

## ORGANIZATIONAL EVALUATION WITH THE ORGANIZATIONAL EFFECTIVENESS CHECKLIST (OEC) APPROACH

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### ABSTRACT

*Along with the growth rate of laying hen farms in Indonesia, SME'S X, which is a laying hen breeder, has been doing business in this field for a long time and wants to expand. The expansion is carried out to add new customers, because the growth in the number of customers is less significant than the amount of production. In addition, SME'S X often gets error reports from both production and sales. To expand, SME'S X needs to improve the company's internal conditions first. Currently SME'S X is carrying out repairs, but the improvements or developments that have been made have little impact, because the owner does not have clear priorities and standards to use. This study aims to evaluate the organizational effectiveness of SME'S X. See how far SME'S X has been effective or not in managing the organization and provide recommendations for improvements to the indicators in each criterion that need to be improved. To evaluate the effectiveness of a company using the Organizational Effectiveness Checklist (OEC), there are stages in determining indicators, identifying priorities and determining performance standards. Identification of the assessment of each indicator is carried out by means of interviews with experts and weighting is carried out which is processed using AHP to determine the priority of selected indicators that must be considered first. The results of the overall evaluation calculation, the effectiveness value of SME'S X is 3.546. That SME'S X is in a safe condition but needs to improve three criteria, namely growth, stability, and information management in increasing the effectiveness of the company.*

**Keywords:** Analytic Hierarchy Process (AHP), Organizational Effectiveness Evaluation, Organizational Effectiveness Checklist (OEC), Laying Hen Farming

### ABSTRAK

*Seiring dengan pesatnya pertumbuhan peternakan ayam petelur di Indonesia, UKM X yang merupakan peternak ayam petelur sudah lama menekuni bidang ini dan ingin melebarkan sayap. Ekspansi dilakukan untuk menambah pelanggan baru, karena pertumbuhan jumlah pelanggan tidak kalah signifikan dari jumlah produksi. Selain itu, SME's X sering mendapatkan error report baik dari produksi maupun penjualan. Untuk melakukan ekspansi, SME'S X perlu memperbaiki kondisi internal perusahaan terlebih dahulu. Saat ini SME'S X sedang melakukan perbaikan, namun perbaikan atau pengembangan yang dilakukan berdampak kecil, karena pemilik tidak memiliki prioritas dan standar yang jelas untuk digunakan. Penelitian ini bertujuan untuk mengevaluasi efektivitas organisasi UKM X. Melihat sejauh mana UKM X sudah efektif atau belum dalam mengelola organisasi dan memberikan rekomendasi perbaikan terhadap indikator di setiap kriteria yang perlu diperbaiki. Untuk mengevaluasi efektivitas suatu perusahaan menggunakan Organizational Effectiveness Checklist (OEC), terdapat tahapan dalam menentukan indikator, mengidentifikasi prioritas dan menentukan standar kinerja. Identifikasi penilaian setiap indikator dilakukan dengan cara wawancara dengan pakar dan dilakukan pembobotan yang*

*diolah menggunakan AHP untuk menentukan prioritas indikator terpilih yang harus diperhatikan terlebih dahulu. Hasil perhitungan evaluasi keseluruhan, nilai efektivitas UKM X adalah 3,546. Bahwa UKM X dalam kondisi aman namun perlu meningkatkan tiga kriteria yaitu pertumbuhan, stabilitas, dan manajemen informasi dalam meningkatkan efektivitas perusahaan.*

**Kata kunci:** *Analytic Hierarchy Process (AHP), Evaluasi Efektivitas Organisasi, Organizational Effectiveness Checklist (OEC), Peternakan Ayam Petelur*

## INTRODUCTION

The livestock industry in Indonesia has an important role for the national economy. BPS data (2017) shows that the GDP of this industry has reached IDR 142,460 billion in 2016. Livestock has a positive growth rate in Indonesia reaching 4.7% per year from 2010 to 2016. According to the Indonesian Feed Producers Association (APPI/GPMT), Livestock contributes 65% to the supply of animal protein in Indonesia. In addition, the livestock industry creates jobs for 12 million people in Indonesia (USDA Foreign Agricultural Service, 2017).

Most of Indonesia's livestock industry is dominated by smallholder farms or more emphasis on the form of MSMEs. Micro, Small and Medium Enterprises (MSMEs) are a small-scale business category that are believed to be able to make a significant contribution to the Indonesian economy. Apart from playing a role in economic growth, MSMEs also play a role in absorbing labor and distributing development results. When the monetary crisis hit Indonesia in 1998 and 2008, 96 percent of MSMEs were relatively able to survive compared to large companies, this was because the majority of MSMEs were not too dependent on large capital or outside loans in foreign currency.

In this study the authors took a case study of SME'S X in one of the Lampung provinces with high industrial opportunities. This business has been established since 1996 which is located in Lampung Province, precisely in North Lampung district. Until now, SME'S X has focused on poultry farming, namely laying hens. SME'S X is a chicken farming company that produces chicken eggs as the main source of income.

From 2016 to 2017 the increase in revenue from new customers was only 6.2%. While customer retention is 80% of the total customer. The number of SME'S X customers is less significant than the total production level. This will get worse if production is at the point of overproduction. If there is overproduction, of course a lot of chicken eggs will be stored in warehouses if there are no purchases. Chicken eggs cannot be stored in the warehouse for a long time, because they damage the quality of the eggs. SME'S X must be able to sell chicken eggs so that the quality of the chicken eggs is still in good condition.

To deal with this, currently SME'S X wants to expand the company. One of the efforts to become a big and strong company is through business expansion or expansion. Company expansion can be done by internal expansion or external expansion.

In 2017 there were more than 10 discrepancies in work reports. Work reports made include the number of broken chicken eggs, the death of laying hens, sales, and finances. This was only discovered after it had happened for a long time, maybe some had not even been organized. To expand, SME'S X is making improvements to the company's internal and external processes. Improvement only comes from the judgment of the owner without any standards. The improvements that SME'S X has made so far do not have clear parameters, so it is not known how far the improvements are in line with the company's strategy. This minimizes the company making improvements but the impact is inappropriate and has a negative impact.

Laying hen farming companies must have a competitive advantage to be able to seize large market opportunities and be able to compete with competitors. Yunus (1997) shows that MSMEs have very complex problems, which include among others: the fields of policy, development and business services (business support) business financing, infrastructure, coordination of MSME programs in the regions and regional national cooperation. The lack of knowledge about the importance of company management will affect the mindset and effectiveness of the company, so that MSMEs manage their business in a simple way that is not supported by good management.

According to Barney & Wright (1997), human resource management (HRM) has an important role in supporting organizational performance in the midst of intense competition. Companies can no longer rule out the role of human resource management in running their business. With rapidly changing economic conditions, characterized by increasing competition, market deregulation, and globalization, and farm sizes increasing with more employees being hired, HRM has indirectly become a tool for livestock companies to become more effective and competitive (Hadley et al. al., 2002; Tauer & Mishra, 2003). Stoner (1982) emphasizes the importance of organizational effectiveness in achieving organizational goals and effectiveness is the key to the success of an organization.

Organizational effectiveness can be known by means of a measurement or evaluation. Evaluation within the scope of the organization refers to the process of benchmarking, assessment, auditing, research, and reviewing the factors that exist in the organization, while evaluation is provided mainly to refer to the assessment of effectiveness (Martz, 2008).

This research is important to do to help medium-sized local laying hen farms to have a competitive advantage with effective organizational management, especially for SME'S X in Lampung Province. SME'S X needs to evaluate the effectiveness of the current organization to find out the main priorities for improvement in conditions that are not good. So that the research conducted by the author this time will focus on evaluating the level of organizational effectiveness of SME'S X by using the Organization Effectiveness Checklist approach to determine measurements, priorities, and standards that are used as evaluation and improvement materials so that SME'S X can run effectively.

## RESEARCH METHODS

### *Organizational Effectiveness Checklist (OEC)*

*Organizational Effectiveness Checklist*(OEC) is a method for evaluating organizational effectiveness. OEC outlines a systematic process for assessing organizational effectiveness and finding existing deficiencies to evaluate organizational effectiveness. Evaluation within the scope of the organization refers to the process of benchmarking, assessing, auditing, research, and reviewing the factors that exist in the organization, while evaluation is provided primarily to refer to performance appraisal (Martz, 2008).

The OEC method of performance appraisal considers all aspects of the organization as a whole. OEC is based in an open, rational systems perspective and assumes that organizations are purposely structured to fulfill specific goals. OEC has performance appraisal criteria that can apply across the organization.

