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## Management of Employees' Performance Culture

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**Abstract:**

**Purpose:** The aim of this article is to evaluate the development of the employees' competence as human capital in Aloei Saboe Gorontalo hospital.

**Design/Methodology/Approach:** The research was conducted in the local hospital Prof. Dr. H. Aloei Saboe Gorontalo, located around Tomini gulf. The approach used in this research is a qualitative descriptive approach. The qualitative research includes a natural setting and the researcher is considered as a main instrument. The qualitative approach is used since the method and procedure of research will produce descriptive data, such as oral or written facts of observed behaviour.

**Findings:** The development of the employees' competence is very possible since most workers are general physicians and general dentists who are highly educated. Nursing power and non-medical personnel is still limited in quantity and quality. This limitation is not only in terms of numbers, but this limitation relates also to intellectual ability, performance, moral, attitudes and personality.

**Practical implications:** This limitation is not only in terms of quantity in staffing, but refers also to a lack of intellectual ability, performance, moral, attitudes and personality, or mindset for service, even though they have all the "credentials".

**Originality/Value:** The article proves that management is a determinant factor in influencing the improvement of employee performance. Incentives services do motivate and build the performance of employees in carrying out their tasks. The use of incentives are an effective instrument to improve the quality of service.

**Keywords:** Performance Culture, Human Capital, Service

**Paper type:** Research article.

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## **1. Introduction**

In public sector organizations, many variables have an impact on employees' performance culture, like competence, management, incentives and motivation. Employee competence, management, work motivation, intellect, morale, behavior and performance are the main aspects related to human capital (Akinyemi in Coronas & Oliva, 2009; Armstrong, 2006). Human capital means an accumulation of skills that employees have needed by the organization in the public sector, so they could give a better service to customers. However, the real condition is different, since the quality of the performance of employees in the public service is very low (Common & Elizabeth, 1993). Additionally, the inability of public bureaucracy to realize the orders optimally, is due to a lack of capability, professionalism, and competence (Tjokrowinoto, 2001).

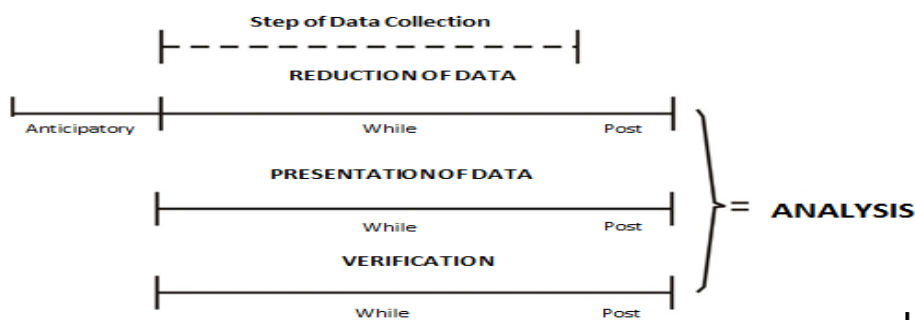
Given that service has increase in Aloei Saboe Gorontalo hospital, work productivity, responsiveness, responsibility, and accountability are important for employees and medical practitioners. Employees as human capital are the determining factor which can take the organization forwards and backwards. Research has been carried out to formulate and implement policies that would reconstruct a model for decision making that would serve as a guide to change employee and medical practitioner performance in the Aloei Saboe Gorontalo hospital. The culture of performance in the public service is an unconditional thing that should be conducted to increase employees performance, especially in the hospital, demanding professionalism in applying optimally the task and its function. Another determining factor leading to inferior employee performance is the lack of incentives and the fact that compensation for employees and doctors has not been regular.

