

Understanding the Hidden Crisis: A Multi-Dimensional Analysis of Student Dropout Factors in Higher Education

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Abstract

Student dropout affects 40-80% of higher education students globally, yet limited research examines institutional practices in private business education. Building on Tinto's and Bean's theoretical frameworks, this study analyses multidimensional dropout factors through content analysis of 287 student responses from a private business university (2017-2025). Using validated coding methodology ($\kappa = 0.87$), nine categories emerged: financial issues (75 occurrences), communication problems (65), academic misalignment (55), assessment issues (45), administrative burden (40), format inflexibility (35), cultural concerns (30), technical problems (25), and personal circumstances (150). Key institutional barriers included high costs (28), poor information quality (18), curriculum mismatch (20), and electronic testing criticism (18). While personal circumstances dominated, substantial institutional factors represent addressable barriers. The research contributes theoretically by empirically validating dropout categorizations and practically by providing a transformation framework successfully implemented by the case institution through student-centred reforms.

Keywords: student dropout; higher education; attrition factors; institutional challenges; student retention

1. Introduction

Student dropout in higher education has emerged as a persistent global challenge, with implications extending beyond individual academic failure to encompass broader socioeconomic consequences (Ghignoni, 2017; Prenkaj et al., 2020). The phenomenon has been particularly acute during periods of crisis, as evidenced by increased attention to dropout rates during the COVID-19 pandemic (Macana et al., 2023; Fernandez & Rios, 2024). Despite extensive research on the topic, the complex interplay of factors contributing to student attrition remains insufficiently understood, particularly within the context of private higher education institutions.

Recent literature has highlighted multiple dimensions of the dropout crisis. Teuber et al. (2021) emphasized the importance of satisfying students' psychological needs during institutional crises, while González-Ortiz-de-Zárate et al. (2024) demonstrated the effectiveness of peer mentoring programs in reducing dropout rates. Additionally, studies have shown that financial factors, technological challenges, and institutional responses significantly impact student retention (Branson & Whitelaw, 2024; López & Chiyong, 2021).

The theoretical framework for understanding student dropout has evolved to recognize the multifactorial nature of the phenomenon. Schnettler et al. (2020) applied expectancy-value theory to investigate the motivational processes underlying dropout intentions, while Sureda-Garcia et al. (2025) identified vulnerability typologies in second-chance education programs. These perspectives emphasize that dropout decisions result from complex interactions between individual characteristics, institutional factors, and external circumstances.

This study addresses a critical gap in the literature by providing a comprehensive empirical analysis of institutional factors contributing to student dropout in a private business education context. Through systematic content analysis of actual student dropout reasons, this research offers unique insights into the specific challenges that institutions can address to improve retention rates.

2. Literature Review

Student dropout has been conceptualized through various theoretical lenses, each contributing to our understanding of this complex phenomenon. The expectancy-value theory, as applied by Schnettler et al. (2020), suggests that students' decisions to continue or discontinue their studies are influenced by their expectations of success and the value they place on their education. Their longitudinal study of 326 undergraduate students revealed that intraindividual changes in intrinsic value, attainment value, and perceived costs significantly related to dropout intentions.

The ecological model of higher education, utilized by Cavagnoud and Ames (2024) in their study of Peruvian scholarship students, emphasizes the multiple environmental factors that influence student persistence. This framework recognizes that student success depends on the interaction between individual characteristics and various environmental contexts, including institutional, social, and economic factors.

2.1. Financial Factors and Economic Pressures

Financial considerations represent one of the most consistently identified factors in dropout literature. Ghignoni (2017) demonstrated that family background and socioeconomic status significantly influence dropout rates, particularly during economic crises. The study revealed that changes in student demographics and family circumstances play a major role in aggregate dropout rate fluctuations.

The COVID-19 pandemic has further highlighted the role of financial pressures in student attrition. Branson and Whitelaw (2024) found that South African students from lower socioeconomic backgrounds were disproportionately affected by pandemic-related disruptions, though financial aid programs provided some protection against dropout.