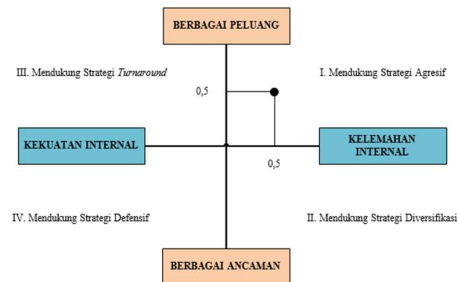
OEC has an iterative checklist with twenty nine checkpoints grouped into six general evaluation steps. The OEC checklist has 12 general criteria, namely efficiency, productivity, stability, innovation, growth, evaluative, fiscal health, output quality, information management, conflict and cohesion, and minimization of intra and extra organizational harm.

### **SWOT Analysis**

The overall evaluation of the company's strengths, weaknesses, opportunities and threats is called a SWOT analysis. SWOT analysis (strengths, weaknesses, opportunities, threats) is a way to observe the external and internal marketing environment (Kotler,

2009:51).

According to Ferrell and Harline (2005), the function of SWOT analysis is to obtain information from situation analysis and separate it into internal issues (strengths and weaknesses) and external issues (opportunities and threats). The following is an overview of the SWOT quadrant positions faced by an organization and its strategy:



Picture.1 Quadrant Map in SWOT

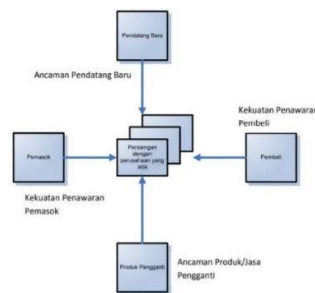
Explanation of figure 1 :

- Quadrant 1: This is a very favorable situation.
- Quadrant 2: Despite facing various threats, this company still has internal strength.
- Quadrant 3: The company faces huge market opportunities but on the other hand, it faces some internal constraints/weaknesses.
- Quadrant 4: This is a very unfavorable situation, the company is facing various internal threats and weaknesses.

### Porter's Five Forces Model Analysis

Porter's Five Forces Model is a widely used approach for developing strategy in many industries (David, 2011, p. 74). According to Porter (2008: 3) the definition of Porter's Five Forces analysis aims to identify whether a product has a profitable potential where profits are not only taken from good conditions but also from weak conditions.

This tool can be used to identify whether a new product, service or a business can generate a profit for the company. Porter's Five Forces Model consists of:



Picture.2 Porter's Five Forces Model

Source: Porter (2008)

- a. Threat of Substitute Products or Services (Threat of Substitute Product and Service)
- b. *Bargaining Power of Suppliers*(Supplier)
- c. *Bargaining Power of Buyers*
- d. *Threat of Substitute Product*
- e. *Competitive Rivalry Within the Industry*

### **Analytic Hierarchy Process (AHP)**

According to Saaty (2008), the Analytic Hierarchy Process (AHP) method is a theory of measurement through pairwise comparisons and relies on expert judgment to lower priority scales. AHP is used to reduce the ratio scale of several discrete and continuous pairwise comparisons (saaty, 2001).

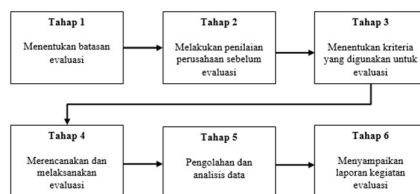
The Analytical Hierarchy Process is a structured and systematic procedure used to decompose complex multi-factor or multi-criteria problems into a hierarchy from the highest level to the lowest level (saaty, 1980).

There are several stages in data processing and conducting the Analytical Hierarchy Process, namely:

- a. Defining the problem and determining the solution
- b. Create a hierarchical structure
- c. Priority assessment of criteria and alternative elements (paired comparison)
- d. Create a pairwise comparison matrix
- e. Create a pairwise comparison matrix

### **Research design**

The research model used by the authors is based on research conducted by Martz (2008). Martz (2008) conducted research on how to evaluate organizational effectiveness with the Organizational Effectiveness Checklist (OEC).



Picture.3Six stages of OEC

This research is a type of exploratory research, where the type of design is determined to gain an understanding of the problem situation encountered when conducting research. The design of this study applies six stages of OEC which are adapted to the research.

### **Stage of Establishing Evaluation Limits**

Boundary that is done is to focus and identify research potential, organizational areas and the part involved (participant). The research potential discussed in this study is to pay attention to whether SME'S X has been effective in managing organizational effectiveness, by identifying indicators, setting priorities, setting standards in evaluating organizational

effectiveness.

Direct interviews were conducted aimed at the middle to top level management of SME'S X considering the company's existing conditions. . The purposive sampling method is to select and determine experts who are considered to have mastered the field being studied. The overall experts are at middle and upper level management.

#### **Determination of Experts as Respondents Verification and Weighting of AH**

The determination of experts as respondents to the questionnaire was determined based on the position, work experience and activeness of the respondents in related research fields.

Filling in the verification questionnaire was carried out in an FGD (Focus Group Discussion) between experts and writers. The FGD was carried out by discussing each appropriate criterion and indicator to evaluate the effectiveness of MSMEs X. As for filling in the indicator weighting questionnaire using AHP, separate interviews were conducted. Interviews were conducted directly with experts.

Table.1Expert Respondent Data

No.	Nama Ahli	Jabatan	Lama Bekerja
1.	Ahli 1	Direktur Utama ( <i>Owner</i> ) UMKM X	22 tahun
2.	Ahli 2	Kepala Operasional Unit Kandang UMKM X	19 tahun
3.	Ahli 3	Supervisor Manajemen PT Japfa Comfeed Indonesia Tbk	5 tahun

#### **Determination of Experts as Performance Standard and Matrix Respondents**

Determination of experts as identification of performance standards on selected indicators must come from external companies (Martz, 2008). The criteria in determining the respondents, namely that they must really be experts, understand, and understand the field of poultry farming, specifically laying hens. So that the experts who will be the respondents are the Chairperson of the Indonesian People's Poultry Association (PINSAR Indonesia) and one PINSAR general staff in the Lampung Province section.

#### **Perform Company Assessment**

To find out the company's potential from an internal point of view using a SWOT analysis (Strength, Weakness, Opportunity, Threat). This is to consider the structure of the organization's strengths and weaknesses, available opportunities, and constraints that limit or threaten the survival of the organization or maximize the existing potential.

In addition to external conditions using Porter's Five Forces Model in the laying hen sector. To carry out these two analyzes, observations, surveys and direct interviews were carried out at the company.

#### **Stage of Determining Criteria**

Determination of criteria using the OEC approach. Starting from the third stage, interviews were conducted using a questionnaire. During filling out the questionnaire, the author accompanied the respondents so that when there were things that were not understood, they could be explained or discussed together, so that valid data could be obtained.

##### **a. Criteria Identification**

Indicators regarding the evaluation of the effectiveness of laying hen companies do not yet exist, so the authors adopted the OEC indicators derived from previous studies to be verified later. OEC indicators have 12 criteria and 84 indicators. Verification is carried out by interviewing experts to select criteria and indicators that are suitable for SME'S X.

##### **b. Criteria Weighting**

AHP weights the indicators for each of the selected Organization Effectiveness Checklist criteria. The method applied at this stage is to arrange a hierarchy and design an AHP questionnaire.

The AHP method was chosen because it has a unique rating scale, namely 1 to 9 which can solve both measurable (*quantitative*) and judgmental problems. In addition, the AHP method can help determine priority indicators to identify the most important criteria that must be considered in evaluating organizational effectiveness.

**c. Determination of Performance Standards**

Job performance standards make explicit the quantity and/or quality of performance expected in the basic tasks specified in the job description.

**d. Creating an Effectiveness Matrix Scale for Each Criterion**

The matrix is used to determine the level or scale 1-5. Matrix determination is divided into two categories, namely absolute and relative. Where absolute is only used for one indicator and relative can be used for several indicators.

**Planning and Implementing Evaluation Stage**

The data used in this study consisted of primary data and secondary data. Primary data is data created by researchers specifically to solve the research problem being handled. While secondary data is data collected to solve the problems encountered (Malhotra, 2009).

The primary data used in this study were obtained through direct interviews and FGDs with experts in SME'S X, middle to top management, and practitioners who are experts in the field of laying hens. Secondary data used in this research are vision and mission, organizational structure, business processes, work procedures and management systems. The secondary data used in this study is data from SME'S X.

**Processing and Data Analysis Stage**

Using the assumption of a scale of 1-5 and creating an organizational performance profile table that contains organizational performance based on the results of the assessment. After determining the rater for each measurement indicator, the average value for each criterion is carried out. This stage is carried out for each indicator in each criterion until all have a value.

The next stage is to evaluate the overall effectiveness of the organization. So as to define and implement actions on each indicator in each criterion to improve overall organizational effectiveness.

