

Implementation of MC Kinsey's 7S Framework as a Strategy to Improve the Performance of Educational Institutions

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ABSTRACT

McKinsey's 7S framework is a tool used to analyze the internal aspects of a company's organization using 7 main elements: Strategy, Structure, System, Shared Values, Style, Staff and Skills. Institutional performance using the Nine Key Indicators Criteria, namely: Vision, Mission, Goals and Strategies; Governance, Governance and Cooperation; Students; Human Resources; Finance, Facilities, Infrastructure; Education; Research; Community Service; Tridharma Outputs and Achievements. This research was conducted through a qualitative approach with descriptive methods and using SWOT Analysis and Nvivo 12 For Windows Software so that accurate and detailed data were obtained involving ten key informants from Nurtanio University Bandung officials, resulting in a Strategy for Optimizing the Application of McKinsey's 7S Framework in Efforts to Improve the Performance of University Institutions. Unnur's functional strategies include: Human Resources Strengthening Strategy, Important Role of the Finance Department, Research and Development / Innovation Implementation Strategy, External Strengthening Strategy. With these strategies and programs, Unnur is expected to improve institutional performance.

Keywords:

7S McKinsey;
KPI;
SWOT;
Strategy

INTRODUCTION

The role of McKinsey's 7S for organizations plays an important role in an institution, especially education (Himawan, Arif, and Achmad Sobirin., 2005), because to see an organization has implemented McKinsey's 7S, namely: Strategy, Structure, Style, System, Staff, Skills, Shared Values (Nugroho, Tigor, Hetti Hidayati, and Dawam Suwawi.,2014). Nurtanio University uses McKinsey's 7S Framework analysis to determine the optimization of McKinsey's 7S implementation in the organization (Sembiring, Murpin Josua., 2021). McKinsey's 7S Framework method consists of two elements of The Hard S's, namely factors that are easy to define, including Structure, Strategy and System, and elements of The Soft S's, namely factors that are difficult to define, including Shared Values, Skills, Staff and Style (Masfi, Achmad., 2018).

The phenomenon from the observation that the changes made by Nurtanio University cannot be said to be well implemented. The hope that organizational development can improve performance has not been measurable and on target (Noho, Mubin, Muh Hizbul Muflihin, and Minggusta Juliadarma., 2022). Based on the analysis of the conditions of the University's internal strategic environment, it was found that the phenomena / issues or strategic problems faced by the University at this time, communication and coordination between work units within the University still lack synergy, so that it can hinder performance improvement which has an impact on hindering the implementation of Good University Governance (Utama Putra, Anang Wahyudi...), 2024); Human resource management as the main source of excellence in achieving competitive advantage (Gustang, A., 2024), but this university, which has an aerospace identity, has not managed human resources appropriately in accordance with the demands and needs in the situation of the global market

competition arena (Avianti, Widiya, and Endang Pitaloka., 2023); The lack of optimization of strategies to increase the acquisition of human resources (Avianti, Widiya, and Endang Pitaloka, 2023).); The strategy to increase the acquisition of funding sources for operational financing and development of University institutions that do not only rely on funding sources from students, but can utilize funding sources for cooperation and partnerships with various parties (stakeholders) outside the University institution through the use of potential resources owned by the University; There is no comprehensive plan for the development of facilities and infrastructure and infrastructure to create a representative campus with competitive advantages as a university characterized by aerospace; Not yet optimal efforts to foster a culture of quality within the University institution to support an atmosphere conducive to the implementation of educational programs, the provision of learning facilities, and building a sense of pride in the character of a university characterized by aerospace; Not yet optimal efforts to cultivate research activities among the academic community (lecturers and students) to improve the image and reputation of the University as a university characterized by aerospace in order to make a positive contribution to the development of the national aerospace industry to support the improvement of the nation's competitiveness in the area of international competition; Budget management has not been carried out professionally, allowing misuse of budget allocations that are not in accordance with their designation (Hadijaya, Yusuf., 2012).

