

FINANCIAL FACTOR AS THE CATALYST IN CHOOSING DESTINATION TO FURTHER STUDIES ABROAD FOR INTERNATIONAL STUDENTS

**Hasbullah Awang^{1*}, Irma Wani Othman², Norazah Mohd Suki³,
Muhammad Safuan Yusoff¹, Herlina Jupiter¹, Abu Bakar Abdul Hamid⁴**

¹*Labuan Faculty of International Finance, Universiti Malaysia Sabah*

²*Centre for the Promotion of Knowledge and Language Learning, Universiti Malaysia Sabah*

³*Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia*

⁴*Putra Business School, Universiti Putra Malaysia*

ABSTRACT

Internalization is seen as an efficient approach that could empower the higher education system in Malaysia parallel with the effort to make Malaysia as a regional higher education center. According to the Washington Accord Standard, Malaysia is among the countries that provide the lowest cost for educational service expenses compared to Singapore, United Kingdom and The United States of America. The financial cost covers studies' fees, trip expenses, daily life expenses and so on. Choosing UMS as a study destination is deemed as the right choice because of the affordable fees implemented by the university. Indirectly, it helps the international students to afford the fees to further their studies. The objective of this study is to study the international students' perspectives from the financial view in their effort to further their studies outside of their countries. This study chose to apply the qualitative approach through the design of case study and to implement the semi-structured interview sessions on twenty international students in UMS. The findings of this study are hoped to be able to contribute in giving a valid point of view regarding the efforts in aiding UMS economic generation besides enhancing the academic quality among international students in UMS.

Keywords: Internalization, Internationalism, Higher Education Center, Study Fees, Universiti Malaysia Sabah.

* Corresponding author: Hasbullah Awang, *Labuan Faculty of International Finance, Universiti Malaysia Sabah*. E-mail: hasbullahawang87@yahoo.com

Introduction

As one of the developing countries, the higher education system in Malaysia takes part in obtaining transforming patterns in global education so that it could fulfill the aspiration of the country's development simultaneously producing marketable individuals. Globalization in this study prevails the drastic change in the world's education. Indirectly, it is not only able to lead the economy to be better but also able to produce knowledgeable generation and individuals with first class mindsets.

Since 30 years ago, internalization in education has been the main sector in the growth of a country's development respectively, throughout the globe (Bodycott, 2014). The past research has also shown that education internationalism brings benefits specifically from the aspects of personal development and professionalism (Bryla, 2015; Connington, 2014). The positive impact from education globalization can be seen as an output from the intake of foreign students who further their studies in Malaysia. Via the borderless world, the presence of foreign students is actually giving a new dimension in the country's higher education system because of the diversity in cultures, languages and so on. Not only that, it can also builds a new relationship connection (IPPTN, 2009).

The openness basis of the Malaysia's higher education system in receiving the foreign students as students could lead to the country's success in becoming the center for excellent higher education center in this region. Based on the ability and the reputation of Malaysia's higher education sector, it is vivid why the aim for 2020 by KementerianPengajianTinggi for the intake of international students is 200,000 students (Ministry of Higher Education, 2014). Table 1 depicts the international students' intake trend registered in Malaysian's IPTA (2009-2014).

Table 1: International student registration in Malaysian's IPTA (2009-2014)

Years	Number of Peoples
2009	22,456
2010	24,214
2011	25,263
2012	26,232
2013	28,830
2014	27,042
Total	154,037

Ministry of Higher Education Report (2014)

Sources: <https://www.mohe.gov.my/ms/muat-turun/awam/statistik/2014/>

Statistic shows a rise in the international students' intake in Malaysia consistently from the year 2009 to 2013. However, in 2013 until 2014, there is a slight decrease causing the deficit of 1,784 students from the total amount of 28,826 students in 2013, leaving 27,042 students in 2014. The decrease gives an impact where there were interest exchange of international students in choosing their destinations to further their studies. Related to that, the number of countries involved actively in recruiting international students have expanded notably. Because the competition to recruit international students has increased, it is getting more and more important for universities around the globe to provide meaningful experiences to international students as long as they are studying in the universities.

Literature Review

The low fee rate and short amount of time needed to complete studies have also become an attraction in Malaysia as one of the main destinations to further studies. Fees that have to be completed to study in this country is only one third of the universities in developed countries. Not only that, the absence of the four seasons that leads to shorter semester breaks enables international students to finish their studies faster.

