

# Analysis of Performance and Importance Matrix to Determine the Implementation of Corporate Social Responsibility

Wise Rogate Silalahi\*

Faculty of Economics  
Universitas Terbuka  
Kupang, Indonesia

\*wise@ecampus.ut.ac.id

**Abstract**—One of the tasks of Higher Education is to carry out Community Service, in addition to other tasks namely education and teaching, and research. Community service is a form of university Corporate Social Responsibility (CSR) to the community, to apply knowledge in solving problems in society. Indonesia Open University Regional Kupang in 2017 until 2019 has conducted Community Service activities around the area, including making woven cloth, computer training, making banana chips, acid processing, making reading gardens, family medicinal plants, and sewing training. The activity was carried out as a form of caring, and involvement in efforts to empower communities around the campus. To determine customer satisfaction with performance, a study was conducted using a Performance Importance matrix analysis to customer satisfaction variables, including tangibles, reliability, responsiveness, assurance, and empathy. This is a descriptive quantitative research, Populations are all participants of training, while sample is sewing training participants as a purposive sampling. The results showed the following results: the average attributes of Tangibles (3.3; 3.23), Reliability (3.18; 3.33), Responsiveness (3; 3.31), Assurance (3.43; 3, 44) and Empathy (3,45; 3,4). Each has different managerial implications. For Tangibles is excessive because Performance > Importance, Reliability and Responsiveness are High Priority because P < I, while Assurance and Empathy are maintained because P and I are both high. What needs to be improved is the service on Reliability and Responsiveness.

**Keywords:** CSR, PI matrix, customers

## I. INTRODUCTION

Each college is assigned to carry out Community Service, in addition to education, teaching, and research. Community service is intended so that tertiary institutions apply knowledge to help empower the surrounding community, in accordance with the needs and scientific capacity of the tertiary institution. Community service activities are a form of corporate social responsibility (CSR) activities, as a form of organizational concern to help the welfare of the community.

Social responsibility is the responsibility of the company to advance the surrounding community. This is a form of

corporate concern, to participate in community development. Awareness of the importance of the role of social responsibility is increasingly felt at this time, especially with the increasing awareness of the people who are civil society, related to the higher level of education and welfare of the community. The attitude of the people who are increasingly critical of their rights makes companies have to be more careful in running their businesses. The impacts of business activities including pollution, environmental pollution, noise, etc. are the negative side of business activities that are felt by the community. As a form of ethics in doing business, and a form of caring and social responsibility, the company is also obliged to provide empowerment assistance to the surrounding community. The results of this Social Responsibility activity are expected to improve harmony in relations with the community, reduce the potential for conflict, and maintain the sustainability of the company's business.

According to Ferrel [1] there are 4 dimensions of social responsibility, namely economic, legal, ethical, and voluntary. Meanwhile, according to Cole [2], social responsibility is divided into two, namely corporate responsibility and civic responsibility. Corporate responsibility is the responsibility for environmental pressures related to proactive actions in anticipation of changes in regulations and people's expectations. While corporate citizenship is the right of corporate citizens who must be protected. Corporate citizenship is more internal to the organization's environment, including employees. The focus of this research is to the community in the form of corporate responsibility. The government as a regulator also plays a role in overseeing the social responsibility process. Supervision of the implementation of activities, activity reports, evidence of accountability, is also monitored by the government to ensure compatibility between planned, implemented, reported, and also the effectiveness of implementation.

The implementation of social responsibility cannot be separated from the pros and cons of the implementation of social responsibility. Pro arguments are that companies are part of society; can increase sales; gives a good impression to the

community; and as part of business ethics. The counter argument is as follows: The purpose of business is to maximize profits, social responsibility cannot be measured, business is not an expert in social activities. Pro arguments are stronger than cons, where business ethics in the long run will play a role in maintaining the sustainability of the company's business.

