EVALUATING THE SERVICE QUALITY OF INTERNATIONAL BUSINESS ADMINISTRATION USING IMPORTANCE AND PERFORMANCE ANALYSIS

EVALUASI KUALITAS PELAYANAN DARI INTERNATIONAL BUSINESS ADMINISTRATION MENGGUNAKAN IMPORTANCE AND PERFORMANCE ANALYSIS

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ABSTRACT

Service Quality offered by Higher Education Institution is one of the most important aspects that become the reason students and parents choose higher education institutions such as University for continuing education. Therefore, to be competitive, the University must improve the service quality to be able to achieve the expectations of the students. This study aims to analyze how important the service quality and how the performance of International Business Administration' service quality by using Importance and Performance Analysis.60 active International Business Administration students were sampled using purposive sampling technique. The results showed that the number of classes and facilities, cleanliness and comfort of IBA and the quality of the lecturers are three attributes that are very important and also the performance institutions is high, while the other attributes there is a very important but the performance is low, is not important but the performance is high, but nonecistent attribute located in quadrant unimportant and low performance. From the results, the researchers suggest IBA management to focus and allocate resources of attributes that are not important to attribute more important.

Keywords: service quality, importance and performance analysis, higher education institutions

ABSTRAK:

Kualitas layanan yang ditawarkan oleh Lembaga Pendidikan Tinggi adalah salah satu aspek yang paling penting yang menjadi mahasiswa alasan dan orang tua memilih lembaga pendidikan tinggi seperti Universitas untuk melanjutkan pendidikan. Oleh karena itu, untuk menjadi kompetitif, Universitas harus meningkatkan kualitas pelayanan untuk dapat mencapai harapan para mahasiswa. Penelitian ini bertujuan untuk menganalisis betapa pentingnya kualitas layanan dan bagaimana kinerja kualitas layanan International Business Administration dengan menggunakan Importance and Performance Analysis.60 mahasiswa aktif Administrasi Bisnis Internasional itu sampel menggunakan teknik purposive sampling. Hasil penelitian menunjukkan bahwa jumlah kelas dan fasilitas, kebersihan dan kenyamanan IBA dan kualitas dosen tiga atribut yang sangat penting dan IBA memiliki kinerja yang baik, sementara ada atribut yang lain yang juga sangat penting tetapi kinerja IBA dinilai rendah, ada pula atribut yang tidak penting tapi kinerja IBA ternilai tinggi, namun tidak ada satupun atribut yang terletak pada kuadran kinerja yang tidak terlalu penting dan kinerja IBA rendah. Dari hasil, para peneliti menyarankan manajemen IBA untuk fokus dan mengalokasikan sumber daya dari atribut yang tidak penting untuk atribut yang lebih penting.

Kata kunci: kualitas layanan, analisis kepentingan dan kinerja, institusi pendidikan tinggi

1. INTRODUCTION

Research Background

In world of the new era, people tend to invest their wealth into something that the value can be multiple in future like education. Education be such like a very prestigious and fruitful investment that always rewards in multiple ways. There are two types of education in Indonesia: formal and non-formal. Formal education is further divided into three levels: primary, secondary and tertiary education. On tertiary education which are Higher Education Institution that categorised into two types: public and private. Both are supervised by the Ministry of National Education. There are four types of higher education institution: universities, institutes, academies, and polytechnics.

University is an institution of higher education and research, which provides academic degrees in various fields. A university provides undergraduate and post-graduate education. . In which the University is a service provider that sells services to the students, while the students are buyers of services at the University. Therefore, every University competes with each other to be the best in education in order to satisfy the students, so that the various ways taken to improve service quality in order to provide excellent and maximum service. There are several indicators that affect customer satisfaction like Service Quality, Product Quality and Price.

Focusing on Service Quality, the concept of service quality that is popular is ServQual that has five dimensions of tangible, reliability, responsiveness, assurance and empathy. The University should focus on the quality of service to fulfill the satisfaction of the students and those factors that can increase the level of satisfaction of the students are: Academic Staffs, Teaching Process, Relationship, Technology, Administration and Campus Facilities.

