

# **DESCRIBE CHANGES MANAGEMENT SYSTEM FOR PUBLIC ORGANIZATION IN INDONESIA (Case Study of Bureaucracy Innovation at Margono Hospital Purwokerto)**

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## **Abstract**

Change is something that can not be avoided any more in managing an organization. Public institutions become a part that is challenged by changes that are both internal and external. Information technology becomes a major part of the change itself with the main goal remains the satisfaction of service to the community. Margono Hospital is the Best Hospital that receives many awards for the performance of public services and innovations that exist at the provincial, national and international levels. Through field research with the interview process of the management team at Rs. Margono, this article talks about the management of changes in management systems in the form of bureaucratic innovation with the impact of improving service quality at Rs. Margono. Using Stephen Robbin's change management model, in this article, each process of change is explained to produce innovation in the organization. Description and analysis of each process can be seen in the discussion of this article. As a result, all stages of the process of change have been carried out by Rs. Margono has a 10-year process with an indicator of success that is the award that has been received by the institution.

**Keywords:** Change Management, Public Service Innovation, Information Technology

## **A. Introduction**

The organization is a place where a group of people carry out activities with one common goal, namely organizational performance. Become a separate dilemma if the implementation of activities within an organization becomes a different part in a variety of individual views. This different intention is not different as an individual goal but rather a perceived organizational goal for each member of the organization. Can be described as an organization or manufacturing company which produces goods in the field of health such as drugs. Every manufacturing organization that produces goods is certainly the main thing to keep the production system running. Besides that, it is necessary to consider other humanitarian goals, but not all understand them. So that the implementation of organizational activities requires management so that these activities can run smoothly and in accordance with organizational goals.

This form of management becomes a separate study in the principles of management science. Managing an organization is a conscious challenge when it comes to changing environments. Organizations must adapt to the environment so they can maintain or improve their effectiveness. So organizations as developers of monitoring and feedback mechanisms to identify and follow their environment, sense changes in the environment, and make appropriate adjustments if needed (Robbin, 1994). It is this environmental uncertainty that requires organizations to always be vigilant in various forms of change so that organizational goals can be achieved in accordance with what was formulated from the start. Organizational environment consists of general and special environments, in which, human resources are those that dominate the two environments. The existence of these forms of change is also

dominated by human resources. It also illustrates that every human being both from within the organization and outside the organization is also the object and subject of change.

Society changes with other environmental changes. In public institutions, the forms of human change in public sector organizations can be described through the way and forms of public service serving their people. Bureaucratic reform became an attractive offer for the country which was in the spotlight due to public dissatisfaction with the form of services provided by the state at that time. Before the reformation, which was before 1998, the community felt that there was something wrong with the government being advocated at that time. The emergence of many problems to the public and the poor performance of the government which is indicated from the weakening of the rupiah and the performance of public institutions make people more anxious and demanding a change with the changes in the environment. The existence of changes is very important to do in public sector organizations because the environment continues to develop competitively so that there is a need for change management in facing the challenges of the changes that occur. (Ziamba & Oblak, 2015; Kickert, W. J., 2014; Kuipers, B. S., et al., 2014; Rees, C. J., et al., 2010). Among the basic guidelines of these changes is about improving the quality of service. Reforms change people in organizations both the community and the servants of the community itself. According to (Worral: 2000, Osborne and Gaebler 1992) that the scale of reform and restructuring has changed the character and ideological foundations of society so that they are transformational. Finally, transformational changes that occur in changes in public services are sudden and so fundamental (Patrickson and Bamber 1995), according to Welch and Wong (1998) the dimensions of changes in public services are not only local but also global scale, because they are a form of from global pressure. This justifies that there are transformational changes in our government. Sheefeni & Mutingi (2016) also identified and measured that service quality can determine the strategy in providing the expected service quality. So it is important to pay attention to the quality of services provided by public sector organizations.