METHOD

This research method uses an in-depth analysis technique, which examines the problem on a case-by-case basis because the leatherative methodology believes that the nature of one problem will be different from the nature of other problems (Ngatipan, Ngatipan, et al., 2023). Qualitative research is an inquiry strategy that emphasizes the search for meaning, understanding, concepts, characteristics, symptoms, symbols and descriptions of a phenomenon; focus and multimethod, natural and holistic; (Tabrani, Tabrani., 2023), prioritizes quality, uses several methods, and is presented narratively (Iskandar, Akbar, et al., 2023). From another side and in simple terms it can be said that the purpose of qualitative research is to find answers to a phenomenon or question through the systematic application of scientific procedures using a qualitative approach (Avianti, Widiya, et al., 2023).

Based on the analysis of the conditions of the University's internal strategic environment, as well as the strategic problems faced by the University at this time, with the strategy of implementing Mc Kinsey's 7S (Strategy, Structure, Systems, Skills, Staff, Style, Shared Values), which is a comprehensive evaluation activity (holistic study) to improve the performance of the Institution (Sugiharto, Sugiharto., 2023). expected to find a logical answer to the emergence of phenomena.

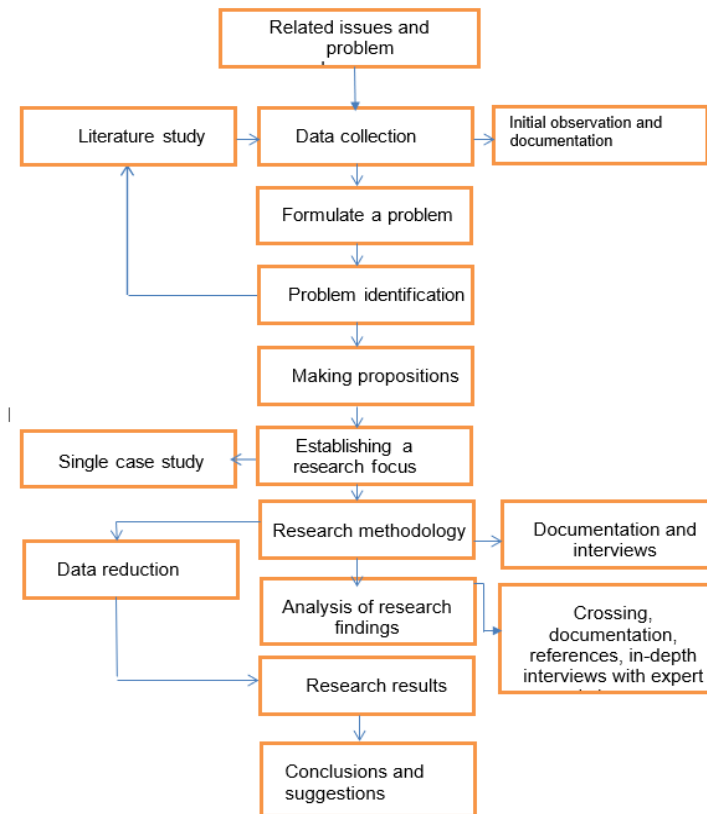


Figure 1: Research Model Design

Making a plan requires an evaluation of internal and external factors. Factor analysis should show the strengths (strengths) and weaknesses (weaknesses) of an organization (Mukhlisin, Ahmad, and Mansyur Hidayat Pasaribu., 2020). Analysis of external factors should show the opportunities (threats) and threats (opportunities) available to the organization, so that they can be analyzed more deeply to produce a SWOT analysis (Avianti, Widiya, Azhar Affandi, and Horas Djulius.,2023).

RESULTS AND DISCUSSION

Based on the strengths and weaknesses as well as the external environment of opportunities and threats, the position of the University is described in the SWOT matrix can be seen in the figure below:

Table.1 University SWOT Matrix

Internal Eksternal	Strength	Weakness
Opportunity	SO 14 strengths, and 13 opportunities	WO 8 points of weakness, and 13 points of opportunity
Threat	ST 14 strengths, and 11 threat items	WT 8 points of weakness, and 11 points of threat

Source: processed by researchers 2024

Defining the Grand strategy

The weight and rating of the IFAS and EFAS analysis on the impact on efforts to improve the performance of Bandung University, then a strategy analysis is prepared using the Grand Strategy model, as shown in the following figure:

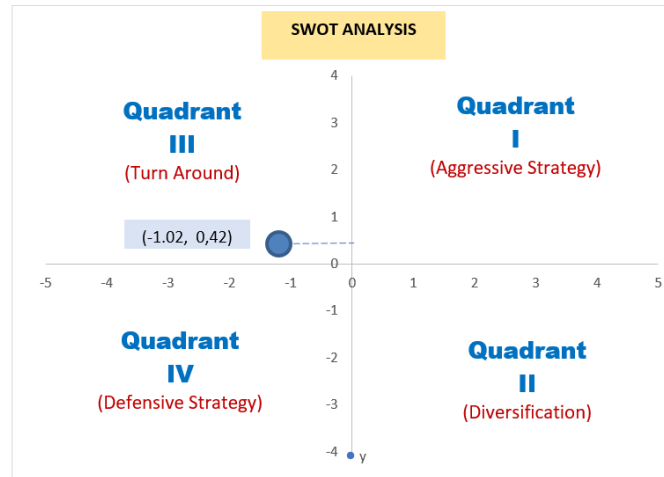


Figure. 2
 Nurtanio University Strategy Quadrant

The results of Figure 1, from the SWOT analysis associated with McKinsey's 7S obtained SWOT analysis, the University is in Quadrant III or a turn around strategy as a Grand Strategy (which indicates that the University is improving the performance of a company that is experiencing poor conditions). In quadrant III (-, +), the University faces enormous market opportunities, but on the other hand there are internal weaknesses. The focus on the University's strategy is to minimize internal problems, so that it can seize better market opportunities, with a Bold and Innovative Strategy in facing business challenges.

Matrik IFAS EFAS (Internal Factor Analysis Summary dan External Factors Analysis Summary EFAS) Universitas

Table 2 IFAS University

Strength:	Score	Rating	B x R
1. Strategy			
a. The University has a Vision and Mission and a strategic plan which are listed in the Statute of Nurtanio University Bandung.	0,07	3	0,21
b. The University is strategically located in the city center.	0,05	2	0,1
2. Structure			
a. The University has an organizational structure that listed in the Statuta of Nurtanio University Bandung	0,07	3	0,21
b. The University is committed to quality and customer satisfaction	0,09	2	0,18
3. Style			
a. The university has a leadership style of democratic leadership style.	0,05	3	0,15
b. Leadership can strengthen	0,05	2	0,1

Strength:	Score	Rating	B x R
the achievement of a cooperative and competitive work environment.			
4. System			
a. The University uses a management system SIAKAD (Online Academy System) which makes it easy for users to access the campus online.	0,08	3	0,24
b. Finance, systems and communications through control and reporting.	0,07	2	0,14
5. Skill			
a. The University has the skills and leadership that comes from the full complement of the Air Force.	0,08	2	0,16
b. Students, University human resources have high discipline to achieve high worker performance.	0,07	3	0,21
6. Staff			
a. Availability of scholarships at the University from from the Foundation and the government.	0,1	3	0,3
b. The university always organizes education and training, technical guidance for lecturers and instructors.	0,05	2	0,1
7. Share Value			
a. The University has a distinctive course curriculum Aerospace courses.	0,07	2	0,14
b. The University has basic values with the motto Dicipline, Tought, and Competitive	0,08	3	0,24
Total S	1		2,48
Weakness:	Score	Rating	B x R
1. Strategy			
a. The University's strategy has not been perfectly implemented. .	0,09	4	0,36
b. The University's strategy is competitive with other universities.	0,07	4	0,28
2. Structure			
a. The University's organizational structure chart has not all positions filled by human resources.	0,08	3	0,24
b. There are still those who hold concurrent positions.	0,10	4	0,4
3. Style			
Leadership style lacks responsiveness to subordinates.	0,09	3	0,27
4. System			
There are no weaknesses in the system.	0,10	3	0,3
5. Skill			
University skills are not in accordance with professional field due toexperience.	0,09	3	0,27
6. Staff			
a. The existence of concurrent positions.	0,15	4	0,6
b. The position of study programs is still not linear with their education.	0,16	4	0,64
7. Shared Values.			
There is no bottleneck in share value.	0,08	2	0,16

Strength:	Score	Rating	B x R
Total W	1		3,52
S - W (2,48 - 3,52 = -1,02)			