To determine the level of students satisfaction measurement is needed for International Business Administration (IBA) Program services the analysis is Importance Performance Analysis (IPA) by using this analaysis could see the extent to which the achievement of this Program services, and that need to be maintained and improved. The Importance Performance Analysis (IPA) link between the level of importance an attributes of a particular object with reality (performance) that perceived by the user. Based on the background of the problem, interesting to study the extent of successful service quality of IBA using the important performance analysis (IPA). Therefore this thesis is titled: "Evaluating The Service Quality of International Business Administraion (IBA) Program Using Impotance and Performance Analysis (IPA)".

Research Objective

The objectives which the thesis intends to achieve is, to recognize the achievement of International Business Administration (IBA) Program services.

Theoretical Framework

Service Quality

According to Lewis & Booms in Tjiptono & Chandra (2005), service quality as a measure of how well a given level of service capable accordance with customer expectations. Based on the above opinion can be concluded that there is a major factor affecting the quality of service : the service expected and perceived service. If the services are perceived fit with the expected services, the service quality will be perceived good or positive. If the services were perceived to exceed the expected services, the quality of service perceived as ideal quality. Vice versa if the services are

perceived worse than the expected services, the service quality perceived negative or bad. Then whether or not the quality of service depends on the ability of service providers to meet customer expectations consistently.

Importance and Performance Analysis

According to Barsky (1995), lower importance ratings are likely to play a lesser role in affecting overall perceptions, while higher importance ratings are likely to play a more critical role in determining customer satisfaction. The objective is to identify which attributes, or combinations of the attributes are more influential in repeat purchase behavior and which have less impact. The information is valuable for the development of marketing strategies in organizations Ford et al.(1991). This view is confirmed by Lovelock et al (1998), who stated that importance-performance analysis is an especially useful management tool to "direct scarce resources to areas where performance improvement is likely to have the most effect on overall customer satisfaction". It also has the benefit of pinpointing which service attributes should be maintained at present levels and "those on which significant improvement will have little impact".

The Importance-Performance Analysis conceptually rests on multi-attribute models. This technique identifies strengths and weaknesses of a market offering in terms of two criteria that consumers use in making a choice. One criterion is the relative importance of attributes. The other is consumers evaluation of the offering in terms of those attributes. A particular application of the technique starts with an identification of the attributes that are relevant to the choice situation investigated. The list of attributes can be developed after canvassing the relevant literature, conducting focus group interviews, and using managerial judgment. Otherwise, a set of attributes pertaining to a particular service (or goods) are evaluated on the basis of how important each is to the customer, and how the service or goods is perceived to be performing relative to each attribute. This evaluation is typically accomplished by surveying a sample of customers. After determining those attributes that are worthy of subsequent examination, consumers are asked two questions. One relates to the salience of the attributes and the other to the company's own performance in terms of delivery of these attributes. Importance Performance Matrix is divided into four quadrants based on importance-performance measurement result as shown in the figure below:
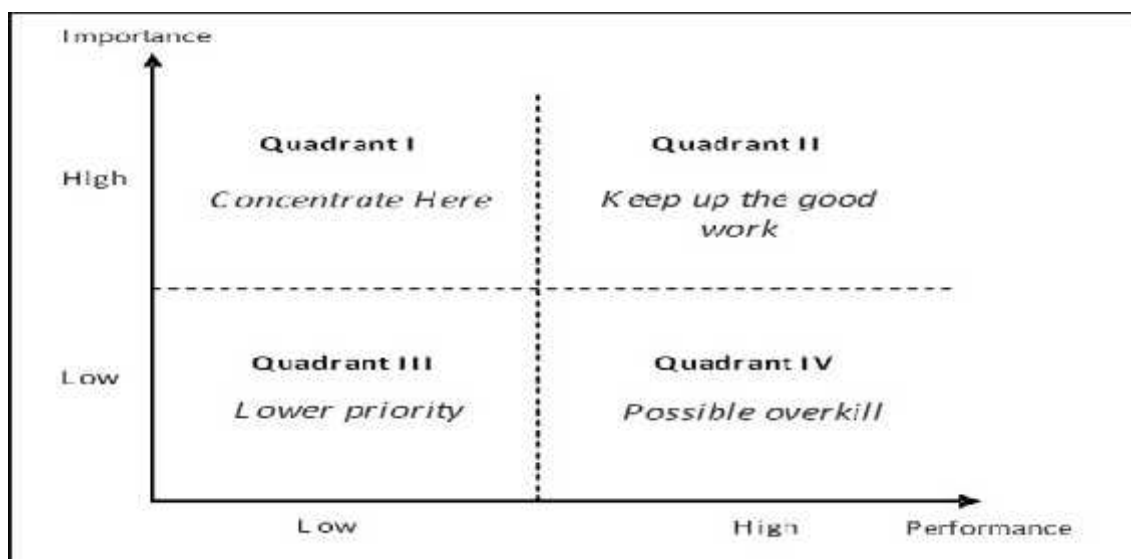
Figure 2.1 Importance Performance Analysis Matrixs

