The Influence Of Total Performance Scorecard To Improving Performance Of Public Sector Organization With Organizational Culture, Innovation Of Management, And Internal Control

AsModerating Variables
(Case Study In The Hospital Type C In Banyumas)

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ABSTRACT

This research was carried out in Banyumas with private and government hospitals as the objects. It aimed to analyze and to demonstrate the influence of organizational culture, innovation of management, and internal control to the effectiveness of the implementation of total performance scorecard in improving hospital performance, and also to examine the implementation of total performance scorecard in measuring the differences performance of private and government hospitals. The method of this research was survey method. Techniques of data collection were depth interviews, observation and questionnaires. In this study, the writer used two techniques of analysis; quantitative analysis by the method of quantitative analysis or statistical test (main analysis), and qualitative descriptive analysis (additional analysis). The results showed that: 1) the implementation of total performance scorecard affects on improving hospital performance, 2) Organizational culture, innovation management, and internal control affect to the effectiveness of the implementation of total performance scorecard in improving hospital performance, 3) There are significant differences between the implementation of total performance scorecard in measuring performance in private and government hospitals.

Keywords: total performance scorecard, organizational culture, innovation management, internal control and hospital performance

INTRODUCTION
Background of the study
Nowadays, public sector attracts the attention of certain parties, especially the stakeholders including society members. Public sector has a very vast area, therefore its implementation is often left to the market, but the government is still overseeing it with a number of regulations.

The increasing of public awareness to the public administration can lead to turmoil rooted in discontent. The performance of government agencies are now getting more attention, because people begin to question the benefits of service that they obtain from government agencies (Mahsun, 2007; 158).

Hospital is a not profit oriented or a charity, but an industry of services which should be managed effectively and efficiently. For these reasons, the measures of changing for a hospital is very important. One of them is modification of the management model in the industry. One of the systems of the industrial management considered suitable for hospitals is the management of changing and improvement in the quality through Total performance scorecard approach.

Total performance scorecard covers a philosophy and a set of rules that form the basis for continuous improvement process and the personal development of individual staff members, is a process of systematic improvement, development and continuous learning, gradual and procedure focused on personal and organizational performance on an ongoing basis. Upgrading, training and development are three fundamental points in the concept of integrated management. All of them are closely linked and must be maintained. Total performance scorecard refers to a way of life in the organization which is the development of Total Quality Management, Competence and Personal & Organizational Balanced Scorecard (Rampersad, 2006).

Applying Total performance scorecard process in a company is not an easy process. It is required organizational culture, innovation of management and a clear internal controls of all stakeholders about how should the process work.

One of the factors to create a good organizational performance is the culture created by all the individual components within the organization’s operations. Organizational culture affects the behavior of members of the organization, so that when the organizational culture of good corporate governance, not surprisingly, members of the organization are good people and good quality too.

Innovation of management is a new process introduced by the organization that can improve organizational performance. It is carried out by the organization, including the products and the service of process. Through this process, administrators can adjust the style of organization and the purpose of solving their problems to meet the various demands for changes in the environment of organization.

The implementation of internal control can be effective if there is a compromise between the parties involved in the organization, as individuals and groups. For the sake of the organization’s goals can be achieved well. With commitment and internal controls, it will create an organization / enterprise that are economical, efficient, and effective that will ultimately lead to organizational performance.

METHODS

A. Research Model

Figure 1. Conceptual Framework
B. Hypotheses

Ha1: The implementation of Total performance scorecard affects significantly in improving performance of hospitals.

Ha2: The organizational culture, the innovation of management, and the internal controls affect significantly to the effectiveness of Total performance scorecard in improving hospitals performance.

Ha3: There is significant difference between the Total performance scorecard in measuring the performance of private and government hospitals in Banyumas.

C. Research Type

According to the characteristics of the problem conducted, the research used is hypothesis testing by methods of the survey.

D. Research Object

The object of this study is to measure the performance of government and private hospitals type C in Banyumas, which are RSUD of Ajibarang and RSI of Purwokerto.

E. Population and Sample

The populations in this study we the patients and the hospital staff in RSUD of Ajibarang and RSI of Purwokerto. The total of samples are 111 respondents for the staffs and 111 respondents for the patients of hospital, with the amount of populations are 154 people.

F. Data Collection Technique

Primary Data or information was taken from written question through a questionnaire or an oral interview method (Sarwono, 2006).

Questionnaire is drawing up a list of issues addressed and submitted to the parties concerned.