## **2. Research Methodology**

This research was conducted in the local hospital Prof. Dr. H. Aloei Saboe Gorontalo, located around Tomini gulf, facilitating people from other places to access relevant services, so that the hospital Prof. Dr. H. Aloei Saboe has been indicated as the hospital of "regional reference" since 2016. The approach used in this research is a qualitative descriptive approach (Moleong, 2000). The qualitative research includes a natural setting and the researcher is considered as a main instrument (Bogdan & Biklen, 1988). The qualitative approach is used since the method and procedure of research will produce descriptive data, such as oral or written facts of observed behaviour. (Cavicchi, Palmieri & Odaldi, 2017). The presence of the researcher as a main instrument is there for observing directly the phenomena that is connected to the research. The sample technique used in this qualitative research was snowball sampling. The techniques used for collecting data were observation, interviews, and documentaries. The data analysis intended to triangulate between source and theory. Data analysis is a process to structuralize the order of data, organize in a pattern, categorize in units of basic information that is

collected from field note, and includes research comments, photos, and documentaries. After the data collection in the field was finalised, the data is then analyzed.

**Figure 1.** Model of Qualitative Research (Miles & Huberman, 1992)



The validity of data depends on the reliability level of the data analysis. According to Lincoln and Guba (1985), in qualitative research, reality is complex and dynamic. The level of validity involves four factors, which are: (1) credibility, (2) transferability (3) dependability, and (4) confirmability.

### 3. Research Findings and Discussion

#### 3.1 Research findings: Employees competence

The hospital as a public organisation has been asked to build employees' performance culture in the service industry, however, all sort of issues affected this, especially employees' competence. Personnel competence, in this case was very important in that the employees were really strategic in improving the quality of service. The number of employees that were available at the hospital Aloe Saboe Gorontalo in 2016 were 1.016 people, including: (a) medical practitioners, 72 people (b) nursing and non-nursing medical practitioners, 541 people, and (c) Non-medical practitioner, 403 people (Profile RSUD Aloe Saboe, 2016). All of the employees, as human resources, have really strategic positions. One of the theories that has given big attention to the position of the "man" (servants) in an organization is the theory of human capital management. Amstrong (2006) said that managing people activities closely related to the concept of human capital management. Human capital in public sector organizations have to be utilized to provide the best public services delivery possible (cheap, friendly, simple, efficient, effective, quickly and accurately). Human beings as human capital, in the organization must be noted and treated better and carefully by the organization compared with other capital (Akinyemi, in Coronas & Oliva, 2009; Lindgren, 2005).

When people do not get attention and appreciation from the directors, of the organization, it is likely that they can become dangerous for the organization in that the quality of the service diminishes. Employee competence, as part of human capital is very strategic in hospitals as it may mean the success or failure of the organisation. Non medical personnel which amount to 216 people have a Senior High School/D1 standard of education, and these include 116 civil servants and 100 laborers. Only 11 people attended graduate school. Non-medical practitioners hold a strategic position to pave the way for other management and administration staff to support the quality of service. Farazmand (2004) stated that to reach the fifth discipline, one required four other disciplines: (1) have competence; (2) have a mental model; (3) build the vision; (4) learning to work in a team; (5) build a way of thinking and acting on a systematic basis. To build the fifth discipline the management of the organization, managers and employees need to carry out the tasks that can provide achievements in the form of real productivity, both physical and non-physical.

### 3.2 Management of service

Management is one of the main determinants that have an impact on the improvement of the employees' performance. To build a culture of employees performance as human capital in the service of the hospital, one must not only concentrate on certain tasks, but work more broadly on all fronts. The performance of employees reflects the institutional performance, in this case the hospital. For optimal performance, the hospital management of Aloe Saboe Gorontalo has to build human relations between the management of the hospital and the employees, the hospital and the community, civil servants and the community, or vice versa. The management of the hospital services have unique characteristics and complex problems. This phenomenon according to Terry (2003) is an activity, the implementation of managing. Individuals who become managers deal with entirely new tasks. The minimum standard of services mentioned can be described as in Table 1 below:

**Table 1.** *The Minimum Standard Of Services Hospitalization Services Rsud. Prof Dr. H. Aloe Saboe*

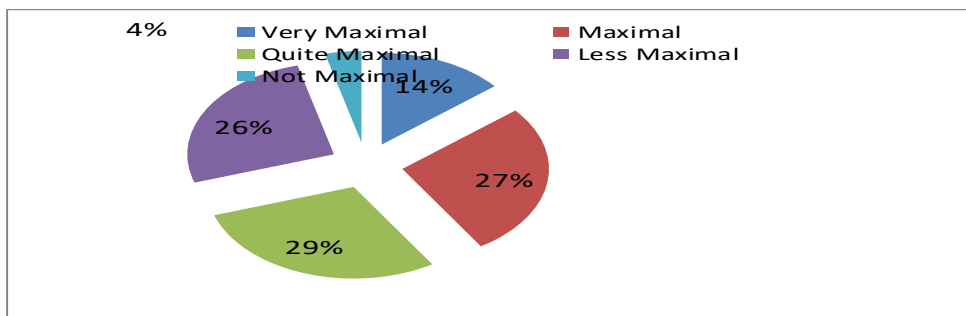
| No | Indicators  | Standard  |
|----|---|---|
| 1  | Warner Services at the Hospitalization                      | a. Specialist Doctor<br>b. Nurses Minimum Education D3        |
| 2  | The doctor overall responsibility for hospitalized patients | 100%  |
| 3  | The availability of Hospitalization Services                | a. Child<br>b. Internal disease<br>c. Midwifery<br>d. Surgery |
| 4  | Visit time of specialist doctor                             | 08.00 s/d 14.00<br>Every work hour                            |

|    |  |               |
|----|--|---------------|
| 5  | Genesis of infection after the post operation        | Maximal 1,5 % |
| 6  | Genesis of Nosocomial infection                      | Maximal 1,5 % |
| 7  | Lack of Genesis patients fall resulting defect/death | 100%          |
| 8  | death of patients >48 hours                          | 0,24%         |
| 9  | Genesis return force                                 | Max 5 %       |
| 10 | Customer Satisfaction                                | 90%           |

*Source: Room G2 Aloei Saboe Hospital, 2016.*

The management of this service industry has a good policy for medical workers and nursing workers in carrying out their duties. But the management of the hospital still tends to be trapped in static and abstract communication, so that seems that the nursing force is concerned only with routine tasks and ignore other tasks. The quality of medical equipment held by the management of the hospital according to specialist doctors is as follows:

**Figure 2. Procurement Management of Medical Equipment.**



Procurement management is a demanding department, even in a hospital as a public sector organization. Medical equipment procurement is administratively very demanding since it is used by specialist doctors when serving patients at each polyclinic or on the work unit of the hospital Aloei Saboe Gorontalo. Figure 2 shows that the existing medical equipment have the following specified usage level i.e., 14% very maximum, 27% maximum, 29% maximum, 26% less maximum and 4% not maximum.

#### 4. Incentive for Employee Service

The management of the Aloei Saboe Gorontalo hospital has programed incentives to build the culture of the civil servants' performance in the form of services promotion events. The hospital management has put into place incentive policies to motivate employees to carry out good service and to achieving the optimal service performance. Building performance culture in a hospital, had been overdue since 2012. This step coincides with what Osborne & Gaebler (2005) said that command is sometimes required. But in the world now where the workers are knowledgeable,

"incentives" are often more "effective". The implementation of incentives for the employees of the hospital will serve as motivation and the objectives are to get concessions, rewards or punishment. An important principle of the incentives system implementation is that those who achieve a high level of performance should be given a worthy reward. Whilst poor performance is given a fair and humane punishment. According to Mahmudi (2007), the implementation of the system of incentives that is oriented towards rewards needs to be developed because the award system will encourage the management to put good performers in a position of honor. Meanwhile, the punishment system tends to make employees feel "inferior". Metawie & Gilman (2005) state "Problems with the implementation of performance chaired the systems in the public sector where performance is linked to a payout: a literature review drawn from the UK". The source of the incentives services budget from the regional service agency of the hospital Aloei Saboe Gorontalo can be seen in the following Table 2:

**Table 2.** *The distribution of hospital acceptance 2010 to 2015*

| Types of acceptances    | 2010           | 2011           | 2012           | 2013           | 2014           | 2015            | Total           |
|-------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Acceptance of BLUD      | 37,029,926,677 | 43,010,355,212 | 47,804,922,895 | 50,045,890,345 | 69,218,627,120 | 77,564,909,067  | 324,674,631,316 |
| Acceptance of APBD      | 13.123.896.890 | 25,135,617,707 | 23,838,243,578 | 26,155,644,798 | 26,471,801,194 | 27,564,150,111  | 129,165,457,388 |
| The Total of Acceptance | 37,029,926,677 | 68,145,972,919 | 71,643,166,473 | 76,201,535,143 | 95,690,428,314 | 105,129,059,178 | 453,840,088,704 |

*Source: Profile of hospital Aloei Saboe Gorontalo, 2015.*

On the basis of the financial development started in 2012, Aloei Saboe Gorontalo hospital has launched the implementation of incentive services, to build the culture of the civil servants performance in order to provide excellent service. Since the implementation of the incentive policy for the employees, the level of trust of the community in the performance of the hospital Aloei Saboe had increased. This can be seen from the revenue patterns of the hospital where the increase between the year 2012-2013 where the revenue was Rp 50.045.890.345 and Rp 2.240.900.000 respectively, an increase of 4.68%. The revenue for 2014 was for Rp 69.218.627.120, an increase of Rp 19.172.850.0458, or 38,31%. This shows more confidence and financial independence in Aloei Saboe, in that they are more reliable and have the budget to fund the incentives for the employees and the operational office. In the year 2015 hospital revenue went up to Rp 77.564.909.067, an increase of Rp 8.346.369.218,06 or 12,05%. The increase is small compared to the income of the hospital in 2014, but significant development is seen in financial independence, if compared with the income of the previous years.

## **5. Discussion**

### **5.1 Employees competence**

The competence development of medical workers is very possible since the majority are general physicians and general dentists who are highly educated. Aloei Saboe hospital is an "A" type hospital and has 900 employees. The number of nurses at the hospital is 445 people, but not all have the status of civil servants. Civil servants amount to 212 people, while 223 people are labourers. Nursing workers are in sufficient quantity however the quality is still limited. This limitation is not only in terms of quantity in staffing, but this limitation refers also to the quality of the service. There is either a lack of experience (experience), intellectual capabilities, performance, moral, attitudes attitudes and personality, or a corruptive mindset even though they have good "credentials". Most non-medical workers are graduates of Senior High School/D1 216, which consists of 116 civil servants, and 100 labourers. Non-medical practitioners are really strategic to bridge the gap between management and administration, in order to support the quality of service. Sometimes the human resource department tends to ignore non-medical personnel. Many non-medical laborers are high school graduates and their managerial capabilities are limited.

### **5.2 Management**

In order to achieve optimal performance conditions, the hospital management has to build human relations between the management of the hospital and its employees, between hospital management and the community, between civil servants and the community to be able to reach common interests. Relationships are strengthened by optimizing good cooperation in a structured and educational approach in building the better hospital environment. Hospital Management at Aloei Saboe has not optimized cooperation between all parties. The hospital management has not yet announced the rights and obligations of patients in a transparent way.

### **5.3 Incentives of service**

Hospital Management apply incentives in a very timely manner considering the growth of the hospital competition with a variety of services offered and have started to use incentives as a means to improve the utilization of the services. The recession and inflation make employees more motivated and interested in the performance-based incentives. The presence of this services incentive policy can build a harmonious communication between employees and hospital management and improve the services and the motivation in the hospital.

## **6. Conclusions**

1. The development of the employees' competence in Aloe Saboe Gorontalo hospital is very possible since the majority of workers are general physicians and general dentists who are highly educated. Nursing power and non-medical personnel is still limited in quantity and quality. This limitation is not only in terms of numbers, but this limitation relates also to intellectual ability, performance, moral, attitudes and personality.
2. Management is a determinant factor in influencing the improvement of employee performance.
3. Incentives services do motivate and build the performance of employees in carrying out the tasks at Aloe Saboe Gorontalo hospital. The use of incentives are an effective instrument to improve the quality of service. Management at Aloe Saboe Hospital apply incentives in a very timely manner considering the growth of the hospital with a variety of services offered and have started to use incentives as a means to improve the utilization of the services.

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