

THE MEDIATION EFFECT OF STUDENT PERCEIVED VALUE AND SATISFACTION TOWARD STUDENT PERCEIVED ORIENTATION AND TRUST AT THE PRIVATE HIGHER EDUCATION

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ABSTRACT

Student perceived orientation, perceived value, satisfaction and trust are the important variables at the higher education context. It was a little attention which investigated the relationship among these variables directly and through mediating. The research examined the direct effect and the mediation effect of each variable above. Data collected from 400 samples, using multi-stage cluster sampling are used to empirically test the hypothesized the effects. Results provide evidence of a significant impact between student perceived orientation and perceived value, perceived orientation and satisfaction, perceived value and satisfaction, student satisfaction and student trust, but student perceived orientation has no significant direct effect toward the students trust. The mediation effect shown that student perceived value and satisfaction were the important mediating variable in student perceived orientation and trust relationship.

Keyword: Student perceived orientation; Perceived value; Satisfaction; Trust

1. INTRODUCTION

Trust is the complex construct, each researcher defined from different major and perspective although no uniform definition available (Lin *et al.*, 2013). Trust is the dinamic and multi-faceted concept (Amin *et al.*, 2013), has been conceptualized in multi-ways (Mirza *et al.*, 2018). Trust encouraged through student experience with institution's employee (Rojaz-Mendez, 2009). Student's trust is "the students' confidence in the university's integrity and reliability." (Hennig-Thurau *et al.*, 2001). While Ghosh *et al.* (2001) define trust as "the degree to which a student is willing to rely on or have faith and confidence in the college to take appropriate steps that benefit him and help him achieve his learning and career objectives."

Student satisfaction influenced by student perceived value (Ledden *et al.* (2007; Brown & Mazzarol, 2009). Value is throughout evaluation toward service utility based on perception toward

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sacrifice and perceived benefit (Zeithaml 1988; Alves, 2010). Creating the sustainable superior value for the customer take place the important part of the institution (Deshpande *et al.*, 1993) and create superior value continuously for buyers (Slater & Narver, 1994). Superior value deliver to customer through customer orientation. Customer orientation is “the set of beliefs that puts the customer’s interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise” (Deshpande *et al.*, 1993). In student context, student perceived orientation term is defined as “the degree to which an institution have actions and decisions based on the needs of the students as well as the goal and purposes of the institution” (Bristow & Schneider, 2002). Perceived value influenced by institutional image (Sanchez-Fernandez *et al.*, 2010; Alves & Raposo, 2006).

The purpose of this study are (1) To examined the influence of student orientation toward student perceived value, student satisfaction and student trust at private higher education in Aceh; (2) To examined the impact of student perceived value toward student satisfaction and student trust at private higher education in Aceh; (3) To measure the mediation effect of student perceived value and satisfaction.

2. LITERATURE REVIEW

Literature review for the study refers to references related toward student perceived orientation, student perceived value, student satisfaction, and student trust.

2.1. *Student Perceived Orientation*

Student perceived orientation is “The degree to which a college/university take actions and make decisions based upon the needs of the students as well as the goal and objectives of the institution” (Bristow & Schneider, 2002).

Student perceived orientation concept at higher education developed by Bristow and Schneider (2002) called *collegiate student orientation scale* (CSOS). Indicators to measure student perceived orientation adapted from Bristow and Schneider (2002) and Halimatussakdiah *et al.* (2018), consisting of three indicators: (1) the higher education give me a good experience in studying; (2) feels that the student are important; and (3) the needs fulfilment of students are as important as lecturer and staffs.

2.2. *Student Perceived Value*

Value refers to “the consumer’s anticipations concerning the outcome of purchasing and using a product or service taking into account both benefit and sacrifice” (Spreng *et al.*, 1993). The other said that value is “the overall evaluation made of the utility of the service based upon the perception of that which is received and that given” (Alves, 2010). The common definition for value is proposed by Zeithaml (1988) who explain that “value is the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given.”