The interpretation of these quadrants are as follows :

A. Priority (Concentrate Here)
    In this quadrant there are factors that are considered important and or expected consumer but not satisfactory performance of the company assessed that the companies need to concentrate to allocate its resources to improve the performance of the entry in this quadrant.
B. Maintain Achievement (Keep Up The Good Work)
    At this quadrant there are factors that are considered important and an expected as a factor supporting consumer satisfaction so that companies are required to maintain the achievements of the performance.
C. Low Priority
    At this quadrant there are factors that are considered to have the level of perception or the actual performance is low and not too important or less expected by consumers so that companies do not need to prioritize or give more attention to these factors.
D. Excessive (Possible Overkill)
    At this quadrant there are factors that are considered too important and not very expected by the customer so that companies better allocate resources related to the factor to another factor which further has a higher priority level.

Higher Education

According to UNESCO (1998), Higher education was defined as: "all types of studies, training or training for research at the post-secondary level, provided by universities or other educational establishments that are approved as institutions of higher education by the competent state authorities.

2. RESEARCH METHODOLOGY

Type of Research

This research is the descriptive study with a quantitative approach. Descriptive mean in this study where researchers tried to describe and explain the service quality of International Business Administration (IBA) Program – Sam Ratulangi University using importance performance analysis (IPA).

Place and Time of Research

This study was conducted in International Business Administration (IBA) Program – Sam Ratulangi Univeresity and the time of research for about two months (April until May 2016).

Population and Sample

The research population are the active students from batch 2012, batch 2013, batch 2014, and batch 2015 in International Business Administration (IBA) Program – Sam Ratulangi University. A sample is subset of the population. It comprises some members selected from it. In other word, some, but not all, elements of the population form the sample. The sample of this research is 60 student in International Business Administration. The sampling method is purposive sampling that determining the sample based on batch.

Data Collection Method

This research data obtained from primary data. Primary data refer to information obtained first-hand by researcheron the variable of interest for specific purpose of study (Sekaran, Bougie. 2010:180).

Operational Definition and Measurement of Research Variables

This analysis is the link between the level of importance an attributes of a particular object with reality (performance) is perceived by the user. The first step for the analysis of IPA is to calculate the average level interest and satisfaction level for each item of the attribute with the formula :

$$\bar{X}_i = \frac{\sum_{i-1}^{k} X_1}{n}$$

$$\bar{Y}_i = \frac{\sum_{i-1}^{k} Y_1}{n}$$

wheres :
Xi = Weight average satisfaction level of the to -1 item
Y = Weight average interest rate of the to-1 item
n = number of respondents / sample
The next step is to calculate the average rate of interest and the overall level of satisfaction for the item with the formula :

$$X_i = \frac{\sum_{i-1}^{k} Y_1}{n} \qquad\qquad =$$

$$Y_i = \frac{\sum_{i-1}^{k} Y_1}{n} \qquad\qquad =$$

Wheres :
$\underline{X_j}$ = average satisfaction level of item
$\bar{Y}_i$ = average interest rate of item
p = Number of items

$\bar{\bar{X}}_i$ value is cut perpendicular to the horizontal axis, the y-axis reflects the satisfaction of the item (x), while the value $\bar{Y}_i$ cut perpendicular to the vertical axis, the axis of which reflects the interests of item (y). After the satisfaction obtained weight and importance of items as well as an average value of satisfaction and interest items, then the values are plotted into Cartesian diagram.

The analysis begins with a questionnaire distributed to the students, each item in question has two answers Likert scale, which is according to the customer it is important to do or be implemented and how it is doing, good or bad. Likert (1932) develop the principle of measuring attitudes by asking people to respond to a series of statement about a topic, in term of the extent to which they agree with them, and so tapping into the cognitive and affective components of attitudes. Likert-type or frequency scales use fixed choice response formats and are designed to measure attitudes or oppinions (bowling, 1997; burns, & grove, 1997). These ordinal scales measure levels of agreement/disagreement.

