

The Mediating Role Of Satisfaction On The Relationship Between Perceived Institutional And Functional Image On Student Retention

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Abstract

Student retention is a major problem in colleges. This is very important research in recent years about students' retention. The study aims to prove and analyze the mediation of student satisfaction in the effect of institutional image and perceived functional image on student retention. Students of 80 people selected as respondents coming from colleges in Lumajang Regency, East Java, Indonesia. The method used is based on Partial Least Square (PLS) to test hypotheses that have been developed from previous research. The results showed that directly perceived institutional and functional images did not significantly influence student retention. The results of this study are perceived functional images has a significant effect on student retention with mediated student satisfaction. Efforts to develop student satisfaction as a step to maintain students, then the most important thing are to attention to the functional image that students perceived.

Keywords: *institutional image, functional image, student satisfaction, student retention, colleges.*

1. Introduction

Student retention is a major issue in education at the college level. Being very important with the research in recent years about student retention (Alemu & Cordier, 2017; Aljohani, 2016; Burkholder & Holland, 2014; Dewberry & Jackson, 2018; Jr., Omar, Wahid, Ismail, & Harun, 2017; Mosley-Howard, Baldwin, Ironstrack, Rousmaniere, & Burke, 2015; Powers, Herron, Sheeler, & Sain, 2018; Pratt, Harwood, Cavazos, & Ditzfeld, 2017; Sukaisih, Suharyono, Solimun, & Hamid, 2015; Sulistyan, Pradesa, & Kasim, 2017; Tinnon, 2018; Vander Schee, 2007). Improve retention of students on college students explore retention issues in higher education and teaching approaches that encourage students to continue their studies (Crosling, Thomas, & Heagney, 2008).

Research on student retention began in the 1930s. During the first 40 years, almost all the work is done in North America are statistically less developed (Pantages & Creedon, 1978). The research received criticism and stimulated the development of several theories and models designed to explain student retention (Bean, 1979; Tinto & Cullen, 1973). This further expanded and now referred to as the student integration model (Tinto, 1975). Student integration theory proposed as persistence or retention based on the relationship between students and institutions (Tinto, 1975; Tinto & Cullen, 1973). The theory of student integration in a sociology-based model is the main explanation for student drop-out rates in college. Psychological theory about active choice and behavior change that explains alternative offers for drop-out (Dewberry & Jackson, 2018).

Organizational image has a significant effect on satisfaction (Sukaisih et al., 2015). Student satisfaction to college is more influenced by institutional image compared to other variables. (Sulistyan et al., 2017). It cannot be denied that student satisfaction to college is one of the determining factors is the image of the college (Nurunnabi & Abdelhadi, 2019). There is a strong relationship between image of the institution on level of satisfaction (Cameran, Moizer, & Pettinicchio, 2010; Chattananon, Lawley, Trimetsoontorn, Supparerkchaisakul, & Leelayouthayothin, 2007). There are differences in findings that reveal that the functional of the organization has a significant effect on student satisfaction, the effect is greater than the image of institution (Sukaisih et al., 2015). Functional very important in measuring satisfaction (Abd-El-Salam, Shawky, & El-Nahas, 2013). Functional image has a significant effect on satisfaction in the organization (Sukaisih et al., 2015).

Image institution has a strong influence in shaping trust so that it does not have a person's intention to leave the institution (Lin & Lu, 2010). good organizational image, someone will tend to persist to the organization (Sukaisih et al., 2015). In contrast to research that shows that institutional image does not have a significant effect on student retention at the college. However, it indirectly affects retention through student satisfaction (Sulistyan et al., 2017). In addition, functional images have a positive effect on loyalty, so they tend to persist in the organization (Sukaisih et al., 2015). Functionality at the college is negatively related to student retention (Pratt et al., 2017). Functional image affects satisfaction. In addition, satisfaction becomes the mediation between functional image and retention (Jr. et al., 2017).

