The Role of Different Factors Influencing the Level of Satisfaction of Business Students

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Abstract

This study examines the factors influencing student satisfaction among business students in Pakistani universities, focusing on grades, campus facilities, teaching quality, and the moderating role of the year of study. Student satisfaction is crucial for institutional success, impacting retention, reputation, and funding. The research addresses gaps in existing literature by exploring these factors within the context of Pakistani higher education. Data analysis is conducted using Smart-PLS to assess reliability, validity, and structural relationships. Findings reveal that campus facilities and teaching significantly enhance student satisfaction. However, grades do not significantly impact satisfaction, contrary to prior research. The year of study positively correlates with satisfaction, indicating that students become more satisfied as they progress academically. However, the moderating role of the year of study on the relationships between grades, campus facilities, teaching quality, and satisfaction is not supported, suggesting it does not significantly alter these relationships. The study concludes that institutions should prioritize improving campus facilities and teaching quality to boost student satisfaction. While grades do not directly influence satisfaction, fostering a sense of belonging and social bonds can enhance satisfaction over time. The research underscores the importance of addressing both academic and non-academic factors to improve satisfaction in Pakistani universities. Limitations include the study's focus on a single university and its cross-sectional design. Future research could expand to multiple institutions and incorporate longitudinal studies to better understand how satisfaction evolves. This study offers valuable insights for higher education institutions aiming to enhance student satisfaction and retention in a competitive academic environment.

Keywords: Student satisfaction, student grade, campus facilities, and teaching staff.

INTRODUCTION

Higher education institutions play a vital role in defining the future of societies. The success rate of higher education institutions is assessed by the extent to which their students are satisfied with them. Higher student satisfaction means students are well served with the required tools or facilities and guidance required for their academic journey. On the other hand, lower satisfaction means they are treated as customers by their institutions instead of being treated as students and are not provided with the required facilities, tools, and guidance that are required. It also served as an indicator that the goals of the academic sector are well aligned with the requirements of related industries. The purpose of this study is to measure student satisfaction with higher education institutions and the factors influencing it. Student satisfaction is now considered important for the success of both higher education institutions and individual students (Wong & Chapman, 2023). Higher education institutions are now conscious about student satisfaction and try to achieve it at any cost because, as discussed earlier, it is the indicator of their success. The more students are satisfied with their institution; they will recommend it to other potential new admissions. Additionally, they present good face value to the society of their institution. Student satisfaction is now used as a measure to assess the success of a higher education institution (Jereb, et al., 2018). Now, higher education institutions are focusing on defining the factors that increase the satisfaction of students.

Student satisfaction is a pressing issue in the education sector because it directly impacts on the reputation of the institution, the retention of students, and the funding of the institution. In this fast-paced society, which is highly influenced by social media, satisfied or unsatisfied students can play a crucial role in the success and failure of the institution as they will share their experience of study on social media and can highly influence the decisions of other potential students to enroll or not in the institution. Satisfied students are more likely to recommend the institution to new students and can enroll again for advanced studies and can present a good picture of the institution in society (Mastoi et al., 2019a).

Higher education institutions face several issues in maintaining student satisfaction. Firstly, maintaining the cost of education while delivering quality education (Mulaudzi, 2023). Secondly, adapting to continuously evolving technology is also a challenge in maintaining student satisfaction (Kirkwood & Price, 2014). In addition, students are influenced by the institutions and academic system of developed countries like the United States, England. They perceive that they will also avail themselves of that type of facility at their institution, which the institution fails to provide for them. Existing research is done on the topics of the relation of academic curriculum, teaching staff, and campus facilities with student satisfaction, but fails to address some of the major issues faced by higher education institutions in maintaining student satisfaction. Recent studies focus on student satisfaction in general, but in the present study, satisfaction of business students in Pakistani universities is evaluated. The

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current study aims to fill this gap and investigate the main and under-discovered factors that influence student satisfaction.

The following are the research objectives of the present study.

1. To assess the impact of student grades on student satisfaction.
2. To examine the impact of the effectiveness of teaching staff on student satisfaction.
3. To assess the impact of campus facilities on student satisfaction.
4. To assess the impact of the year's study on student satisfaction.
5. To ascertain the moderating role of year of study on the relation of student grades and student satisfaction.
6. To ascertain the moderating role of year of study on the relation of the effectiveness of teaching staff and student satisfaction.
7. To ascertain the moderating role of year of study on the relation of campus facilities and student satisfaction.