To measure student perceived value for this research, adapted indicators from LeBlanc and Nguyen (1999) and Ledden *et al.* (2007), consisting of five indicator: (1) I learn the new things from the

study; (2) the course contents contributes to the high value of my education; (3) Academic guidance from the lecturer has an effect on the value of my education; (4) I am glad that I get the study at this higher education; (5) taking study at the higher education was improve my self-confidence.

2.3. *Student Satisfaction*

Definition of student satisfaction refer to Elliott & Shin (2002), who said that student satisfaction is “the favourability of a student’s subjective evaluation of the various outcomes and experiences associated with education. Student satisfaction indicator adapted from Li (2013), Rojas-Mendez *et al.* (2009). There are four indicators employed: (1) enroll in the university was a wise one; (2) satisfied with the service; (3) service quality is exceeded from my expectation; (4) study in this university is suitable with I wish.

2.4. *Student Trust*

Student trust defined by Ghosh *et al.* (2001), who said that trust is “the degree to which a student is willing to rely on or have faith and confidence in the college to take appropriate steps that benefit him and help him achieve his learning and career objectives” Hennig-Thurau *et al.* (2001) define student trust “is the students’ confidence in the university’s integrity and reliability”.

Trust indicators for this research refer to Carvalho and Mota (2010), Sampaio *et al.* (2012), consisting of four indicators: (1) trust that the lecturer is expert, (2) the lecturer has an integrity, (3) the lecturer responsive, and (4) trust that the lecturer is reliable.

Based on the literature, trust is influenced by satisfaction (Rojas-Mendez *et al.*, 2009) satisfaction is influence by value (Alves and Raposo, 2006; Ledden *et al.*, 2007) and value is influence by customer orientation (Valenzuela *et al.*, 2010; Blocker *et al.*, 2011). Even though many investigation about the relationship between these variables but was a little attention in the higher education context.

Previous research explained that there was a direct effect between market orientation and perceived value (Valenzuela *et al.*, 2010), the research conducted in business field. It was a few research which focus in higher education context. Based the literature, the first hypotheses proposed:

H₁. Student perceived orientation has a significant effect toward student perceived value

Previous research shown the significant impact of market orientation toward customer’s satisfaction at business sector (Ndubisi, 2012; Chung *et al.*, 2014) but has a week significant effect at higher education sector (Mavondo *et al.*, (2004). Based on literature, there is important to reexamine the influence of student orientation toward student satisfaction. Then, we proposed the second hypotheses:

H₂. Student perceived orientation has a significant effect toward student satisfaction

A few studies which examine the impact of market orientation toward customer trust (Cai *et al.*, 2012) who explain that market orientation has a significant effect toward e-tailer customer trust in Korea, rarely in higher education context, for the reason, the third hypotheses proposed:

H₃. Student perceived orientation has a direct effect toward student trust

The influence of value toward customer satisfaction has a great attention among researcher (Wu, 2011; Yang *et al.*, 2014), the result were explained that value has a significant effect toward customer satisfaction at business sector. At higher education sector, perceived value has a direct impact toward student satisfaction (Brown and Mazzarol, 2009), but Dib & Alnazer (2013) explain that value has a week influence toward student satisfaction. Based on the literature, we proposed the fourth hypotheses:

H₄. Student perceived value has a positive significant effect toward student satisfaction

Previous research shown that perceived value has a significant effect toward customer trust (Mosavi & Ghaedy, 2012) but has a little attention at higher education sector. Based on the literature, we proposed the fifth hypotheses:

H₅. Student perceived value has a significant effect toward student trust

The influence of customer satisfaction toward customer trust has a serious attention among researcher (Chu *et al.*, 2012). A few study was explained that satisfaction has influence toward trust at higher education (Rojas-Mendez *et al.*, 2009). Thus, we proposed the sixth hypotheses:

H₆. Student satisfaction has a direct effect toward trust

Three hypotheses to measure the mediating effect:

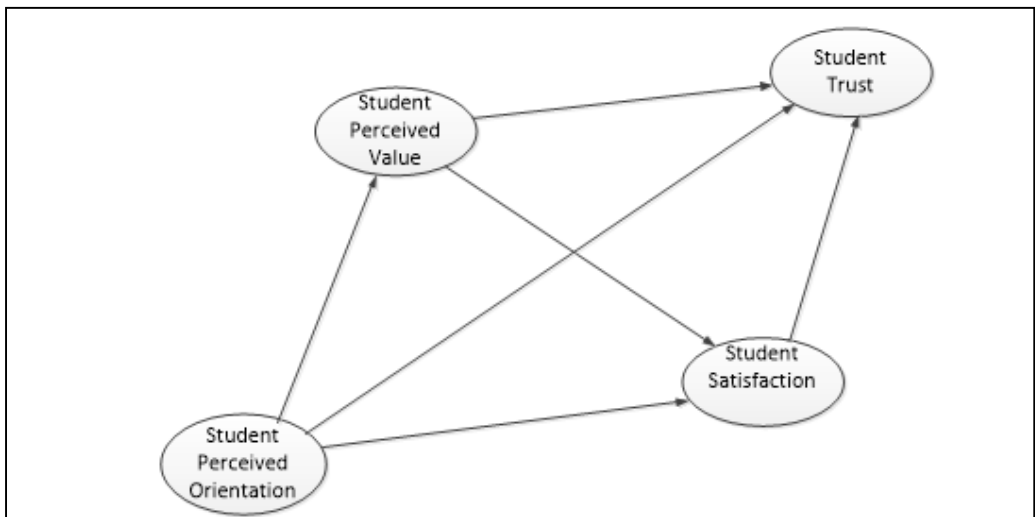
H₇. Student perceived orientation has a significant effect toward student satisfaction through mediating of student perceived value

H₈. Student perceived orientation has a significant effect toward student trust through mediating of student perceived value

H₉. Student perceived value has a significant impact toward student trust through mediating of student satisfaction.

Based on the theoretical background and hypotheses, the framework of the study shown at figure 1.

Figure 1: Conceptual Framework



3. METHODOLOGY

3.1. *Measurement Design*

The questionnaire structure divided into five parts: (1) respondent characteristics consisted of year of register, age, gender and source of finance, (2) student orientation consisted of 3 indicators, (3) student perceived value 5 indicators, (4) student satisfaction 4 indicators and (5) student trust 4 indicators. A 5-point Likert Scale to questionnaires scale, (1) for strongly disagree to (5) to strongly agree.

3.2. *Data Collection*

Students at the private universities in Aceh is population for the study, consisting of 109 private universities (www.forlap.dikti.id). Sampling technique for the research is multi-stage cluster sampling (Malhotra, 1996). The first step is classifying the higher education based on zone. The higher education divided into university, higher education and academy. The second step is classifying higher education based on zone and choosing the sample based on selected zone. 20% from each zone selected as sample. Total sample for the research refer to Hair *et al.* (2010). There are 400 respondents selected as sample. The data were collected from personal interview using questionnaires. The period for data collection was from February to March 2017.

3.3. *Data analysis*

Two-step Structural Equation Modeling AMOS (SEM AMOS), consisting of confirmatory factor analysis (CFA) and Structural Modeling to data analysis.

