

# Perceived Educational Benefits: Perspective of Students with Low-Family Income Level

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**Abstract**—This paper examines the benefits of education perceived by students with low-family income levels by measuring the university missions as the tested variables, e.g. academic (research administration), research and development, link-and-match (employment), and social (scholarships and public services) missions. The study sites are 8 universities in Jakarta with population of students who receive scholarships and low-income student benefits. The results showed that the universities were mostly focusing on obtaining new students, educating students about research and improving students' careers including research and non-research benefits as mission accomplishment. Based on the academic mission, the research finding indicated that the students prioritized to obtaining the education gain and pursuing an urban career which confirmed by university staffs. Other findings are also surprising because the universities rarely focusing on fulfilling social (e.g. Scholarships) and link-and-match (job career and employment) missions to support low-income students. Even though the four missions of educational missions have been regulated, however, the eight universities considered the entire missions as voluntary policies to achieve education quality.

**Keywords**—*family level, income, education quality, link-and-match, mission*

## I. INTRODUCTION

The context of higher education in Indonesia has undergone structural changes over the last three decades, including an emphasis on the development of various academic activities so-called “*Tri Darma Perguruan Tinggi*” (or Higher Education Missions, e.g., education, research, and community service) by using existing university resources [1]. The diversification of higher education institutional mission has been increasingly adopted in various universities in Indonesia [2].

The short of funding also experienced by universities with many students from low-family income levels. The number has raised in Indonesia over the last decade as reported by Census of Education by the Central Bureau of Statistics (BPS, 2016). The number of local students paying the tuition fees in 2016 with their own money has decreased 39% compared to the five years (BPS, 2016). In addition, the number of local students participating in some form of university activity by 2016 is 140.000 students which representing an increase of approximately 180% from 2012 (BPS, 2016). However, integrating academic and social missions in Indonesian universities have been explored in a relatively limited scope and are even less of a concern in Jakarta region. Although

more research is being undertaken by universities, the literature remains inconclusive about the potential benefits of research outcomes to fulfil social mission, particularly regarding the benefits felt by local students. This limited understanding can be attributed to two causes: (a) the focus of the university is not to expand activities related to the mission; (b) limited resources.

The results of this study can be useful for both the institutions and students. The results can be used as a basis to understand the priority of university in framing the activities and capacity of students. This study also offers strategy to overcome the problems of students with low-income family in Jakarta. From the universities' perspectives, the results of the study can help them to evaluate the types of academic activities to fit their social missions.

The rest of this paper is organized as follow: Section II presents literature review. Section III describes proposed research method of this work. Section IV presents the obtained results and following by discussion in Section V. Finally, Section VI concludes this work.

## II. LITERATURE REVIEW

University is an institutional organization engaged in higher education. In Indonesia, it has three missions, e.g., education, research and social community service [3]. These three missions are implemented as diverse and various type of activities. University with high budgeting and high number of students is large organizations that run wide array of academic activities ranging from research to entrepreneurial field [4].

For the student support, there is situation of low student financial ability which impact the university financial resources [5]. Such problems have bring inconsistencies at the mission level, especially between link-and-match (employment) and university social mission missions. For example, ideally, universities with enough budgeting can help students to achieve wider access of quality education [6]. In fact, they rarely focus on providing enough social services especially through scholarships. This condition explicitly worsens the problem faced by the student especially for them with limited financial support.

Given the inconsistency of the definition of a university social mission in the literature, this study adopted the definition used by the Ministry of National Education in 2009: "It is a social service to the public including to the public for social

purposes to help the student to get adequate academic results by involving community and their components".

#### *A. University role in generating student benefits*

Universities are encouraged to generate many benefits for students, staff, students, and the surrounding community as a whole. Perceptions are generally positive toward academic introduction to society. In addition, integrating all university missions can reduce community problems, including student issues in career entry and multi-industry workforce through academic support and research [7] Positive effects of higher education can also be combined with career contribution and entrepreneurship to local students through career support, local employment and local entrepreneurial stimulation such as opening stubs and small shops. Social benefits of other non-research activities, including maintaining students' financial levels and raising awareness and preservation of local culture and unique research characteristics as academic traditions, especially those related to social and community research [8].

For long-term goals, the diversification of the university mission can be misled since it has various overlapping indicators to measure the university efforts for social missions, including the welfare of all campus members, net income and reduced dependence on government aids [9].

