

THE EVALUATION OF THE BUSINESS PLAN OF UNIVERSITY ALUMNI USING CONTINUOUS IMPROVEMENT MINDSET CONCEPT

Anastasia Filiana Ismawati

Universitas Ciputra, UC Town, Citraland,
Surabaya 60219, Indonesia

Abstract: In the past, producers think only about the outcome of production, however, producers began to shift, as the need of customers must be in line with the purpose of the product or service that is produced. This phenomenon enables product and service suppliers to obtain new opportunities from the unfulfilled wants and needs of customers. One of the mindsets that can help excelling a business and controls business projects is continuous improvement mindset, which is a continuous revision of the operational activity of a business that can be implemented with the resources that the business owns. This study identified the effect of continuous improvement mindset on the business of alumni of University A located in Surabaya and University B located in Yogyakarta based on the teaching pattern that is received by the alumni. Data collection was done using interviews with alumni business. There is a similarity in continuous improvement mindset behavior between alumni of Universities A and B. Continuous improvement mindset is still implemented by both alumni from both universities. The research findings showed that the education in each study program and entrepreneurship teaching are interconnected. The control over alumni's business project is positively impacting with the implementation of continuous improvement mindset. The implemented control can impact sales, operational system and the increase of customer service

Keywords: continuous improvement mindset; entrepreneurship education

A. INTRODUCTION

As time goes on, the mindset of customers changes according to the development of the era. In the past, products think only about the outcome of

*Corresponding Author.
e-mail: anastasia.filiana@gmail.com

production, however, producers have shifted, as the need of the consumers must be in line with the purpose of the product or the service produced. This phenomenon enables product and service suppliers to obtain new opportunities from the unfulfilled wants and needs of customers.

A recent case would be Gojek. Gojek Company is able to research on consumers' current needs. Gojek introduced various new programs, such as gofood, go-tix, and others, in order to meet the needs of consumers. Gojek is able to respond quickly because they realize that in the midst of the increasingly competitive of similar industries, which in turn demands Gojek to innovate and identify opportunities related to consumers' needs. With the continuous improvement mindset being present in every business project of Gojek, it results in the assured growth and control for the line of business.

The understanding of mindset in business is supported by the education of the founders of the business. The education trend of entrepreneurship style can provide justice in the development of mindset of alumni that will impact on the interest/purpose of the alumni, especially in terms of their business management control. Based on observed research, the difference in learned education foundation can affect the thinking ability of each individual. That education can be attached to business planning from students and alumni of the university and attached to a continuous improvement mindset.

One of the mindsets that entrepreneurs are hoped to possess is a mindset of continuous improvement (continuous mindset) that can be implemented on every level of operation by utilizing resources that are owned by the company. Bhuiyan and Baghel (2005) stated that continuous improvement more generally as culture of sustained improvement targeting the elimination of waste in all systems and processes of an organization. Which states that something that can be prioritized are the availability of quality planning, quality control, guarantee and quality improvement.

This study was conducted at two universities with two different learning foundations, which are private

university that is guided by the current standard teaching method of accounting. The different teaching method such as in University A that has a core subjects that have entrepreneurship content both for subjects of individual

courses and courses that are run at the university level. In University B, entrepreneurship subject is optional where university students are free to choose or not to choose the entrepreneurship course. It is expected from the research presented to explain the difference in continuous improvement mindset obtained from a comparison of the patterns of education pursued by students. This study will examine the effect of entrepreneurship education on one form of an entrepreneur's mindset, namely a continuous and improved mindset.

B. LITERATURE REVIEW

1. Mindset

Mulyadi (2007) define mindset as a mental attitude that is formed through education, experience and preconception. The importance of understanding the mental pattern used by someone is as the basis to behave or act. The mindset of individuals will affect them in how they respond to talent, intelligence and character. This demonstrates the importance of mindset in determining the development and growth of an individual's potential.