**Stage of Submitting Evaluation Activity Reports**

The sixth stage is submitting evaluation activity reports by drawing conclusions and suggestions based on a series of research stages that have been carried out. The conclusion from the research results is the results of the analysis of the evaluation of organizational effectiveness in SME'S X and the formulation of appropriate improvement strategies accompanied by suggestions





## RESULTS AND DISCUSSION

### Resource

Resources are divided into two parts, namely, human resources and physical resources. Human resources describe the employees involved in SME'S X, while physical resources are the assets of SME'S X which are used in the production of chicken eggs.

#### a. Human Resources

For employees The number of employees in SME'S X is currently 98 people, consisting of administration, production, packaging, distribution, sales, supervision, building, and technicians. The process of recruiting employees in SMEs for unskilled workers is not that difficult, only by fulfilling the requirements, namely wanting to work well according to the job that has been determined and having tenacious, disciplined, honest and responsible characteristics. For the middle to top management section, seek high school and bachelor degree graduates, according to the department of work

#### b. Physical resources

Each cage has about 5,000 laying hens, bringing the current total to around 190,000 laying hens in total.

Table.2Capacity of laying hens in UMKM X

Farm	Jumlah Kandang	Jumlah ayam petelur/ekor
Farm 1	9 kandang	± 45.000
Farm 2	19 kandang	± 95.000
Farm 3	10 kandang	± 50.000
	Total	± 190.000

## SWOT Analysis and Porter's Five Forces

### SWOT analysis

The preparation of the SWOT will be carried out by the author by taking into account the existing facts related to SME'S X which are obtained from survey literature, observations, and also interviews with related parties and experts.

Table.3Internal SWOT Analysis

STRENGTH	WEAKNESS
Hubungan dengan mitra yang baik	Keterampilan karyawan yang kurang mumpuni
Letak peternakan yang strategis	Belum ada standar penanganan ternak yang baku
Ketersediaan sumber daya air di sekitar kandang	Pekerja kurang memahami teknologi
Pengalaman usaha yang cukup lama	Sumber daya manusia tidak dikelola dengan baik
Ketersediaan modal mandiri yang cukup kuat	Hubungan dengan pekerja berdasarkan kekeluargaan
Kualitas produk telur ayam yang baik	Minim aktivitas pemasaran
Luas lahan peternakan yang besar	Sistem administrasi yang belum tertata rapi
Penggunaan kandang baterai yang modern	
Kapasitas produksi yang besar	

SME'S X currently has good output in terms of land and chicken battery cages, as well as egg quality. This can be used as the strength of SME'S X to be able to compete with other competitors.

Table.4SWOT External Analysis

OPPORTUNITY	THREAT
Lahan peternakan yang masih cukup luas untuk meningkatkan produksi	Persaingan produsen provinsi yang cukup ketat
Dukungan dari masyarakat setempat	Penyakit unggas yang dapat memungkinkan kematian ayam petelur
Biaya tenaga kerja yang tidak tergolong tinggi	Ketergantungan terhadap mitra pemasok pakan ternak
Meningkatkan permintaan telur ayam di masyarakat	Fluktuasi harga telur ayam dipasar
Belum adanya pesaing besar dalam satu kota	Perubahan iklim dan cuaca yang tidak menentu
Tersedianya bibit ternak di daerah setempat	Dukungan pemerintah terhadap budidaya perikanan sebagai sumber protein utama
Jaminan distribusi oleh mitra yang sudah lama	Harga dasar sarana yang semakin mahal
Perkembangan teknologi ternak yang memungkinkan efisiensi produksi	
Keterbukaan informasi pasar khususnya dari asosiasi	

The possibility of government support for aquaculture as the main protein will affect selling and buying prices. Currently, SME'S X is still very dependent on animal feed supply partners, this is something that cannot be controlled by the company.

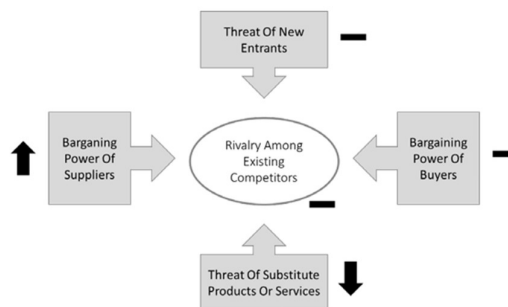
### PORTER'S Five Forces Analysis

Porter (1994) states that competition is at the heart of the success or failure of a company. The ultimate goal of competitive strategy is to tackle the idea and ideally change the rules in the company's favour.

#### a. Threats Between New Competitors

It will not be easy for new competitors to compete because setting up this business requires a large amount of capital, consisting of costs for making cages, land, production equipment, etc. In addition, a strong network and relationship with animal feed supply partners is needed to obtain low prices and ensure continuity of supply.

The threat of industrial integration by large suppliers, it is not impossible for suppliers who initially only produce feed to expand and start a laying farm business.



Picture.4Porter's Analysis of the Five Forces of UMKM X

#### b. Threat of Substitute Products

The closest commodity is marine products, but marine products have different characteristics and consumption patterns in society. So the need for chicken eggs cannot be completely replaced by the cultivation of marine products.

#### **c. Bargaining Power of Suppliers**

So far, dependence on egg feed suppliers can be minimized. Suppliers of livestock seeds and vaccines also depend on large suppliers because they are related to the continuity of supply. It is rare that there are local suppliers who can continuously supply large quantities of seeds and vaccines. It is feared that suppliers can easily determine prices.

#### **d. Bargaining Power of Buyers**

Buyers will have a high bargaining position if there is more than one breeder in their area. In this case study, the buyer does not have a strong enough bargaining position because there is only one farmer in the city. However, if there are competitors or breeders from Palembang or Jakarta who have oversupply in their areas, buyers will be free to choose chicken eggs at lower prices.

The bargaining power of suppliers can be said to be high, because MSMEs X still depend on suppliers, especially for main production goods such as DOC chicken, animal feed, vaccines, etc. Bargaining power of buyers and competitive rivalry among industries in SME'S X can be said to be moderate. This is because when conditions for stable purchases are high, if there are competitors or breeders from Palembang or Jakarta who have oversupply in their areas, buyers will be free to choose chicken eggs at lower prices. The threat of new entrants is said to be moderate because to start this business one must have quite large capital but it does not rule out the possibility if a supplier who only sells production components opens the same business.

### **Stage of Determination of Criteria and Indicators**

Beginning with interviews with experts to verify the OEC criteria and indicators that are in accordance with SME'S X, followed by weighting per criterion and indicator, and determining performance standards and matrices.

### **Verification of Criteria and Indicators**

#### **a. Design of Criteria and Indicator Verification Questionnaire**

OEC has 12 criteria and 84 indicators that have properties that can be used for all types of companies, this requires verification. The purpose of carrying out the verification is to adjust the indicators that must be owned in the implementation of the evaluation of organizational effectiveness. Selection of criteria and indicators determined by experts based on the conditions and business processes of the company. As a result of the verification of criteria and indicators, there will be indicators that are replaced, removed or added.

#### **b. Verification Results**

Based on the data processing stage, the results of the criteria and indicators that match the SME'S X business are 9 criteria and 41 indicators from previously there were 12 criteria and 84 indicators. Of the 12 criteria which were then verified and resulted in 8 suitable criteria, 1 changed and added criteria, and 3 inappropriate criteria. The 8 matching criteria are efficiency, productivity, stability, growth, finance, quality results, information management, internal conflict. The criteria that are changed and added to the evaluation of effectiveness are extra organizational which are changed to a social environment. The 3 criteria that do not fit are intra-organizational, innovative, and evaluative.

On the efficiency/efficiency criteria, which initially had 6 indicators and was then

verified and resulted in 5 indicators being appropriate and 1 indicator changed. The changed indicator is profit per square foot to profit per cage.

In terms of productivity/productivity criteria, initially there were 6 indicators which were then verified and produced 3 indicators that were not suitable and 3 indicators that were suitable.

In terms of stability/stability criteria, initially there were 6 indicators which were then verified and resulted in 1 indicator that was inappropriate and deleted. So that the verification results on the stability criteria have 5 indicators that are in accordance with the X SME'S business.

In the growth criteria, initially there were 7 indicators which were then verified and resulted in 3 indicators that were inappropriate and deleted.

In terms of financial/financial criteria, initially there were 7 indicators which were then verified and resulted in 5 indicators that were inappropriate and deleted. So that the results of the verification on financial criteria have 2 indicators that are in accordance with MSME X business.

In the criteria for quality results/output quality, initially there were 7 indicators which were then verified and produced 2 indicators that were inappropriate and deleted.