Source: Processed by Researchers 2024

Based on the IFAS (External Factors Strategic Analysis Summary) analysis conditions, it shows that there are still weaknesses with a weight rating value of -1.02. Furthermore, the results of the EFAS (External Factors Strategic Analysis Summary) analysis, as shown in table 4.54 below:

Table 3 EFAS University

Opportunity:	Bobot	Rating	B x R
1. Opportunities in Strategy			
a. University opportunities for cooperation with other companies increased	0,09	4	0,36
b. Opportunities for the University to compete against increasing market product demand.	0,08	4	0,32
2. Opportunities in Structure			
a. With the organizational structure of the University, there is an opportunity to develop the positions filled to advance the University in the future.	0,06	3	0,18
b. Opportunities for human resources to develop in accordance with their knowledge.	0,06	3	0,18
3. Opportunities in Style			
TNI culture with discipline and quick decision making inherent in leadership	0,05	3	0,15
4. Opportunities in the System			
a. MBKM program for students to improve their soft skills and meet industry needs.	0,07	3	0,21
b. Availability of competency grant program that can be used to improve learning innovation & teaching and learning process	0,10	3	0,3
5. Opportunities in Skills			
a. Students who have specialized skills, providing opportunities for students to have a career in accordance with their scientific fields.	0,07	3	0,21
b. Easy access to social media and market places for entrepreneurial spirit to flourish.	0,05	2	0,1
6. Opportunities in Staff			
a. Potential new student candidates outside Java is very large so as to ensure the sustainability of employment for lecturers and staff.	0,09	4	0,36
b. The university becomes a test site for certain institutions that have the opportunity for University graduates to be hired	0,13	4	0,52
7. Opportunities in Share Value			
a. Nurtanio's big name as a national hero national hero in the field of aerospace provides a high chance of public trust.	0,09	3	0,27
b. High demand for skilled labor especially the aerospace industry	0,07	4	0,28

Opportunity:	Bobot	Rating	B x R
Total O	1		3,44
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Threat	Bobot	Rating	B x R
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1. Threats in Strategy			
a. The existence and success of other universities in socializing their vision, mission, goals and objectives (VMTS).	0,10	4	0,4
b. The implementation of the Asean Economic Community (AEC) 2015 which allows universities in the Asean region to operate in Indonesia.	0,05	2	0,1
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2. Threats in Structure			
a. Funding efficiency has an impact so that organizational restructuring is carried out while still paying attention to high optimization	0,11	3	0,33
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3. Threats in Style			
No threat	0,05	2	0,1
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4. Threats in the System			
a. Increasingly stringent requirements to achieve Excellent accreditation	0,12	4	0,48
b. The economic crisis affects people's purchasing power to continue their education	0,15	3	0,45
c. Changing curriculum regulations that make it difficult to determine a sustainable curriculum development strategy. curriculum development in a sustainable manner	0,13	3	0,39
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5. Threats in Skill			
The rapid changes and development of information technology-based facilities so that the higher quality requirements of lecturers and staff are needed.	0,07	3	0,21
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6. Threats in Staff			
a. Changes and developments in information technology-based infrastructure and facilities are very fast so that the higher quality requirements of lecturers and staff needed	0,08	3	0,24
b. With the AEC 2015, the competency level of Indonesian lecturers is directly compared with lecturers from various Asean countries.	0,05	2	0,1
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7. Threats in Share Value			
a. The rapid development of technology and information and AI gave birth to an instantaneous generation and had an impact on the decline in student character.	0,04	3	0,12
b. The low output of lecturers' scientific publications and IPR.	0,10	2	0,2
Total T	1		3,12
<hr/>			
O - T (3,44 - 3,12 = 0,32)			

Source: Author's Processed Data 2024

Based on the conditions of the EFAS (External Factors Strategic Analysis Summary) analysis, it shows that there are opportunities with a weighted rating value of 0.32.