Adi (2008), in Prastowo (2015) argued that the term mindset is made out of two words, mind and set. Mindset can refer to confidence or thinking that affects the behavior and attitude of someone that will determine their level of success in life. Therefore, there is a need to increase people's understanding so that they can function optimally.

To increase the reduction, waste and low productivity, as well as to increase the human resource quality, businesses need to build strategic initiative groups through mindset building personnel that is suitable with the business environment chosen by the business, the execution of internalizing process of mission, vision, basic beliefs, and the basic values of the organization into every single personnel in the organization.

Each department of the organization needs to be able to see all the accurate factors of change for the particular activity of the organization. In an organization activity, the basic values of the organization need to be communicated to each and every personnel through the systematic internalizing process.

2. Continuous Improvement Mindset

The current business environment has a characteristic of change that demands organizations to be flexible in adapting to change because the organization has the ability to withhold their survival. Organizations are also demanded to create a change that is needed in order to grow in a volatile business environment.

Prasanti and Damayanti (2015) defined continuous improvement mindset as mobilizing all of the personnels' effort to continuously improve against the implemented process and system to produce value for consumers. An organization has to gather facts, reasoning, and ways that can support its operations. Continuous improvement mindset consists of continuous growth paradigm, foundational belief of continuous improvement, and basic values that underlies continuous growth. Continuous improvement requires personnel to know where they are currently at, where they want to be in the future, and the growth that they have achieved to reach their goal. Continuous improvement in management system is manifested in the organization in the form of strengths, quality, speed and cost efficiency.

The process and results of continuous improvement is a target for business or organization that is permanent in nature. Based on Edward Deming's theory, a process needs to be stable before a revision is made and it requires data on results, cost, process stability, and process ability (Ariani, 2014).

The personnel of an organization is required to always engage in continuous growth of the implemented system and progress in order to produce value to costumer because of the constantly changing business environment. Organization personnel need to have a strong belief that the continuity of the organization is highly dependent on the organization's ability to change. The personal of an organization need to have basic values that will guide them in decision making so that the purpose of continuous growth of the system and process can be achieved.

3. Entrepreneurship Education

Wirawan (2011) stated that the entrepreneurship education paradigm from the philosophy that underlines it always consists of three main levels, which are:

metaphysical level, theoretical level, and practical level. The increasing level of unemployment causes the government or education institute to see the importance of entrepreneurship education.

The entrepreneurship education discussed in this paper is not education on marketing or sales, however it is more extensive than just about being a seller. Tejo (2010) stated that there are two characters of an entrepreneur. The first character is creator, which is about creating new businesses. The second character is innovator, which initiates good innovation in production, marketing or even existing business development so that it will be better.

Nugroho (as cited in Tejo, 2010) stated that they who are stated as entrepreneurs are those who are able to innovate in business but also able to market well. Be it in Indonesia from the education aspect as well as the campaigned in the statement at the United Nations assembly that a nation is able to develop effectively if 2% of its population is entrepreneurs. In Indonesia, less than 5 million citizens are hoped to be entrepreneurs.

The importance of entrepreneurship education implementation in the education system can help to open new job opportunities. Entrepreneurship education should also have implemented core requirements, which are creativity, risk-taker, innovativeness, good ethics, and responsibility.

4. Management Control

Peni (2011) stated that management control is one of the key areas in organizational behavior research, which is in line with the growth pressure of the economy, uncertain industry climate, economic crisis and external environmental conditions such as consumers, competition level, market, supplier, distributor, population behavior and government. Therefore, good control system can help in achieve the organization goal.

The implementation of the control system in an organization's operations is highly needed to evaluate whether the implemented operations is in accordance to the initial plan. Musa (2013) stated that management control is not a separate system in an organization, instead, it has to be considered as an important part of each system that is used in management to manage and direct its operation.