There are a few past researches regarding international students in Malaysia. A study conducted by Yet *et al.*, (2014) found that the factors that influence international students in choosing the study destinations include agents' suggestions, lower fees and expenses as well as comfortable climates. This statement is supported by Dora *et al.*, (2014) who stated that among six factors of why foreign students choose a certain destination to further their studies in Malaysia is the affordable fees introduced. Alongside with the developing education in Malaysia, it has made Malaysia as one of the competitors against The United States of America that has become the main destination of international students (Choudaha and Chang, 2012).

Some past researches have also found that regarding to the destination to further studies, a lot of international students will take into account the university fees where it is deemed as the most important factor compared to the other factors in deciding to further studies abroad. A finding by Anderson and Bhati, (2014) found that students from India started to pin on Singapore as a destination to further their studies over Australia because of lower education fees compared to Australia. Meanwhile, Joseph and Joseph (2014) found that fee is one of the obvious elements in the decision of study placement because expense is a negative influence and as a contrary, financial aid is a positive influence on the students' decision in furthering their studies abroad.

A study by Spaulding and Olswang (2015) and Herlina *et al.*, (2017) has also agreed on the fact that after students receive offers to further their studies abroad, the fees have to be considered profoundly where the indirect influence will change to direct influence. Yang (2007) on the other part of the same hand stated that college fees and daily life expenses are two main factors why Chinese students choose Australia as a destination to further their studies. This is due to the affordable college fees which is vital in ensuring student's affordability to pay the fees in order to avoid difficulties in their time studying in the chosen institutions.

According to Padlee *et al.*,(2010); Kusumawati *et al.*,(2010); andMazzarol and Soutar, (2002), a factor that has always been related to a university or a college is the education fees. Generally, education fees do not solely focus on the study fees but also covers daily life expenses and expenses for trips. Because of that, before a decision is made regarding the abroad destination of studies, education fee has always become an emphasis for international students. Even though some are opinionated international students come from well-off backgrounds, studies found that education fee is a vital factor in the decision making process regarding to destinations to further one's studies.

Methodology

The election of case study for this study is done using the qualitative research approach. The election functions to elaborate phenomenons profoundly in an actual occurring phenomenon (Simons, 2009). This study is done using the semi-structured interview approach that involves twenty respondents which are international students that are studying in UMS. This study also

uses sampling approach which functions to group respondents based on certain characteristics to be interviewed (Creswell, 2013).

Findings

The findings of this study that have been digged out from the twenty profoundly interviewed respondents regarding financial factors that need to be taken into consideration before coming to a fruitful decision concerning furthering studies abroad have identified two elements namely; (i) financial source from family (ii) sponsored scholarship. Table 2.1 and 2.2 shows financial source for international students who are furthering their studies in UMS.

**Table 2.1: Financial Source for International Students in UMS:
Family**

Family
Respondent 2
Respondent 3
Respondent 6
Respondent 7
Respondent 9
Respondent 10
Respondent 11
Respondent 14
Respondent 16
Respondent 17
Respondent 19
Respondent 20

(i) Financial Source Provided by Family

There are twelve out of twenty respondents who are involved in this this study stated that to further their study in UMS, their families are their financial sources. Respondent 6 and respondent 19 stated that the encouragement from their parents was what drove them to further their studies at the pre graduate level. Respondent 6 stated that all sorts of expenses from education, transportation to daily life expenses are fully sponsored by the respondent's parents.

Before accepting the offer to further studies in UMS, respondent 6 had taken into account the financial factor especially from the aspect of education fees and respondent 6 had found out that UMS is among the cheapest place to further studies. Affordable education fee is becoming the main factor in choosing a destination as a place to study. This finding proves the finding by Mazzarol and Soutar (2002) where it was stated that affordable education fees, low life cost, transportation cost as well as opportunity to get scholarship to lower the cost is the main attractions for international students to study abroad. Respondent 6 is also opinionated that the life cost for as long as the respondent's studies in UMS is very affordable because of the cheap tags for goods compared to the respondent's country of origin. However, respondent 6 has also mentioned that whenever one is in a different country, saving is a must so that one does not spend the financial allocation on unimportant wants. This could be seen from:

"At first, I didn't want to further my studies as a pre graduate for degree level. But my parents insisted on it and they suggested willingly to sustain all of my expenses when I'm abroad, my heart told me to further my studies abroad. Before that, i had asked my friend, who was already furthering studies in UMS about it and my friend told me to just go with it. My friend also mentioned to me that the education fees are affordable. I didn't believe it at first but after I made a comparison regarding the issue with another universities, UMS is one of the universities that offers affordable education fees. Even though my parents are my financial source for as long as I'm in UMS, I am still able to manage my own financial wisely". (Respondent 6)

Based on the statement that was given by respondent 6, it is clear that financial source generated from family members is an important factor regarding international students' choice in stepping out of their countries to further their studies. The finding is parallel with a finding by Guilborg (2011) that stated; affordability based on family source influences international students' decision in furthering their studies abroad, placing the education cost financing element in furthering studies in abroad universities in the top 10 list regarding the main factors in choosing study destinations.

Table 2.2: Financial Source for International Students in UMS: Schorlarship

Schorlarship
Respondent 1
Respondent 4
Respondent 5
Respondent 8
Respondent 12
Respondent 13
Respondent 15
Respondent 18

(ii) Financial Source Provided by Sponsored Scholarship

The next element is sponsored scholarship. From the twenty respondents, seven of them are being sponsored by scholarship scheme given by the government in their countries. Respondent 8 stated that furthering studies in UMS is the decision made because of the presence of scholarship sponsoring provided in the respondent's country of origin. The distribution of the scholarship has become a spark for the respondent's zeal to achieve excellent grades so that contribution can be made once the respondent is back to his/her mainland. Even so, respondent 8 also stated an opinion saying that in this time of economy, the respondent is more skillful in handling financial matters in order to be able to finish the bachelor's certificate in the target period of time.

The findings of this study is so accurate and can be related with a study by Parafianowicz (2009) and Herlina *et al.*, (2017) where they stated that the opportunity to get scholarship aid and financial aid from the international students' countries of origin has become the motivation booster for them to keep on achieving excellent achievements in their academics. This statement can be observed in the following statement:

"I'm not from a wealthy family. My father works as a teacher while my mother is just a full-time housewife. It is my dream since I was a kid to step my foot in a university. After finishing secondary school, I was planning to further my studies in a university and apply for a full scholarship from the government. At the same time, a few agents introduced me to a few universities outside of my country. The first time when an agent introduced UMS to me, I instantly attracted to the proposed idea regarding the choice of field offered and since then, i was planning to further my studies in UMS. After receiving an offer from UMS and obtained a full scholarship from the government for me to further my studies abroad, I didn't think twice to just go for it".
(Respondent 8)

From the statement given by respondent 8, it is clear that sponsored scholarship from the government is a vital element for the international students to make their decisions in furthering their studies abroad. Indirectly, it can be a catalyst and motivation for the international students to keep on being excellent in their studies. According to Maringe and Carter (2015), the opportunity in getting government scholarship to further studies is a factor that attracts students' interest in furthering their studies overseas.

Conclusion

As a conclusion, the findings of this study clearly prove two main elements which are; (i) financial source by family, (ii) sponsored scholarship is an important element in influencing international students to further their studies overseas. Financial source provided by family is one of the most important factors on why a lot of international students further their studies outside of their countries. The finding also goes hand to hand with a study conducted by Guilborg (2011) who stated that the affordability of a family source financially influences foreign students' decision in furthering their studies abroad simultaneously putting the element education financial cost in enrolling in a university's program at one of the ten main factors position in the list of education destination for international students.

For sponsored scholarship, it is clear that the opportunity to obtain scholarship is seen as an additional asset for international students who are interested in furthering their studies overseas. It indirectly causes international students to be more excellent in their programs respectively. A study by Maringe and Carter (2015) also prevails the opportunity to be qualified to be sponsored by scholarship and offered financial aids are big opportunities for international students which could lead in the effort to become a catalyst to influence their academic achievements positively.

The decision in deciding a place to study depends on the cost of living in a country itself. The lower the cost of living in a country, the more international students that will be interested in furthering their studies in the said countries. Opportunities to be sponsored by scholarship under the existing pre conditions like having an excellent academic background is one of the suggestions that needs to be taken into consideration by the universities for the sake of the registered international students. It is also hoped that in the future, this study can be expanded and to be applied not only in universities but at all levels of education institutions in Malaysia.

Bibliografi

Anderson, R and Bhati, A. (2014). 'Indian Students' Choice of Study Destination: Reasons for Choosing Singapore'. *International Journal of Innovative Interdisciplinary Research*, vol. 1, no. 2, pp. 66-76.

