

THE USE OF IMPORTANCE-PERFORMANCE ANALYSIS (IPA) IN EVALUATING CORPORATE UNIVERSITY PERFORMANCE IN INDONESIA SOE

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ABSTRACT

In order to transform State-Owned Enterprises (SOE), to be world-class company The Ministry of SOEs issues a State-Owned Enterprises (SOE) reform policy. Some policy focus on leadership development that will improve SOE performance. To address leadership issues, some of SOE transform their training & learning center to Corporate University. However, the evaluation result of the Ministry of SOEs showed that there were some problems with Corporate University performance. With this problems, the authors argue that it takes IPA method to evaluate the performance of the Corporate University. The objective of this paper is to evaluate Corporate University performance using Importance-Performance Analysis (IPA) tools. The result showed the Quadrant I attributes include "trainer competency", "learning method", "senior manager as a trainer" and "contents align with work target". Quadrant II include contents "align with job competency", "contents align with organization goals", "senior manager share his/her success story". attribute in quadrant III is "senior manager as a mentor". The attributes in quadrant IV include "the use of ICT" and "learning environment". IPA is an effective evaluation tool and it's easy to apply. This finding will help SOE in improving Corporate University performance.

Keywords: Corporate University, Importance-Performance Analysis (IPA)

INTRODUCTION

The Ministry of SOEs of Indonesia issues an State-Owned Enterprises (SOE) reform policy. This policy is designed to improve the performance of SOEs to become a world-class company. SOEs strive to improve international quality standards and expand markets by targeting international markets to become world-class companies. Improving the performance of State-Owned Enterprises becomes important and central to SOEs because it concerns the public interest. the previous study showed that high-skill leadership, organizational culture, and HR strategy play a vital role in improving the performance of SOEs (Van Wart, 2012).

According to the Minister of SOEs in order to win the global challenge, human resource development in SOEs must focus on good corporate governance (GCG) and leadership development (Ministry of SOEs, 2015). To address leadership issues, SOE develop training and development programs to prepare future leaders. Some of SOE transform their training & learning center to Corporate University. The Corporate University is an educational entity that is a strategic tool, designed to assist the organization in achieving its mission by conducting activities that foster individual learning that is accumulated in organizational learning, integrated knowledge with corporate goals (Allen, 2007). Corporate University support organization in developing future leader (Crocco, Cseh, & Dollaya, 2017). Corporate University goal was to support business goals, developing innovative and competitive competencies for the organization and developing human resources (Li & Alagaraja, 2006).

It is believed that Corporate University can promote global leaders. The Corporate University is focusing on increasing competence, maximizing employee performance, and preparing world-class leaders and global talents. However, the evaluation result of the Ministry of SOE on Corporate Universities showed that there was a gap of 30% on the fulfillment of training hours, 50% gap on job competency, and 46% gap in the content alignment (PLN Corporate University, 2016). The evaluation result is opposite to the previous study. According to Lawson (2008), key success of the Corporate University is the content alignment. The Corporate University curriculum must be set align with organizational goals. Moreover, the Corporate University curriculum that aligns with organization goals resulting in a good succession career planning, promote global talent, business innovation, and achieve organization goals (Holland & Pyman, 2006).

With this phenomenon, the authors argue that it takes a method to evaluate the performance of the Corporate University. In this study, the authors use the Importance-Performance Analysis (IPA) method to evaluate the performance of the Corporate University. Some previous research used IPA in evaluating training program and public organization. IPA is a tool that can provide timely and usable feedback to improve training (Siniscalchi, Beale, & Fortuna, 2008). The IPA technique was used to measure the e-government benefits from the users' perspective (Wong, Hideki, & George, 2011). IPA has also been used for student evaluation of teaching and course design (Huybers, 2014).

The objective of this paper is to evaluate Corporate University performance using Importance-Performance Analysis (IPA) tools.

LITERATURE REVIEW

CORPORATE UNIVERSITY ATTRIBUTES

Corporate University offers company-specific and often job-specific to their employees (Lawson, 2008). The Corporate University approach tends to be structured, organized and integrated into the organization's overall strategic plan. The Corporate University success depends on 1) alignment with the company's business strategy, purpose, and values; 2) senior leaders involved; 3) support systems and training resources (Lawson, 2008, pp. 52-53). According to Qiao (2009), the three important aspects of Corporate University namely, 1) learning initiatives support strategy and business goals, 2) strong top management support, and 3) leaders as a trainer in management training programs.

