Hussein Onn Malaysia (UTHM)	Quality lecturers
Universiti Teknikal Malaysia Melaka (UTeM)	Ratio of undergraduates to postgraduates is
Universiti Malaysia Perlis (UniMAP)	50:50
Universiti Malaysia Terengganu (UMT)	
Universiti Malaysia Pahang (UMP)	
Universiti Sains Islam Malaysia (USIM)	
Universiti Sultan Zainal Abidin (UniSZA)	
Universiti Malaysia Kelantan (UMK)	
Universiti Pertahanan Nasional Malaysia (UPNM)	

#### **1.4 PROBLEM STATEMENT**

In order to transform the Malaysian economy into an established knowledge-based economy, the government has taken significant initiatives designed to redirect funding to increase the number of both public and private universities and colleges (Yusliza & Shankar, 2010; Ali et al, 2016). Malaysia aims to attract 200,000 international students by 2020 (MOHE, 2013). However, the competitiveness from worldwide and regional country such as China, India, and Australia is aggressive.

Locally, there is an intense competition between the Malaysian universities to draw international students as private universities are establishing rapidly in Malaysia yearly (Ling & Piew, 2010). Private universities aimed to give another option to tertiary education into local and public universities. Therefore, the competitiveness between public and private universities is expanding quickly. Consequently, the public universities have to compete for the enrolment of international students in the market (Ling & Piew, 2010). Recent statistics showed that the enrollments for public universities are lesser than private universities'. As of 31<sup>st</sup> of December, 2014, there were 74,996 international students studying in private higher education institutes in Malaysia, an expansion of 29.9% from 2013 while in the public institutes, the number was just 32,842 (Bernama, 2015, January 29). The level of satisfaction among international students could be one of the major reasons for this problem.

A study conducted by Hasan & Masri (2013) found that international students in private universities in Malaysia were significantly less satisfied with various resources and facilities. As facilities in a higher educational institution can lead to student satisfaction, hence, it is pertinent to conduct further studies to get a clear picture of the effect of this variable on international students' level of satisfaction. Although the Malaysian higher education industry has a well standard but there are

some shortcoming and negative aspects. In most recent 50 years, numerous Malaysians have been alluded to English speaking countries to seek after higher education at chosen HEI and more of them are seeking better quality educational services overseas (Lenn, 2000;Sohail & Saeed, 2003). International students in Malaysia are considered as a new group of students who go to join in higher education studies abroad. An extensive number of foreign students of HEIs are as of now requesting a sort of prevalent quality education benefits that might be different from the Malaysian students.

Moreover, international students in higher educational institutions in Malaysia come from different nations with various social fundamentals. In this way, their wants and views of satisfaction may differ (Yusliza & Shankar, 2010; Ali et al, 2016). According to Wan, Chapman and Biggs (1992), foreign students usually has high level of stress concerning their academic experiences, for instance, instructor-student interaction was often fast-paced and their educational and social system were often not readily accessible to them compared to their Malaysian course mates (Wanet al., 1992). Hence there is a need to conduct further research to know how teaching methods may affect the satisfaction levels of international students. In most of the educational institutions in Malaysia, especially public universities, academic staffs are often unaware of the demands of the international students (Kaniij et al, 1999; (Hanapi, Zahiruddin & Mohd Shah, 2003). Thus the expectations of the international students are often unmet by the universities, particularly regarding the quality of teaching which often creates dissatisfaction among the students. Therefore, more studies are needed to identify the influence of teaching quality on international students' level of satisfaction. According to Hasan & Masri (2013), tuition cost is also associated with the level of satisfaction among international students in private higher learning

institutions. For instance, the lesser the tuition cost, the more likely the student will be satisfied. On the other hand, a high price with low level of educational and non-educational services will also result in dissatisfaction. Therefore, it is essential to identify the effects of tuition costs on international students' level of satisfaction studying in public universities.

In this context it is obviously clear that there are some issues in regards to the international students' level of satisfaction. As a result, higher learning institutions in Malaysia especially public higher education institutions must recognize the needs of international students in order to adapt and serve them better.

On the other hand, there is a gap in the limited empirical evidence and literatures which confirm the importance of conducting research on the level of satisfaction among international students toward public higher learning institutions in Malaysia. Past studies showed that the majority of literature focused on the customer satisfaction in business organization but satisfaction of international students' level of satisfaction has received little attention, particularly in Malaysia. A few studies have been found to investigate students' level of satisfaction at private universities in Malaysia but it is hard to find any research paper where international students' level of satisfaction of public higher learning institution.

Under this circumstance, it is clear that there is a gap in this area and this topic is potentially important to be studied. Therefore, it is expected that the outcomes of this research will help outline the factors that affect the level of satisfaction of the international students in public university in Malaysia. In return, it may provide valuable suggestions for policy makers, top management of the public universities and even MOHE in terms of university recognition to expedite future policy making.

## **1.5 RESEARCH OBJECTIVES**

The main objective of this study is to find out the factors that affect international students' satisfaction at public institutions of higher education. There are also some other specific objectives as well:

1. To investigate the impact of effective teaching method on international students' level of satisfaction
2. To examine the effect of tuition cost on international students' level of satisfaction
3. To investigate the influence of campus facilities on international students' level of satisfaction
4. To investigate the effects of teaching quality on international students' level of satisfaction
5. To examine the effect of e-learning on international students' level of satisfaction
6. To provide suggestions for policy makers and administrators based on the findings and suggest the further research to find out more factors that may help the public institutions of higher education in Malaysia to improve students' level of satisfaction.