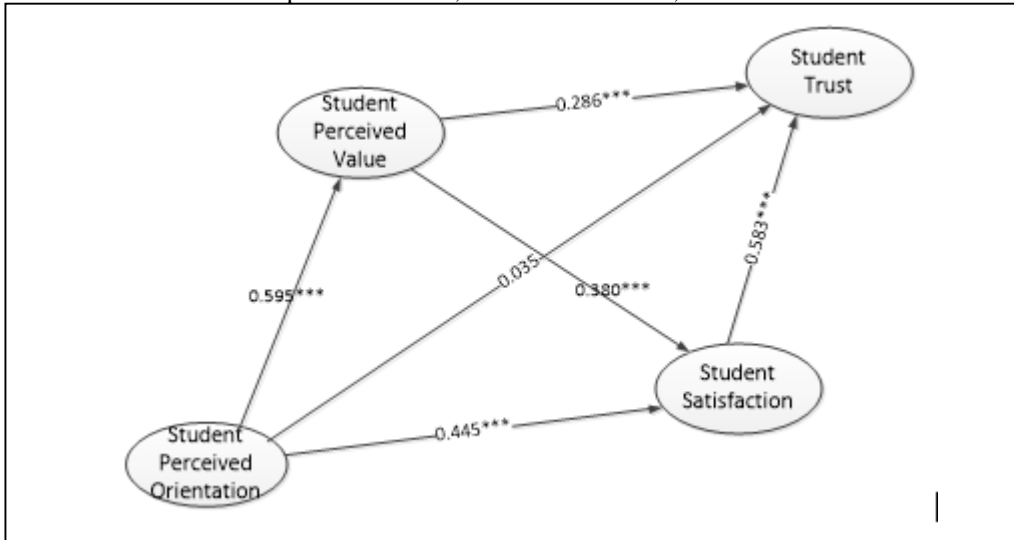
4. RESULT AND DISCUSSION

Respondent were students at the private higher education, 400 undergraduate students in Aceh, only 345 questionnaire completed. Based on the registered year, majority of students registered at 2015 113 (32.8%), at 2014 110 (31.9%), at 2013 there were 112 (32.5%), 2012 6 (1.7%) and 2011 4 (1.2%). Based on the gender, female 210 (60.9%) and male 135 (39.1%). Based on source of tuition fee, 272 (78.8%) funded by parents, 60 (17.4%) by themselves, only 13 (3.8%) got scholarship.

Measurement model examination shown that student perceived orientation, student perceived value, student satisfaction and student trust indicators have the standardized regression weight value were above 0.5. Measurement model result indicate that was acceptable model with chi-square (197.515), Probability (0.000), GFI (0.931), AGFI (0.903), CFI (0.969), RMSEA (0.055), TLI (0.961), DF (97), CMIN/df (2.036). Model has a good result and can proceed for the further examination.

The result of structural modeling shown that the standardized regression weight value were above 0.5. The goodness of fit for structural model indicate that the model was acceptable which Chi-square (197.292), Probability (0.000), GFI (0.931), AGFI (0.902), CFI (0.968), RMSEA (0.055), TLI (0.960), DF (96), CMIN/df (2.055).

Figure 2: Result of structural equation modeling of student perceived orientation, student perceived value, student satisfaction, and student trust



The structural output as shown at Figure 2. The result explain that perceived orientation has a positive effect toward perceived value (0.595***), so hypotheses 1 supported, student perceived orientation has a direct effect toward student satisfaction (0.445***), hypotheses 2 supported. Perceived orientation has no effect toward student trust (0.035), hypotheses 3 not supported. Perceived value has a direct influence toward satisfaction (0.380***), hypotheses 4 supported. Perceived value has a direct impact to student trust (0.286***), hypotheses 5 supported. Satisfaction has a significant effect toward trust (0.583***), hypotheses 6 supported. Student perceived value mediating student orientation and student satisfaction significantly (0.226***), hypothesis 7 supported. Student perceived value mediating student orientation and student trust significantly (0.531***), hypothesis 8 supported. Student satisfaction mediating student perceived value and student trust significantly (0.205***), hypothesis 9 supported.

Table 1: Summarized Observation form Model Analysis

Path Analysis	Direct Effect	Indirect Effect
Student orientation → student perceived value	0.595*** (0.000)	-
Student orientation → student satisfaction	0.445*** (0.000)	-
Student orientation → student trust	0.035 (0.637)	-
Student perceived value → student satisfaction	0.380*** (0.000)	-
Student perceived value → student trust	0.286*** (0.000)	-

Student satisfaction → student trust	0.583*** (0.000)	-
Student orientation → student satisfaction	-	0.226*** (0.000)
Student orientation → student trust	-	0.531*** (0.000)
Student perceived value → student trust	-	0.205*** (0.000)

The results shows that student perceived orientation effects student perceived value with 0.05 level of significance ($\beta = 0.595$, $p < 0.005$), so that H_1 is accepted. Student orientation has a significant effect toward student perceived value. Based on the result, the private higher education should provide good orientation toward the student, such as providing a pleasant experience in the study and care for students are as important as lecturer and staffs. The finding of the research was support the previous research (such as Valenzuela *et al.*, 2010).