Table.5 Results of indicator verification on UMKM X

No.	Indikator
<b>Kriteria Efisiensi / Efficiency (Ef)</b>	
1	Pendapatan per hari (5.000 ekor ayam)
2	Keuntungan per hari (5.000 ekor ayam)
3	Keuntungan per hari (5.000 ekor ayam) - per karyawan
4	Biaya yang dikeluarkan untuk distribusi ke pelanggan
5	Biaya per 1 kg telur (cost per output)
6	Farm Utilization rate (pemanfaatan kandang)
<b>Kriteria Produktivitas / Productivity (Pd)</b>	
7	Volume unit penjualan per hari (per kandang)
8	Volume unit produksi telur per hari (per kandang)
9	Jumlah pelanggan dilayani per hari
<b>Kriteria Stabilitas / Stability (St)</b>	
10	Perencanaan dan penetapan tujuan
11	Off produksi setiap satu periode
12	Tingkat rotasi pekerjaan
13	Penyelarasan strategi, misi, visi
14	Kepatuhan dengan prosedur yang ditetapkan
<b>Kriteria Pertumbuhan / Growth (Gr)</b>	
15	Tingkat pertumbuhan pendapatan per tahun
16	Pertumbuhan keuntungan per tahun
17	Pertumbuhan pendapatan per pelanggan baru
18	Perubahan tenaga kerja (per tahun)
19	Pertumbuhan aset per tahun
<b>Kriteria Finansial / Financial (Fn)</b>	
20	Rasio biaya produksi
21	Rasio profitabilitas ( <i>net profit margin</i> )
<b>Kriteria Kualitas Hasil / Output Quality (OQ)</b>	
22	Survei kepuasan pelanggan
23	Tingkat retensi pelanggan (customer existing)
24	Quality control terhadap kualitas telur
25	Kesalahan layanan ( <i>No. of service error</i> )
26	Delivery time
<b>Kriteria Manajemen Informasi / Information Management (IM)</b>	
27	Integritas informasi
28	Ketepatan waktu informasi
29	Jumlah karyawan rapat tiap bulan (dalam %)
30	Akses ke prosedur, aturan, dan peraturan
<b>Kriteria Konflik Internal / Conflict-cohesion (CC)</b>	
31	Hubungan kerja antar karyawan
32	Employee turnover (perputaran karyawan)
33	Ketidakhadiran (rata-rata per karyawan per tahun)
34	Ketidaksopanan dalam bekerja
35	Tanggung Jawab
36	Kekerasan konflik antar karyawan
37	Kecelakaan kerja karyawan
<b>Kriteria Lingkungan Sosial / Social Environment (SE)</b>	
38	Pengendalian dan pemantauan dampak lingkungan
39	Philanthropic activities (donasi)
40	Proporsi Karyawan lokal terhadap seluruh karyawan
41	Tingkat Pendidikan Mayoritas Karyawan

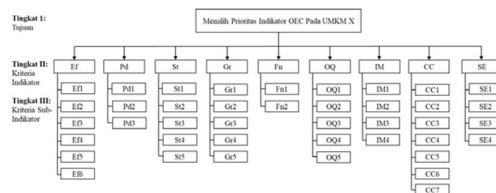
In the information management criteria, initially there were 7 indicators which were then verified and produced 3 indicators that were inappropriate and deleted. On the criteria of internal conflict/conflict-cohesion, initially there were 7 indicators which were then verified and produced 4 indicators that were in accordance with the X SME'S business.

The results of the transfer and formation of new indicators on the social environment criteria are 4 indicators that are in accordance with MSME X business.

## Analytical Hierarchy Process

### a. Analytical Hierarchy Process Questionnaire Design

The AHP method was adopted in this study to give weight to each criterion and indicator, making it easier for SME'S X to prioritize the choice of indicators to identify the most important elements that must be considered in evaluating organizational effectiveness. The AHP questionnaire is based on a hierarchy which is grouped into 3 different levels. The 3 levels of the hierarchy are; the first is the purpose of solving the problem, the second level is the criteria used as the choice and the third level is the indicator. Figure 5 is a hierarchical arrangement.



Picture.5 Decision Hierarchy

The results of the previous verification were 41 indicators grouped into 9 criteria. The 9 criteria are efficiency, productivity, stability,

Table.6 Description of the AHP Decision Hierarchy

No.	Indikator	Kode
<b>Kriteria Efisiensi / Efficiency (Ef)</b>		
1	Pendapatan per hari (5.000 ekor ayam)	Ef1
2	Keuntungan per hari (5.000 ekor ayam)	Ef2
3	Keuntungan per hari (5.000 ekor ayam) - per karyawan	Ef3
4	Biaya yang dikeluarkan untuk distribusi ke pelanggan	Ef4
5	Biaya per 1 kg telur (cost per output)	Ef5
6	Farm Utilization rate (pemanfaatan kandang)	Ef6
<b>Kriteria Produktivitas / Productivity (Pd)</b>		
7	Volume unit penjualan per hari (per kandang)	Pd1
8	Volume unit produksi telur per hari (per kandang)	Pd2
9	Jumlah pelanggan dilayani per hari	Pd3
<b>Kriteria Stabilitas / Stability (St)</b>		
10	Perencanaan dan penetapan tujuan	St1
11	Off produksi setiap satu periode	St2
12	Tingkat rotasi pekerjaan	St3
13	Penyelarasan strategi, misi, visi	St4
14	Kepatuhan dengan prosedur yang ditetapkan	St5
<b>Kriteria Pertumbuhan / Growth (Gr)</b>		
15	Tingkat pertumbuhan pendapatan per tahun	Gr1
16	Pertumbuhan keuntungan per tahun	Gr2
17	Pertumbuhan pendapatan per pelanggan baru	Gr3
18	Perubahan tenaga kerja (per tahun)	Gr4
19	Pertumbuhan aset per tahun	Gr5
<b>Kriteria Finansial / Financial (Fu)</b>		
20	Rasio profitabilitas (net profit margin)	Fu1
21	Rasio biaya produksi	Fu2
<b>Kriteria Kualitas Hasil / Output Quality (OQ)</b>		
22	Survei kepuasan pelanggan	OQ1
23	Tingkat retensi pelanggan (customer existing)	OQ2
24	Quality control terhadap kualitas telur	OQ3
25	Kesalahan layanan (No. of service error)	OQ4
26	Delivery time	OQ5
<b>Kriteria Manajemen Informasi / Information Management (IM)</b>		
27	Integritas informasi	IM1
28	Ketepatan waktu informasi	IM2

Kriteria Konflik Internal / Conflict-cohesion (CC)	
31 Hubungan kerja antar karyawan	CC1
32 <i>Employee turnover</i> (perputaran karyawan)	CC2
33 Ketidakhadiran (rata-rata per karyawan per tahun)	CC3
34 Ketidaksiapan dalam bekerja	CC4
35 Tanggung Jawab	CC5
36 Kekerasan konflik antar karyawan	CC6
37 Kecelakaan kerja karyawan	CC7
Kriteria Lingkungan Sosial / Social Environment (SE)	
38 Pengendalian dan pemantauan dampak lingkungan	SE1
39 <i>Philanthropic activities</i> (donasi)	SE2
40 Proporsi Karyawan lokal terhadap seluruh karyawan	SE3
41 Tingkat Pendidikan Mayoritas Karyawan	SE4

Growth (growth), financial, quality results (output quality), information management, internal conflict and social environment.

The preparation of the questionnaire in this study consisted of five parts, including:

1. Introduction, this section contains self-introduction from the researcher and an explanation of the research conducted.
2. Respondent profile, this section contains the respondent's profile consisting of name, occupation, position, and length of service.
3. An explanation of the AHP decision hierarchy structure used in this study.
4. This section contains instructions for filling out the AHP questionnaire which contains pairs comparison tables between criteria and indicators as well as examples of filling out the questionnaire.
5. List of paired comparison tables that can be used by respondents in filling out the questionnaire.

## b. Weighting Criteria and Indicators

The weighting results obtained from interviews with each expert are input into the Expert Choice software. First create a new model and enter the goal (level I hierarchy). Create a hierarchical arrangement, enter the second and third level hierarchies by right-clicking on the node, selecting insert child of current node on the criteria to which the indicator will be added (level III hierarchy).

Input all weighting results from 3 experts by increasing the number of participants. The way to increase the number of participants is by adding the participant table in the Go and Add N Participant menus. After the weighting results of all experts are inputted, the combined weight calculation of the three experts is performed. Click the Assessment menu on the Tool Bar above then select Combine Participants Judgment, then select Entire Hierarchy and then select Judgment Only.

