



SWOT Analysis in Determining Performance Improvement Strategies

Kukuh Azandi Wilasto ^{1*}, Nur Wening ¹

¹ Postgraduate Program, Master of Management, Yogyakarta University of Technology, Indonesia

*Corresponding Author: kukuh.6240111006@student.uty.ac.id

Abstract

Background. This research was conducted to identify and systematically examine the application of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis in the formulation of strategies to enhance organizational performance across various sectors.

Aims. The study's focus encompasses the fields of education, public services, industry, Micro, Small, and Medium Enterprises (MSMEs), and hospitals.

Methods. The methodology employed in this study is a Systematic Literature Review (SLR) of ten scientific articles published between 2017 and 2024, which explicitly applies the SWOT approach. The study was conducted thematically, based on the research method, organizational sector, SWOT quadrant position, and proposed strategy.

Result. The results of the study show that most organizations are in quadrant I (aggressive strategy), which describes an institution's ability to combine strengths from internal operations and opportunities from external sources to the maximum. The dominant strategy implemented includes strengthening human resources, implementing performance improvement strategies, enhancing operational process efficiency, and driving innovation in products and work systems. In addition, some studies combine SWOT with other methods such as the Quantitative Strategic Planning Matrix (QSPM) and the Malcolm Baldrige National Quality Award (MBNQA), which have been proven to enrich analysis and support decision-making accuracy.

Conclusion. SWOT analysis has proven to be an effective strategic evaluation tool applicable in various organizational contexts. This study also offers practical implications for organizational leaders in designing adaptive strategies that are grounded in the organization's actual conditions.

Implementation. The government and stakeholders are advised to initiate managerial training and mentoring programs to enhance organizational understanding and capacity in comprehensively implementing SWOT analysis.

Keywords: SWOT, Strategy, Quadrant, Management, Public



© 2025 The Author(s). This article is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/), which permits use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source.

INTRODUCTION

Organizational performance is a key indicator of success in achieving strategic goals, both in the public and private sectors. Optimal performance not only reflects operational efficiency but also demonstrates effectiveness in meeting stakeholder needs, upholding institutional accountability, and ensuring long-term sustainability. Therefore, in the face of a dynamic and competitive environment, organizations must have an adaptive, scalable, and data-driven strategic planning system.

In strategic planning, one approach often applied is the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. This approach enables organizations to systematically assess both internal factors, including strengths and weaknesses, and external factors, such as opportunities and threats, providing a basis for designing relevant and realistic strategies. SWOT analysis has become a popular tool in various sectors due to its ability to thoroughly map the organization's state and simplify the strategic decision-making process.

Not only limited to the corporate sector, SWOT analysis has also been widely implemented in the context of educational institutions, public services, hospitals, and Micro, Small, and Medium Enterprises (MSMEs). Its implementation encompasses various objectives, including performance improvement strategies, human resource development, managerial efficiency, and organizational digital transformation. In many cases, the results of the SWOT analysis are mapped into a quadrant matrix of strategies (SO, WO, ST, WT), which serves as the basis for formulating programs, policies, and organizational development directions.

Although this approach has been widely used, there are still limitations in the academic literature that reviews how SWOT is applied in real-world contexts across various sectors, as well as its effectiveness in formulating strategies to improve organizational performance. Therefore, a systematic review of the existing literature is necessary to obtain a comprehensive understanding of the pattern of use of SWOT, the variations in accompanying methods, and the outcomes of the strategies resulting from the analysis process.

This research aims to fill this gap through a systematic literature review (SLR) of a number of scientific articles that use SWOT analysis as a basis for formulating strategies to improve organizational performance. By examining the context of SWOT application across sectors and methods, this study aims to make a practical contribution to the development of strategic management based on situational analysis.

LITERATURE REVIEW

Performance Improvement Strategy

Organizational performance reflects the ability to achieve strategic goals through the effective and efficient use of resources. Improving organizational performance is closely related to internal process management, human resource development, and adjustment to external environmental dynamics. Performance improvement strategies include systematic efforts to improve processes, improve service quality, and encourage productivity and innovation (Stephen P. Robbins, 2016)

Strategic Management

Strategic management is the process of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals. (Fred R. David, 2017). Strategic management requires organizations to periodically conduct internal and external environmental analyses to identify opportunities, threats, strengths, and weaknesses, which serve as the basis for developing a competitive and sustainable strategy.