Lopes and Rebelo (2025) explored the relationship between unemployment rates and academic dropout, distinguishing between opportunity costs and expected benefits of higher education. Their findings suggest that employment prospects in specific academic fields significantly influence dropout rates, with practical implications for course evaluation and enrollment management.

2.2. Communication and Institutional Support

The quality of institutional communication and support systems has emerged as a critical factor in student retention. Wollast et al. (2023) examined the role of supervisor support in doctoral student persistence, finding that perceived structure and autonomy significantly influenced emotional well-being and continuation intentions among both male and female students.

The importance of institutional responsiveness during crises has been demonstrated across multiple contexts. Teuber et al. (2021) found that students' satisfaction with institutional strategies during COVID-19 was positively related to basic psychological need satisfaction and academic engagement, while negatively associated with dropout intentions.

2.3. Academic Content and Program Quality

Academic satisfaction and program alignment with student expectations significantly influence retention decisions. Nurmalitasari et al. (2023) identified academic satisfaction and performance as among the most influential factors in dropout decisions at Indonesian private universities. Their mixed-methods study revealed that misalignment between student expectations and actual program content contributes significantly to attrition.

The quality of educational materials and delivery methods also impacts student engagement and retention. Zhao et al. (2022) demonstrated that game-based learning approaches could enhance student experience and knowledge gain in programming courses, though they noted differential impacts based on student demographics and educational backgrounds.

2.4. Technology and Distance Learning Challenges

The rapid expansion of online and distance learning has introduced new factors influencing student dropout. Fernandez and Rios (2024) found that inadequate digital skills among teaching staff significantly impacted student dropout rates during the COVID-19 crisis, contributing to low motivation and negative attitudes toward learning.

López and Chiyong (2021) compared dropout rates between online and face-to-face course modalities, finding that while academic performance showed no significant differences, the explanations for dropout phenomena were diverse and context-dependent.

2.5. *Crisis Periods and Institutional Adaptation*

Research has consistently shown that crisis periods exacerbate existing vulnerabilities in higher education systems. Macana et al. (2023) identified distinct student profiles during the COVID-19 pandemic, finding that adapted students were more likely to be female and have guardians with higher income and education levels. Access to technology and broadband connections significantly reduced dropout risk.

The literature suggests that institutional responses during crises can either mitigate or amplify dropout risks. Studies have shown that proactive institutional support, clear communication, and flexible policies can help maintain student engagement during challenging periods (Takács et al., 2023; Esposito et al., 2023).

Despite the growing body of research on student dropout, significant gaps remain in understanding how specific institutional practices contribute to attrition decisions, particularly in private business education contexts. While theoretical models provide frameworks for understanding dropout processes, limited empirical research has systematically examined the relative importance of different institutional factors as perceived by students who have actually discontinued their studies.

3. Research Question

Given the complexity of factors influencing student dropout decisions and the limited empirical analysis of specific institutional practices in private higher education settings, this study addresses the following research question:

What are the primary institutional and personal factors contributing to student dropout decisions in private business higher education, and how do these factors manifest in students' actual departure experiences?

This research question encompasses several subsidiary inquiries: (1) Which institutional practices most frequently contribute to student dropout decisions? (2) How do students perceive and articulate the relative importance of different dropout factors? (3) What patterns emerge in the interaction between institutional and personal factors in dropout decisions? (4) Which institutional factors represent the most actionable opportunities for improving student retention?

4. Methods

This study employed a comprehensive content analysis methodology to examine student attrition patterns at a private business-focused higher education institution. The research

utilized a systematic survey approach targeting all students who discontinued their studies over an eight-year period spanning 2017 to 2025, ensuring a representative dataset for analysis.

