

## Management Skill and Leadership: A Case Study from Hospital Managers of Charity Business in Health

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### Abstract

Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, Hospital of PKU Muhammadiyah Yogyakarta and Hospital of PKU Muhammadiyah Bantul is generating a comprehensive organization with varied inter-professional connection, which might trigger an internal conflict. The lack number of managers who have been trained resulting ineffective management systems. Participants consisted of 29 people at Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, 13 people at Hospital of (RS) PKU Muhammadiyah Yogyakarta and 40 people at Hospital of (RS) PKU Muhammadiyah Bantul includes top managers, middle and bottom. Characteristic manager age  $\leq 30$  years 7.7%,  $> 50$  years of 15.4%, age 31-50 years 76.9%. Length of employment ranges managers ranging from 4-23 years, years  $< 5$  years of 15.4%, year 6-10 years and 11-20 years amounts to at most 69.3%. The results showed that the leadership and management skills (finance, human resources (HR), quality, medicine information systems and equipment) of top manager assessed competent (likert scale  $\geq 3$ ) while the middle and lower managers considered not sufficiently competent (likert scale  $\geq 2$ ). Competence hospital managers is currently at an advanced level, means the managers can do the job effectively and confidently.

**Keywords:** Competency; Leadership; Hospital managers; Managerial.



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### 1. Introduction

In almost the same time, the medical world in Indonesia experienced two critical momentum i.e. the implementation of National Social Security System at the beginning of 2014 and Facing the ASEAN harmonization or ASEAN *Economic Community* (AEC) in 2015. [Pabdi and Papdi \(2015\)](#) AEC is a form of economic integration of ASEAN namely the system of free trade between ASEAN countries which have agreed AEC. With the unity of the market and production base in AEC, the flow of goods and services, investment, large amounts of capital, and skilled labor from one country to other countries in Southeast Asia becomes not hindered. [Pabdi and Papdi \(2015\)](#)

Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, Hospital of (RS) PKU Muhammadiyah Yogyakarta and Hospital of (RS) PKU Muhammadiyah Bantul is a part from charity business of Muhammadiyah at health field (AUMAKES) as an organization that is bureaucratic. These organizational complexity comes from the administrative hierarchy with all the risks of clinical, interdisciplinary involvement and the readiness to face the free market. These complexity assessed often causes conflict at the hospital. Therefore, the hospital must be able to overcome the problem of the organization to design a health care resulted in increasing the effectiveness and efficiency of patient safety. [Boyatzis \(1982\)](#)

Hospital should be defined as an organization with a new paradigm in leadership to encourage the development of innovation and strive to integrate the various competencies for physicians and managers in managing patients and the general healthcare system. [Boyatzis \(1982\)](#) In the era of AEC, the hospital will serve global customers or consumers who had global tasteful and will employ many global employees as well as the hospital as a seller of services based on knowledge and high technology. [Aditama \(2003\)](#) Therefore the possibility of conflict arising will most likely happen in the era of AEC due to the many interactions that occurred.

Bantul nowadays, level of leadership skills and managers competencies in various areas of management (finance, human resources (HR), information systems, medicine, and equipment). PKU Muhammadiyah Hospital is a hospital specialized in the field of health care and under the central leadership of Muhammadiyah, built some great buildings throughout Indonesia, and the location of PKU Muhammadiyah hospital is scattered around the islands of Java ([Bass et al., 1990](#); [Blake and McCause, 1991](#); [Northouse, 2008](#)). Then it is necessary conducted research to investigate problem and managerial challenges which being faced by Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, Hospital of (RS) PKU Muhammadiyah Yogyakarta and Hospital of (RS) PKU Muhammadiyah Bantul.

### 2. Materials and Methods

The study which conducted in February 2015–June 2016 is a qualitative-quantitative research with longitudinal method to determine the manager competency of Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, Hospital of (RS) PKU Muhammadiyah Yogyakarta and Hospital of (RS) PKU Muhammadiyah Bantul Bantul. Primary data was obtained from the giving

of questionnaires and interviews to managers at different levels. Participants consisted of 29 people at Mother and child Hospital of (RSIA) 'Aisyiyah Klaten, 13 people at Hospital of (RS) PKU Muhammadiyah Yogyakarta and 40 people at Hospital of (RS) PKU Muhammadiyah Bantul includes top managers, middle and bottom.

The object of this study is about the manager's competence in general management, financial management, Human Resource management, quality management, drugs and equipment management, information management. The data used in this study were primary data. Primary data is data obtained directly from the source observed in the field and documented directly by the researcher. The primary data obtained from direct observation (observation), questionnaires and in-depth interviews.

There are two methods of data collection in this research, the method of quantitative and qualitative methods. The questionnaire was designed to obtain self-assessment (self assessment) by hospital managers on managerial competencies and managerial training needs. The quantitative data obtained from questionnaires.