Studies showed that at a time of limited budgets, universities focus on seeking more students to generate alternative income than achieving other missions [10]. However, in many cases, universities that have staff and lecturers with high ratios will bring the research activities (research mission) remains the main [11]. It also showed that universities can provide academic activity especially the research although they have to reduce budget and time for entrepreneurial activity until the financial ability is improved. In addition, universities with students of good finance can maintain their third mission as they have surplus in the university budgeting [5].

In addition, education emerges as a convenient diversification strategy because it does not necessarily require excessive investment in infrastructure, labour or research equipment. Diversification of academic mission into research tends to focus on short-term scientific activities that take advantage of their existing resources, rather than requiring additional investments. As many universities view mission diversification as a method to increase revenue or to cope with rising technological and research budget costs [12] For example, university tends to offer activities with higher flexibility of study schedule to obtain student with employees level [13].

#### *B. Educational goals and university development*

Universities have been identified as a form of educational institution that diversifies missions from academic and research institutions to social mission and link-and-match missions. There are important considerations for the development of this research. Students with low-family income levels tend to have difficulty in accessing social scholarship services which impacted their academic result [14] In addition, universities

rarely diversify their social mission towards the goal of entrepreneurship activities and tend to focus on educational and research objectives with a narrow scope. Such narrow scope impacted the universities to have low priority to build entrepreneurial culture and rarely providing attention to the result of entrepreneurial activities.

Several studies have classified these issues as combination of profit and non-profit including social missions to reduce inequality within their students. These missions are arranged on the basis of the most dominant objectives as follows.

The first mission of educational objectives related to the profitability of institutions.

The second mission of education objectives related to external factors, including student supports and social services, scholarship, career, entrepreneurship, social assistance and low-cost accommodation services.

The third missions of educational objective related to the implementation of educational and research outcomes for communities around the campus and encourage communities to trust and accept the presence of the institutions in their region.

The fourth mission of educational objectives related to university support to foster individual lifestyle such as students' interest, creativity and talents, individual hobbies and student enjoyment of academic lifestyle, research activities, or to maintain entrepreneurial culture.

### III. PROPOSED METHOD

The study population was taken from universities in Jakarta, which received local students and provided social scholarships to their students. The sample is taken from two sources: (1) The Jakarta Department of Education which lists the students affiliated with the scholarship program from the university; (2) Internet search for academic activities containing elements of scholarship provision and social services for students conducted by researchers using keywords. In addition, snowball sampling is used to capture more participants. Similar sampling procedures have been used to collect information from higher education universities and research diversification missions due to the lack of a comprehensive list [14] The final sample study included 171 students.

Data are collected using electronic surveys and parallel prints with instructions, wording and similar formatting through web-based questionnaire send to university head and faculty dean to be distributed to the staffs and the students. The survey yielded 171 valid responses. Although no bias is expected because of the simple methods for data collection [15] statistical comparisons are performed on key variables (i.e. academic mission (lecture administration), research mission, link-and-match mission (employment), and social mission (scholarships and public services).

This research is done by using SEM PLS analysis to test the multivariate data distribution with normal characteristics.

(see Figure 1) A normal distributed data contains latent variables that can be estimated in accordance with the combination of linear variables as manifest latent variable to conduct descriptive and inferential statistics.

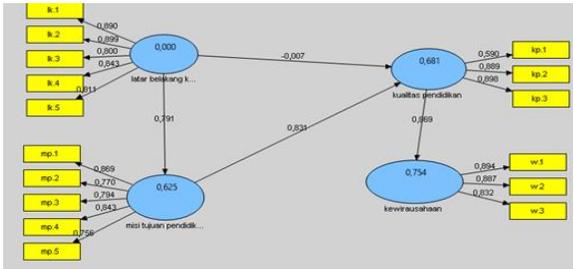


Fig. 1. Construction of PLS Model Line Results Diagram

This study also observe the students' financial level and compared with the literature [17] Therefore, it describe the student financial situation into five groups, e.g., (1) adequate family finances (e.g. students have finance levels stable and far from fluctuations in earnings, high financial ability to meet financial obligations); (2) sufficient personal finances (e.g. students have families who are not financial supporters, but have worked with sufficient income); (3) Family Connections (for example, students have no family finances but have family careers, keeping students financially from family income); (4) Personal Pursuit (for example, students must struggle to earn compensation and make money from hobbies / interests); (5) scholarship assistance (e.g. students should keep the cumulative grade point value high for scholarships and have no side job to make university accommodation money).

The multicollinearity test showed no correlation between the independent variables. The dependent variable is the combined means of the overall importance of the university in achieving the educational objectives calculated by the average means of educational objectives consisting of each mission. Alpha Cronbach in university missions greater than .60 shows strong internal reliability.