The following are specific research questions of the present study.

1. Do grades of students impact student satisfaction?
2. Does the teaching staff have any impact on student satisfaction?
3. Do campus facilities impact student satisfaction?
4. Does the year of study impact student satisfaction?
5. Does the year of study play a moderate role between grades and student satisfaction?
6. Does the year of study play a moderating role between teaching staff effectiveness and student satisfaction?
7. Does the year of study play a moderating role between teaching staff, campus facilities, and student satisfaction?

LITERATURE REVIEW

Student satisfaction with an institution is essential. With higher levels of student satisfaction, institutions gain a commercial advantage and student loyalty. A high number of loyal students can gain an institution's competitive advantage in a highly competitive industry (Paul & Pradhan, 2019). By assessing the satisfaction of students, the management can utilize their resources more effectively by allocating the desired resources efficiently (Paul & Pradhan, 2019). Student satisfaction is influenced by both academic and non-academic dimensions (Wong & Chapman, 2022). But if organizations start to treat students like customers, they will have less focus on students' learning, and their main focus will be to give them what they want to increase their satisfaction, so the fees they are paying are justified (Calma & Dickson-Deane, 2020)

Research has shown that students who get lower grades in their subjects report low satisfaction in those subjects. The students who got A-grade in their subjects had a higher satisfaction rate (Kogan, Genetin, Joyce, & Kalish, 2022). Students who get higher grades are likelier to give the course evaluations (Kogan et al., 2022). There is a possibility that teachers might do something to increase the ratings on evaluation, which can include lowering the grading standards. It will look good in the short term, but in the long term, it can affect students' success negatively (Dost & Smith, 2023).

H1: Grades and student satisfaction have a significant positive relationship.

Library and academic-related facilities are the most important factors for student satisfaction. Non-academic facilities like athletic facilities are also important, but findings suggest that academic facilities play a major role in student satisfaction. In academic facilities, the library was found to be the most important one. Campus attractiveness can be a major factor for students taking admission to the campus and their ongoing satisfaction. While having facilities on campus is important the condition of these facilities is much more important (Norton, 2023).

H2: Better Campus facilities and student satisfaction have a significant positive relationship.

The personal qualities of teachers have a major impact on student satisfaction rather than course qualities. Students can focus more during the lecture when the teacher is using energy while talking, not in a single tone. They have regarded this as boring when teachers just talk in a monotone. It is also interesting to note that teachers who interact more with the students, and know their names, increase the satisfaction level of students by a significant level, and students are more focused (Bell, 2022). The quality of the service provided is directly related to student satisfaction and motivation (Subandi & Hamid, 2021).

H3: Teaching quality has a positive relationship with student satisfaction.

Students studying in the first year of university face different challenges. Freshmen are trying to form social bonds (Cabello, 2022). Making social bonds significantly increases the satisfaction level of students (Ramakrishnan, Ngamassi, & Rahman, 2022). Adapting to a new environment takes some time. As time passes, students have a sense of belonging, and social networks are formed. As time passes, a sense of belonging is developed for the campus and the institution. So we see a rise in satisfaction level in the later years of higher education (Forbush & Foucault-Welles, 2016; Dost & Smith, 2023).

H4: Student year of study has a positive relation with student satisfaction, as the year increases, student satisfaction of students also increases.

Students in their later years studying business have a preference for learning practical skills rather than just focusing on their grades. They were focused more on career development skills. Their satisfaction level was high when getting good grades, along with learning practical skills (Halme et al., 2021, October). It is expected of students in earlier years studying in higher education institutions that they prefer surface learning to get high marks on their assessments. They are more satisfied getting higher grades without having a deep understanding of the concepts. When those students are in later years of studying, they may prioritize deep learning rather than surface learning (Mio & Dombi, 2023).

H5: The year of study has a moderate relationship with student grades and student satisfaction.