Student satisfaction has an important role in increasing student retention. Students who are satisfied with their college will tend to persist in college. (Sulistyan et al., 2017). Satisfaction does not significantly influence the intention to persist in the organization (Sukaisih et al., 2015). However, overall satisfaction will cause people to tend to persist (Jr. et al., 2017). An increase in the retention of students on faculty at the college due to an increase in student satisfaction (Tinnon, 2018). Student satisfaction has a significant effect on student retention at college (DeShields, Kara, & Kaynak, 2005). In addition, increasing student satisfaction will be able to overcome the problem of retention through continuous improvement (Alemu & Cordier, 2017).

College programs that promote the suitability of student institutions from the beginning and programs that promote the development and involvement of students in institutions are more likely to produce student satisfaction. The type of student recruitment that best fits a particular environment is likely to increase retention (Seidman, 2005). Like universities in general, tertiary institutions in *Lumajang* Regency are interesting things to study. The image of colleges in *Lumajang* Regency is more important in shaping student satisfaction than the quality of services that have been provided (Sulistyan et al., 2017). Even though, the universities in *Lumajang* Regency have tried to improve the quality of their services. The research aims to prove and analyze the mediating role of student satisfaction in the influence of perceived institutional image and functional image on student retention.

2. Materials and Methods

Institutional image is defined as an impressive organizational identity in the user's mind (Sulistyan et al., 2017). Institutional image is measured using 3 items, which is impressive for students, have high popularity, and become people's preference. Functional image is defined as the attitude preference shown by the user in the organization's operational activities (Lin & Lu, 2010). Functional images were measured using three items, that shows stability, giving confidence, and give a professional impression (Sulistyan et al., 2017). Student satisfaction is measured using 5 items (Athiyaman, 1997), namely satisfaction with decision, satisfaction with choice, continuation satisfaction, feeling happy about the decision of the study, and feeling happy to continue the study. Student retention is measured by the results of the development of previous researchers consisting of 5 items (Cabrera, Nora, & Castaneda, 1993; Sulistyan et al., 2017), namely academic integrity, social integrity, institutional suitability, family attitudes, and goal commitment. The populations in this study were all students at college in *Lumajang* Regency, East Java. Samples 80 students comprised of five colleges in *Lumajang* regency. These students are the second and third years that allow higher rates of drop out from college. All items are measured using a likert scale between one and five (1 = strongly disagree and 5 = strongly agree). The approach used is PLS (Partial Least Square), The hypothesis is tested by variant matrix based equation modeling (Garson, 2016).

The hypothesis and conceptual model in this study are as follows:

- Hypothesis 1 : Perceived institution image has significant effect on the student retention.
- Hypothesis 2 : Perceived functional image has significant effect on the student retention.
- Hypothesis 3 : Perceived institution image has significant effect on the student retention through satisfaction.
- Hypothesis 4 : Perceived functional image has significant effect on the student retention through satisfaction.