IV. RESEARCH RESULTS

Figure 2 describes the students demographic profiles by family income level. The students with low family 116 (67,83%) compared to high family income 55 (32.16%). The formal education and research background also contributing 67 (39.18%) compared to students without formal education and research experience 104 (60.81%) peoples. We also found that entrepreneurial experience has been conducted and given by university toward 66 (38.59%) students from total 171 Students.

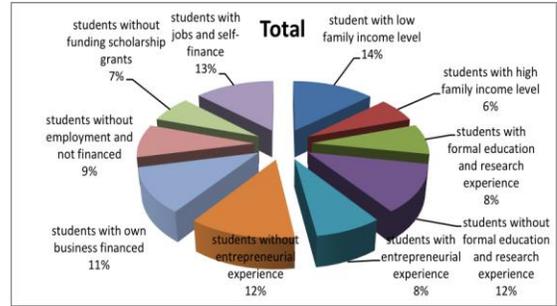


Fig. 2. Students demographic profiles

However, entrepreneurial experience also still high for new-entrants student 105 (61.40%) which seemed by those without employment and not financed 73 (42.69%) respondents. This means that about 59 students (32.50%) are without funding scholarship grants compared to the other group which have owned self-business 112 (65.49%) people who still applying for scholarship aid or research grants.

Data quality and reliability tests results are described in Table I.

TABLE I. COMPOSITE RELIABILITY AND AVE MEASUREMENT

Variable	Composite Reliability	AVE	Description
Financial background	0.928336	0.721960	Reliable
Mission of educational goals	0.903432	0.652344	Reliable
Quality education	0.842420	0.647900	Reliable
Eentreprneurship	0.904076	0.758736	Reliable

Validity test results are described in Table II.

TABLE II. VALIDITY CALCULATION TEST RESULT

Variable	Indicator	R <sub>count</sub>	R <sub>table</sub>	Description
Financial background	Lk.1	0.890	0.150	Valid
	Lk.2	0.899	0.150	Valid
	Lk.3	0.800	0.150	Valid
	Lk.4	0.842	0.150	Valid
	Lk.5	0.811	0.150	Valid
Mission of educational goals	Mp.1	0.869	0.150	Valid
	Mp.2	0.770	0.150	Valid
	Mp.3	0.794	0.150	Valid
	Mp.4	0.843	0.150	Valid
	Mp.5	0.756	0.150	Valid
Quality education	Kp.1	0.589	0.150	Valid
	Kp.2	0.888	0.150	Valid
	Kp.3	0.897	0.150	Valid
Eentreprneurship	W.1	0.893	0.150	Valid
	W.2	0.886	0.150	Valid
	W.3	0.831	0.150	Valid

Significance test results are described in Table III.

TABLE III. BOOTSTRAPPING CALCULATION RESULT

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics
Quality education -> entrepreneurship	0.868503	0.872167	0.019947	0.019947	43.540299
Financial level - > entrepreneurship	0.564502	0.566987	0.070284	0.070284	8.031764
Financial level - > quality of education	0.649972	0.649216	0.071800	0.071800	9.052484
Financial level - > mission education purpose	0.790723	0.786470	0.045293	0.045293	17.457818
Educational goals -> entrepreneurship	0.721711	0.725815	0.080974	0.080974	8.912899
Educational goals -> quality of education	0.830983	0.832003	0.088858	0.088858	9.351788

Prior to hypothesis testing, it is known that the value of  $t_{table}$  for the confidence level 95% ( $\alpha = 5\%$ ) and degrees of freedom ( $df$ ) is 1,653. The  $df$  is useful to explain the result of hypothesis testing for each relationship of latent variables as below.

#### A. Hypothesis Testing of Family Finance Level (X1) on Quality of Education (Y)

Based of statistical testing for family financial level (X1) on the quality of education, the relationship reaches (Y) 17,457 >  $t_{table}$  (1.653). The value of original sample estimation shows a positive value of 0.790 which indicates that the direction of the relationship of family financial level variable (X1) to the quality variable of the implementation of mission vision (Y) is positive. Thus H1 on the research is accepted. The latent variable of family finance level (X1) can affect the latent variable of mission vision implementation quality (Y) significantly.

#### B. Hypothesis Testing of Family Finance Level (X1) on Quality of Education (Y)

Based on the result of output Table III, the relationship of family finance level (X1) on education quality variable (Y) reaches 9.052 >  $t_{table}$  (1.653). The value of original sample estimate shows a positive value = 0.649 which indicates positive direction between family financial level (X1) on quality of education (Y). Thus H2 on this study is accepted. The result also explained that both latent variable in family finance level (X1) education quality (Y) have direct and positive relationship significantly.