Data collection was conducted through structured exit surveys administered to all students formally terminating their enrollment. The survey included both closed-ended questions addressing predetermined categories and open-ended responses allowing students to elaborate on their specific circumstances and concerns. This mixed approach ensured comprehensive capture of both anticipated and emergent dropout factors.

The investigated institution is an established private business university with over 25 years of operational experience, specializing exclusively in business education programs. The institution delivers undergraduate and graduate degree programs across four primary domains: management, economics, marketing, and human resources development. This focused academic scope provides a controlled environment for examining discipline-specific attrition factors.

4.1. Sample

The final analytical sample comprised 287 students who formally terminated their enrollment during the study period. The demographic composition included: 57% female and 43% male participants; 82% undergraduate students and 18% graduate students; 25.6% enrolled in full-time programs and 74.4% in part-time or distance learning formats. This distribution reflects the institution's student body composition and provides insights across different enrollment modalities.

4.2. Content Analysis Framework Development

The content analysis framework was systematically developed through multiple phases. The analytical categories were constructed based on established higher education retention literature and empirical findings from comparable institutional studies. Initial theoretical domains were identified from Tinto's model of student departure, Bean's student attrition model, and contemporary research on higher education challenges during crisis periods.

The categorization framework evolved through iterative analysis:

Deductive Phase: Initial categories were derived from theoretical literature, including: (1) Employment and career factors; (2) Institutional culture and environment; (3) Personal and family circumstances; (4) Academic expectations and reality alignment; (5) Institutional communication effectiveness; (6) Academic program quality and design; (7) Financial considerations and constraints; and (8) Administrative processes and bureaucratic complexity.

Inductive Refinement: Through preliminary analysis of 50 responses, additional categories emerged, leading to expansion and refinement of the framework. This process identified technology-related issues and specific subcategories within major domains.

Final Framework Validation: The refined framework was tested against the full dataset, with inter-rater reliability assessment conducted on 10% of responses ($\kappa = 0.87$, indicating strong agreement).

Within each major category, subcategories were identified through thematic analysis of response content. Subcategories were created when specific themes appeared in multiple responses and represented distinct concerns within broader categories. The development process prioritized specificity while maintaining analytical coherence.

Survey questions and response categories were formulated using established theoretical frameworks while incorporating adaptations specific to business education contexts. Open-ended response opportunities were included to capture concerns not addressed in structured categories.

The analytical instrument underwent preliminary testing with a small cohort of former students to ensure comprehensibility and construct validity. Based on feedback from this pilot phase, modifications were implemented to improve clarity and ensure accurate measurement of intended constructs.

4.3. Analytical Methodology and Coding

Each student response underwent systematic content analysis using both deductive (theory-driven) and inductive (data-driven) coding approaches. Two independent researchers initially coded responses, with discrepancies resolved through discussion and consensus. Responses were examined for explicit mentions of specific concerns, with many containing multiple thematic elements requiring comprehensive categorization.

The analytical approach employed frequency counting to identify the most prevalent concerns across the sample. Each thematic occurrence was documented regardless of whether individual responses contained single or multiple concerns, providing insight into the relative prominence of different institutional challenges. Multiple coding was permitted when responses contained distinct themes across different categories.

To ensure analytical rigor, coding consistency was maintained through systematic review of categorization decisions and regular calibration of coding criteria throughout the analysis process. A random sample of 20% of responses was dual-coded to verify reliability.

4.4. Categorization Framework Summary

The final analytical framework comprised nine major categories with 23 subcategories, as detailed in Table 1:

Table 1. Content Analysis Category Framework

Major Category	Subcategories	Description
Financial Issues (75 occurrences)	High costs/Unaffordable fees (28); Administrative fees criticism (15); Automatic enrollment charges (12); Payment for unused services (8); Financial hardship (12)	Economic barriers to continued enrollment, including institutional financial practices and external economic pressures
Communication Problems (65 occurrences)	Poor information quality (18); Inadequate notification (15); Staff inconsistency (12); Accessibility issues (10); Unprofessional behavior (10)	Institutional communication system failures affecting student-institution relationships
Academic Content Issues (55 occurrences)	Curriculum mismatch (20); Poor study materials (15); Limited practical connection (12); Delayed specialization (8)	Discrepancies between advertised and delivered academic content, quality concerns
Assessment & Examination Issues (45 occurrences)	Electronic testing criticism (18); Unfair evaluation (12); Thesis supervision problems (15)	Problems with evaluation methods and academic support systems
Administrative Processes (40 occurrences)	Bureaucratic burden (15); Changing conditions (12); Inflexible policies (13)	Institutional administrative challenges affecting student experience
Study Format & Flexibility (35 occurrences)	Distance learning limitations (12); Schedule conflicts (10); Interruption restrictions (13)	Institutional inflexibility in accommodating diverse student needs
Institutional Culture (30 occurrences)	Profit-focused perception (15); Student support lack (15)	Student perceptions of institutional values and support systems
Technical & System Issues (25 occurrences)	Website problems (12); Communication platform issues (8); Technical support (5)	Technology-related barriers to student success
Personal Circumstances (150 occurrences)	Health issues (45); Work-life balance (50); Family obligations (35); Financial hardship (20)	Individual circumstances affecting ability to continue studies

The data analysis proceeded through systematic stages:

1. Initial Coding: All responses were coded according to the established framework
2. Frequency Calculation: Occurrence counts were compiled for each category and subcategory
3. Pattern Identification: Relationships between categories were examined to identify common co-occurrence patterns
4. Thematic Integration: Findings were synthesized to identify overarching themes and implications

This analysis represents feedback exclusively from students who completed the voluntary termination process, potentially underrepresenting perspectives of students who discontinued enrollment without formal notification. Additionally, the temporal span of data collection may reflect evolving institutional practices and external factors affecting student experiences over the eight-year period. The focus on a single institution limits generalizability, though the systematic methodology provides a replicable framework for similar studies.

5. Results

The comprehensive content analysis of 287 student dropout responses revealed a complex landscape of institutional and personal factors contributing to student attrition. The findings demonstrate that while personal circumstances represent the largest single category of dropout reasons, institutional factors collectively account for a substantial proportion of student departures, suggesting significant opportunities for institutional intervention and improvement.

5.1. *Financial Barriers as Primary Institutional Challenge*

Financial issues emerged as the most significant institutional challenge, affecting over 75 students across multiple dimensions. High costs and unaffordable fees represented the most frequent concern (28 occurrences), with students consistently expressing inability to meet financial obligations. Administrative fees criticism appeared in 15 responses, with students characterizing additional charges as "nonsensical" or disconnected from educational value.

A particularly concerning pattern emerged around automatic enrollment charges, mentioned in 12 responses. Students reported being enrolled in subsequent academic years without explicit consent, often discovering this through billing notifications. This practice generated significant negative reactions and contributed to perceptions of institutional unfairness.

The theme of paying for unused services appeared in 8 responses, with students expressing frustration about continued charges for services they could not access or utilize. An additional 12 responses specifically mentioned financial hardship due to external circumstances such as job loss or family economic pressures.

5.2. *Communication System Failures*

Communication problems represented the second most frequent institutional challenge, appearing in over 65 responses. Poor information quality was the most common issue (18 occurrences), with students receiving unclear, conflicting, or incorrect information from institutional representatives.

Inadequate notification practices affected 15 students, who reported receiving important communications exclusively through email systems they did not regularly monitor, often with insufficient advance notice for critical decisions. Staff inconsistency emerged as a significant problem (12 occurrences), with students receiving contradictory information from different institutional representatives.

Accessibility issues prevented effective communication for 10 students who found institutional policies limiting contact to application-based systems rather than allowing direct phone

communication. Unprofessional behavior from staff was reported in 10 responses, describing interactions characterized as arrogant, impersonal, or unhelpful.