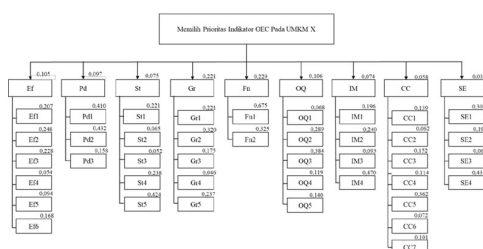
Table.7The results of the weight recap of the experts

Rekap Bobot Kriteria AHP		Ahl 1		Ahl 2		Ahl 3	
Kriteria	Indikator	Bobot Kriteria	Bobot Indikator	Bobot Kriteria	Bobot Indikator	Bobot Kriteria	Bobot Indikator
Efisiensi	Pendapatan per hari (5.000 ekor ayam)	0,124	0,23	0,1	0,025	0,083	0,016
	Konsumsi per hari (5.000 ekor ayam)		0,2		0,035		0,023
	Konsumsi per hari (5.000 ekor ayam) - per karyawan		0,24		0,023		0,019
	Biaya yang dikeluarkan untuk distribusi ke pelanggan		0,009		0,003		0,005
	Biaya per 1 kg telur (cost per output)		0,025		0,004		0,008
Produktivitas	Farm Utilization rate (pemanfaatan kandang)	0,81	0,25	0,095	0,014	0,115	0,013
	Volume unit penjualan per hari (per kandang)		0,39		0,039		0,038
	Volume unit produksi telur per hari (per kandang)		0,33		0,043		0,047
Stabilitas	Jumlah pelanggan dilayani per hari	0,71	0,09	0,072	0,012	0,071	0,03
	Perencanaan dan penetapan tujuan		0,017		0,013		0,014
	Off produksi setiap satu periode		0,013		0,002		0,003
	Tingkat rotasi pakan		0,003		0,005		0,003
	Penyusunan strategi, misi, visi		0,015		0,02		0,014
Growth	Kepuasan dengan prosedur yang ditetapkan	0,206	0,023	0,222	0,029	0,235	0,037
	Tingkat pertumbuhan pendapatan per tahun		0,051		0,051		0,042
	Pertumbuhan keuntungan per tahun		0,054		0,074		0,087
	Pertumbuhan pendapatan per pelanggan baru		0,048		0,028		0,04
	Perubahan tenaga kerja (per tahun)		0,016		0,007		0,01
Output quality	Pertumbuhan aset per tahun	0,096	0,039	0,065	0,045	0,106	0,055
	Kriteria		Bobot Kriteria		Bobot Kriteria		Bobot Kriteria
	Ratio profitabilitas (net profit margin)		0,182		0,241		0,251
	Ratio biaya produksi		0,091		0,181		0,189
	Survey kepuasan pelanggan		0,009		0,06		0,063
Informasi manajemen	Tingkat retensi pelanggan (customer existing)	0,096	0,025	0,129	0,007	0,106	0,035
	Quality control terhadap kualitas telur		0,035		0,054		0,04
	Kesalahan layanan (% of service error)		0,015		0,012		0,011
	Delivery time		0,013		0,022		0,013
	Integrasi informasi		0,016		0,015		0,011
	Ketersediaan sumber informasi	0,022	0,022	0,019	0,019	0,011	0,011

criterion value compared to the values of other criteria.



Picture.6 Priority value per criterion



Picture.7 Indicator hierarchy with weights

The priority of selected indicators is determined from the highest indicator value of each criterion. From the results of the weighting carried out, selected indicators were obtained from each of the nine predetermined criteria. To make it easier to read the weighting results, Figure 4.5 presents a complete hierarchical image with weighting criteria and indicators based on Expert Choice software calculations.

### Comparative Analysis Between Indicators

Based on the data processing stage obtained, on the efficiency/efficiency (Ef) criteria, the Ef2 indicator is the selected indicator with the highest weight of 0.248. Ef2 is profit per day with units of 5,000 chickens.

Pd2 is the volume of egg production units per day. The volume of egg production units per day is determined in units per cage, where the average number of chickens per cage is mostly the same. This means that companies must be able to ensure that employees' working hours are productive working hours, so it's not just how long they work that matters, but with that time what they can produce (do).

On the stability/stability criteria (St), the St5 indicator is the selected indicator with the highest weight of 0.424. St5 is compliance with established procedures.

In the growth criteria (Gr), the Gr2 indicator is the selected indicator with the highest weight of 0.320. Gr2, namely profit growth per year, is the main indicator for maintaining the company's growth.

On financial criteria (Fn), the Fn1 indicator is the selected indicator with the highest weight of 0.675. Fn1, namely the profitability ratio (net profit margin) is the main indicator to support the sustainability of the company in the production process and company operations

On the output quality (OQ) criteria, the OQ3 indicator is the selected indicator with the highest weight of 0.384. OQ3 is quality control of egg quality.

On the information management (IM) criteria, the IM4 indicator is the selected indicator with the highest weight of 0.470. IM4 namely access to procedures, rules and

regulations.

On the internal conflict/conflict-cohesion (CC) criteria, the CC5 indicator is the selected indicator with the highest weight of 0.362. CC5 is the responsibility of being the main indicator. With this responsibility it is also possible to determine the extent to which a company believes in its employees.

Table.8 Experts value inconsistency

Ahli	Nilai <i>Inconsistency</i>	Nilai <i>Inconsistency</i> Keseluruhan
Ahli 1	0,09	0,03
Ahli 2	0,07	
Ahli 3	0,07	

## Identify Performance Standards

The determination of performance standards is determined by the results of a focus group discussion by the Chairman of the Association of Indonesian People's Poultry Personnel (PINSAR Indonesia) and one PINSAR general staff in the Lampung Province section on June 21 2018.

Table.9 The result of determining the performance standard.

No.	Indikator	Performance Standard
<b>Kriteria Efisiensi / Efficiency (Ef)</b>		
1	Pendapatan per jam kerja	Rp 19.000.000
2	Keuntungan per jam kerja	Rp 6.000.000
3	Keuntungan per 5.000 ekor ayam	Rp 3.000.000
4	Biaya yang dikeluarkan untuk distribusi ke pelanggan	Rp 500 karpet
5	Biaya per 1 peti telur ( <i>cost per unit output</i> )	Rp 55.000
6	Farm Utilization rate (pemanfaatan kandang)	95%
<b>Kriteria Produktivitas / Productivity (Pd)</b>		
7	Volume unit penjualan telur 5.000 ekor ayam	7 peti
8	Volume unit produksi telur 5.000 ekor ayam	8 peti
9	Jumlah pelanggan dilayani per hari	15 pelanggan
<b>Kriteria Stabilitas / Stability (St)</b>		
10	Perencanaan dan penetapan tujuan	Planning per minggu
11	Off produksi setiap satu periode	0 off produksi
12	Tingkat rotasi pekerjaan	Setiap satu periode
13	Penyelarasan strategi, misi, visi	Menyampaikan dan memonitor pemahaman karawan
14	Kepatuhan dengan prosedur yang ditetapkan	socialisasi dan terimplementasidengan baik
<b>Kriteria Pertumbuhan / Growth (Gr)</b>		
15	Tingkat pertumbuhan pendapatan per tahun	15%
16	Pertumbuhan keuntungan per tahun	15%
17	Pertumbuhan pendapatan per pelanggan baru	20%
18	Perubahan tenaga kerja	Kenaikan 10%
19	Pertumbuhan aset per tahun	Naik 5%
<b>Kriteria Finansial / Financial (Fa)</b>		
20	Rasio profitabilitas ( <i>profitability ratios</i> )	15%
21	Rasio biaya produksi	80%
<b>Kriteria Kualitas Hasil / Output Quality (OQ)</b>		
22	Survei kepuasan pelanggan	Sekali setiap satu bulan
23	Tingkat retensi pelanggan	100%
24	Quality control terhadap kualitas telur	Setiap hari
25	Kesalahan layanan ( <i>No. of service error</i> )	0% error
26	Delivery time	Di hari yang sama
<b>Kriteria Manajemen Informasi / Information Management (IM)</b>		
27	Integritas informasi	Tidak ada ketidaksesuaian laporan
28	Ketepatan waktu informasi	Laporan disampaikan dihari yang sama di waktu produksi
29	Jumlah karawan ratot tiao minegu	85%
<b>Kriteria Konflik Internal / Conflict-cohesion (CC)</b>		
30	Akses ke prosedur, aturan, dan peraturan	Setiap karyawan harus pahamdan terimplementasi dengan baik
31	Hubungan kerja antar karyawan	Kerjasama seluruh karyawan
32	Employee turnover (perputaran karyawan)	<10%
33	Ketidakhadiran	Tidak ada
34	Ketidaksiapan dalam bekerja	Tidak ada pelanggaran etikakerja
35	Tanggung Jawab	Karyawan paham dan terimplementasi dengan baik
36	Kekerasan konflik	Tidak boleh terjadi konflik antar karyawan sama sekali
37	Kecelakaan kerja karyawan	Tidak ada kecelakaan kerja
<b>Kriteria Lingkungan Sosial / Social Environment (SI)</b>		
38	Pengendalian dan pemantauan dampak lingkungan	Setiap hari
39	Philanthropic activities (donasi)	Setiap ada kegiatan di daerahsekitar (tidak menentu)
40	Karyawan lokal	10%
41	Tingkat Pendidikan	Min lulus SMA



## Matrix Determination

There are two types of assessment, namely absolute is only used for each indicator and relative can be used for several indicators. The rating scale used to evaluate the level of effectiveness of the company is 1-5, where a value of 1 means that the company's condition on this indicator is not good and a value of 5 means that the company's condition on this indicator is in satisfactory condition. The results of determining the matrix scale can be seen in tables 4.10 to 4.