In final form, the Likert Scale is a five (or seven) point scale which is used to allow the individual to express how much they agree or disagree with a particular statement. Five-point Likert scales are perhaps most commonly used. With a five-point scale the points can be labeled, strongly agree (5), agree (4), uncertain (3), disagree (2), and strongly disagree (1).
In this kind of scale, variables will be measured on five points of scale, as shown below :

Table 3.1 Grading Point of Decision Making

Statement	Score
Strongly Agree	5
Agree	4
Uncertain	3
Disagree	2
Strongly Disagree	1

Source: Research Methods for Business, 5th edition, 2009

Data Analysis Method Validity and Reliability Test

To analyze the validity of questionnaires, Pearson Product Moment is used. An instrument measure is valid if the instrument measure what ough to be measured. Reability test is esthabilished by testing for both consistency and stability of the answer question. Alpha Cronbach is realiable coefficients that can indicate how good items in asset have positive correlation one another (Sekaran 2006:177).

3. RESULT AND DISCUSSION

Result Validity and Reliability
Validity Test

The correlation index is higher than 0.3 and below the significance level of 5%. Therefore the data is considered valid.

Reliability Test

Reliability Statistics

| Cronbach's Alpha	N of Items
,840	3

Table below shows that Alpha Cronbach is 0.840 which is above the acceptance limit of 0.6; therefore the research instrument.

Table 4.3
Attributes, Importance Mean, Performance Mean, Quadrant

Service Quality Attributes	Importance Mean	Performance Mean	Quadrant
The Number of Class and Facility	4,31	4,3	II
The Cleanliness and Comfort of IBA Building	4,38	3,85	II
Supporting Facility	4,06	3,43	III
Administration Process	4,2	3,53	I
Quality of the Lecturers	4,3	3,76	II

Staff response on student problem	4,11	3,21	III
Learning Process (Curriculum)	4,15	3,55	III
IBA Reputation	4,28	4,03	I
The behavior of IBA Lecturers and Staffs to the Students	4,1	3,48	III
IBA Excellent Service	4,03	3,3	I
AVERAGE	4,19	3,64	

Source: Data Process, 2016

Figure 4.5
Data plotting of Service Quality Attributes
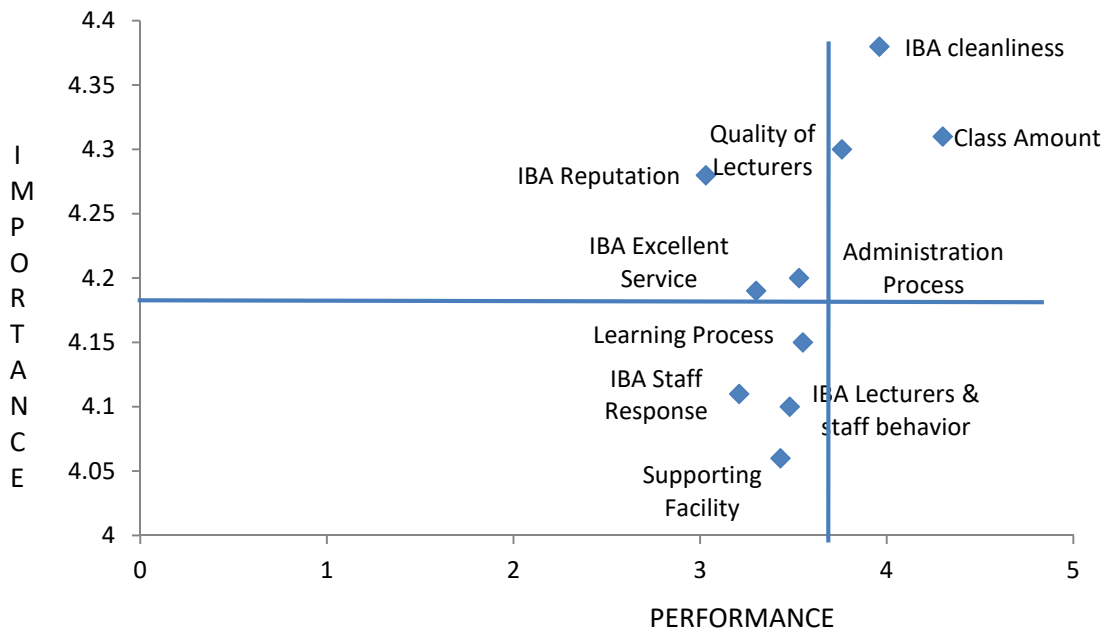
Source: Data Processed, 2016

In the Figure 4.5 Administration Process, IBA Reputation, and IBA Excellent Service are located in Quadrant I. this means that those attributes are perceived to be very important to the students but the performance levels are assessed lower.

