

IMPORTANCE PERFORMANCE ANALYSIS (IPA) APPLICATION FOR EXTERNAL EVALUATION OF ORGANISATION'S MISSION STATEMENT PERFORMANCE

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Abstract

One of strategic formulation result is organization's mission statements. In the implementation, organization's mission statements are distributed and implemented in organization activities. Evaluation is needed to describe the evaluation of all organization activities based on mission statements. Overall, evaluation is needed to ensure the alignment of formulation to implementation. Importance Performance Analysis (IPA) method is proposed to evaluate the achievement of organization's mission statements from external perspective. This method is implemented evaluate part of mission statements at MMT-ITS Department from the students' perspective. The evaluation analyze the gap between importance and performance level of the mission statements.

Keywords: Performance Evaluation, External Perspective, Mission Statement, Importance Performance Analysis (IPA).

Abstrak

Salah satu dari hasil proses formulasi strategi adalah pernyataan misi organisasi. Dalam implementasinya, pernyataan misi organisasi didistribusikan dan diimplementasikan didalam aktifitas organisasi. Langkah evaluasi diperlukan untuk mendapatkan gambaran evaluasi dari seluruh aktifitas organisasi berdasarkan pernyataan misi. Secara keseluruhan, langkah evaluasi diperlukan untuk memastikan bahwa proses formulasi telah searah dengan implementasinya. Metode Importance Performance Analysis (IPA) diajukan untuk mengevaluasi tingkat pencapaian pernyataan misi organisasi dari sudut pandang eksternal. Metode ini diimplementasikan dalam evaluasi salah satu bagian dari pernyataan misi pada Departemen MMT-ITS dari sudut pandang mahasiswanya. Proses evaluasi akan menganalisis nilai kesenjangan antara tingkat kepentingan dan perfomansi dari suatu pernyataan misi.

Kata kunci: *Evaluasi Performansi, Sudut Pandang Eksternal, Pernyataan Misi, Importance Performance Analysis (IPA).*

1. INTRODUCTION

The mission statement can be defined as statements that express purpose of continuous related products or services on the organization of markets, customers and philosophy (Bart, 1996). The mission statement is one of the strategic formulation process in an organization. Hopefully, the mission statement could answer some fundamental questions in organizations such as: why this organization exists, what is the purpose of this organization, where the direction of this organization, what it intends to achieve this organization and so forth (Ireland and Hitt, 1992).

The mission statement is becoming popular among business people and academics management as a tool to explain the purpose of the business clearly. This popularity is mainly due to the need of businesses to develop goals and business strategies that can be achieved within their respective capacities (Amran, 2012).

An effective mission statement is to define a fundamentally different purpose or unique to set the company's business separate from other companies as well as identifying the scope of business operations, products and markets. Broadly, the mission statement specifies the fundamental reason why the organization exists (Staples and Black, 1984).

The mission statement is one of the strategy formulation in process product of strategic study. First, we formulate the strategy, the next process is strategy implementation. Then, the next phase is evaluation of strategy (David, 2013). An organization achieves strategic competitiveness when formulating and

implementing strategies that work well can be seen in the process of evaluation of the strategy (Hitt, et al., 2005).

In the implementation step of strategies, control system should be studied to ensure the formulation of strategies are really ready to be implemented. Implementation step also study the organizational structure that supports the implementation optimization process. The evaluation step conduct a review of external and internal factors in the process of strategy formulation. Then, the decision-making corrective action needed if necessarily (David, 2013).

Application of Importance Performance Analysis (IPA) for the external evaluation of organization's mission statement is done by external factors review related to organizational performance measurement. External factors evaluated in this case are the users and beneficiaries of service organization. These external factors have satisfaction perception level that concerned with organization service and measure the performance of organization's mission statement.