Furthermore, the results result for student perceived orientation effects toward student satisfaction which is shown the probability value below 0.05 ($\beta = 0.445$, $p < 0.000$) thus H_2 is accepted. Perceived orientation has a positive effect toward satisfaction, which implies that student which are satisfied, will be more motivated to study. In addition, private higher education institution should provide good orientation to their student. The finding of this research supports the results from previous studies (Ndubisi, 2012; Chung *et al.*, 2014).

In addition, student perceived orientation effect towards student trust which is shown by the probability value of over 0.05 ($\beta = 0.035$, $p < 0.637$) so H_3 is rejected. Student perceived orientation has no significant direct effect toward student trust. This is logical because trust is multi-faceted, building trust requires a lot of effort to pursue trust attitude. This result is inconsistent with that of Cai *et al.* (2012).

Moreover, student perceived value effects toward student satisfaction which is shown by a probability value below 0.05 ($\beta = 0.380$, $p < 0.000$) so H_4 is accepted. Student perceived value has a positive significant impact toward satisfaction. So, higher education institutions should provide better value for the student. If the student feel satisfied, the student will be more active to study. The finding of this research is in line with results of previous research (Ledden *et al.*, 2007; Brown & Mazzarol, 2009; Giner & Rillo, 2016).

Likewise, student perceived value effect toward student trust, shown probability value below 0.05 ($\beta = 0.286$, $p < 0.000$) so H_5 is accepted. Student perceived value has a positive significant impact toward trust. It means that the higher education should provide better value for the student. If the student feel satisfied, the student will be more active to study. The finding of the research supports the findings from previous research (Brown & Mazzarol, 2009; Giner & Rillo, 2016).

Additionally, student satisfaction effect toward student trust, with probability value below 0.05 ($\beta = 0.538$, $p < 0.000$) so H_6 is not rejected. Student satisfaction has a positive influence toward trust. This means that the higher education should enhance student satisfaction. If the student feel satisfied, the student will be more interested to study. The finding from this research supports previous research findings such as (Mosavi & Ghaedi, 2012; Rojas-Mendez *et al.*, 2009).

Result of hypothesis 7 which examine the mediating effect of student perceived value toward student orientation and student satisfaction, which is shown by a probability value below 0.05 ($\beta = 0.226$, $p = 0.000$).

Examining the effect of student orientation on student trust Result through the mediating effect of student perceived value is significant, with probability value below 0.05. The intervening influence is full mediation because the impact of student perceived orientation toward student satisfaction is not significant directly but after covering the intervening variable, the effect become significant (Baron and Kenny, 1986).

While examining the mediating effect of student satisfaction toward student perceived value and student trust is shown to be significant with probability value below 0.05 ($\beta = 0.205$, $p = 0.000$). This implies that the mediation impact at this hypothesis is partial mediation.

5. CONCLUSION

Student perceived orientation has a positive impact toward student perceived value and satisfaction but no effect toward trust. Student perceived value has a positive effect toward satisfaction and trust. Their satisfaction has a significant effect toward student trust at higher education institutions.

In addition, student perceived value partial mediated the impact of student orientation toward student satisfaction and full mediated the impact of student orientation toward student trust. Their satisfaction partially mediates the impact of student perceived value towards student trust.

Enhancing student trust toward the higher education could enhance higher education institutions' credibility. In order to build student trust, the private higher education institutions should enhance the superior value for themselves because student perceived value is a key mediating variable in order to build trust at private higher education institutions.

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