5.3. Academic Content and Program Misalignment

Academic content issues affected over 55 students, with curriculum mismatch representing the primary concern (20 occurrences). Students reported significant discrepancies between advertised program specializations and actual course content, with many programs dominated by generic economics content regardless of the stated field of study.

Poor study materials quality was criticized in 15 responses, with students describing textbooks as poorly written and video learning content as boring or ineffective. Limited practical connection appeared in 12 responses, with students expressing frustration about theoretical content that seemed disconnected from real-world applications.

The delayed availability of specialization courses until the third year was mentioned in 8 responses, meaning students invested significant time and financial resources before accessing their chosen field of study.

5.4. Assessment and Evaluation Concerns

Assessment methods generated significant dissatisfaction among 45+ students. Electronic testing criticism was the most frequent issue (18 occurrences), with students viewing computerized exams as inadequate for evaluating true understanding and reporting deliberately misleading question formats.

Unfair evaluation practices were reported by 12 students, including exam content that extended beyond taught material and inconsistent grading standards. Thesis supervision problems affected 15 students through supervisor changes mid-process, difficulty securing appropriate guidance, and inadequate support for final project completion.

5.5. Administrative Burden and Inflexibility

Administrative processes created significant barriers for over 40 students. Bureaucratic burden was reported in 15 responses, with students describing overwhelming paperwork requirements that consumed time without adding educational value.

Changing conditions during studies affected 12 students through mid-program requirement modifications that created uncertainty and additional costs. Policy inflexibility was mentioned in 13 responses, with students reporting inability to secure reasonable accommodations for individual circumstances.

5.6. Study Format and Flexibility Limitations

Study format inflexibility affected 35+ students who required accommodation for work and family obligations. Distance learning limitations appeared in 12 responses, with students reporting either unavailable or poorly implemented remote learning options.

Schedule conflicts affected 10 students through weekend-heavy class schedules that conflicted with family responsibilities and other commitments. Interruption restrictions were mentioned in 13 responses, with students unable to temporarily pause studies without financial penalties.

5.7. Institutional Culture and Student Support

Institutional culture concerns appeared in over 30 responses, revealing student perceptions that financial considerations outweighed educational mission. Profit-focused perception was mentioned in 15 responses, with students feeling that revenue generation took precedence over student success.

Student support deficiency was reported in 15 responses, describing absence of meaningful assistance systems that left individuals to navigate challenges alone when appropriate intervention might have prevented withdrawal.

5.8. Technical Infrastructure Problems

Technical and system issues affected 25+ students through inadequate digital infrastructure. Website problems were reported in 12 responses, with students describing unclear navigation and chaotic information architecture that made it difficult to find necessary resources.

Communication platform issues affected 8 students through system limitations that prevented ongoing dialogue when clarification was needed. Technical support inadequacy was mentioned in 5 responses.

5.9. Personal Circumstances and Institutional Support Opportunities

While personal circumstances represented 150+ departure reasons, these often revealed opportunities for enhanced institutional support. Health issues affected 45 students, work-life balance challenges impacted 50 students, family obligations influenced 35 departures, and financial hardship contributed to 20 withdrawals.

These personal circumstances frequently interacted with institutional factors, suggesting that improved support services and more flexible policies might enable students to continue despite personal challenges.

Table 2 presents the frequency distribution of dropout factors across all nine categories. While personal circumstances represented the largest single category (150 occurrences, 28.8%), institutional factors collectively accounted for 370 occurrences (71.2% of total), with financial issues (75), communication problems (65), and academic content misalignment (55) emerging as the most prevalent institutional challenges.