Corporate University is the current best practice for systematically building human capital – a key capability for adaptive, innovative, knowledge-based organizations (McAteer & Pino, 2011). According to McAteer and Pino (2011), at corporate universities curriculum is designed to support staff development that aligns with major business goals and improve the ROI associated with training investments. High-investment on the Corporate University is needed to provide hi-technology & excellent facilities and support the learning activities. The key factors of Corporate University are: 1) Aligning curriculum to company's goals, 2) CEO and Senior Manager Support, 3) hi-technology and excellent facilities (McAteer & Pino, 2011).

According to Castellani (2011), Corporate Universities aim at having an excellent employee to become a future leader. Corporate Universities main Characteristic are 1) plurality of the agents involved; 2) delocalization; 3) use of Information & Communication Technology tools; 4) learning methods; 5) connection to strategic aims (Castellani, 2011). The main objective of corporate universities is the provision of employees with opportunities for continuous learning to ensure high work efficiency and achieve the strategic goals of the company by creating a system of effective accumulation of knowledge and system of organizational learning united by a common concept in accordance with the development strategy of the organization (Lytovchenko, 2016).

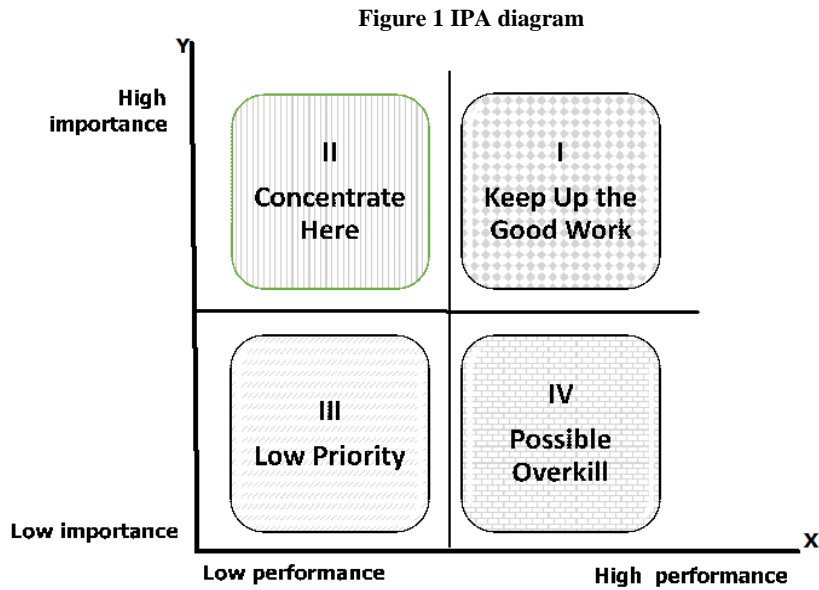
The authors define Corporate University as a strategic entity designed to develop the future leader. Corporate University attributes were adopted from Lawson (2008), McAteer and Pino (2011) concepts, this includes:

- A. Content Aligning: 1) contents align with work target, 2) contents align with job competency 3) contents align with company's goals.
- B. Senior manager support: 1) senior manager share his/her success story, the senior manager involved as a trainer at Corporate University, 3) senior manager is a mentor at work.
- C. Trainer quality: 1) trainer competency, 2) learning method, 3)
- D. Support facilities: 1) information and communication technology 2) conducive learning environment.

RESEARCH METHOD

Importance-Performance Analysis (IPA) is a useful tool to evaluate and identify the major strengths and weaknesses analysis of Corporate University attributes. The previous study has used this tool to evaluate the training program (Siniscalchi, Beale, & Fortuna, 2008), and to Guide Extension Needs Assessment (Warner, Chaudhary, & Lamm, 2016). The IPA diagram is divided into four quadrants, with importance on the y-axis and performance on the x-axis. The IPA diagram is shown in Figure 1. Quadrant I is labeled "Keep Up the Good Work," with high importance and high performance. This indicates that the organization has superior performance on all attributes in Quadrant I. Quadrant II is labeled "Concentrate Here," with high importance/low performance. This indicates that the organization has low performance and requires improvement to be a top priority. Quadrant III is labeled "Low Priority," with low importance/low performance. Employees do not perceive all attributes in this quadrant as –important. Quadrant IV is labeled "Possible Overkill," with low importance/high performance. This indicates that employees are satisfied with the performance, but all attribute in quadrant IV relatively non-important.