G. Data Analysis

a. Testing Research Instrument
   1. Validity Testing
   2. Reliability Testing

b. Classical Assumption Test
   1. Normality Test
   2. Heteroscedastisity Test

c. Hypotheses Testing
   1. Simple Regression

Examining a hypothesis, a simple regression analysis is used. The simple regression equation model (Sugiyono, 2007), is as follows:

\[ Y = \alpha + \beta_1TPS + e \]

Description:
- \( Y \) = Hospital performance
- \( \alpha \) = Constanta
- \( \beta_1 \) = Coefficient of regression
- \( TPS \) = The implementation of Total performance scorecard
- \( e \) = Error standard
2. Moderate Regression Analysis (MRA)

This method is often called regression of interaction which is done by adding variables of multiplying between the independent variable and its moderating variable. So, the general equation is:

\[ Y = \beta_0 + \beta_1 \text{TPS} + \beta_2 \text{BO} + \beta_3 \text{IM} + \beta_4 \text{PI} + \beta_5 \text{TPS BO} + \beta_6 \text{TPS IM} + \beta_7 \text{TPS PI} + e \]

Description:
- \( Y \) = Hospital performance
- \( \beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7 \) = Coefficient of regression
- TPS = The implementation of Total performance scorecard
- BO = Organizational culture
- IM = Innovation of Management
- PI = Internal Control
- e = Error standard

3. Difference Test (t test)

\[
t = \sqrt{\left(\frac{n_1 - 1)S_1^2 + (n_2 - 1)S_2^2}{n_1 + n_2 - 2}\right) + \frac{1}{n_1} + \frac{1}{n_2}}
\]

Description:
- \( S_1^2 \) = variant average / variance estimation of 1\textsuperscript{st} population
- \( S_2^2 \) = variance mean / variance estimation of 2\textsuperscript{nd} population
- \( n_1 \) = sample size of group 1
- \( n_2 \) = sample size of group 2

RESULT AND DISCUSSION

1. Testing Research Instrument

Validity and Reliability Testing

The result of validity and reliability test research are valid and reliable.

Classical Assumption Test

- Normality Test
  The result of normality test are normal. Z value of Kolmogorov Smirnov in the RSUD of Ajibarang is 0.800 with significant value is 0.103. Meanwhile, in the RSI of Purwokerto Z value is 0.601 with significant value is 0.863. Because unstandardized variable value is greater than \( \alpha \) value that is 0.05, so that it can be concluded that the data used is normal distribution.

- Heteroscedasticity Test
  The heteroscedasticity test results t is known that the significant value of TPS \( t_{\text{count}} \) in the RSUD of Ajibarang is 0.264, and in the RSI of Purwokerto is 0.224, they are greater than \( \alpha \) value 0.05. Based on these evidences, it can be concluded that there is no heteroscedasticity in the regression model.

2. Hypotheses Testing

2.1. The implementation of Total performance scorecard in improving performance of hospital.

The calculation result of the simple analysis linear regression in the RSUD of Ajibarang can be viewed in the following table:

Table 6. Regression test for RSUD of Ajibarang

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>19.433</td>
<td>.698</td>
<td>27.822</td>
<td>.000</td>
</tr>
</tbody>
</table>
From these test results in the regression line equation available is \( Y = 19.433 + 0.374 \times \). Based on \( t_{\text{count}} = 26.361 \) with a significant value 0.000. This indicates that the hypothesis of the implementation of TPS significantly affects in improving the performance of RSUD of Ajibarang is accepted.

In addition, to examine the extent the influence of the variable of TPS in contributing variables of hospital performance in the RSUD of Ajibarang can be viewed in the table of Model Summary table 9 above i.e. the result of R square test shows that the variable of TPS can affect the performance variables in the RSUD of Ajibarang 76%, and the remaining 24% are dependent on other variables outside of this study.

The calculation result of the simple analysis linear regression in the RSI of Purwokerto can be viewed in the following table:

**Table 7. Regression test for RSI of Purwokerto**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4914.558</td>
<td>3</td>
<td>1638.186</td>
<td>211.343</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1689.789</td>
<td>218</td>
<td>7.751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6604.347</td>
<td>221</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From these test results the regression line equation available is \( Y = 24.206 + 0.278 \times \). Based on \( t_{\text{count}} = 25.226 \) with a significant value 0.000. This indicates that the hypothesis of the implementation of TPS significantly affects in improving the performance of RSI of Purwokerto is accepted.

Furthermore, to examine the extent the influence of the variable of TPS in contributing variables of hospital performance in the RSI of Purwokerto can be viewed in the table of Model Summary table 7 above i.e. the result of R square test shows that the variable of TPS can affect the performance variables in the RSI of Purwokerto 74.3%, and the remaining 25.7% are dependent on other variables outside of this study.

2.2 The organizational culture, the innovation of management and the internal control have a significant impact on the effectiveness of the implementation of Total performance scorecard in improving the performance of the hospital.

The result of interaction regression in the RSUD of Ajibarang can be read in table 8 below:

**Table 8. Interaction regression RSUD of Ajibarang**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4914.558</td>
<td>3</td>
<td>1638.186</td>
<td>211.343</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1689.789</td>
<td>218</td>
<td>7.751</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on the table above, the value of $F_{\text{count}}$ is 211.343 with a probability of significance 0.000. Through the use of a significance level 5%, the value of $df1 = 2$ and $df2 = 199$, the values of $F_{\text{table}}$ is 3.04. So, $F_{\text{count}} (211.343) > F_{\text{table}} (3.04)$ and the probability of significance 0.000 is less than 0.05. This indicates that this hypothesis which states that the organizational culture, the innovation of management, and the internal control significantly influence the implementation of TPS in improving the performance of hospital in the RSUD of Ajibarang is accepted.