### 3. Results of Study

Results of interviews with top level managers mentioned that there are some problems in the hospital. Those problems include hospital has not been accredited, standard operating procedures (SOPs) which has not been standardized, and limited management capabilities. Middle managers mentioned that there are problems on the operational license of hospital new building, the latest movement of hospital to the new building and lack of employee welfare, quantity and quality of human resources in some parts. While the problems faced by lower-level managers are less fulfillment of some infrastructure.

Results of the questionnaire indicate that there are differences in leadership skills among managers (Figure 1a). Top and middle level managers have competent management capabilities (likert scale 3.00-3.99). However, lower-level managers the management capability is still insufficient or basic (likert scale  $\geq 2.00$ -2.99).

Interviews and FGD about understanding the peak level managers, middle and lower standards of competence regarding general management found that each manager understands the general management competence, only the conditions on the ground will still need support from the management of the others. Such as salary increases that have not been evaluated, standardization of operational standards, the number of human resources are lacking, inadequate infrastructure, services that do not correspond with the slogan Hospital (smiles, greetings, "Salam"). The results of the measurement of the capacity of general management manager, ie 80% of its capacity at the level of competence, 20% were at an advanced level. While PKU Muhammadiyah Hospital requires a manager who has expert capacity reached 80%, and 20% advanced. These findings are interpreted, the manager already has the management skills common good.

The average competencies of financial management of the managers (Figure 1b). Top managers have higher average from any component of competency. The comprehension of managers on financial management and the constraints of the current financial management, especially in financial management. The level of competency managers of HR management (Figure 1c). Top managers have a higher level of competency than the underlying manager. The comprehension of managers on HR management and human resource management constraints in the number of employees, the recruitment process, training of employees, number of employees and performance evaluation. The level of competency of managers in quality management, the average middle managers and lower managers are still at level 2 (basic) (Figure 1d). The manager's comprehension of quality management that is considered important by them but not yet realized. The problem is that the committee recently formed so still new in the process of completing the manufacture of SOP.

Medicine management and tools carried by the pharmacy is still not running properly. Management competencies of medicine and equipment was still lacking especially in the procurement of medicine and equipment and maintenance of the appliance, the average competencies was 2.2, which means under competent (Figure 2). The lack in terms of medicine procurement and equipment that often happens is that the empty stock. Frequently stock is empty occurred because the financial condition of the hospital. Maintenance tools that are less possible due to lack of electromedical staff, cause of so far is still dependent on outsiders.

### 4. Discussion

Based on the background of education, in this study there are no respondents with background of not undergoing schools or elementary school or equivalent (0%). The largest number of respondents came from those with the background of Bachelor amounted to 20 people or equivalent to 48.78% of the total number of respondents. Whereas respondents who have completed education in Master or specialist were amounted to 7 people equivalent to 17.07% of the total number of respondents. For the director position or in PMK No. 971 Year 2009 on the Standards of Competence of Structural Officials of Health referred to deputy director, has met the criteria. But for financial director in the regulation mentioned that the Deputy Director of Finance educational background is at least a Bachelor of Economics or Accounting, not in accordance with the criteria.

For the position of the head of department or in the study is the lower manager or supervisor, there are still some respondents who have educational backgrounds in Diploma, which is not in accordance with which the Minister of Health Head of Division and/or Head of Department with educational background of at least a Bachelor according to their field of work.

Based on the analysis of data obtained from questionnaire and in-depth interviews, the skills of general management, it can be concluded that the skills of manager in general management is in the scale of *competence-advance*. The responsibility of general manager is related to the management of non-medical supports, related to the

Hospital operational which is non-medical, started to prepare a land, building, rooms and other infrastructures so that the hospital operational is run smoothly, including maintenance, sanitation, transportation, linen laundry, security guards. Several competences which must be possessed by the manager can already be done effectively and confidence although there are several that still need supports. The supports mentioned tends to the support of management, either from the provision of training or.

The problem which most often occurs from units in general management is related to the number of Human Resource which is not corresponding to the workload and quality of Human Resource. For example in the management of sanitation, parameter of IPAL still exceeds the quality parameter, the lack of skills from Human Resource is influential, in addition the number of Human Resource is only 2 and this has not covered up all activities needed in the unit of sanitation.

Related to training, several managers said that they have never been involved to a training about leadership or about management in general, where it has been stated in PMK No. 971 Year 200 it is said that the Head of Division and/or Head of Department has been involved to a training of Leadership and

Entrepreneurship, Strategic Action Plan, Implementation Plan and Annual Plan, Employees Recruitment System, and Remuneration System at most one year after positioned in the structural position. This shows the imperfection of training plan, *training need analysis* is really needed in helping an event such as training in determining the needs of training that actually needed by the hospital managers and in encountering difficulties in the future.