In this research IPA used to assess the levels of importance and satisfaction of Corporate University attributes. The Corporate University attribute. The instrument of this research is a questionnaire contained 10 items that measure Corporate University attributes. A six-point Likert scale was used for responses the importance of each attribute was rated from 1 (very unimportant) to 6 (very important), and The "performance" of each attribute was rated from 1 (very unsatisfied) to 6 (very satisfied). Corporate University items were developed based on Lawson (2008) and Mc Ateer and Pino (2011). Respondents in this study are SOEs managers, consists of 232 managers.



RESULT AND DISCUSSION

RESPONDENTS PROFILES

About the gender of the respondents, 67% were men and 33% were women. The age range of the respondents 30% were 40-50, 48% were 30-40, and 22% were above 50. In the education level, 45% had completed a master degree, 41% had completed a bachelor degree and 14% had completed a doctoral degree. About the Corporate University program attendance, 38% had attended Corporate University courses for 2-3 times, 36% had attended Corporate University courses for 4-5 times, and 26% had attend Corporate University courses for more than 5 times.

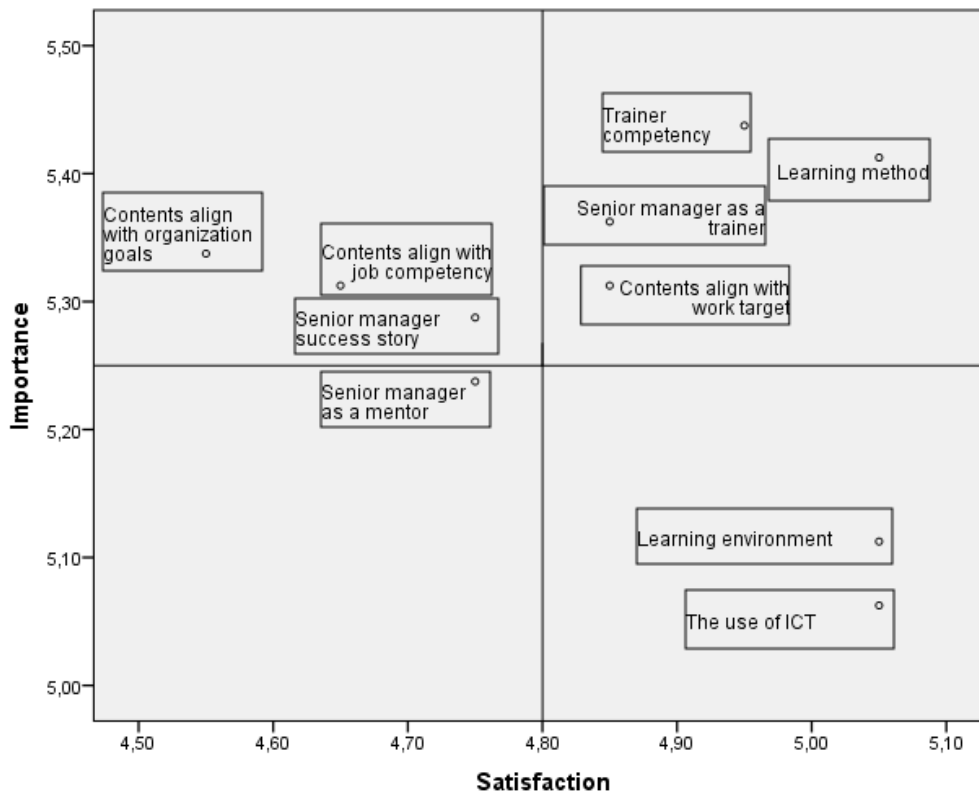
IMPORTANCE PERFORMANCE ANALYSIS ON CORPORATE UNIVERSITY ATTRIBUTES

Corporate University attribute include 10 items. Below here is the IPA score and IPA diagram of Corporate University attributes.