C. RESEARCH METHODS

1. Type of Research

This research uses case study research. Sekaran (2011) stated that case study is useful for solution implementation for current problems based on previous problem solving experience. It is a descriptive qualitative study as it intended to reveal facts, conditions, phenomena, variables and situations that currently happen during the research and suggests live research data. This research uses continuous improvement mindset as a foundation of management control.

2. Data Source and Data Collection Technique

The data used in this research is primary data. Primary data will be collected directly from the data source by using observation and interview that are conducted on alumni of the two universities, who have established business.

Data were obtained through interview. Interviews were conducted in a semi-structured which was obtained from informants who were alumni from universities A and B with criteria that they already had and were developing a business. Total informants in this study were six informants divided from university A located at Surabaya three informants and university B located at Yogyakarta three informants. The researcher conducts direct interviews with the resource person, either visiting the location of the business directly, meeting face to face, or calling via telephone due to time constraints between the researcher and the resource person.

3. Data Validation Technique

This research uses triangulation source to test data validity. Bachri (2010) stated that valid data that is approved through triangulation will give assurance for the researcher on the validity of data, hence, there will be no doubt in drawing conclusion for the research.

This study used the source triangulation. Source triangulation means that the collected data will be compared, hence, retesting the degree of reliability of

the information from different sources (Bachri, 2010). The researcher performed source triangulation based on the six informants. Data sources were obtained by criteria of alumni from universities A and B that had different backgrounds in the teaching system. The university A system prioritizes entrepreneurship and university B prioritizes pure accounting education and produces intrapreneurs. The respondents consisted of 3 entrepreneurs from alumni of university A and university B who had run their business and were doing improvement and development for the business being carried out.

4. Data Analysis Technique

Miles and Huberman (1994) grouped three constantly implemented activities on every stages of qualitative research to process the data, especially data that originates from interviews that is obtained through data reduction, data presentation, and conclusion and verification.

5. Analysis Tool

This study used the qualitative descriptive. Qualitative analysis technique is used to reveal facts, conditions, phenomena, variables, and all of the events that happened during the research and present it as is. Descriptive analysis attempts to describe a symptom, situation, and event that happen right at that moment in aim to give a picture or description about a data so the data is easily understandable and informative for the readers.

6. Data Testing

Data testing in this research is used to test the validity of data so that the data obtained from the interview, observation, and documentation. The validity testing entails the data credibility testing, transferability testing, dependability testing and conformability testing.

7. Conclusion

The conclusion from this research will be constructed into recommendation if needed based on the data obtained from the interview, observation, and

documentation. Data collected from the interview, observation, and documentation will provide findings to be evaluated to ensure the validity, reliable and objectivity. In the final stage is the conclusion.

D. RESULTS AND DISCUSSION

1. Continuous improvement mindset in A University's alumni's business

Based on the interview and observation findings from three different sources, it can be concluded that University A alumni possesses continuous improvement mindset in their business. This is illustrated from the findings of the interview with the three respondents that demonstrated good improvements in the area of product innovation, system improvement, and quality improvement, be it for product quality or human resource. The first informant from university A worked as the owner of one of the camera rental businesses. The second informant from university A works as a manager of family business which is engaged in manufacturing furniture with glass material. The third informant from university A works as owner and manager of one of the companies engaged in large-scale souvenir manufacturing and has served up to the scale of the company.

This statement is supported by three interviewees. Among them is a statement by Interviewee 1 regarding the implemented improvement, which is also supported by a lecturer from University A:

“Because if previously, for example, we wanted to improve the system by creating dish racks? So we made dish racks from glass and aluminum. However, when we feel that dish racks are not making profit, the loss is covered from the profit of glass dish racks. So, it as if covers. Like patching. We know this, when we feel loss why do we continue? Rather than gaining small profit. So when I discussed with my mom but my dad feels it is still normal. After it runs, we started to feel the increasing loss if we continue to run the dish racks? So I said that we should create a system. It is meant so that we know how much we're earning chronologically, how much do we get after this period. Previously we do not have this kind of record. We simply run the business. When there are transactions, we just keep running. If we continue like that, it is not

possible. We need to utilize a program. In the end we use a program, we hook on CCTV and input every single transaction.”