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a strategic analysis tool developed by (Humphrey, 1965). SWOT helps organizations to identify strengths and weaknesses that originate internally, as well as opportunities and threats from the external environment. The primary objective of this analysis is to align internal strengths with external opportunities, mitigate weaknesses, and anticipate potential threats. (Eda Gürel, 2017). The SWOT matrix yields four main strategy alternatives:

1. SO (Strength-Opportunity) Strategy: Using strength to take advantage of opportunities.
2. WO (Weakness-Opportunity) Strategy: Improving weaknesses by taking advantage of opportunities.
3. ST (Strength-Threat) Strategy: Using force to reduce the impact of threats.
4. WT (Weakness-Threat) Strategy: A strategy of defending by minimizing weaknesses and avoiding threats.

SWOT Quadrant

The results of the SWOT matrix are often further analyzed using a strategy quadrant matrix that categorizes the organization's position into four quadrants:

1. Quadrant I (Aggressive/SO): The organization holds a superior internal position and has extensive external opportunities.
2. Quadrant II (Diversification/WO): The organization is internally weak but has numerous opportunities.
3. Quadrant III (Conservative/ST): A strong organization but faces many threats.
4. Quadrant IV (Defensive/WT): The organization is in a weak position both internally and externally.

The placement of strategies in this quadrant provides direction for organizations to choose the appropriate approach in improving their performance and competitiveness.

METHODS

The methodology used in this study is the Systematic Literature Review (SLR) approach, which aims to systematically identify, evaluate, and synthesize various scientific articles that discuss the application of SWOT analysis to improve organizational performance. This method was chosen to gain an in-depth and structured understanding of patterns, strategies, and findings relevant to various organizational sectors.

Inclusion Criteria

The inclusion criteria used in this study are as follows:

1. The article was published between 2017 and 2024.
2. The article explicitly applies SWOT analysis as the primary tool in formulating organizational strategies.
3. Articles originate from various sectors of the organization, including education, public service, MSMEs, industry, and healthcare.
4. The article is available in full version and can be accessed for thorough analysis.

Analysis Procedure

A total of 10 articles that met the inclusion criteria were selected as the object of study. The articles were analyzed using a thematic-qualitative approach based on the following categories:

1. Research methods used (quantitative, qualitative, descriptive, combination of methods)
2. Types and sectors of the organization

3. SWOT quadrant position (quadrant I-IV)
4. Proposed strategy based on the results of the SWOT analysis

This analysis aims to identify commonly applied strategy patterns, the distribution of SWOT quadrant positions, and innovations in analysis methods used across various sectors.

DISCUSSION

A total of 10 journal articles were obtained through a systematic search on Google Scholar with the topic of the influence of SWOT on Determining Performance Improvement Strategies in Indonesia

Table 1. The Influence of SWOT in Determining Performance Improvement Strategies in Indonesia

Method	Writer	Year	Heading	Purpose	Result
Qualitative (R&D)	(Sujoko, 2017)	2017	School Quality Improvement Strategy Based on SWOT Analysis in Junior High School	To review and develop strategies to improve the quality of education in junior high schools using a comprehensive SWOT analysis approach.	The results showed that schools were in the Strength-Opportunity (SO) quadrant, which signifies an aggressive strategic position. Suggested strategies include a 7K program, teacher professionalism development, and improved academic and non-academic achievement of students.
Quantitative	(Widarman et al., 2020)	2020	HR Analysis to Improve Employee Performance with SWOT and QSPM Methods at PT Indo Sadang Fabrikator	Determine the right strategy to improve employee performance in the company environment by utilizing SWOT and QSPM methods as strategic analysis tools.	The research found that the main strategy for improving performance was to strengthen employee competencies, with the highest TAS score of 6,248. The company is located in quadrant I (aggressive), indicating favorable conditions for both internal development and external expansion.
Quantitative with MBNQA	(Anggara & Hasibuan, 2020)	2020	Mapping and Strategy to Improve the Performance of Regional Licensing Service Institutions with MBNQA-SWOT	Analyze the performance of regional licensing service institutions and formulate strategies for their improvement by combining the Malcolm Baldrige National Quality Award (MBNQA)	The results of the evaluation showed a performance score of 752.475, which was classified as an "industry leader." The improvement strategy is directed at quadrant I (aggressive) with ten recommendations to improve the quality of public services.