Table 1 IPA score of Corporate University attributes

No.	Attributes	Mean Attribute	
		Satisfaction	Importance
1.	Contents align with work target	4.87	5.29
2.	Contents align with job competency	4.68	5.33
3.	Contents align with organization goals	4.56	5.32
4.	Senior manager success story	4.75	5.30
5.	Senior manager as a trainer	4.89	5.35
6.	Senior manager as a mentor	4.69	5.24
7.	Trainer competency	4.91	5.42
8.	Learning method	5.00	5.40
9.	The use of ICT	5.00	5.05
10	Learning environment	5.10	5.10
Mean		4.85	5.28

Figure 2 IPA diagram of Corporate University attributes



Quadrant I showed superior performance on attributes Corporate University. The attributes include trainer competency, learning method, senior manager as a trainer and contents align with work target. The competency trainer according to the material presented. The learning method is also good, the right method of learning will help the SOE manager to understand the material presented. The senior manager performance as a trainer is good. This means the senior manager involve and responsible for his job as a trainer. From managers perspectives, the Corporate University contents align with work target.

All attributes in this quadrant have met the manager's exposure to the Corporate University performance. So "Keep Up The Good Work" on those attributes.

Quadrant II include contents align with job competency, contents align with organization goals, senior manager share his/her success story. All the attributes considered low satisfaction and high importance. The attribute of "content align with job competency" measure the appropriateness of the Corporate University curriculum with job competency required by SOEs managers. The IPA score on this attribute indicates that the curriculum not really support managers job competency. And so is the "content align with organization goals". The IPA score indicates that the curriculum has not aligned with organization goals yet. This might cause a problem for managers in understanding and achieve organizational goals.

The senior manager success story attribute measure how the senior managers share their success story in their career as a leader. Their story will inspire the middle manager and line manager to be a successful leader. The managers also take a lesson from it. Since all the attributes have low performance and high importance the attributes in this quadrant are the top priority in improving Corporate University performance. Therefore all the attributes labeled "Concentrate Here".

Quadrant III can be regarded as a handling area with a secondary priority. Attribute in this quadrant is "senior manager as a mentor". This attribute measures the involvement of senior manager in guiding the middle manager and line manager (supervisor) to become an effective leader. The IPA score on this attribute showed that the involvement of senior managers as a mentors is not optimal yet. The SOEs managers perceive this attribute at low satisfaction and less important. This attribute is SOE low priority in improving Corporate University performance.

The attributes in quadrant IV considered high satisfaction and low importance the attributes include "the use of ICT" and "learning environment". Corporate University has excellent facilities in ICT. The managers very satisfied with the use of ICT attribute. ICT facilities support learning activities at Corporate University. The manager has also satisfied with learning environment attribute. Corporate University has a conducive learning environment that motivates the managers to participate the Corporate University program and support their learning activities. Although both attributes give high satisfaction to managers, the attributes have low importance. Therefore both attributes labeled "possible overkill"

CONCLUSION

Trainer competency, learning method, senior manager as a trainer and contents align with work target have an excellent performance so the SOE should keep up the good work on those attribute. The first priority to SOE in improving Corporate University performance are on the Quadrant II that includes: contents align with job competency, contents align with organization goals, senior manager share his/her success story. Manager assesses the attributes are important but its performance has not fulfilled the manager's expansion.

The senior manager as a mentor attribute also has low satisfaction category, but since the manager perceives that attribute is low important then it becomes a low priority for SOE. While the attributes of the use of ICT and learning environment assessed "probably overkill" by the manager. SOE can allocate resources from both attributes to other attributes that are the top priority. IPA is an effective evaluation tool and it's easy to apply. IPA, however, can identify potential areas of concern in Corporate University attributes. This finding will help SOE in improving Corporate University performance.

IMPLICATION

Although IPA is a simple tool, it can help evaluate Corporate University performance, so SOEs can formulate new strategies to improve Corporate University performance. The result showed that content alignment and senior manager involvement in sharing their success story is weak.

In order to align the content with work targets, job competency, and organizational goals the SOEs need to review the curriculum and continuously update the curriculum and program contents. This will help managers meet work targets and achieve organizational goals. Likewise, senior managers' involvement in sharing their success stories needs to be improved. SOE may organize and arrange knowledge sharing forum that involved senior manager in sharing their experience, knowledge, and success story. The SOEs may also arrange some resource allocation that supports attributes in first priority.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

The object of this study is limited only to State-Owned Enterprises (SOE) in Indonesia that have had Corporate University at least for 3 years. Subsequent research can use the object of research of other Companies both SOE and Private Company, to compare the Corporate University performance in public companies and private companies.

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