Optimization Strategy Effective implementation of McKinsey's 7S that will improve institutional performance

The strategies mentioned above are based on the results of in-depth research and interviews, then by the researcher processed and developed into the main Functional Strategies as follows :

1. Human Resources Strengthening Strategy
 - a. Human resources training
 - b. Comparative studies to other universities
 - c. Position (Career Path)
 - d. Performance (Work Evaluation)
 - e. Employee Development
 - f. Employee Welfare Management
2. Important Role of the Finance Department
 - a. Student Education Contribution (SPP)
 - b. Additional source of funds
 - c. Increased cash flow
 - d. Optimizing expenditure
 - e. Taxation
3. Research and Development Strategy / Innovation Implementation
 - a. Leadership Orientation
 - b. Product Innovation
 - c. Product Implementation
 - d. Operational Performance
4. External Strengthening Strategy
 - a. New Product Development
 - b. New Market Service Development
 - c. Establishing Partnerships

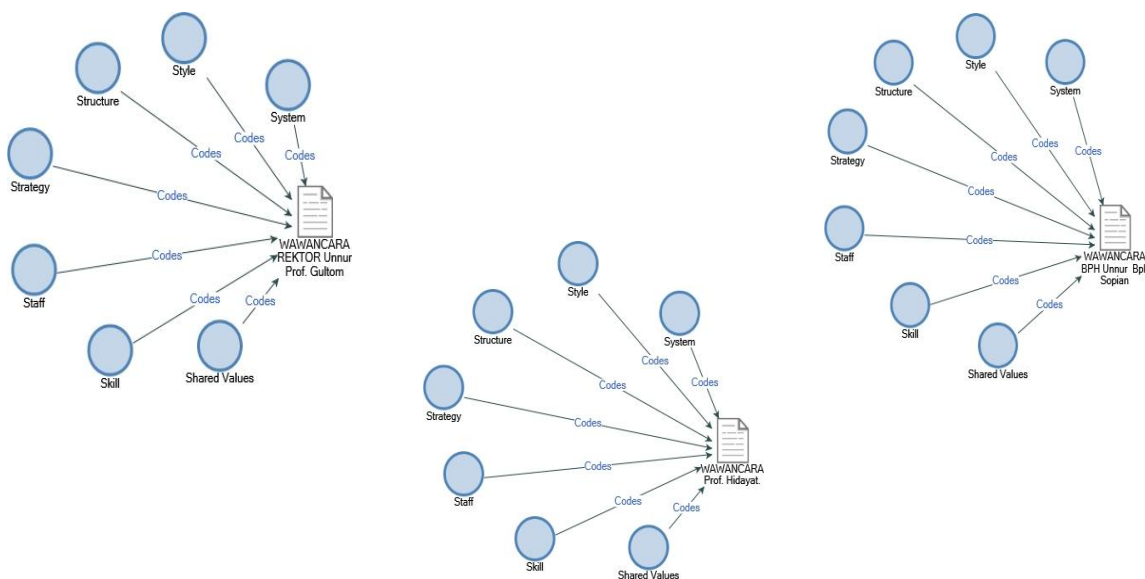


Figure.3 Project Map

Implementation of 7S McKinsey Nurtanio University Bandung According to Expert Judgment



Figure 4. Summary Frequency Query Result Application of McKinsey's 7S in Efforts to Improve Institutional Performance

Word	Length	Count	Weighted Percentage (%)
penelitian	10	80	001
strategi	8	64	001
kegiatan	8	62	001
lulusan	7	51	001
akademik	8	42	000
keuangan	8	42	000
pengaduan	9	42	000
kemampuan	9	41	000
organisasi	10	41	000
kompetensi	10	38	000
meningkat	9	32	000
pengguna	8	30	000
informasi	9	28	000
mencapai	8	28	000
universitas	11	28	000
prasarana	9	27	000

Figure 5. Summary Frequency Query Result Implementation of McKinsey's 7S in an Effort to Improve the Performance of Institution.

The results of qualitative data processing examine the University's performance variables using nine KPIs, namely: Vision, Mission, Goals, and Strategies; Governance, Governance, and Cooperation; Students; Human Resources; Finance, Facilities, Infrastructure; Education; Research; Community Service; Output and Tridharma Achievement, there are four KPIs that have not reached the expected target, namely: KPI for Students, student interest in entering the University has decreased for several study programs and the process and mechanism for tracking studies through not all graduates have filled out the form that is available on the Website; KPI for Human Resources, there is a gap in the competence of human resources, the Head of the Study Program is not linear education with the study program; KPI for Finance, Facilities, Infrastructure, information systems and facilities used for the learning process (hardware, software, e-learning, on-line access to libraries, etc.) have not been implemented thoroughly; KPI for Tridharma Outputs and Achievements, the number of University Journal publications both research and community service is still limited. There are inhibiting factors in optimizing the implementation of McKinsey's 7S, namely: Strategy, Staff, and Skill.