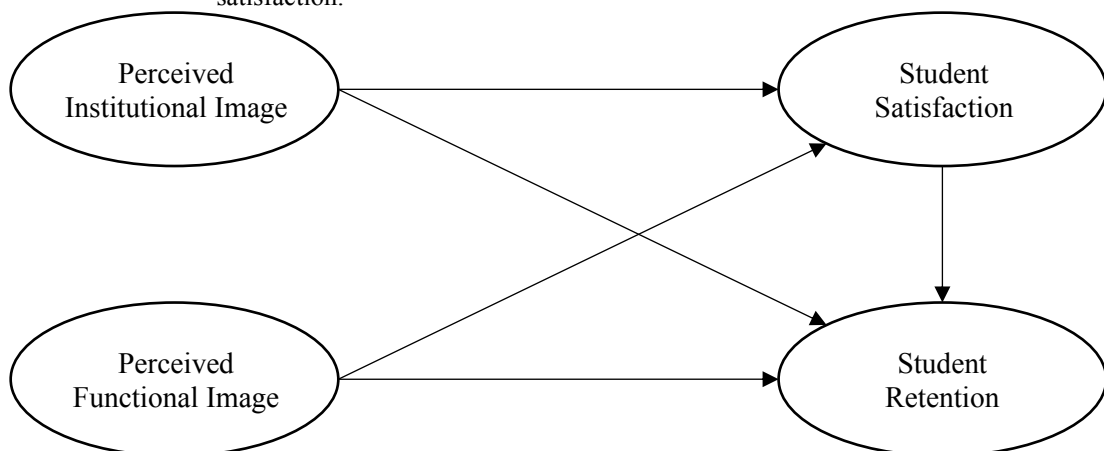


Figure 1. Conceptual Model

3. Results and Discussion

Of the 80 students who were willing to become respondents, where 58.8% women and 41.3% men. Respondents were dominated by high school graduates of 83.8% and the remaining 16.3% were Diploma graduates. The age of respondents dominated between 18 to 21 years is 71.3%, age over 21 years was 27.5% and less than 18 years was 1.3%. The results of hypothesis testing using smartPLS are presented in the table as follows:

Table 1. Direct and Indirect Effect in Model

Effect in Model	Direct	Indirect
Perceived Institutional Image -> Student Retention	0.010	
Perceived Functional Image -> Student Retention	0.066	
Perceived Institutional Image -> Student Satisfaction -> Student Retention		-0.083
Perceived Functional Image -> Student Satisfaction -> Student Retention		-0.155*

Notes: * $p < 0.05$; ** $p < 0.01$ (two-tailed)

Table 1 show that of the four hypotheses proposed, one hypothesis is accepted, three hypotheses are rejected. The results of the hypothesis testing directly indicate that the hypothesis 1 is rejected ($\beta=0,010$ and $p>0,05$). Perceived functional image has no significant effect on student retention. The results of this study support previous research (Sulistyan, 2017), however, there are also those who do not support who state that institution's image effect student retention (Lin & Lu, 2010; Sukaisih et al., 2015). Hypothesis 2 was rejected ($\beta=0,066$ and $p>0,05$). Functional images have no significant effect on student retention. The results did not support some of the previous studies (Jr. et al., 2017; Pratt et al., 2017; Sukaisih et al., 2015). In the indirect effect states that the hypothesis 3 is rejected ($\beta=0,083$ and $p>0,05$). Perceived institutional image has a significant effect on student retention through satisfaction, while the hypothesis 4 is accepted. ($\beta=-0,155$ and $p<0,05$). Perceived functional images that are have a significant effect on student retention through satisfaction. The uniqueness of this study is that functional images have no significant effect on student retention. However, the perceived functional image will affect student retention through student satisfaction.

Institutional image has not been able to maintain students in *Lumajang* universities, either directly or indirectly through student satisfaction. It is because the institutional image cannot be felt directly by students. The indicator with the highest answer is community preference. The intended community preference is the best recommendation in the student area so that it becomes the basis for the initial selection to enter the college. But although being a good community preference it has not been able to make students satisfied and finally choose to stay in the universities. The second indicator is having high popularity. High popularity in each region so there is an interest to become students in those universities. Popularity also has not been able to make students feel satisfied and stay in the university. The indicator with the lowest score is impressive for students. This impression is shown by giving a good information to the general public and recommending to enter to their universities. Having a good impression in their respective colleges does not guarantee the students are satisfied and choose to survive.

Functional image directly has not been able to reduce the students' intention to leave the universities in *Lumajang*. However, indirectly, through satisfaction it was able to reduce the students' intention to get out of the universities. Students feel satisfied from what they have felt from the operational activities of the universities and finally they choose to survive. The highest rated indicator is giving a confidence. The university gives confidence to students of good and appropriate operational that are the students' needs. The followed of Indicators give a professional impression. The professional impression is felt by students in learning activities. The last indicator is to show the stability. Although there are problems or system changes from the center, stable in terms of university operational activities. The three indicators are considered good and able to provide satisfaction to the students and later reduce the intention to leave the university where they are.

4. Conclusions

The perceived of institutional images and functional images do not have an effect on student retention directly. Student satisfaction does not mediate the relationship between institutional image and student retention. But student satisfaction mediates the relationship between functional image and student retention. In this case the college institution further enhances its functional image rather than the image of the

institution. However, there must still be an improvement in the institution's image in building student satisfaction and student retention rates.

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