Table.10 Performance Matrix Efficiency Criteria

(1) Efisiensi/Efficiency (Ef)		
1	Pendapatan per hari (5.000 ekor ayam)	Rp19.000.000
	1. <Rp 5.000.000	
	2. Rp 5.000.001-Rp 10.000.000	
	3. Rp 10.000.001-Rp15.000.000	
	4. Rp 15.000.001-Rp 20.000.000	
	5. >Rp 20.000.000	
2	Keuntungan per hari (5.000 ekor ayam)	Rp6.000.000
	1. <Rp 2.000.000	
	2. Rp 2.000.001-Rp 3.000.000	
	3. Rp 3.000.001-Rp 4.000.000	
	4. Rp 4.000.001-Rp 5.000.000	
	5. >Rp 5.000.000	
3	Keuntungan per hari (5.000 ekor ayam) - per karyawan	Rp3.000.000
	1. <Rp 2.000.000	
	2. Rp 2.000.001-Rp 3.000.000	
	3. Rp 3.000.001-Rp 4.000.000	
	4. Rp 4.000.001-Rp 5.000.000	
	5. >Rp 5.000.000	
4	Biaya yang dikeluarkan untuk distribusi ke pelanggan	Rp 500/karpet
	1. >Rp 1.000/karpet	
	2. Rp 401-Rp500/karpet	
	3. Rp 301-Rp 400/karpet	
	4. Rp 201-Rp 300/karpet	
	5. <Rp 200/karpet	
5	Biaya per 1 kg telur (cost per output)	Rp55.000
	1. >Rp 80.000	
	2. Rp 60.000-Rp 80.000	
	3. Rp 40.000-Rp 59.999	
	4. Rp 20.000-Rp 39.999	
	5. <Rp 20.000	
6	Farm Utilization rate (pemanfaatan kandang)	95%
	1. <25%	
	2. 25%-49%	
	3. 50%-74%	
	4. 75%-95%	
	5. >95%	

Table.11 Performance Matrix Productivity Criteria

(2) Produktivitas/Productivity (Pd)		
7	Volume unit penjualan per hari (per kandang)	7 peti
	1. <3 peti	
	2. 3-6 peti	
	3. 7-9 peti	
	4. 10-12 peti	
	5. 13-15 peti	
8	Volume unit produksi telur per hari (per kandang)	8 peti
	1. <3 peti	
	2. 3-6 peti	
	3. 7-9 peti	
	4. 10-12 peti	
	5. 13-15 peti	
9	Jumlah pelanggan dilayani per hari	15 pelanggan
	1. <5	
	2. 6-10	
	3. 11-15	
	4. 16-20	
	5. >20	
(3) Stabilitas/Stability (St)		
10	Perencanaan dan penetapan tujuan	planning per minggu
	1. tidak ada planning	
	2. planning per periode	
	3. planning per bulan	
	4. planning per minggu	
	5. setiap hari ada planning harian	
11	Off produksi setiap satu periode	0 off produksi
	1. setahun lebih dari 3 kali	
	2. setahun 1-2 kali	
	3. sebulan sekali	
	4. seminggu sekali	
	5. tidak pernah	
12	Tingkat rotasi pekerjaan	setiap satu periode
	1. tidak pernah ada rotasi	
	2. tidak menentu	
	3. 5 kali dalam satu periode produksi	
	4. 3 kali dalam satu periode produksi	
	5. 1 kali dalam satu periode produksi	
13	Penyelarasan strategi, misi, visi	menyampaikan dan memonitor pemahaman karyawan
	1. menyampaikan strategi ke karyawan tiap awal tahun	
	2. menyampaikan strategi tiap karyawan baru	
	3. menyampaikan strategi ke karyawan tiap bulan	
	4. menyampaikan ke karyawan tiap bulan	
	5. menyampaikan dan memonitor pemahaman karyawan	
14	Kepatuhan dengan prosedur yang ditetapkan	sosialisasi dan terimplementasi dengan baik
	1. karyawan tidak tahu	
	2. karyawan tahu	
	3. karyawan tahu dan tidak terimplementasi	
	4. karyawan tahu dan belum terimplementasi dengan baik	
	5. karyawan paham dan terimplementasi dengan baik	

(4) Pertumbuhan/Growth (Gr)		
15	Tingkat pertumbuhan pendapatan per tahun	15%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
16	Pertumbuhan keuntungan per tahun	15%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
17	Pertumbuhan pendapatan per pelanggan baru	20%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
18	Perubahan tenaga kerja (per tahun)	10%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
19	Pertumbuhan Aset per tahun	5%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
	5. >20%	

Table.12 Performance Matrix Financial Criteria

(5) Financial/ Finansial (Fn)		
21	Rasio profitabilitas (net profit margin )	15%
	1. <=5%	
	2. 6-10%	
	3. 11-15%	
	4. 16-20%	
20	Rasio biaya produksi	80%
	1. >90%	
	2. 86-90%	
	3. 81-85%	
	4. 76-80%	
	5. <=75%	

Table.13 Performance Matrix Quality Results Criteria

(6) Output quality/ Hasil Kualitas (CC)		
22	Survey Kepuasan pelanggan 1. tidak ada 2. hanya sekali 3. sekali dalam setahun 4. sekali setiap satu periode 5. sekali setiap satu bulan	sekali setiap satu bulan
23	Tingkat retensi pelanggan (customer existing) 1. <25% 2. 25%-49% 3. 50%-74% 4. 75%-95% 5. >95%	100%
24	Quality control terhadap kualitas telur 1. tidak pernah 2. tidak menentu 3. setahun sekali 4. Setiap bulan 5. Setiap hari	setiap hari
25	Kesalahan layanan (No. Of Service Error) 1. >50% error 2. 41%-30% error 3. 31 error-20% error 4. 21%-10% error 5. <10% error	0% error
26	Deliveri time 1. seminggu setelah pemesanan 2. 3 hari setelah pemesanan 3. 2 hari setelah pemesanan 4. sehari setelah pemesanan 5. di hari yang sama	di hari yang sama

Table.14 Performance Matrix Information Management Criteria

(7) Manajemen informasi/Information Management (IM)		
27	Integritas informasi 1. setiap bulan terjadi ketidaksesuaian laporan kerja 2. setiap tahun terjadi lebih dari 6 kali ketidaksesuaian laporan kerja 3. setiap tahun terjadi 3-6 kali ketidaksesuaian laporan kerja 4. setiap tahun terjadi 1-2 ketidaksesuaian laporan kerja 5. tidak ada ketidaksesuaian laporan kerja	Tidak ada ketidaksesuaian laporan
28	Ketepatan waktu informasi 1. tidak ada laporan produksi 2. laporan terkadang tidak tersampaikan bahkan lebih dari seminggu setelah produksi 3. laporan disampaikan lebih dari sehari setelah produksi 4. laporan disampaikan sehari setelah produksi 5. laporan disampaikan dihari yang sama di waktu produksi	laporan disampaikan dihari yang sama di waktu produksi
29	Jumlah karyawan rapat tiap bulan (dalam %) 1. <25% 2. 25%-49% 3. 50%-74% 4. 75%-95% 5. >95%	85%
30	Akses ke prosedur, aturan, dan peraturan 1. karyawan tidak tahu 2. karyawan tahu 3. karyawan tahu dan tidak terimplementasi 4. karyawan tahu dan belum terimplementasi dengan baik 5. karyawan paham dan terimplentasi dengan baik	Akses prosedur, aturan, dan peraturan harus paham dan terimplentasi dengan baik