Table 2: Frequency Distribution of Dropout Factors

Category	Occurrences	% of Total	Top Subcategories
Personal Circumstances	150	28.8%	Work-life balance (50), Health issues (45), Family obligations (35), Financial hardship (20)
Financial Issues	75	14.4%	High costs (28), Administrative fees (15), Automatic enrollment (12), Unused services (8), Hardship (12)
Communication Problems	65	12.5%	Poor information quality (18), Inadequate notification (15), Staff inconsistency (12), Accessibility (10), Unprofessional behavior (10)
Academic Content Issues	55	10.6%	Curriculum mismatch (20), Poor materials (15), Limited practical connection (12), Delayed specialization (8)
Assessment Issues	45	8.7%	Electronic testing criticism (18), Thesis supervision (15), Unfair evaluation (12)
Administrative Burden	40	7.7%	Bureaucratic burden (15), Inflexible policies (13), Changing conditions (12)
Format Inflexibility	35	6.7%	Interruption restrictions (13), Distance learning limitations (12), Schedule conflicts (10)
Institutional Culture	30	5.8%	Profit-focused perception (15), Student support lack (15)
Technical Problems	25	4.8%	Website problems (12), Communication platform issues (8), Technical support (5)
Total	520	100%	<i>Note: Total exceeds N=287 as students often reported multiple factors</i>

6. Discussion

The findings of this study provide compelling evidence of the multifaceted nature of student dropout decisions in higher education, revealing critical insights for institutional improvement across the sector. The comprehensive analysis demonstrates that while personal circumstances remain significant contributors to attrition, institutional factors collectively represent systematic challenges that require attention throughout higher education. Notably, following this research, the case institution has implemented substantial reforms addressing many of the identified concerns, transforming its approach to become more student-centered and responsive to student needs.

Financial issues (75 occurrences) align with existing literature (Ghignoni, 2017; Branson & Whitelaw, 2024) but reveal how barriers extend beyond affordability. Automatic enrollment (12), excessive fees (15), and charges for unused services (8) eroded trust and suggested

revenue prioritization over educational value—patterns common across private institutions globally.

These findings highlight how financial barriers operate beyond simple affordability. Students reported frustration with practices that appeared to prioritize revenue generation over educational value, suggesting that financial policies can significantly impact student trust and institutional relationships. The case institution has since restructured its financial policies to eliminate automatic enrollment without consent, implement transparent fee structures, and align charges with actual service utilization.

For other institutions, these findings underscore the importance of financial policy transparency and student autonomy in enrollment decisions. The data suggest that students value clear, predictable financial obligations that correspond directly to educational services received.

The extensive communication problems identified (65 occurrences) illuminate how information systems fundamentally shape student experience. Staff inconsistency (12 occurrences), inadequate notification practices (15 occurrences), and accessibility barriers (10 occurrences) created cascading effects that amplified other institutional challenges.

The finding that contradictory information from different staff members eroded student trust aligns with research emphasizing coherent institutional support (Wollast et al., 2023). Following this study, the case institution implemented comprehensive staff training programs, established unified information systems, and expanded communication channels beyond email-only platforms.

These findings have broader implications for higher education institutions, suggesting that communication effectiveness represents a foundational element of student retention. Institutions should recognize that communication failures can transform manageable challenges into dropout-inducing crises, while effective communication systems can help students navigate temporary difficulties.

The substantial academic content misalignment (55 occurrences) reveals how curriculum-marketing disconnects undermine student satisfaction and institutional credibility. Students reported programs dominated by generic content regardless of advertised specializations (20 occurrences), delayed access to field-specific courses, and limited practical application (12 occurrences).

This misalignment issue resonates with research identifying academic satisfaction as a primary retention factor (Nurmalitasari et al., 2023). The case institution has since restructured its

curriculum to ensure early access to specialization content, improved alignment between marketing and actual program delivery, and enhanced practical application components.

For the broader higher education sector, these findings suggest that authentic program differentiation and early specialization access represent critical retention factors, particularly for working adult learners seeking efficient, targeted educational experiences.

The criticism of assessment approaches (45 occurrences) reflects broader tensions in higher education between efficiency and educational effectiveness. Electronic testing concerns (18 occurrences) and thesis supervision problems (15 occurrences) indicate that assessment methods significantly influence student perception of educational quality.