Finance can be defined as the art and science of managing money. Virtually all individuals and organizations earn or raise money and spend or invest money. Finance is concern with the process, institutions, markets, and instruments involved in the transfer of money among and between individuals, businesses, and governments<sup>9</sup>. Financial management responsibilities is the start of a process of patient costing, billing, administration, warranty claims, system and process of evaluation. For the time being it is done a development and improvement of financial management systems of PKU Muhammadiyah Gamping hospital. Accounts of the hospital that originally joined PKU Muhammadiyah Yogyakarta Hospital began to be separated, SIM of Hospital improvements is done to simplify financial reporting system.

The comparison between the standard of competence and conditions that exist today shows that general management skills has been going well, and has been included in the assessment advanced. So that the findings of the capacity of general management skills are still below the needs of the hospital PKU has not become an urgent issue. The problems are more urgent is less rapid laboratory process, there has been no increase in the salaries of employees in a long time span, and services that are not in accordance with the vision and slogan hospital.

The manager has to understand management as a system or activity of planning, conduct, evaluation and improvement, conducted continuously so as to create a common goal, from planning to assessment activities will be carried out in medical and nursing care to improve the quality of hospital services.

Genesis issues in general management is not a result of inadequate understanding of the manager, but with regard to various factors. Practical explanation in case of delays laboratory examination is due to the amount of equipment were not available, and still use equipment with old technology. In the case of less service in accordance with the vision is the result of inappropriate training conducted periodically, even for certain employees have not received training. Financial ability also plays a role in the later shopping Hospitals have a wide impact.

Results summary of an interview between the manager and FGD respondents found that some managers feel they lack the ability to be a leader in terms of level of education, knowledge and management skills in general or on the lead. Employees who are led also felt much less knowledge and skills because of the scarcity of training or seminar that followed. Some managers also complained about the lack of staff at the part that they lead, so for now they are complaining about high workloads and maximum service.

Leadership depends on the skills of: technical, human, conceptual, and administrative (Bass et al., 1990; Northouse, 2008).

#### 4.1. Technical Skills

Knowledge and expertise in certain types of work or activity. This includes competencies, analytical skills, and the ability to use appropriate technical equipment. Blake and McCause (1991)

#### 4.2. Human Skills

Knowledge and the ability to work with people. This is quite different from the technical skills which associated with doing something.<sup>5</sup> Interpersonal skills are a skill that helps a leader to work effectively with subordinates, peers, and superiors to achieve organizational goals. Leadership research has consistently demonstrated the importance of interpersonal skills for effective leadership (Bass et al., 1990; Blake and McCause, 1991). Interpersonal skills are divided into three parts: (1) responsive to the social, (2) emotional quotient, and (3) managing interpersonal conflict. Bass et al. (1990)

#### 4.3. Conceptual skills

Ability to work with ideas and concepts. A leader with conceptual skills feel comfortable to speak with the idea of forming an organization and the in and out of the organization. Conceptual skills were central for creating a vision and strategic plan for the organization. Northouse (2008) Conceptual skills for leaders can be divided into three parts: (1) problem solving, (2) strategic planning, and (3) creating a vision. Bass et al. (1990)

Problems in financial management according to the financial manager are constrained in terms of preparation and budget planning which based solely on the current financial. While the current financial is not in the stable condition and focus in construction of hospital new buildings. Instability of hospital financial felt by managers and employees inhibit in the process of services. Hospital section which sometimes constrained by the lack of hospital financial stability is the section of the pharmaceutical. According to the manager and employees of pharmaceutical, the pharmaceutical section sometimes run out of stock and sometimes occurs accumulation stock due to ordering of the medicine based on the existing financial.

HR management competencies of managers overall average is 2.7 which is under competent. However, the average top managers assess their HR management competencies 3.37, which is between competent and advanced. In the interview with the top managers, they understand human resource management as "the management of recruiting employees, assess, evaluate basic tasks in accordance with the profession, reward or sanction when performing certain actions to provide severance pay when does not work anymore in hospital, as well as credentialing which conducted sustainably". Top managers perform most of the tasks of human resource management in operational and managerial functions. While middle managers understand the management of human resources as a "management of the overall HR from conducting recruitment until employee is not working at the hospital, managing, organizing staff, (scheduling, description) of work, evaluation, and communication with staff". Middle managers have been performing their duties in the operational functions of human resource management and some managerial functions.

Human resource management is part of organizational management that focuses on the elements of human resources. The task of human resource management is to manage the human element in order to obtain a labor which satisfied with their work. HR management tasks are grouped on 3 functions, namely: (Indonesian Ministry of Health, 2004)

- a. Managerial functions, include: planning, organizing, directing, and controlling
- b. Operational functions, including: procurement, development, compensation, integration, maintenance, termination of employment.
- c. The position of HR management in achieving goal of integrated organizational enterprise.