Table.15 Performance Matrix Internal Conflict Criteria

(8) konflik internal/Conflict-cohesion (CC)		
31	Hubungan kerja antar karyawan 1. tidak ada hubungan yang baik 2. hubungan kerja biasa saja 3. kerjasama antar 1 tempat 4. kerjasama antar 1 kandang 5. kerjasama seluruh karyawan	kerjasama seluruh karyawan
32	Employee turnover (perputaran karyawan) 1. >30% 2. 20,1%-30% 3. 10,1%-20% 4. 5%-10% 5. <5%	<10%
33	Ketidakhadiran (rata-rata per karyawan per tahun) 1. >20% 2. 20,1%-30% 3. 10,1%-20% 4. 5%-10% 5. <5%	tidak ada
34	Ketidakopkaan dalam bekerja 1. setiap bulan terjadi pelanggaran etika kerja 2. setiap tahun terjadi lebih dari 6 kali pelanggaran etika kerja 3. setiap tahun terjadi 3-6 kali pelanggaran etika kerja 4. setiap tahun terjadi 1-2 pelanggaran etika kerja 5. tidak ada pelanggaran etika kerja	tidak ada pelanggaran etika kerja
35	Tanggung jawab 1. karyawan tidak tahu 2. karyawan tahu 3. karyawan tahu dan tidak terimplementasi 4. karyawan tahu dan belum terimplementasi dengan baik 5. karyawan paham dan terimplentasi dengan baik	karyawan paham dan terimplentasi dengan baik
36	Keerasan konflik antar karyawan 1. setiap bulan terjadi kekerasan konflik 2. setiap tahun terjadi lebih dari 6 kali kekerasan konflik 3. setiap tahun terjadi 3-6 kali kekerasan konflik 4. setiap tahun terjadi 1-2 kekerasan konflik 5. tidak ada kekerasan konflik	tidak boleh terjadi konflik antar karyawan sama sekali
37	Kecelakaan kerja karyawan 1. setiap bulan terjadi kecelakaan kerja 2. setiap tahun terjadi lebih dari 6 kali kecelakaan kerja 3. setiap tahun terjadi 3-6 kali kecelakaan kerja 4. setiap tahun terjadi 1-2 kecelakaan kerja 5. tidak ada kecelakaan kerja	tidak ada kecelakaan kerja

Table.16 Performance Matrix Social Information Criteria

(9) Social Lingkungan/Social Environment (SE)		
38	Pengendalian dan pemantauan dampak lingkungan 1. tidak ada pemantauan lingkungan 2. setiap tahun 1 kali 3. setiap bulan 1 kali 4. setiap minggu 1 kali 5. setiap hari	setiap hari
39	Philanthropic activities (donasi) 1. tidak pernah 2. tidak menentu 4. setahun sekali 5. setiap tahun 2-6 kali 5. setiap tahun lebih dari 6 kali	setiap ada kegiatan di daerah sekitar (tidak menentu)
40	Proporsi Karyawan lokal terhadap seluruh karyawan 1. <5% 2. 5%-10% 3. 10,1%-20% 4. 21,1%-30% 5. >30%	10%
41	Tingkat Pendidikan Mayoritas Karyawan 1. Lebih rendah dari lulusan SD 2. Setingkat SD 3. Setingkat SMP 4. Setingkat SMA 5. Setingkat SMA atau lebih tinggi	Min lulusan SMA

## 2. Analysis of Profile of Organizational Performance

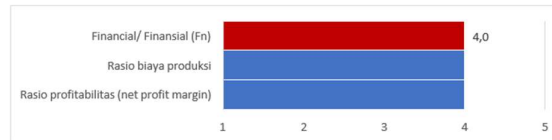
Interviews were conducted by filling out a scale of 1-5 and discussing with the author. Filling in the questionnaire is not only based on the respondents' answers, but the results of the consideration of the author's observations. Interview results are recapitulated based on priority levels per criterion that have been obtained in AHP weighting processing, from financial (Fn), growth (Gr), quality results (OQ), efficiency (Ef), productivity (Pd), stability (St), management information (MI), internal conflict(CC), social environment(SE).

Table.17 Profile of organizational performance

Indikator	Nilai
<b>Output quality/ Hasil Kualitas (OQ)</b>	
Survey Kepuasan pelanggan	3
Tingkat retensi pelanggan (customer existing)	4
Quality control terhadap kualitas telur	3
Kesalahan layanan (No. Of Service Error)	4
Deliveri time	5
<b>Efficiency/ Efisiensi (Ef)</b>	
Pendapatan per hari (5.000 ekor ayam)	3
Keuntungan per hari (5.000 ekor ayam)	3
<b>Productivity/ Produktivitas (Pd)</b>	
Volume unit penjualan per hari (per kandang)	4
Volume unit produksi telur per hari (per kandang)	4
Jumlah pelanggan dilayani per hari	3
<b>Stability/ Stabilitas (St)</b>	
Pemecasaan dan penetapan tujuan	4
Off produksi setiap satu periode	5
Tingkat rotasi pekerjaan	2
Pemvelasaan strategi, misi, visi	2
Kepatuhan dengan prosedur yang ditetapkan	4
<b>Information management/ Manajemen Informasi (IM)</b>	
Integritas informasi	2
Ketepatan waktu informasi	3
Jumlah karyawan rapat tiap bulan (dalam %)	2
Akses ke prosedur, aturan, dan peraturan	3
<b>Conflict- cohesion/Konflik Internal (CC)</b>	
Hubungan kerja antar karyawan	3
Employee turnover (perputaran karyawan)	5
Ketidakhadiran (rata-rata per karyawan per tahun)	5
Ketidakefektifan dalam bekerja	3
Tanggung jawab	4
Kelengkapan konflik antar karyawan	4
Kecelakaan kerja karyawan	5
<b>Social Environment/ Lingkungan Sosial (SE)</b>	
Pengendalian dan pemantauan dampak lingkungan	5
Philanthropic activities (donasi)	5
Proporsi Karyawan lokal terhadap seluruh karyawan	2
Tingkat Pendidikan Mayoritas Karyawan	3
<b>Financial/ Finansial (Fn)</b>	
Rasio profitabilitas (net profit margin)	4
Rasio biaya produksi	4
<b>Growth/ Pertumbuhan (Gr)</b>	
Tingkat pertumbuhan pendapatan per tahun	4
Pertumbuhan keuntungan per tahun	3
Pertumbuhan pendapatan per pelanggan baru	2
Perubahan tenaga kerja (per tahun)	2
Pertumbuhan Aset per tahun	5

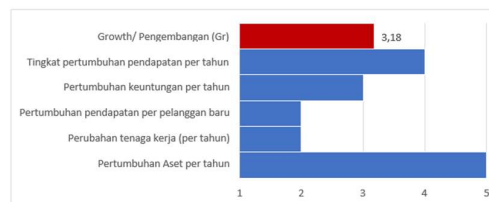
## Organizational Effectiveness Evaluation Analysis

The evaluation calculation results are obtained from each indicator multiplied by the AHP weight, this is done for all criteria. There is one criterion with the highest score, namely internal conflict/conflict-cohesion (CC) with a value of 4.4 and there is one criterion that has the lowest score, namely information management (IM) with a value of 2.3.



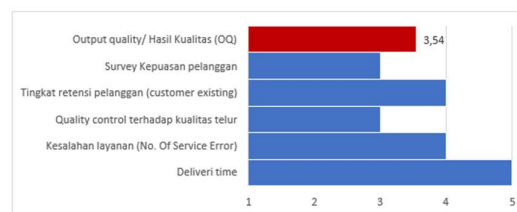
Picture.8 Organizational Performance Profile on Financial Criteria

It can be said that these two indicators have been effective in carrying out the production process of SME'S X.



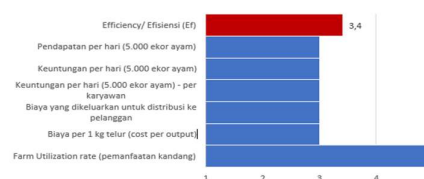
Picture.9 Organizational Performance Profile on Growth Criteria

In this criterion it can be seen that there are two indicators that have ineffective results, namely revenue growth per new customer and changes in workforce. Revenue growth per new customer scores 2, because the increase in MSME X customers in 2017 was only 6.2% with the standard performance of this indicator being 20%. Changes in the workforce per year also get a score of 2, because in 2017 there was an increase in employees of 9.2% with a total of 9 new employees with a performance standard of 10%.



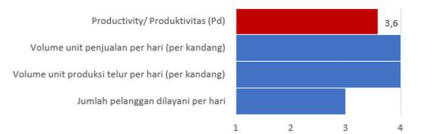
Picture.10 Organizational Performance Profile on Quality Result Criteria

The third position is the result of quality/output quality (OQ) with a value of 3.54. Figure 10 shows that the average value of each indicator is above 3. It can be concluded that these criteria are in a fairly effective condition.



Picture.11 Organizational Performance  
Profile on Efficiency Criteria

The fourth position is efficiency/efficiency (Ef). A graph of the value of each indicator in the efficiency criteria is presented, five of the six indicators have a value of 3 which can be said that these indicators are quite effective in SME'S X. The farm utilization rate indicator has the highest value, namely a value of 5 with actual data of 100%. , where the performance standard of this indicator is 95% and SME'S X. This shows that the use of cages in SME'S X has been effective.