Business ethics and social responsibility derived from business science, can be applied in the field of education, especially higher education institutions in the form of community service activities. At UPBJJ-UT Kupang, since 2017 until 2019, various service activities have been carried out including training in making woven cloth, computer training, making banana chips, acid processing, sewing, management of reading gardens, medicinal plants for the family. The list and time of the implementation of Community Service activities can be seen in Table 1 below:

TABLE I. LIST OF COMMUNITY DEVELOPMENT PROGRAM 2017 – 2019

Num.	Activities	Year		
		2017	2018	2019
1	Making Woven Fabric Using Natural Dyes	√		
2	Operation of Internet and Computers to Village Officials	√		
3	Sewing skills		√	
4	Various Banana Processing		√	
5	Various Tamarinds Processing		√	
6	Made Small Librabries		√	
7	Advanced Sewing Skills and Introduction to Business			√
8	Medicinal Plants for the Family			√

In providing services, what needs attention is customer satisfaction. Things that are still lacking according to the customer, so that improvements are made to improve services. Customer satisfaction variables according to Parasuraman et al [3] are Tangibles, Reliability, Responsiveness, Assurance, and Empathy.

To find out whether the performance of the implementation is appropriate and whether achieving a target, an analysis is carried out using the Performance and Level of importance matrix. This matrix was first developed by Martilla and James [4]. This matrix will measure how the performance is carried out, and how important it is. There are 4 performance possibilities namely:

- If Performance > Importance, means that the performance exceeds the requirements. The managerial implication is that it is classified as excessive so that the allocation of resources must be reduced and transferred to other parts that need it.
- If Performance = Importance with a low value. Managerial implications are low priority or not the focus of service.
- If Performance < Importance, indicates that the organization has not met customer expectations and still needs to be improved. The managerial implications are

high priority. This means that improvements must be made as priority services.

- If Performance = Importance with a high value, then this is the ideal and must be maintained.

In the Cartesian diagram a matrix of relationships between Performance and Importance can be drawn. The Usage of this Performance and Importance Matrix has the following steps:

1) *Determine the product attributes to be measured:* There are various ways to obtain attributes, including interviews with informants or also through judgment or management assessment (CSR Chair).

2) *Make a Likert measurement scale 1 to 4 for each attribute:* Very low classification, low, high, very high.

3) *Distribute the questionnaire to customers regarding the measurement of Product Performance and Importance.*

4) *Measure product Performance on each attribute, and also measure the Importance of each product based on the results of the questionnaire.*

5) *Calculate the number and average of Performance and Importance scores:* Then compare the results.

6) *Create a Cartesian diagram with the division of the X axis (abscissa) for the Level of Importance and the Y axis (ordinate) for Performance.*

7) *Divide the Performance and Importance dimensions by 2, low and high:* The division is based on an average value. If the scores obtained are below the average, they are categorized as low, and if the above average is categorized as high.

8) *Determine the grouping of attributes based on 4 groups:* Low Performance - Low Importance, Low Performance - High Importance, High Performance - Low Importance, and High Performance - High Importance.

9) *Give treatment strategies according to the grouping as managerial implications, namely as follows:*

- If Performance is low - Low Importance, meaning not priority Treatment: give low priority
- If Performance is low - the level of importance is high, it means management does not meet customer expectations. This is a high priority. Treatment: improve Performance.
- If the Performance is high - the level of importance is low, it means that the management gives excessive resources even though the customer is not too demanding, so it is wasteful. Treatment: reduce activities and switch to other activities. Or increase interests.
- If high Performance - high Importance, this is the most ideal. Treatment: maintained

An explanation of these groupings can be seen in Figure 1 below:

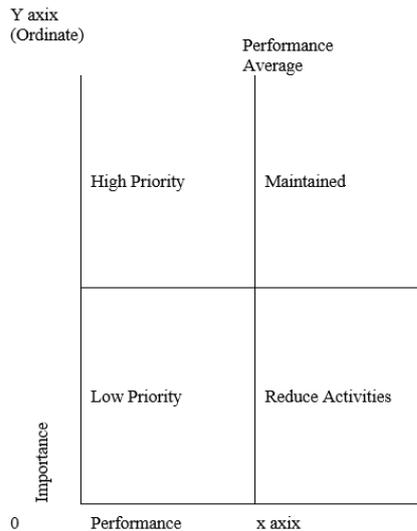


Fig. 1. Strategic classification diagram based on the result of performance and importance measurement.