The support for university alumni to continue their business is not only from the university subjects taught in the class but also by their lecturer who will help monitor students' business. This is illustrated by Interviewee 2 who stated that discussing with lecturer in University A could help in growing the business, including giving feedback for the business. Furthermore, University A also provides a place whereby students can find potential consumers by holding a bazaar or giving recommendations to other business owners.

The level of awareness on the importance of continuous improvement for business project in University A alumni is very high. This is shown by the innovation from Interviewee 3's business project that constantly improves its product. Other than the product aspect, the business also improves its system and management. Up until now, management and system improvement is constantly executed. The improvement is demonstrated through the increase of sales. The consumers of the products are already at a national level, of which are Safe Care, Primate Lab, City Bank, and others. The improvement implemented can impact on the improvement of management control. The resource person has one of the entrepreneurial characters who demands continuous improvement as done by Prasanti and Damayanti (2015) who stated that the mindset of sustainable improvement can be supported by supporting and supporting all personnel to improve work processes used to generate value for consumers.

The courage to continuously improve is also shown by Interviewee 1 from University A. This is demonstrated by the operation before the Interviewee joins in to manage its management that still used traditional system, where the business owner have to always be present in the office to ensure that the business operation runs smoothly. After the Interviewee jumps into the business, the interview improved the system using programs that can help manage the operation process. With the presence of the program, the owner can monitor the business operation for a far distance. One of the benefits of using the system is that the business owner is able to see the business inventory live and it can automatically decrease or increase when there is an activity.

The researcher has also confirmed to several parties, who are consumers from University A's alumni business. One of the customers is a consumer from Interviewee 2, Cindy, who is a marketing team member of accounting course in University A, who stated that the product produced by the business is dependable. The accounting course in University A itself has used a service from the business for bag making.

2. Continuous improvement mindset in University B Yogyakarta's business alumnae

University B with an accounting course that is more focused in the academic side, especially in its accounting education. However, in the syllabus that is offered, case study materials are still slotted in which is hoped that it will help students view from the implementation perspective. In relation to the entrepreneur subjects, it is set as an optional unit in University B. First informant from university B works as the owner and manager of one of the restaurants that provides rice bowl menus. The business of the fourth informant has penetrated not only in one shop, but also participated in many bazaars in Yogyakarta. Second informant from university B works as the owner and manager of a coffee shop in Yogyakarta. Now the fifth informant already has 2 coffee shop outlets in Yogyakarta. The third informant from university B works as the owner and manager of a motorcycle workshop and has a shop selling used motorbikes.

However, the teaching in University B still shape students into entrepreneurs with critical thinking. As stated by fourth informant, the owner of a restaurant in Yogyakarta:

“It's clear for determining sale price, you can say that it is a skill that I gain from university that is still effective when I am setting prices. Maybe if I thought that setting only for this ingredient when I want to cook rice that means it is only just rice. Now, we can see what the operations are and various aspects that I did not know about but when I went to university, I understood that it could help me determine the retail price and help me with my initial capital expense, an estimation of amount. Although, in reality, when we run our own business, other factors such as the market and others, marketing also affects. However,

the knowledge that I gain from studying in university about accounting and others, it really helps in my current business process.”

The education at University B helps students to develop business project from the accounting networking point of view. The determination factor of respondents on starting a business originated from their personal choice. Several of them were due to the business culture in their family, however, there are those that originates from their hobbies or interest in something.

Continuous improvement that was done for instance is the improvement from the aspect of menu. According to fifth informant, the owner of Coffee Shop in central Yogyakarta, although the sales focus is coffee, they need to be able to package other products that have sale value. For instance, creating new menus. Moreover, partnering with other parties by considering partnership with other parties that can help introduce their products and increase relation.