Bodycott, P. (2014). 'Choosing A Higher Education Study Abroad Destination What Main Land Chinese Parents and Students Rate as Important'. *Journal of research in International Education*, vol. 8, no. 3, pp. 349-73.

Bryła, P. (2015). The Impact of International Student Mobility on Subsequent Employment and Professional Career: *A Large-scale Survey among Polish Former Erasmus Students*, paper presented to International Educational Technology Conference, IETC 2014, Chicago, USA, 3-5 September 2014.

Choudaha R, Chang L. (2012). *Trends in International Student Mobility*. Research report. World Education Services.

Connington, J. (2014). Study abroad: *The Career Benefits*, The Telegraph, 24 December.

Creswell, J. (2013). *Qualitative Inquiry and Research Design. Choosing Among Five Approaches*. Los Angeles: Sage Publication Ltd.

Dora, M.T.H., Ibrahim, N.R.D.W., Ramachandran, S.D., Kasim, A. and Saad, M.S.M. (2014). A Study On Factors That Influence Choice of Malaysian Institution of Higher Learning For International Graduate Students. *Journal Of Human Capital Development*, 2 (1), 105-113.

Guilbourg, C. (2011). New Fees Prompt Fears of Cuts at Swedish Universities. *The Local Sweden's News in English*.

Herlina Jupiter, Irma Wani Othman, Norazah Mohd Suki, Muhammad Safuan Yusoff, Hasbullah Awang, Rudie Adie Razak. (2017). Factors Influencing International Student's Decision In Choosing Study Destination Abroad. *Labuan E-Journal of Muamalat and Society*. Vol. 11, 2017, Pp. 86-97.

Institut Penyelidikan Pendidikan Tinggi Negara. (2009). *Kajian Pelajar Antarabangsa Di Malaysia*. Laporan Akhir. Pulau Pinang.

Joseph M, Joseph B. (2014). *Identifying Need of Potential Students In Tertiary Education for Strategy Development*. *Quality Assurance in Education* 6 (2), 90-96.

Kementerian Pengajian Tinggi Malaysia. (2014). *Perangkaan Pengajian Tinggi Malaysia. Bahagian Perancangan dan Penyelidikan*. Kementerian Pengajian Tinggi Malaysia.

Kusumawati, A., Yanamandram, V. and Perera, N. (2010). Exploring Student Choice Criteria for Selecting an Indonesian Public University: *A Preliminary Finding*. ANZMAC 2010. Doctoral Colloquium, Christchurch, New Zealand: ANZMAC, 1-27.

Maringe, F., and Carter, S. (2015). International Student's Motivations for Studying in UK. HE: Insight into the choice and decision making of African Students. *International Journal of Education Management*, vol. 20(6), 466-479.

Mazzarol, T. and Soutar, G.N. 2002. Push-pull factors influencing international student destination choice. *International Journal of Educational Management*, 16 (2), 82-90.

Padlee, S.F., Kamaruddin, A.R. and Baharun, R. (2010). International Students' Choice Behavior for Higher Education at Malaysian Private Universities. *International Journal of Marketing Studies*, 2 (2), 202-211.

Parafianowicz, L. (2009). *Foreign Student Fees Delayed until 2011*. The local Sweden's News in English.

Piaw, C.Y. (2006). *Kaedah dan Statistik Penyelidikan (Kaedah Penyelidikan Buku 1)*. McGraw-Hill (Malaysia) Sdn. Bhd.

Spaulding, R. dan Olswang, S. (2015). Maximising enrolment yielded through financial Aidpackaging policies. *NAFSA Journal of Student Financial Aid* 35 (1) pp. 27-38.

Wagner, K. and Fard, P.Y. (2009). *Factors Influencing Malaysian Students' Intention to Study at a Higher Educational Institution*. E-Leader Kuala Lumpur, 1-12.

Yang, M. (2007). What Attracts Mainland Chinese Students To Australia Higher Education. *Studies In Learning, Evaluation Innovation And Development* 4 (2),1-12.

Yet Mee Lim, Ching Seng Yap, Teck Heang Lee. (2014). Destination Choice, Service Quality, satisfaction and consumerism. International student in Malaysian Institutions of Higher Education. *African Journal of Business Management* 5 (5), 1691-1702.

Yin, R.K. (2009). *Case Study Research: Design and Methods 4rd Edition*. Thousands Oaks.CA.Sage.