The results of this measurement are the management can find out how the customer wants the value, whether the organization has provided service attributes properly, and what corrective action needs to be done.

## II. RESEARCH METHODS

### A. Implementation Time

The study was conducted in the 2019.1 Period.

### B. Place of Activity

The place of activity is in Tarus Barat Village, Kupang Tengah District, Kupang Regency.

### C. Types of Research

This type of research is quantitative descriptive.

### D. Population and Samples

- The population of this activity is all training participants, amounting to 129 people.
- The sample of this research is all 25 people of sewing training participants. This is a purposive sampling. This was chosen because sewing activity that took longer to service was 2 years, so information could be obtained more completed.

### E. Data Collection Techniques

1) Determine the product attributes to be measured, in the form of customer satisfaction variables according to Parasuraman, as follows:

- Tangibles: Physical evidence of CSR activities.
- Reliability: Reliability in carrying out tasks, including mastery of the material and time management.

- Responsiveness: Speed of responsiveness to customer service requests.
- Assurance: That is a guarantee of the certainty of implementation.
- Empathy: To empathize with the various difficulties faced by the team.

2) Make the Likert's Scale measurements from 1 to 4 for each attribute. Class divisions are as follows:

- Very Low
- Low
- High
- Very High

3) Distribute the questionnaire to the sample of observations to obtain the value of Performance and Importance of each measured Attribute.

### F. Data Processing Techniques

1) After the results of the questionnaire are obtained, take measurements of product performance and measurement of importance (for each attribute in each observation sample).

2) Calculate the total value for Performance and Importance Then calculate the average: If the values obtained by the sample are below average, they are classified as low. If the values obtained are above average, they are classified as high. Divide into 4 groups based on measurement results, namely:

- Low Performance – Low Importance = low priority category
- Low Performance – High Importance = high priority category
- High Performance – Low Importance = excessive category (to be reduced)
- High Performance - High Importance = retained category

G. For Attributes that Belong to the High Priority Group, Improvements are Made by Increasing Performance According to These Attributes.

## III. RESULTS AND DISCUSSION

### A. Results

The Importance of each of the attributes of customer satisfaction over the implementation of Corporate Social Responsibility can be seen in Table 2 below:

TABLE II. CALCULATION OF PERFORMANCE AND IMPORTANCE OF CUSTOMER SATISFACTION

Num.	Item	Total	
		P	I
A	Tangibles	84,75	83
1	Availability of tools and materials needed	89	89
2	Condition of tools and materials used	84	81
3	Quality of tools and materials used	83	79
4	Suitability of tools and materials used	83	83
B	Reliability	80,5	82
5	The ability of employees to provide services	83	80
6	Accuracy of employees in providing services	78	86
7	Accuracy of employees in providing services	76	80
8	Completeness of employees in providing services	85	82
C	Responsiveness	77,8	86
9	Employee readiness in responding to customer needs	80	79
10	The speed with which employees respond to customer needs	74	90
11	Timeliness of employees in providing services	83	90
12	Employee agility in responding to customer needs	74	83
D	Assurance	87,3	87
13	Certainty employees in helping customer needs	87	86
14	Employee completeness in helping customer needs	89	90
15	Continuity of services provided	87	87
16	Concern for the obstacles faced by customers	86	86
E	Empathy	86,3	86
17	Attention in providing services	86	86
18	Seriousness in providing assistance	87	86
19	Sincerity in providing services	86	86
20	Patience in providing services	86	86

While the Cartesian graph of the treatment strategy grouping of these activities can be seen in Figure 2 below:

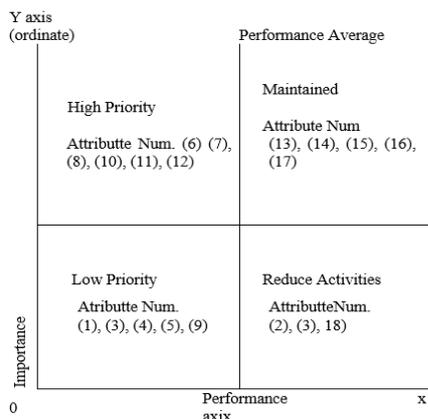


Fig. 2. Diagram of treatment strategy grouping based on performance and importance level.