The result of interaction regression in the RSI of Purwokerto can be read in table 9 below:

Table 9. Interaction regression RSI of Purwokerto

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4716.307</td>
<td>3</td>
<td>1572.102</td>
<td>181.521</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1888.040</td>
<td>218</td>
<td>8.661</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6604.347</td>
<td>221</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), moderat, Z, TPS  
b. Dependent Variable: Kinerja

Based on the table above, the value of $F_{\text{count}}$ is 181.521 with a probability of significance 0.000. Through the use of a significance level 5%, the value of $df1 = 2$ and $df2 = 199$, the values of $F_{\text{table}}$ is 3.04. So, $F_{\text{count}} (181.521) > F_{\text{table}} (3.04)$ and the probability of significance 0.000 is less than 0.05. This indicates that this hypothesis which states that the organizational culture, the innovation of management, and the internal control significantly influence the implementation of TPS in improving the performance of hospital in the RSI of Purwokerto is accepted.

4.3 There is a difference of Total performance scorecard between RSUD of Ajibarang and RSI of Purwokerto.

In order to prove whether there is a significant difference of TPS in measuring the performance of hospital in the RSUD of Ajibarang and in the RSI of Purwokerto, the test is conducted by an independent sample t test. t tests are carried out in two phases; the first step is to test dispersion after testing two populations. Then, the test is done to know whether there are differences in the average population or not. The test results of differences with t-test can be seen below in the table 10:

Table 10. t-test difference

<table>
<thead>
<tr>
<th>Group Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>TPS RSUD Ajibarang</td>
<td>222</td>
<td>42.2117</td>
<td>14.50808</td>
<td>.97372</td>
</tr>
<tr>
<td>RSI Purwokerto</td>
<td>222</td>
<td>46.4775</td>
<td>16.45196</td>
<td>1.10418</td>
</tr>
</tbody>
</table>

Independent Samples Test

<p>| Levene's Test for Equality of Variances | t-test for Equality of Means |</p>
<table>
<thead>
<tr>
<th>TPS</th>
<th>F</th>
<th>Sig.</th>
<th>t</th>
<th>df</th>
<th>Mean Difference</th>
<th>Std. Error Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower</td>
</tr>
<tr>
<td></td>
<td>47.034</td>
<td>.000</td>
<td>-2.898</td>
<td>442</td>
<td>.001</td>
<td>1.47219</td>
<td>-7.15913</td>
</tr>
<tr>
<td></td>
<td>-2.898</td>
<td>435.191</td>
<td>.001</td>
<td>-4.26577</td>
<td>1.47219</td>
<td>-7.15926</td>
<td>-1.37228</td>
</tr>
</tbody>
</table>

The hypothesis for the varian test

\[ H_0 = \text{Both population are identical variance (the variance of population of the RSUD of Ajibarang and the RSI of Purwokerto are equal)} \]

\[ H_a = \text{Both population are not identical variance (the variance of population of RSUD of Ajibarang and the RSI of Purwokerto are different)} \]

It seems that F \( \text{count} \) and Equal variance assumed (it is assumed that both of variances are equal or it will use pooled variance t test) are 47.034 with the probability 0.000. Therefore, the probability < 0.05 thus \( H_0 \) is rejected, or two variances are different. The real difference between the two variances makes the use of variance to compare the average of population with t test should be used the basis of equal variance, not assumed (two variations are not considered equal).

Decision:

It seems that t \( \text{count} \) and equal variance not assumed are -2.898 with the probability 0.001, therefore the probability of two-sided test test (0.001/2 = 0.004 < 0.025), and \( H_0 \) is denied. The average (mean) of TPS in the RSUD of Ajibarang is different from the average of TPS in the RSI of Purwokerto. If it is viewed from the average of two groups, so RSUD of Ajibarang (42.2117) < RSI of Purwokerto (46.4775). Thus, the hypothesis states that there is a significant difference of TPS in measuring the performance of government and private hospitals is accepted.

CONCLUSION

According to the result and the discussion of this study, it can be defined several conclusions as follow:

1. The implementation of TPS influences significantly in improving hospital performance. Each change/increase of variable Total performance scorecard will improve the performance of hospitals.
2. The Organizational culture, the innovation of management, and the internal control significantly affect to the effectiveness of the implementation of TPS in improving hospital performance. This shows that the effectiveness of the implementation of TPS in improving hospital performance needs a support of the suitable organizational culture, the right innovation of management, and the good internal control.
3. There are significant differences of TPS in measuring performance on government and private hospitals. Government hospital is service industry, which must be managed efficiently and effectively.

REFERENCES