Hospitals that able to compete in the market is a hospital that is able to provide quality products or services. Therefore, hospitals are required to continue to make improvements, especially in the quality of service. Umar divide the definition of quality on the konvensional definition and strategical definition. Umar (2002) Conventional definition of quality directly describes the characteristics of a product such as; performance, reliability, ease of use, esthetics, and etc. While the definition of the strategical quality state that quality is everything that is able to meet the desires or needs of customers (meeting the needs of customers).

The results of interviews and analysis showed that the managers can perform task confidently related to the management of Human Resource such as: organization of strategy plan, recruitment, staff training, supervision, management performance assessment, until primary task evaluation based on profession. Seen from the histogram in figure 1, there are still gaps in the top managers, whereas in the lower managers and middle the capacity possessed by the managers have corresponded to the needs of the hospital.

Problems faced in the management of Human Resource is the reporting system that is not done routinely. The reporting is only takes place if the top manager asks for this. This causes several plans and implementation of activities to be lacking of good evaluation. For example for employees training, management targets in one year to work in 20 hours/ employee/ year. However, until the mid-year, it only reached one-third of the target set. In the scale of unit, the problem faced is the lacking of Human Resource. For the service of religious means to patients, the limit of Human Resource numbers is very influential to the quality of service. Umar (2002)

As for the evaluation of employees' performance, it has been done routinely, however for structural officials such evaluation is done based on their positions. This takes place due to the task possessed by the structural officials have just been formed.

In addition, to containing the indicator of quality which has not been met such as waiting time of outpatients. This relates to the time of the doctor's office is not timely resulting in practice time along with other doctors. This causes a buildup of patients in pharmacy. In order to maintain patient safety and application of 6T + 1 W (right patient, right time, right medication, right manner, proper documentation, proper dose, and be aware of side effects) the pharmacy can not serve prescriptions quickly. In addition it is also related to a limited number of Human Resource in the pharmaceutical unit.

Management of Pharmaceutical Products, Medical Devices, Medical Materials and Consumables according to the Ministry of Health of the Republic of Indonesia Number 58 Year 2014 includes selection, demand planning, procurement, receipt, storage, distribution, destruction and withdrawal, control and administration<sup>10</sup>. Pharmacy manager is responsible for the procurement of drugs and equipment sustainability and the evaluation or the so-called drug cycle. Hospital pharmaceutical services is one of the support services and also as a major income center. This is considering that more than 90% of health services in hospitals using pharmaceutical supplies (medicines, chemical, radiological, medical equipment materials consumables, medical equipment, and medical gases), and 50% of all income derived from the hospital pharmaceutical supplies management. Therefore, if the pharmaceutical supplies problems are not managed carefully and responsibly, it can be predicted that the hospital revenue would decline.<sup>11</sup>

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## 5. Conclusion

- a. Competencies of hospital manager leadership skills at Muhammadiyah and 'Aisyiyah Charity Business in Health (AUMAKES) at this time the average has not sufficiently competent or still basic, especially still lacking in the situation analysis and strategic plan as well as interpersonal skills.
- b. Competencies of hospital manager financial management at Muhammadiyah and 'Aisyiyah Charity Business in Health (AUMAKES) at this time the average has not sufficiently competent or still basic, especially in the cost analysis, financial examinations and verification of expenditure.
- c. Competencies of hospital manager human resources management at Muhammadiyah and 'Aisyiyah Charity Business in Health at this time the average has not sufficiently competent or still basic, especially in conducting strategic planning,
- d. recruitment and training of staff so that *Training Need Analysis* is very required in helping Education and training (Diklat) in determining the actual training needed by hospital managers and to face the challenges of the future.
- e. Competencies of hospital manager quality management at Muhammadiyah and 'Aisyiyah Charity Business in Health (AUMAKES) at this time the average has not sufficiently competent or still basic, especially in process control and audit and also quality control.
- f. Competencies of hospital manager equipment and medicine management at Charity Business of Muhammadiyah and 'Aisyiyah Charity Business in Health (AUMAKES) at this time the average has not sufficiently competent or still basic, especially in the procurement of drugs and equipment, maintenance, as well as the identification of needs and plans.
- g. Competencies of hospital manager information system management at Muhammadiyah and 'Aisyiyah Charity Business in Health at Health Field (AUMAKES) at this time the average has not sufficiently competent or still basic, especially in the identification of needs and data analysis plans, MIS development, and develop the data systems.
- h. Competency gap that needs to be fixed to face the problems and challenges almost all of competencies, primarily on quality management and leadership skills.

The best way to fill the gap competencies is to conduct education and training to managers in a sustainable manner in order to become more competent leader. When it is not possible to increase the capabilities and skills can be re-evaluated and replace the manager with someone more competent.

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