Method	Writer	Year	Heading	Purpose	Result
				and SWOT approaches.	
Quantitative	(Fentiana & Ginting, 2020)	2020	Hospital Revenue Increase Strategy Based on SWOT Analysis	Identify strategies to increase hospital revenue by mapping internal and external factors using a SWOT analysis.	The resulting strategies include standardizing human resources, improving operational cost efficiency, enhancing customer satisfaction surveys, and developing superior services to enhance a hospital's competitiveness.
Quantitative	(Praise Suci et al., 2020)	2020	Strategy to Improve Human Resources Performance in MSMEs in Malang with the SWOT Method	Formulate a strategy for enhancing human resource performance in Micro, Small, and Medium Enterprises (MSMEs) in the Malang region, based on a SWOT analysis.	The results of the study indicate that the strategy falls within the SO (aggressive) quadrant. The main strength lies in the quality of service, while the weakness lies in the low quality of human resources. The opportunities identified include the potential of Malang souvenirs and the availability of local raw materials.
Qualitative	(Iryani & Deasy, 2021)	2021	Employee Performance Improvement Strategy: SWOT Analysis	Develop a strategy to enhance employee performance by conducting a SWOT analysis of the organization's internal and external factors.	This study reveals that organizations are located in quadrant I (SO), indicating an aggressive strategy that maximizes the utilization of internal strengths and external opportunities to foster employee performance growth.
Descriptive Qualitative	(Jamaludin & Pancasasti, 2021)	2021	SWOT Analysis to Improve Human Resources Performance in MSMEs in Serang City	Determining the human resource development strategy in the MSME sector in Serang City through a descriptive SWOT analysis.	The strategy to improve human resource performance has been implemented and integrated into a monitoring information system called SIKEPANG. MSMEs demonstrate a competitive edge by effectively utilizing their internal strengths and leveraging external opportunities.
Descriptive Qualitative	(Wahyuningsih et al., 2021)	2021	Analysis of Employee Performance Improvement Strategies on CVs. Santoso	Examining employee performance improvement strategies in medium-scale companies with a descriptive SWOT approach.	The analysis results yielded an IFAS score of 6.13 and an EFAS score of 4.85, positioning the organization in quadrant I (aggressive). The suggested strategy is to optimize internal strengths and leverage external

Method	Writer	Year	Heading	Purpose	Result
					opportunities in human resource management.
Quantitative	(Sepriadi et al., 2022)	2022	Application of SWOT Analysis to PT PLN (Persero) Ambon's Performance Improvement Strategy	Analyze and formulate strategies to improve organizational performance at PT PLN (Persero) ULP Ambon Kota through the SWOT approach.	The results show that the company's position is in quadrant I (aggressive strategy) with comparative advantages. The recommended strategy involves optimizing the utilization of internal strengths and market opportunities to enhance operational performance.
Qualitative	(Hosio, 2024)	2024	Strategy to Improve the Performance of Dok II Jayapura Hospital Based on SWOT Analysis	Analyze the strategy to improve the performance of the Jayapura Regional General Hospital Doc II with a SWOT approach to identify internal and external factors that influence.	The strategies prepared include improving service procedures, improving the quality of services for BPJS patients, conducting regular internal audits, and improving human resource competencies through continuous training.

1. SWOT Quadrant Distribution

Of the ten articles analyzed, eight indicated that the organization or institution studied was located in quadrant I of the SWOT matrix, which is characterized as an aggressive strategy (Strength-Opportunity, SO). This suggests that the majority of organizations possess significant internal strengths, as well as promising external opportunities, thereby enabling the development of proactive and expansive strategies.

2. Key Strategy Focus

In general, the strategies formulated in various studies have a consistent pattern, which is oriented towards strengthening performance through:

- a. Improving the quality of human resources (HR): This step is the primary focus in several studies, such as PT Indo Sadang Fabrikator, CV: Santoso, and MSMEs in Malang. Strengthening human resources is achieved through training, enhancing professionalism, and improving work productivity.
- b. Procedural efficiency and operational costs: Research at Dok II Jayapura Hospital and other hospitals emphasizes the need to optimize service flows and cost savings to improve operational efficiency.

- c. Improving the quality of public services: Found in the context of PLN Ambon and the Regional Licensing Office, this strategy aims to enhance customer satisfaction through service innovation, digital information systems, and the standardization of procedures.
 - d. Strengthening internal management systems: Studies in junior high schools and private companies have shown that structured internal management is the primary foundation for implementing sustainable strategies.
3. Thematic Convergence Across Sectors
Although the research objects cover different sectors, ranging from education and public services to MSMEs and hospitals, there is an apparent thematic convergence. Almost all organizations make HR management and service procedures the primary pillars of their performance improvement strategy. This reflects that the effectiveness of a SWOT strategy depends heavily on how the organization can optimally manage these internal aspects.
 4. Innovation and Methodology Integration
Some studies demonstrate an innovative approach by combining SWOT analysis with other methods, such as the Quantitative Strategic Planning Matrix (QSPM) and the Malcolm Baldrige National Quality Award (MBNQA). This combination of methodologies not only enriches the analysis results but also enhances the accuracy in strategic decision-making. An example can be seen in the study of PT Indo Sadang, which uses QSPM to set strategic priorities, and the Licensing Office, which adopts MBNQA in measuring public service performance.