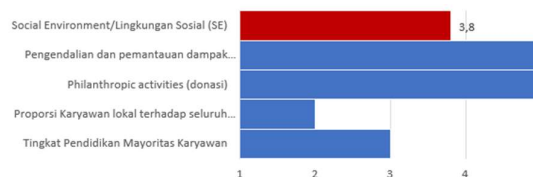
Picture.12 Organizational Performance  
Profile on Productivity Criteria

The seventh position is information management criteria. Information management has a score of 2.3, where this value is the lowest value compared to the values of other criteria. This indicator can be said to be less effective where there are two indicator values with a value of 2, namely the integrity of information and the number of employees meeting each month.



Picture.13 Organizational Performance  
Profile on Internal Conflict Criteria

The eighth position is the criterion of internal conflict/conflict-cohesion (CC). The internal conflict criterion is the highest score compared to other criteria with a value of 4.4. Apart from being the criterion with the highest score, internal conflict also has good indicators with an average score of above three. It can be said that internal conflict is quite effective in SME'S X, with the relationship between employees being considered quite cooperative.



Picture.14 Organizational Performance Profile  
On Social Environment Criteria

The last position, namely the ninth position, is the social environment (SE) criterion which can be seen in Figure 14 which has a value of 3.8. . The indicator for the proportion of local employees to all employees has a value of 2, because local employees in SME'S X in 2017 and until now only 5 out of 98 total employees, namely 5.1%. With a total local employee of 5.1%, the company does not have much influence on SME'S X.

Based on the evaluation calculation results, the effectiveness value of SME'S X is 3.546 obtained from the total value multiplied by the weight of each criterion. This means that SME'S X is still not fully effective but several indicators are in the safe and effective category. To get to the effective position of SME'S X requires an additional value so that there is a value of 5 for each indicator for each criterion. Overall, SME'S X is in a moderate rating, that is, the condition of the company is considered mediocre or safe.

### **Managerial Implications**

Recommendations for improvement in the form of managerial implications are given for suggestions to SME'S X in order to increase organizational effectiveness.

### **Managerial Implications on Growth**

In 2016 to 2017 revenue growth per new customer was only 6.2%. This is very far from the predetermined performance standard, which is 20% per year. Revenue growth per new customer can be done by increasing the number of customers. By adding new customers, revenue growth will also increase.

Expansion of sales to new areas to stimulate new buyers who are not from the current SME'S X chicken egg customers. Sales expansion can be carried out to areas which so far are still controlled by competitors between cities and provinces. One of the areas where sales expansion can be carried out is in the Tulang Bawang Regency, Lampung Province. This location is perfect for selling chicken eggs, because this location is the entry point from Palembang. Sales from Palembang tend to be inconsistent, only at times of oversupply, so that SME'S X can take customers from these competitors.

Increase purchasing capacity of existing customers, by increasing the number of purchases of chicken eggs and providing price incentives for more purchases.

In 2017 there was an increase in employees of 9.2% with a total of 9 employees. It is better to do an evaluation to find out if it is necessary or not to increase the workforce. Evaluation can be seen by the presence of current employees who are good or lacking in fulfilling the job. If there are few employees, they are not effective at work, but if there are too many employees, they need to be allocated or terminated.

Calculating the current employee productivity, it is appropriate, overproductive, or if the company wants to expand. With market expansion and increased production, additional employees are needed to keep the company running.

### **Managerial Implications on Stability**

Company stability is where the balanced condition of a company. To be able to create stability in a company, it is necessary to have a stability strategy that needs to be implemented. Stability strategy is a strategy whereby the organization maintains its organizational size and a current business operation.

Job rotation in SME'S X is carried out erratically. This is usually done when there is the addition of a new cage or a change of cage when an employee leaves. Job rotation is carried out every one period to reduce the risk of the virus from one cage to another, because

the handling of each employee is different and each employee can carry the virus (each cage has a different quality level).

The second indicator is alignment of strategy, mission and vision. In improving these indicators, this can be done by asking the middle to top management to try to make all employees aware of the strategy set by conveying it verbally and non-verbally in every review that is carried out. The middle to top management section goes directly down and communicates in two directions to employees, directly conveying the direction and goals of the company.

### Managerial Implications on Information Management

Information management is accuracy in providing good information from completeness, efficiency, accuracy, and dissemination of information. Submission of information must be accurate to reduce errors, both in the production process and the sales process.

In 2017, more than 10 discrepancies were found in company work reports, in the form of reports of broken eggs, death of chickens, number of chickens, etc. There should be no discrepancies in reports, reports are made with the actual conditions of good or bad conditions. Judging from the results of this evaluation, information integrity needs to be improved to support companies that are more competent and reduce fraud. Improving the integrity of information in a way, companies need to implement corporate values in SME'S X which are trusted as a reference or guideline for employees to act. The role of middle to top management in managing company information management is very important, so to support this, middle to top management must have some management skills and knowledge.

SME'S X records that the number of employees who attend monthly meetings is an average of 20% of the total number of employees. While the standard performance of this indicator is 85%. This is because employees only prioritize at least having a head of the stable and head of the vlog for each farm which represents the monthly meeting. Conduct a morning briefing to find out what will be done on the same day and submit a work evaluation the previous day. Create a regular daily, weekly and monthly review schedule to keep company information conveyed properly.

Table.18Managerial Implications

Kriteria	Indikator	Temuan	Implikasi Manajerial
Pertumbuhan (Growth)	Pertumbuhan Pendapatan per Pelanggan Baru	Pada tahun 2017 kenaikan pelanggan baru hanya sebesar 6,2%, hal ini jauh dibawah <i>performance standar</i> yang ditentukan.	Melakukan survey penjualan ke daerah-daerah baru untuk meningkatkan pembeli baru yang belum dari pembeli telur dari wilayah ini, serta mencari agen-agen baru didalam kota.
	Pertumbuhan Tenaga Kerja	Ditahun 2017 terjadi kenaikan karyawan 9,2% dengan jumlah 9 karyawan.	Melakukan evaluasi untuk mengetahui perlu atau tidak dalam penambahan tenaga kerja.
Stabilitas (Stability)	Ketua Pekerjaan	Ketua pekerjaan dilakukan dengan tidak konsisten. Dilakukan apabila ada pembekuan form atau kandang baru.	Ketua pekerjaan dilakukan setiap satu periode untuk mengetahui resiko virus dari satu kandang ke kandang lain.
	Penyusunan Strategi, Misi, dan Visi	Perusahaan hanya menyampaikan strategi, misi, dan visi perusahaan setiap ada karyawan baru saja.	Meminta kepada <i>middle to top management</i> untuk menyampaikan agar semua karyawan mengetahui strategi yang ditetapkan dengan cara disampaikan secara verbal ataupun non verbal pada setiap review yang dilakukan.
Manajemen Informasi (Informative Management)	Integritas Informasi	Pada 2017 ditemukan lebih dari 10 kali ketidaksesuaian laporan kerja (berupa laporan pecah telur dll)	Meningkatkan integritas informasi dengan menerapkan nilai-nilai perusahaan yang dicontohkan oleh <i>middle to top management</i> untuk bertanggungjawab.
	Jumlah Karyawan Rapat	Rata-rata 20% dari jumlah karyawan yang mengikuti rapat bulanan. (Ada hanya ada kepala kandang dan vlog tiap farm)	Melakukan <i>morning briefing</i> untuk mengetahui apa yang akan dilakukan hari yang sama dan menyampaikan evaluasi kerja di hari sebelumnya.



## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

The strength of this organization lies in the criteria of internal conflict/conflict-cohesion (CC). Internal conflict is the highest criterion that is quite effective compared to the others. However, there is an Information Management (IM) criterion which is the lowest criterion. Regarding information management, it is still below average, making SME'S X less effective.

In the profile of organizational performance for each criterion, each indicator is presented which is quite effective (the value is above the average) and the indicator is not yet effective (the value is below the average).

The following is an explanation of recommendations for improvements that can be pursued by SME'S X:

- a. In order to increase the growth rate of revenue per new customer, expansion is carried out into possible regions.
- b. Company stability can be achieved by aligning strategies and objectives which are always monitored by middle to top management, in accordance with the parts of the employee's work.
- c. In improving management information required the integrity of information and the number of employees meetings.

### Suggestion

After knowing the condition of the company, SME'S X must pay attention to the points that need to be repaired and improved. Improving the implementation of standard procedures (SOP) that have been set by SME'S X itself, to ensure that the company and management run smoothly.

In future research, similar research can be applied to the value chain of laying hens, both downstream (chicken processing) and upstream (animal feed processing) in order to determine effectiveness.

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