#### C. Hypothesis Testing of Family Finance Level (X1) on Entrepreneurial Activity (Y)

Based on the results of statistical output, the relationship of family financial level variable (X1) on entrepreneurial activity (Y) (8.031) >  $t_{table}$  (1,653). The value of original sample estimate shows a positive value = 0.564 which indicates that family financial level variable (X1) impacted positively entrepreneurial activity (Y). Thus H3 on the research accepted. The family finance level (X1) has significant effect toward latent variable of entrepreneurship (Y).

#### D. Hypothesis Testing of Mission of Education Objectives (X1) on Quality of Education (Y)

Based on the statistical result, the education mission (X1) impacted education quality (Y) (9.351) >  $t_{table}$  (1.653). The value of original sample estimation shows a positive value of 0.830 which means that mission of education objectives (X1) will impact quality of education (Y) positively. Thus H5 on the research is accepted. This result is reasonable since the mission education objectives (X1) has latent variable which affected by quality education (Y).

### V. DISCUSSION

The results of the study showed that university have to fulfil their missions either through teaching, research, and social service. However, to fulfil these missions, many university in this study will in the process of developing initial strategy. The situation lead to various result which impact on the university ability to bring benefits to their students exclusively to achieve diversified higher education missions. In addition, because their staff size and average resources are very limited, the majority of university activity is focused on academic and research as two main priority than social mission. The university focus on social services for non-educational and non-commercial purposes are still limited. However, the main focus of this operation is not on traditional academic goal associated with research and lecturing, but also on developing (diversifying) higher university missions to reach more students. This result makes sense given that the student class (special students) is better suited to provide better financial support to the institution and save the unique academic budgeting. However, it needs extensive experience for the university to encourage the progress to be balanced with entrepreneurial activity so that the students can apply their knowledge to real business situation and earn higher income. However entrepreneurship activity is often seen as an obstacle to the university than fostering educational and research missions. The lower average age of participants compared with the overall statistics suggests that the universities need to diversify missions and foster student entrepreneurial skills.

Campus community organizations and student unit are also a driving factor that universities can foster to educate students [18]. The majority of students reports that their university activities do not directly contribute to entrepreneurship, income and careers, which is most likely because most academic and research activities do not lead the students with appropriate entrepreneurial skills. However, educational activities are widely considered essential for the continuity of entrepreneurial activities. In addition, the majority of

participants reported an increasing enrolment of new students since adding diversified university missions to their promotion and marketing strategy. This result may indicate that the diversification of the mission of the institution is not directly related to the activity, but it becomes value added for the institutional benefit. It can also indicate a beneficial synergy between universities and students through non-research academic activities that have not been clearly [19]. The result shows that students involvement in the campus activity carries benefits to for both students and institution through entrepreneurship and social mission. Diversifying the university missions toward entrepreneurship can attract new and important students and acceptance of local community that the universities are able to provide education and strategies to boost careers and increase income.

## VI. CONCLUSION

The study results show some characteristics of educational outcomes are related to university focus on entrepreneurship and educational missions. This result consistently associated across all five missions of educational goals. The increased student enrolment has been significantly proved after the diversification of university missions was conducted. The main diversification which must be prioritized is related to the entrepreneurial activities into educational goals since the entrepreneurial activities can improve the income and achievement of personal and family pursuits. The activity of entrepreneurship can increase student awareness about working and research [20].

The educational qualities and entrepreneurial attributes can shape perceived educational benefits among students which impact to the students perspective about the entrepreneurial activity in the universities. For example, promotional efforts can emphasize the role of education as a strategy to capture new markets which seem more pronounced during the early stages of entrepreneurship development. In addition, targeted promotional efforts for specific audiences (for example, students with low-income level can resolve personal searches rather than targets in one area (e.g. increasing profitability). Particularly, developing an entrepreneurial activity can be presented as an excellent way for attracting new students through involvement of entire stakeholders.

### A. Insights for future research and study limitations

Although the results of this study provide insight into university efforts to expand their mission, however, this study also found that the university still must prioritize their mission into teaching and research missions than expanding to entrepreneurial activities. The study result also highlights opportunities for future research. The results indicate that additional research about entrepreneurial activity can bring benefits for both students and institutions. Future studies should evaluate the impact of universities pre-and-post mission diversification associated with the perceived benefit of universities compared with the educational objectives (i.e., market development and profitability of academic activities). Future study also can expand the population and levels of

universities (e.g., number of students, number of activities) and institution accreditation to be explored more detail.

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