**B. Discussion**

From the results of the study, it can be seen the distribution of quadrants of each variables as follows:

1) *Quadrant I: Low Performance, High Importance, with Managerial Implications: High Priority*

- Reliability (Num. 5,6,7), Responsiveness (Num. 10, 11, 12)

The performance of UPBJJ-UT Kupang in terms of responsiveness and reliability is still below customer expectations. Response speed, timeliness of implementation, and completeness according to the schedule compiled by UPBJJ are still not optimal. The UPBJJ team was not quite right in implementing it according to the schedule that had been set before, the existence of various other activities carried out, helped slow down this process. Looking ahead, improvements must be made by placing the customer as a party that must be served.

2) *Quadrant II: High Performance, Low Importance, with Excessive Managerial implications.*

- Tangibles (Num. 1, 3) and Responsiveness (Num. 10, 11, 12).

The physical evidence of the procurement of sewing equipment and materials provided, shows that UPBJJ-UT Kupang meets customer needs. The higher value of performance of physical evidence compared to the level of importance, makes the activity of the use of resources for the existence of physical evidence to be demoted and transferred to other activities. This is to be able to avoid waste.

3) *Quadrant III: High Performance, High Importance, with implications to be maintained.*

- Assurance (Num. 13, 14, 15, 16)

Confidence from customers that UPBJJ-UT Kupang will fulfill everything planned departs from past implementation data. Even though it is not fast in responding, it is not timely but all the equipment needs and materials, implementation of materials, and training targets can be implemented well. So that performance remains high. While the importance of this guarantee is also high in the eyes of the customer, to ensure that the target can be implemented.

- Empathy (Num. 17, 18, 19, 20)

UPBJJ-UT Kupang employees in the eyes of customer have high Performance. Changes in schedule, additional time duration during training, willingness to accompany trainees until they can understand and follow the explanation given, are things that are memorable for customers and have high performance. Society also gives value at the level of importance empathy. For the community, things like care and attention are important. This is considered as a form of closeness, family sense of belonging, so that customers feel as close people and part of the college.

4) *Quadrant IV: Low Priority, with Managerial Implications doing nothing*

- Tangibles (Num. 4), Reliability (Num. 5, 8)

At this quadrant, the Performance and Importance of the attributes assessed are equally low. Not a priority, because there is no need to add performance because the level of importance is also not too high.

#### IV. CONCLUSIONS AND SUGGESTIONS

##### A. Conclusions

- Service improvement needs to be done on the attributes of responsiveness and reliability, in terms of speed of response, timeliness of service according to the targets that have been set
- The transfer of resources expended to other activities needs to be done on the Tangibles attribute, to reduce waste. Attributes that are already good and need to be maintained are assurance and empathy attributes.

##### B. Suggestions

This Matrix of Performance and Importance Analysis can be carried out at other institutions or other fields that require evaluation of performance implementation to be compared with the level of importance.

#### REFERENCES

- [1] O.C. Ferrel, G.A. Hirt, and L. Ferrel, Business: A Changing World 8thEdition. United States. Mc. Graw Hilland Irwin. 2011.
- [2] C.A. Cole, Management Theory and Practice, 6thEdition. United States: Thomson Learning. 2004.
- [3] Z. Parasuraman and Bitner. Delivering Quality Service. Mc. Graw Hill. 1991.
- [4] J. Martilla and J. James, "Importance Performance Analysis". Journal of Marketing, 41 (1), 77-79. 1977.