Students reported assessment practices that seemed designed to create obstacles rather than evaluate learning, suggesting misaligned institutional incentives. The case institution has since reformed its assessment approaches to emphasize learning evaluation over administrative convenience and improved faculty support systems for thesis supervision.

These findings suggest that assessment methods communicate institutional values to students and can either support or undermine educational relationships. Institutions should ensure that evaluation approaches align with educational rather than purely administrative objectives.

The administrative burden reported by students (40 occurrences) demonstrates how bureaucratic complexity can create barriers to educational access. Students described overwhelming paperwork requirements (15 occurrences) and policy inflexibility (13 occurrences) that seemed disconnected from educational outcomes.

The pattern of mid-program requirement changes (12 occurrences) suggests that institutional adaptability, while necessary, requires careful management to maintain student trust. The case institution has since simplified administrative processes, stabilized policy frameworks, and increased flexibility for individual circumstances.

For other institutions, these findings highlight the importance of student-centered administrative design that minimizes bureaucratic barriers while maintaining necessary quality standards.

While personal circumstances represented the largest single category (150 occurrences), the interaction between personal challenges and institutional responses suggests significant opportunities for enhanced support. Health issues (45 occurrences), work-life balance challenges (50 occurrences), and family obligations (35 occurrences) often interacted with institutional factors to influence dropout decisions.

Research demonstrates that appropriate institutional interventions can help students persist despite personal challenges (Branson & Whitelaw, 2024). The case institution has implemented enhanced counseling services, flexible accommodation policies, and crisis intervention programs to better support students facing temporary difficulties.

These findings suggest that institutional support systems can significantly influence whether personal challenges result in temporary interruption or permanent departure from higher education.

6.1. Theoretical Implications: Organizational Learning and Governance

The case institution's transformation following this research exemplifies key principles of organizational learning theory and higher education governance reform. The findings and subsequent institutional changes can be understood through Argyris and Schön's (1978) framework of double-loop learning, wherein the institution moved beyond addressing surface-level problems (single-loop) to questioning and reforming fundamental assumptions about student-institution relationships.

The shift from profit-focused to student-centered operations represents what Senge (1990) terms a "learning organization" - one capable of systematic reflection and adaptive change based on stakeholder feedback. The implementation of comprehensive reforms across financial policies, communication systems, and academic structures demonstrates organizational capacity for what Kezar (2014) identifies as "transformational change" in higher education, characterized by deep cultural shifts rather than incremental adjustments.

From a governance perspective, the institutional response aligns with contemporary models emphasizing stakeholder engagement and distributed decision-making (Shattock, 2013). The research-driven approach to reform exemplifies evidence-based governance, wherein systematic data collection and analysis inform policy development rather than traditional top-down administrative mandates.

The findings also contribute to understanding institutional resilience during crisis periods. The identification of specific vulnerabilities enabled targeted interventions that strengthened institutional capacity for responsive adaptation - a critical capability highlighted in recent literature on higher education crisis management (Fernández-Terol & Domingo-Segovia, 2025). This suggests that systematic attention to student departure reasons can function as an early warning system for broader institutional challenges.

Furthermore, the successful transformation demonstrates that private higher education institutions can reconcile financial sustainability with educational mission through student-

centered approaches - challenging assumptions that commercial viability requires compromising educational values. This finding contributes to ongoing debates about the role and governance of private institutions within broader higher education ecosystems.

6.2. *Practical Implications*

The research identifies several priority areas that have proven effective in the case institution's transformation:

5. **Financial Policy Transparency:** Clear, predictable fee structures that align with educational service delivery and eliminate exploitative practices.
6. **Communication System Integration:** Unified information systems, comprehensive staff training, and multiple communication channels that ensure consistent, accessible student support.
7. **Academic Program Authenticity:** Curriculum alignment with marketing materials, early specialization access, and enhanced practical application opportunities.
8. **Student Support System Development:** Comprehensive counseling services, flexible accommodation policies, and proactive intervention programs for students facing challenges.
9. **Administrative Simplification:** Streamlined processes that minimize bureaucratic barriers while maintaining educational quality standards.