The Number of Class and Facility, the Cleanliness and Comfort of IBA Building and Quality of the Lecturers are located in Quadrant II. Attributes that located in Quadrant II means that it has a high importance to the students and the higher education institution also achieves high performance according to the students. In short, attributes that located in this quadrant means that the students already satisfied with IBA performance and the IBA needs to maintain and keep this student's satisfaction.

The next quadrant is Quadrant III and the attributes that located in this quadrant are Supporting Facility, Staff Response on Student Problem, Learning Process (Curriculum) and The Behavior of IBA Lecturers and Staffs to the Students. Attributes located in this quadrant have a low importance to the students and the higher education institution also has low performance in those attributes. So, the attributes located in this quadrant are not a priority to the institution.

The last quadrant is Quadrant IV and there are no attributes that are located in this quadrant. Attributes that are located in this Quadrant mean that it has low importance to the students but the performance of the higher education institution in that attributes is high.

Discussion

Tangible (The number of class and Facility and the cleanliness and comfort of IBA Building), Reliability (Supporting Facility and Administration Process), Responsiveness (Quality of the Lecturers and Staff Response on Student Problem), Assurance (Learning Process (Curriculum) and IBA Reputation), and Empathy (The behavior of IBA Lecturers and staffs to the student and IBA Excellent Service).

There are three attributes that are located in Quadrant I. IBA Reputation, which are the first attribute, being very important because it is the reason why the students wants to enter IBA and be the essential value that can be used for the alumnus to get a job or create the new one. But the performance of this attributes is assessed low, it means that the students still do not think that IBA has a good reputation on the business field or outside the University. The second attributes located in quadrant I are Administration Process. It is perceived to be very important to the customers because the Administration Process is not helping if most of the time the students find it not functioning like it supposed to be. The performance of Administration Process is low and that means that the students often find the Administration Process is not run or not functioning and cannot be in time. The third attributes located in the quadrant I are IBA Excellent Service. These attributes are considered to be important because the students think that if the staff and lecturer has the initiatives to help the students, it means that the staffs and lecturers in IBA cares about the students and are willing to help them. But the performance assessed from this attributes shows that the initiatives of the staffs and lecturers to help student are low or in other words the students feels that the staffs and lecturers do not care about the students who comes to IBA to have a knowledge and learning new things.

The three attributes that are located in Quadrant II. The Number of Class and Facility is one of the attributes. It means that the avalaibility of the classroom, chairs, tables, lcd, led television, finger print absen, hall, writing tools and air conditioner well function and have a good condition. The assessed performance of this attributes shows that the performance of this attributes is high and it means that the customers finds that the IBA has more than enough classroom and facility that very support the students while they studying at IBA. The second attribute in Quadrant II is The Cleanliness and Comfort of IBA Building. Based on the research, the students are satisfied with the cleanliness and comfort of IBA Building, which means IBA Management has do the best they can to make IBA be the comfort place to go for studying and already provide another facility like chairs on the IBA hall to make the students feels more comfortable at IBA. The last one attributes that are located in this Quadrant II is Quality of the Lecturers. It is a proven that IBA has a very good quality of the Lecturers based on the respondents answer. IBA has hired Lecturers who are Master, Doctor and Professor that related to IBA Curriculum or Economy and Business Major. That is why this attributes located in Quadrant II because IBA can meet the expectation of the students to its quality.