Product evaluation is also constantly done, Coffee Shop evaluates by directly asking consumers regarding their product quality. However, up until now, it is rare that consumers complained about product quality. Continuous evaluation on product innovation is able to support management control in operations.

Interviewee 4, the owner of a restaurant that has rice bowl as their top menu, also demonstrates being aware of the market condition. This business sells burgers with various options when they first established. However, an evaluation on Indonesian population, specifically Yogyakarta citizens was done because the market did not respond very well to the products and it shows that Yogyakarta citizens are more interested in rice dishes.

Based on the product evaluation, ideas of selling rice bowls emerged. Product innovation was continuously done, including adding items on menu and also partnering with other parties. Gojek is one of the party that partners with the restaurant because of the opportunity that Gofood offers is one of the most frequently used media to order food.

The interview findings from Interviewee 6, the owner of a workshop in Bantul area stated the same that improvements in other aspects are compulsory. This is demonstrated in the workshop through the implementation of inventory system. The planning for operations is also maximally executed. This is demon-

strated in the preparation of supply that is supported by a minimal of 2-3 suppliers of each product to overcome the issue of unavailable items.

Communication becomes the foundation of success in the motorcycle repair workshop. Good communication, from the top or from the bottom maximizes information distribution for setting price, operations, and others. Good communication also affects extended relations. Other than communication, continuous improvement was done in customer service. Good product knowledge and customer service knowledge by using the best product and expert assistance helps the business compete with its competitors. As stated by Musa (2013), management control is not simply a separate system of an organization but it has to be seen as an important part for every system used by the management to manage and direct its operation. Interviewee 6 has executed management control that is qualified to support continuous improvement of the business process.

3. Data Validity

This study uses the source triangulation to test data validity. The sources of this study were 6 respondents grouped into 2 sources, namely 3 respondents from university A and 3 respondents from university B with 2 different selection criteria. University A with the criteria of education and pursuit based on entrepreneurship and university B based on accounting education and produces intrapreneurs. Data from the two sources are then described, categorized. Categories are based on the alumni origin of the university and the impact of teaching on the business development process.

The results of source triangulation can be seen that from different teaching methods, the mindset for managing a business is still carried out by both alumni from universities A and B. As evidenced by statements from informants stating that improvements to business are carried out continuously through innovation repair, or business expansion. From the results of the triangulation, it can be concluded also from the phenomenon of alumni 2 innovators A and B supporting Nurseto's (2010) opinion which states that true entrepreneurs are those who are able to develop innovation in business while being able to market well.

E. CONCLUSION AND SUGGESTIONS

1. Conclusion

There is a similarity in continuous improvement mindset behavior between alumni of Universities A and B. Continuous improvement mindset is still implemented by both alumni from both universities. The research findings showed that the education in each study program and entrepreneurship teaching are interconnected. The control over alumni's business project is positively impacting with the implementation of continuous improvement mindset. The implemented control can impact sales, operational system and the increase of customer service.

The support from education, lecturers, as well as facilitators and awareness of the market condition enables business people to implement continuous improvement mindset. The research findings showed that the implementation of continuous improvement mindset could be seen from the improvement of system, adjustment of product variety, and improvement of customer service.

The difference of the two university alumni is on the facility that was given in campus for business development. In University A, students are expected to be able to manage business project with the facilitation of mentor and bazaar. Meanwhile, University B offers less of the similar facility to develop students' product development.

The limitation of this research is that this research only focuses on the background of 2 universities in Surabaya and Jogjakarta. This limitation is due to the limited time and access of researchers and also the author has not yet conducted focus group discussion in the process of data acquisition.

2. Suggestions

The findings of the research that has been conducted show that there are similarities in continuous improvement mindset behavior in two universities with different backgrounds. Suggestions can be given to other researchers who can make this finding the basis for the development of other research. The findings are expected to provide an overview of the continuous improvement mindset in entrepreneurship activities.

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