CONCLUSION

Based on a systematic review of ten scientific articles, it can be concluded that SWOT analysis is an effective and adaptable tool for formulating strategies to improve organizational performance across various sectors, including education, public services, industry, micro and small and medium enterprises (MSMEs), and hospitals. The majority of organizations are in quadrant I (aggressive strategy), indicating that they possess strong internal strengths and can effectively capitalize on external opportunities.

The most dominant strategies include strengthening human resources, improving service quality and operational efficiency, and developing innovations relevant to the organization's needs. In addition, the combination of SWOT methods with other strategic approaches such as the Quantitative Strategic Planning Matrix (QSPM) and the Malcolm

Baldrige National Quality Award (MBNQA) has been proven to enrich the analysis process and improve the accuracy of managerial decision-making.

Suggestion:

Organizations need to develop the use of SWOT analysis from a descriptive approach to an integrated strategic analysis, for example, by combining it with quantitative methods such as QSPM or quality assessment approaches like MBNQA.

The government and stakeholders are advised to initiate managerial training and mentoring programs to enhance organizational understanding and capacity in comprehensively implementing SWOT analysis.

Follow-up research is expected to evaluate the implementation of strategies prepared based on SWOT longitudinally, including measuring the long-term impact on organizational performance.

BIBLIOGRAPHY

- Anggara, H., & Hasibuan, S. (2020). Mapping and strategies to improve the performance of Regional Licensing Service Institutions using the MBNQA-SWOT method. *Operations Excellence: Journal of Applied Industrial Engineering*, 12(1), 28. <https://doi.org/10.22441/oe.2020.v12.i1.003>
- Eda Gürel, M. T. (2017). SWOT Analysis: A Theoretical Review. *The Journal of International Social Research*, 10(51), 994–1006. <https://doi.org/https://doi.org/10.17719/jisr.2017.1832>
- Fentiana, N., & Ginting, D. (2020). Hospital Revenue Increase Strategy Based on SWOT Analysis. *Scientific Journal of Batanghari University of Jambi*, 20(3), 1008. <https://doi.org/10.33087/jiubj.v20i3.1034>
- Fred R. David, F. R. D. (2017). *Strategic Management: A Competitive Advantage Approach, Concepts and Cases (16th Edition)*. Pearson.
- Hosio, Y. F. (2024). Strategy to improve the performance of Dok II Jayapura Hospital based on SWOT analysis. *Journal of Indonesian Partners: Journal of Education, Social, Humanities, and Health*, 3.
- Humphrey, A. S. (1965). *SWOT Analysis (Unpublished internal document)*.
- Iryani, & Deasy. (2021). Employee Performance Improvement Strategies: SWOT Analysis. *Cross-Border*, 4(1), 525–538.
- Jamaludin, A., & Pancasasti, R. (2021). SWOT Analysis to Improve Human Resources Performance in MSMEs in Serang City, Banten Province. *DeSanta - Indonesian of Interdisciplinary Journal*, 2 (September), 148–155. <https://jurnal.desantapublisher.com/index.php/desanta/article/view/10%0Ahttps://jurnal.desantapublisher.com/index.php/desanta/article/download/10/10>

- Puji Suci, R., Hermawati, A., & Suwarta. (2020). Strategy to improve the performance of Human Resources (HR) in MSMEs in Malang using the SWOT Method. *Journal of Science and Organizational Management*, 1(2), 64–74. <https://doi.org/10.52300/jmsso.v1i2.2374>
- Sepriadi, A. I., Paillin, D. B., & De Fretes, R. A. (2022). The Application of SWOT Analysis to the Performance Improvement Strategy of Pt Pln (Persero) Ambon City Customer Service Unit in the Energy Transaction Sector. *I Tabaos*, 2(2), 128–136. <https://doi.org/10.30598/i-tabaos.2022.2.2.128-136>
- Stephen P. Robbins, M. C. (2016). *Management (13th Edition)*. Pearson Education.
- Sujoko, E. (2017). School Quality Improvement Strategy Based on SWOT Analysis in Junior High School. *Manage: Journal of Educational Management*, 4(1), 83. <https://doi.org/10.24246/j.jk.2017.v4.i1.p83-96>
- Wahyuningsih, S., Manangka, N. C., & Sekolah, P. J. (2021). Analysis of Employee Performance Improvement Strategies on CVs. Santoso. *Nusantara: Journal of Social Sciences*, 8(8), 2680–2686.
- Widarman, A., Rohim, & Yudha, H. S. (2020). HR analysis to improve employee performance using the SWOT method and the Quantitative Strategic Planning Matrix (Qspm) at PT. Mother is a Manufacturer. *Journal of Technology*, 10(2), 93–96. <https://doi.org/10.51132/teknologika.v10i2.91>