2. RESEARCH METHOD

IPA is applied to the sample in the external evaluation of MMT-ITS mission statement performance. One part of MMT-ITS mission statement is "Developing innovative teaching and learning process by providing facilities/infrastructure and conducive atmosphere education" (Academic Guidelines MMT-ITS, 2016). External evaluations will be conducted on performance attributes of MMT-ITS educational infrastructure. Educational infrastructures attributes are intended to

refer to Regulation of Education and Culture Minister of Republic of Indonesia No. 49 of 2014 on National Standards of Higher Education. It states that the standard requirement infrastructures of higher education are the availability of Area, Classrooms, Libraries, Laboratories/ Studio/Workshop/Unit Production, Sport facility, Art facility, Room for Organization Student Activity, Boardroom College, Lecturer room, Administration room and Public facilities.

Standard infrastructure in accordance with regulations of Education and Culture Minister is an independent variable. Meanwhile, to sharpen the analysis, independent variables are clarified in accordance with the circumstances and conditions of MMT-ITS as the existing attributes. Thus, variables and attributes of educational infrastructures that will be evaluated are shown in Table 1.

Table 1. Variables and Attributes of Educational Infrastructures in MMT-ITS

No.	Independent Variable (X)	Attribute		
1	Area	X1	Parking Lot	X1.1
			Campus Space	X1.2
2	Class Room	X2	Class Room	X2.1
			Auditorium	X2.2
			Thesis Defend Room	X2.3
3	Library	X3	Library	X3.1
4	Laboratories/Studio/ Workshop/Unit Production	X4	Computer Laboratories	X4.1
5	Sport Facility	X5	Sport Room (Billiard & Table Tennis)	X5.1
6	Art Facility	X6	Art Room	X6.1
7	Room for Organization Student Activity	X7	Students Discussion Room	X7.1
8	Boardroom College	X8	Head of Department Room	X8.1
			Secretary of Department Room	X8.2
9	Lecturer Room	X9	Lecture Room for Thesis Consultation	X9.1
			Lecture Room	X9.2
			Administration Room	X10.1
10	Administration Room	X10	Front Office Room	X10.2
			Dining Room	X11.1
11	Public Facility	X11	Toilet	X11.2
			Prayers Room	X11.3
			Garden	X11.4

Data Survey

The data collected in this study are obtained through survey process in period

18 to 29 December 2015 addressed to MMT-ITS students. The students are considered as MMT-ITS external factor.

The students' perception will be valued according to importance and performance of each educational infrastructure attribute in MMT-ITS.

This study uses a Likert scale to the perception level of the phenomenon perceived approval and faces (Sugiono, 2006). Measured variables are translated into indicator variables and scored with the statement: Strongly Agree given a

score of 5, Agree given a score of 4, Hesitate given a score of 3, Disagree given a score of 2, and Strongly Disagree given a score of 1. The reliability test performed on the collected data to obtain the reliability of data. In other words, data is reliable if someone answers the survey with consistent or stable over time. In this case, Cronbach- α value after the calculation are shown in Table 2.

Table 2. Summary of Reliability Test

Observation	Importance Level		Performance Level	
	<i>Cronbach-α</i>	Reliability	<i>Cronbach-α</i>	Reliability
Infrastructure of MMT-ITS	0,939	<i>Reliable</i>	0,958	<i>Reliable</i>

By found that Cronbach- α value of importance rate and performance level are above 0.6, and then data has been considered as reliable.

Validity test is needed to measure the degree of accuracy. A questionnaire was

considered valid if the questions were able to reveal something that will be measured. Measurement validity were applied and obtained by using SPSS software as the following results:

Table 3. Summary of Validity Test

Attribute	N	r-table	Performance	Valid	Importance	Valid
Parking Lot	52	0.268	0.389	valid	0.547	valid
Campus Space	52	0.268	0.566	valid	0.471	valid
Class Room	52	0.268	0.445	valid	0.511	valid
Auditorium	52	0.268	0.579	valid	0.513	valid
Thesis Defend Room	52	0.268	0.410	valid	0.626	valid
Library	52	0.268	0.649	valid	0.689	valid
Computer Laboratories	52	0.268	0.426	valid	0.573	valid
Sport Room (Billiard & Table Tennis)	52	0.268	0.667	valid	0.469	valid
Art Room	52	0.268	0.606	valid	0.399	valid
Students Discussion Room	52	0.268	0.669	valid	0.629	valid
Head of Department Room	52	0.268	0.526	valid	0.607	valid
Secretary of Department Room	52	0.268	0.625	valid	0.655	valid
Lecture Room for Thesis Consultation	52	0.268	0.690	valid	0.729	valid

Attribute	N	r-table	Performance	Valid	Importance	Valid
Lecture Room	52	0.268	0.529	valid	0.682	valid
Administration Room	52	0.268	0.566	valid	0.561	valid
Front Office Room	52	0.268	0.499	valid	0.637	valid
Dining Room	52	0.268	0.510	valid	0.671	valid
Toilet	52	0.268	0.698	valid	0.630	valid
Prayers Room	52	0.268	0.636	valid	0.452	valid
Garden	52	0.268	0.635	valid	0.428	valid

3. RESULT AND DISCUSSION

External evaluation completion of performance begins by calculating the mean value of each attribute.

The concentration of priority areas, can be known by calculating the average of all attribute. The result of importance rate and performance level are tabulated in Table 4.

Table 4. Mean Value

Attribute		Importance (Y)	Performance (X)
Parking Lot	X1.1	4.12	3.23
Campus Space	X1.2	3.77	3.60
Class Room	X2.1	4.19	3.92
Auditorium	X2.2	3.77	3.25
Thesis Defend Room	X2.3	4.16	3.52
Library	X3.1	4.44	3.66
Computer Laboratories	X4.1	4.49	3.47
Sport Room (Billiard & Table Tennis)	X5.1	3.26	2.54
Art Room	X6.1	3.18	2.39
Students Discussion Room	X7.1	4.27	3.49
Head of Department Room	X8.1	3.77	3.58
Secretary of Department Rooms	X8.2	3.88	3.70
Lecture Room for Thesis Consultation	X9.1	4.10	3.52
Lecture Room for Student	X9.2	4.17	3.66
Administration Room	X10.1	3.92	3.74
Front Office Room	X10.2	3.87	3.92
Dining Room	X11.1	4.29	3.75
Toilet	X11.2	4.33	3.19
Prayers Room	X11.3	4.37	3.25
Garden	X11.4	3.75	2.92
Average		4.00	3.42

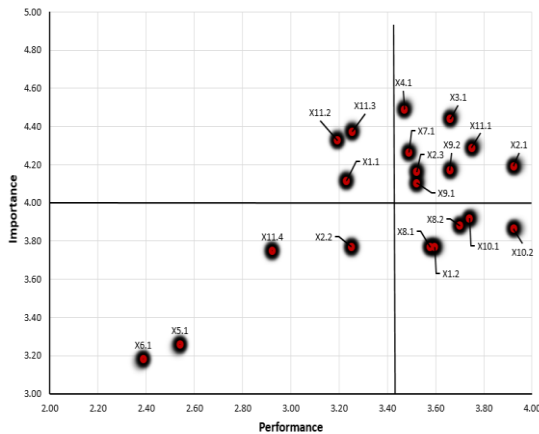


Figure 1. Cartesian Diagram of IPA (Education Infrastructures) in MMT-ITS

The next stage of IPA method is plotting each attribute on a Cartesian axis where Y axis represents importance rate and X axis represents performance level. Then draw the lines from the average of importance and performance attributes that separate area into four quadrants. The four quadrants represent any treatments that should be completed by the relevant organizations, external assessment results and performance level of each attribute. Plotting value of importance and performance level on a Cartesian axis diagram is shown in Figure 1.