There is a significant difference in how important first-year students and final-year students perceive the overall campus facilities. Final-year students considered the campus facilities to be less important compared to students in the first year. The highest satisfaction rate was for academic and library facilities for the respective years. Final-year students placed very little importance on recreational and athletic facilities and were least satisfied with these facilities (Norton, 2023).

H6: The year of study plays a moderating relationship between campus facilities and student satisfaction.

Research has suggested that students in the earlier years of their higher education tend to prefer the teacher's approachability and friendliness (Ang et al., 2019). The year of study has a major impact on determining teaching quality, with students in the final years tending to be more critical of teachers. It is also found

that satisfaction related to teaching staff is higher in first-year students (Yusoff et al., 2015).

H7: The year of study plays a moderating relationship between teaching quality and student satisfaction.

RESEARCH METHODOLOGY

In the methodology chapter, the research process will be explained. How will this research be conducted? It will discuss the research philosophy, research approach, research strategies, time horizon, and data collection. The research philosophy for the study is positivism. Positivism is used when measuring objective reality and can be measured statistically (Bryman, Social research methods, 2012). In the present study, positivism is used because student satisfaction is being measured, which is an objective reality and can be measured easily. Hypotheses can be tested, and based on the data, hypotheses can be accepted or rejected. The research approach of the study is based on a deductive approach. In a deductive approach, theory is established, and it is tested in the research (Bryman, Social research methods, 2012). In this study, established theories like the impact of campus facilities, teaching staff, and grades on student satisfaction are tested, and data is collected to accept or refute the study. Therefore, the research approach is deductive. Research strategy is the mode of data collection, or how the data is collected. In this study, the research strategy used is a survey method. A questionnaire is distributed to business students. Data is collected using online surveys. The time horizon of the present study is cross-sectional. Cross-sectional research is conducted in a short amount of time or at a single moment (Bryman, 2016). This study uses cross-sectional research because the study is conducted in a short amount of time. Quantitative data is collected in the present study. Data is collected from the students on their level of satisfaction and factors influencing their level of satisfaction. The quantitative data can be analyzed statistically, and conclusions can be drawn on the basis of the results of our data analysis.

In the study, probability sampling and random sampling techniques are used. The population of the present study is the business students currently studying at the university. The sample size of the current study is 84 business students currently studying at the university. The data analysis method used for the study is done by Smart-PLS. The measurement model is used to assess the validity and reliability of the data. Factor loadings are used to assess the correlation of the constructs. Reliability is measured using Cronbach's Alpha and Composite Reliability. Convergent validity and discriminant validity are used to measure the validity of the study. In the structural model, hypotheses are tested. Beta coefficients, t-values, and p-values are used in the structural model to test the hypotheses.
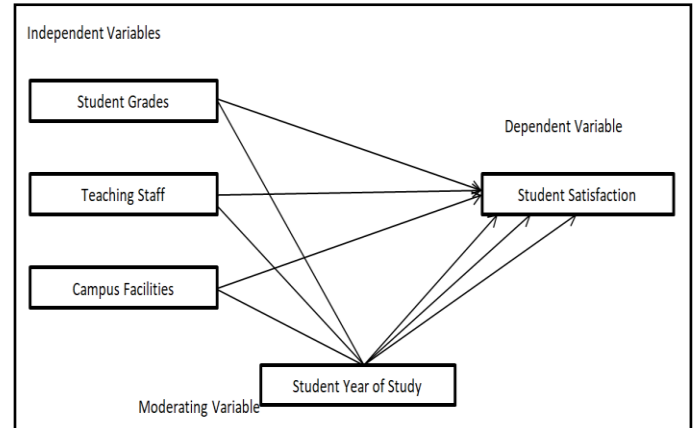
Figure 1: Framework of the study

This chapter reports on the analysis of data collected by the questionnaire. With the measurement model, the reliability and validity of the construct are assessed. The hypotheses, which are discussed in Chapter 2, are tested using the structural model in SmartPLS. Factor loadings represent the correlation between a variable and a factor. A higher level of factor loading can represent a significant correlation. In the study, loadings are above .50, which is considered significant. Factor loadings in the study are above .70 (reference multivariate data analysis). Factor loadings are given in Table 1. Reliability refers to the extent to which a variable remains consistent if repeated. In the study, Cronbach's Alpha (CA) and Composite Reliability (CR) are used to measure reliability. .70 and above is the recommended value for Cronbach Alpha and Composite Reliability (reference same as before). Only the Cronbach Alpha of IV2 is below .70, which is .696 in the present study. However, the Composite Reliability of IV2 is .814. Values of Cronbach's Alpha and Composite Reliability are given in Table 1.