There are obstacles in the performance of the University, namely: Students, Human Resources, Finance, Facilities, Infrastructure; Output and Tridharma Outcomes. To meet the market share, especially at the Faculty of Engineering, which requires graduates who already have a skill license, because the licenses possessed by graduates are indispensable in the world of aviation available at the Faculty of Engineering of the University and institutions or airlines that require it. Where every time the user or user needs by the world of aviation.

Discussion

Based on the results of the analysis and discussion of the main indicators, the strategy of optimizing the application of McKinsey's 7S in an effort to improve the performance of University Education institutions, the finding model describes the strategy of optimizing the application of McKinsey's 7S in an effort to improve performance, input in the form of, phenomena, and vision, mission of the company. The process describes the optimization of the application of 7S McKinsey and the output describes the results of applying 7S McKinsey in an effort to improve institutional performance, and the outcome obtained describes the improvement of institutional performance. Explanation of research findings (novelty) as follows below:

1. Strategy turns into Leadership
Strategy is less about planning and more about leadership. Leaders play an important role in providing direction, vision, and driving the organization.
2. Structure changes to New Structure
Organizational structures change to become more flexible and adaptive, often adopting matrix or project-based structures to improve collaboration and response to change.
3. Systems change to Dynamic System
The organization's operational systems must be more dynamic and able to adapt to modern technology, automation, and rapidly changing business processes.
4. Shared Values change to Shared Vision, Mission, & Values
The shared values element is transformed into vision, mission, and values that become the main foundation in uniting organizational goals, which helps create a strong and collaborative work culture.
5. Style changes to Dynamic Style
Management and leadership styles change to become more flexible (Dynamic Style), adjusting to the needs of the situation and the diversity of individuals in the organization.
6. Staff turns into Competency
The focus on staff shifts to developing relevant individual competencies to face new challenges, including innovation capabilities and mastery of technology.
7. Skills turns into Competency
Competencies (a combination of skills, knowledge and attitudes) are at the core of human resource development, replacing approaches based solely on technical skills.

In connection with the performance of institutions that use the variable nine Main Performance Indicator Standards (9 KPIs), new findings (novelty) are those related to the sixth KPI for Education, the seventh KPI for Research, the eighth KPI for Community Service, the ninth KPI for Tridharma Outputs and Achievements, which

are very important for the University itself and permanent lecturers as workload reports in each semester.

CONCLUSION

The seven variables in McKinsey's 7S, namely: Strategy, Structure, Style, System, Staff, Skills, Shared Values, it was found that the three S optimization of the application was not effective, namely: Strategy that has not been perfectly implemented; Staff, there is a gap in the competence of human resource needs; Skill, there is a gap in skills that are not in accordance with their fields.

Promotion and socialization activities from each faculty, introducing the University to high school graduates, D3 graduates, S1 graduates. Then determine the number of prospective students who register and can be accepted in each faculty at the University and to find out the number of students who have passed the selection and are accepted as University students. Strive for the D4 Vocational program at the Faculty of Engineering to be realized immediately and immediately open registration for the new D4 Study Program and implement the University's new product D4 Vocational Program, to meet the market share in the aviation world which really needs D4 graduates of the study program concerned.

There is a strategy to optimize the application of McKinsey's 7S framework in an effort to improve the performance of Unnur institutions, with functional strategies that include: Human Resources Strengthening Strategy; Important Role of the Finance Department; Research and Development Strategy / Application of Innovation; External Strengthening Strategy. Establish more campus partnerships with industry that have been established through Merdeka Belajar Kampus Belajar (MBKM). Establish partnerships with universities that can ensure that the curriculum remains relevant to the latest industry needs.

Acknowledgment

High appreciation for Nurtanio University as a provider of education programs needed by the community, especially in Bandung City, and openness of information for research purposes is a proof of the implementation of support for scientific involvement that needs to be carried out in balance between theory and practice.

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