Priority Handling Analysis

In IPA method, handling priority process is divided into four quadrants. As in the case, external evaluation of a mission statement in MMT-ITS has obtained the following data:

1. Quadrant A (Concentrate Here)

Attributes in this region have a highest level on students’ satisfaction. In other side, service performance is still not enough to give satisfaction to students. Thus, MMT-ITS should give more attention to increase performance level

of the attributes. External evaluation of performance attributes will be more focused on this quadrant.

The attributes in quadrant A are:

- Parking Lot (X1.1).
- Toilet (X11.2).
- Prayers Room (X11.3).

2. Quadrant B (Keep up the Good Work)

Attributes in this region have an influence on student satisfaction at a high level and has shown considerable satisfaction. It is necessary to maintain their performance.

The attributes in quadrant B are:

- Lecture Room for Thesis Consultation (X9.1).
- Thesis Defend Room (X2.3).
- Lecture Room for Student (X9.2).
- Students Discussion Room (X7.1).
- Class Room (X2.1).
- Dining Room (X11.1).
- Library (X3.1).
- Computer Laboratories (X4.1).

3. Quadrant C (Low Priority)

Attributes in this region have an influence on student satisfaction at a low level and has shown considerable satisfaction.

MMT-ITS should put these attributes in quadrant C (not at high priority).

The attributes in quadrant C are:

- Sport Room (Billiard & Table Tennis) (X5.1).
- Garden (X11.4).
- Auditorium (X2.2).
- Art Room (X6.1).

4. Quadrant D (Possible Overkill)

Attributes in this region have an influence on student satisfaction at a low level and have expressed

satisfaction with enough surplus for the students.

The attributes in quadrant D are:

- Head of Department Room (X8.1).
- Campus Space (X1.2).
- Secretary of Department Room (X8.2).
- Front Office Room (X10.2).
- Administration Room (X10.1).

Gap Analysis

The next stage in the external evaluation performance is to know the

gap level between importance and performance on each attribute. Gap analysis is needed to describe the effort needed to gain the performance of the attribute to reach the importance level.

Furthermore, gap analysis can describe the effort needed to reach the students' satisfaction. The gap can be tabulated as follows:

Table 5. Gap of Importance & Performance Level

Attribute	Importance (Y)	Performance (X)	Gap	Quadrant
X1.1	4.12	3.23	-0.88	A
X1.2	3.77	3.60	-0.17	D
X2.1	4.19	3.92	-0.27	B
X2.2	3.77	3.25	-0.52	C
X2.3	4.16	3.52	-0.64	B
X3.1	4.44	3.66	-0.78	B
X4.1	4.49	3.47	-1.02	B
X5.1	3.26	2.54	-0.72	C
X6.1	3.18	2.39	-0.80	C
X7.1	4.27	3.49	-0.78	B
X8.1	3.77	3.58	-0.19	D
X8.2	3.88	3.70	-0.18	D
X9.1	4.10	3.52	-0.58	B
X9.2	4.17	3.66	-0.51	B
X10.1	3.92	3.74	-0.18	D
X10.2	3.87	3.92	0.06	D
X11.1	4.29	3.75	-0.54	B
X11.2	4.33	3.19	-1.13	A
X11.3	4.37	3.25	-1.12	A
X11.4	3.75	2.92	-0.83	C
MEAN	4.00	3.42	-0.59	

The table shows the handling priority when the attribute in quadrant A. The focus of MMT-ITS action will be in the attribute of Parking Lot, Toilets, and Prayers Room. Table 5 shows the gap of attributes: Parking Lot (-0,88), Toilet (-1,13), and Prayers Room (-1,12). The

gaps give some descriptions to MMT-ITS management, how much effort should be made to improve performance on the three attributes to provide level of students' service satisfaction.

5. CONCLUSION

IPA Method can be used to evaluate the performance of an organization's mission statement from the external perspective. Through this method, mission statement assessed performance and importance level by the users which analyzed the existing gaps. The gap can be used as a benchmark to be realized by the organization to increase the external organization satisfaction level.

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