Convergent validity is the degree to which different methods to measure the same construct strongly correlate (Baggozi et al). In the study, Average Variance Extracted (AVE) is the method used to assess convergent validity. According to Fornell and Larcker(reference), Average Variance Extracted should be above .50. All of the convergent extracted values above 0.50, which means convergent validity is established. Values of average variance extracted are given in Table 1.

Table 1: Reliability and Validity

	Loadings	CA	CR	AVE
DV1-1	0.694	0.720	0.845	0.647
DV1-2	0.845			
DV1-3	0.863			
IV1-1	1.000	1.000	1.000	1.000
IV2-1	0.817	0.696	0.814	0.526
IV2-2	0.737			
IV2-3	0.744			
IV2-4	0.584			
IV3-1	0.799	0.825	0.874	0.539
IV3-2	0.778			
IV3-3	0.592			
IV3-4	0.682			
IV3-5	0.838			
IV3-6	0.688			
Grades * YEAR	0.950	1.000	1.000	1.000
Facility * YEAR	1.000	1.000	1.000	1.000
Teaching * YEAR	0.981	1.000	1.000	1.000
year	1.000	1.000	1.000	1.000

Discriminant validity is measured by the Fornell and Larcker Criterion. The square root of Average Variance Extracted for a construct should be larger than its correlation with other constructs. Discriminant validity is established as the square root of AVE is larger than the correlation with other constructs. The value of the Fornell and Larcker Criterion is given in Table 2.

Table 2: Fornell and Larcker Criterion

	Facility	Grades	Satisfaction	Teaching	Year
Facility	**0.725**				
Grades	-0.096	**1.000**			
Satisfaction	0.652	-0.024	**0.804**		
Teaching	0.624	0.271	0.695	**0.734**	
Year	0.029	-0.151	0.247	0.025	**1.000**

Now, the reliability and validity of the constructs are established. In the structural model, hypotheses will be tested.
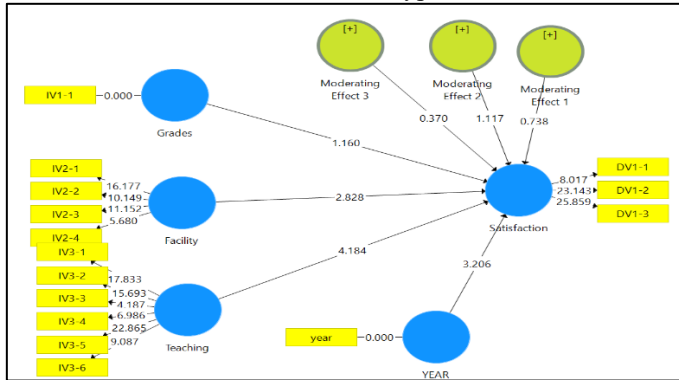
Figure 2: Structural model of study

Table 3: Hypothesis Testing

	Coeff.	SD	T-Values	P-Values
Grades -> Satisfaction	-0.096	0.084	1.146	0.252
Facility -> Satisfaction	0.332	0.116	2.866	**0.004**
Teaching -> Satisfaction	0.512	0.121	4.217	**0.000**
YEAR -> Satisfaction	0.225	0.068	3.317	**0.001**
Moderating Effect 1 -> Satisfaction	-0.057	0.079	0.720	0.472
Moderating Effect 2 -> Satisfaction	-0.128	0.115	1.114	0.265
Moderating Effect 3 -> Satisfaction	0.045	0.124	0.362	0.717