There are four attributes in Quadrant III. Supporting Facility that IBA has not too much helped them when they are in IBA. The research find that the student has low expectation about the Supporting Facility because the tools that IBA provide do not give them something that they can use or provide them an information like it used to. The students find that the staffs response on the student's problem to be of low importance to them. It is mainly caused by the belief of the students that most of the staffs in IBA are not able to help their problem and the student still need to solve their problem by their self. The problem that occurred in IBA that the staffs can help is considered a minor problem and is not really important to the students. The performance of the

attributes is low which means that the students also do not feel satisfied with the response of the staffs on dealing with the problem that the student face. Learning Process (Curriculum) that IBA Management applied on IBA are the latest curriculum and already appropriate with the Higher Education Institution Curriculum for Economics and Business Students. But the students research find that because it is already related to the Government rules for higher education institution so they low expected for the curriculum to be more advanced and have variation. The last attributes in Quadrant III is The Behavior of IBA Lecturers and Staffs to the Students. The research finds that the students has low expectation and the performance of the staffs and lecturers that brings the student a good atmosphere to studying is very low. The Lecturers and Staffs must be create a good atmosphere at IBA so it can boost the willingness to study of the student and make a difference for the outcome of the study that can be seen on the student's grade.

There are no attributes in Quadrant IV. It is means there is no attributes that IBA takes too serious and has low expectations from the students who are their customers.

4. CONCLUSION AND RECOMMENDATION

Conclusion

There are five conslusion can be purposed on this research, which are listed as follow: This research has identified 10 elements of service quality attributes which are: The Number of Class and Facility, The Cleanliness and Comfort of IBA Building, Supporting Facility, Administration Process, Quality of the Lecturers, The Response of the staff in solving the customer's problem, Learning Process (Curriculum), IBA Reputation, The behavior of IBA Lecturers and Staffs to the Students, and IBA Excellent Service. The Importance Performance Analysis is used to compare them according to the students perspective toward their importance and performance.
The conclusions drawn from this research are as follows:
1. The Number of Class and Facility are important for the students and IBA has reach the performance level which the customers want.
2. The Cleanliness and Comfort of IBA Building is really important to the students and IBA has a high performance in those attributes.
3. Supporting Facility is less important to the students and IBA also does not reach the level of performance where the students are satisfied.
4. Administration Process is really important to the students and IBA has a low performance level in these attributes.
5. Quality of the Lecturers being important to the students and IBA has reach the performance that the customers expect.
6. The Response of the staff in solving the student's problem is not really important to the students and IBA also has a low performance in these attributes. So these attributes are not a priority to IBA.
7. Learning Process (Curriculum) is less important to the students and the students still not satisfied with the performance of IBA in these attributes.
8. IBA Reputation is considered important by the students but the performance of IBA in these attributes are still low and does not satisfy the students.
9. The behavior of IBA Lecturers and Staffs to the Students is less important according to the students and IBA also has does not achieves the level where its performance satisfies the student.
10. IBA Excellent Service is very important according to the students but IBA has a low performance in this attributes.

These shows that overall the service quality level of International Business Administration (IBA) still not reach a satisfactory level. The majority of attributes in the research has a low scores in

terms of the higher education institution performance while some attributes that has high performance do not considered to be important by the students.

Recommendation

By looking in the discussion and the result of the research, some recommendation has been made as listed below:

1. Administration Process, IBA Reputation, and IBA Excellent Service are located in Quadrant I. this means that those attributes are perceived to be very important to the students but the performance levels are assessed lower. IBA need to prioritize in increasing its performance in these three attributes. These 3 attributes are considered to be important by the students but IBA still does not achieve the performance level where the students are satisfied. IBA needs to add more effort in order to make sure that the students are easier to study at IBA. IBA also needs to ensure that its administration process always functions and serves with quick response services that the students need. IBA also needs to be more careful and has more initiatives in helping the students when the staff see the students have a problem. In order to keep a good reputation of International Business Administration (IBA) outside the campus.

2. The Number of Class and Facility, the Cleanliness and Comfort of IBA Building and Quality of the Lecturers are located in Quadrant II. Attributes that located in Quadrant II means that it has a high importance to the students and the higher education institution also achieves high performance according to the students. In short, attributes that located in this quadrant means that the students already satisfied with IBA performance and the IBA needs to maintain and keep this student's satisfaction.

3. Supporting Facility, Staff Response on Student Problem, Learning Process (Curriculum) and The Behavior of IBA Lecturers and Staffs to the Students are located in quadran III. Attributes located in this quadrant have a low importance to the students and the higher education institution also has low performance in those attributes. So, the attributes located in this quadrant are not a priority to the institution. It will be better if IBA try to put a focus more on attributes in quadran I.

4. No attributes that are located in quadrant IV. Attributes that are located in this Quadrant mean that it has low importance to the students but the performance of the higher education institution in that attributes is high.

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