The findings suggest systemic challenges across private higher education that require sector-wide attention. The patterns identified in this study likely reflect common issues in institutions balancing financial sustainability with educational mission, particularly those serving working adult populations. The case institution's successful transformation demonstrates that comprehensive reform is achievable and can enhance both student satisfaction and institutional sustainability. The implementation of student-centered policies has resulted in improved retention rates and stronger institutional reputation.

The research reveals that student dropout decisions typically result from accumulation of multiple institutional and personal factors rather than single critical incidents. Students appear to tolerate individual challenges but reach breaking points when multiple issues converge without adequate institutional support.

Understanding this cumulative pattern suggests that early intervention and responsive institutional support can prevent manageable challenges from escalating to dropout decisions. Institutions should develop early warning systems that identify students facing multiple stressors and provide targeted support before challenges become overwhelming.

7. **Conclusion**

This comprehensive analysis provides empirical evidence of the complex factors influencing student dropout decisions while demonstrating that institutional reform can effectively address

these challenges. The case institution's transformation following this research illustrates that student-centred approaches can simultaneously improve retention and institutional sustainability.

The findings contribute to growing literature on student dropout by providing specific, actionable insights that have proven effective in practice. The research emphasizes that student dropout should be understood as a systemic challenge requiring comprehensive institutional response rather than individual failure.

The successful implementation of reforms at the case institution demonstrates that higher education institutions can create supportive, effective environments that promote student success while maintaining financial viability. The transformation from a profit-focused to student-centred approach has resulted in improved outcomes for both students and the institution.

For the broader higher education sector, these findings suggest that sustainable institutional success depends on authentic commitment to student-centred values, transparent policies, and responsive support systems. The research provides a roadmap for institutional transformation that balances educational mission with operational requirements.

7.1. Future Research Avenues

Future research should examine the long-term outcomes of institutional reforms and explore how student-centred approaches impact institutional sustainability across diverse higher education contexts. The findings suggest that investing in student success represents both an ethical imperative and a sound institutional strategy for long-term viability in competitive higher education markets.

7.2. Limitations

While this study provides valuable insights into dropout factors and institutional responses, several limitations merit consideration. The single-institution focus, though enabling deep contextual analysis, constrains generalizability across diverse higher education contexts. The case institution's characteristics - private ownership, business-focused curriculum, and substantial part-time/distance learning enrolment (74.4%) - represent specific organizational and educational configurations that may not fully represent public institutions, comprehensive universities, or traditional residential programs.

The geographic and cultural context of the institution further limits transferability of findings. Dropout factors and their relative importance may vary significantly across national higher

education systems with different funding models, regulatory frameworks, and cultural expectations regarding student-institution relationships. The eight-year study period (2017-2025), while providing temporal depth, encompasses significant external disruptions including the COVID-19 pandemic, potentially influencing the types and frequency of reported dropout factors.

The methodology developed here - combining systematic categorization with inductive analysis of open-ended responses - provides a replicable framework for such comparative and longitudinal studies, potentially enabling accumulation of comparable evidence across institutions and contexts.

7.3. *Ethical Considerations*

The voluntary nature of dropout reporting introduces several methodological and ethical considerations that warrant explicit acknowledgment. Students who formally completed withdrawal processes and responded to exit surveys may differ systematically from those who discontinued enrolment informally, creating potential selection bias in the analyzed sample.

The research involved students at a vulnerable transition point, having made difficult decisions to discontinue studies. Ethical considerations included: informed consent, anonymity, and non-coercion.

Funding statement

The author received no financial support for the research, authorship, and/or publication of this article.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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