H1 suggests that grades and student satisfaction have a significant positive relationship. The findings indicate that grades have an insignificant effect on student satisfaction studying business degrees ($\beta = -0.096$, t = 1.146, p = 0.252). The P-value is greater than .05, which means H1 is rejected. H2 suggests that campus facilities and student satisfaction have a significant positive relationship. The findings indicate that campus facilities have a significant positive relationship with student satisfaction ($\beta = 0.332$, t = 2.866, p = 0.004). So H2 is supported by the findings. H3 indicates that teaching quality has a significant positive relationship with student satisfaction. The findings indicate that teaching quality has a significant positive relationship with student satisfaction studying business degrees ($\beta = 0.512$, t = 4.217, p = 0.000). H3 is supported by the findings. H4 suggests that as the year passes, the level of satisfaction increases. The findings support the literature that students' year of study has a positive and significant relationship with student satisfaction ($\beta = 0.225$, t = 3.317, p = 0.001). H4 is supported by the findings. H5 suggests that the year of study plays a moderate role in student grades and student satisfaction. The findings indicate that the year of study does not moderate the relationship between student grades and student satisfaction ($\beta = -0.057$, t = 0.720, p = 0.472). H5 is rejected by the findings. H6 suggests that the year of study plays a moderating role between campus facilities and student satisfaction, with first-year students having higher satisfaction with campus facilities. The findings indicate that the year of study does not moderate the relationship between campus facilities and student satisfaction ($\beta = -0.128$, t = 1.114, p = 0.265). H6 is rejected by the findings. H7 suggests that the year of study plays a moderating role between teaching quality and student satisfaction, with final year students being more critical of teachers. The findings indicate that the year of study does not moderate the relationship between teaching staff and student satisfaction ($\beta = 0.045$, t = 0.362, p = 0.717). H7 is rejected by the findings.

DISCUSSION AND CONCLUSIONS

The main purpose of the current study was to examine the factors that can influence the satisfaction level of business students. The influence of student grades, campus facilities, and teaching staff on the satisfaction level of students was measured. The moderating effect of student year of study on the relation between different factors and student satisfaction was also measured. Student satisfaction and factors influencing it have been discussed in previous studies. This study particularly focuses on the satisfaction level of business students studying in Pakistan. The data suggests a direct relationship between campus facilities and student satisfaction. There is a positive relationship between campus facilities and student satisfaction. In the survey, students were asked about academic facilities, athletic facilities, recreational facilities, and campus attractiveness as part of campus facilities. As the satisfaction of students with campus facilities increases, overall satisfaction with the institution will also increase. Teaching quality and student satisfaction are found to have a direct positive relationship. Students were asked about the fairness of the assessments, the friendliness of teachers, their competence, and the interaction of students with teachers. The data supports that if overall satisfaction with teachers increases the student satisfaction levels will also increase. Data found no relation between student grades and satisfaction level. Previous literature suggested that students with higher grades had higher satisfaction levels (Kogan et al., 2022).

The results support the positive relationship between students' year of study and student satisfaction. The findings indicate that as the year increases, student satisfaction with students also increases. Studies suggest that the underlying reason for increased satisfaction is due to the sense of belonging and social bonds (Ramakrishnan et al., 2022). The findings of this study indicate that a student's year of study does not moderate the relation between different factors and student satisfaction.

As previous literature has suggested that high levels of student satisfaction can increase student loyalty to the institution, which in turn gains a competitive advantage to the institution (Paul & Pradhan, 2019). Student satisfaction is of utmost importance for the institution. The two main factors increasing student satisfaction are campus facilities and teaching quality. Institutions should focus on giving facilities to students, which include both academic facilities and athletic facilities. The focus of teachers should be on their interaction with students, being fair in assessments, and students can easily approach them when

having any problems regarding the subject. The institutions should also foster social bonds between the students.

The present study focused on the business students from the University of Management and Technology campus in Lahore. Further research is required to evaluate satisfaction all over Pakistan. The current study focused on three factors: campus facilities, teaching staff, and grades that could influence satisfaction. Future studies should focus on different factors like extra-curricular activities, physical and mental health, and social support. The current study was conducted in a short amount of time. Future researchers can do longitudinal studies to gain a more in-depth analysis of how satisfaction levels change with time and different factors.

Student satisfaction is important for both the institutions and students. This study aimed to examine the factors that could influence the satisfaction of business students. The findings indicate that student satisfaction levels increase as the student's year of study increases. The findings also indicate that campus facilities and teaching staff play a huge role in the satisfaction level of students. The current study played a role in understanding the factors that can increase the satisfaction of students. This study was limited to just one area, and future researchers could focus on expanding the research territory.

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