According to Yeatman (1994) that global environmental factors affect the context of changes in public services and cite changes in post-Fordist industry organizations, besides that social changes that occur in the community at that time indicate that broad social changes have accompanied the changing agenda of public services. Changes in public services are undeniable because the global environment is constantly changing. This public institution also follows changes in private institutions, because basically, every organization has the same principle in managing, and also when there is a change in principle, in managing it is also almost the same. An increase in the number of visitors is one of the indicators that changes in service requests are indeed dynamic. The following data (see figure 1) is the trend of outpatients in Margono Hospital in the last 4 years.

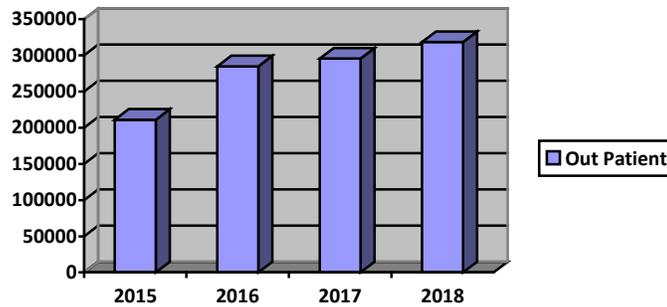


Figure 1 Outpatient Trend

The trend of emergency patients (see figure 2) has become an important part in addition to Margono Hospital is a referral hospital in Central Java, meaning that this hospital is also an important part in the development of the environment, especially emergency management of health cases in the community. Both the coverage area is far or near.

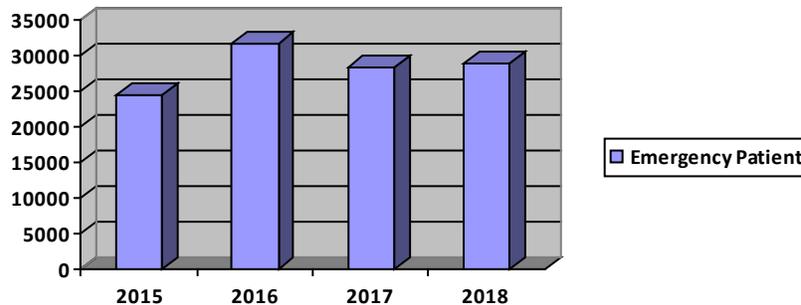


Figure 2 Emergency Patient Trends

Various data and background analysis presented indicate that basically the purpose of the change is to improve the ability of the organization, to adjust to changes in the environment and on the other hand to seek changes in employee behaviour (Robbins, 2001). The existence of changes turned out to bring its own impact on the organization. How organizations can survive in every development of existing changes, namely by managing these changes. This article presents how an organization manages to change so that all forms of change that come to the organization can be put to good use and minimize the adverse effects in an organization. This is what we will discuss about changes at Margono Hospital using the Stephen Robbin Change Model.

## **B. Methodology**

In this article, in the collection and analysis of existing data, researchers use data triangulation techniques. The process of triangulation of data sources is done by collecting data from various different sources which are then reviewed for later comparison. The validity of the data is obtained by comparing and cross-checking the data source. The stages are carried out by researchers in data and research conducted from three stages.

### **1. Observations**

Seeing is done to learn about research objects so that the focus of research can be easier to learn and learn. The focus of this research is about the change management system in Margono Hospital. Furthermore, the results of these observations are recorded and analyzed according to the data in the field or not.

### **2. Interview**

in addition to making observations, also conducting interviews with both unstructured structures. Structured researchers conducted a Focus Grub Discussion (FGD) with leading Hospital leaders with Hospital Management Systems. Unstructured interviews as a continued effort to obtain in-depth data, conducted well with employees and users.

### **3. Documentation**

Furthermore, documentation becomes an important part of this research secondary data is needed to find out the track record of changes in management systems in hospitals. This article can be read and analyzed in this article.

## **C. Result and Discussion**

According to Robbin (1994), there is a model for managing organizational change (see figure 3). Starting from identifying whether the change is needed in the organization, what kind of change, to map the ways and results to be achieved.

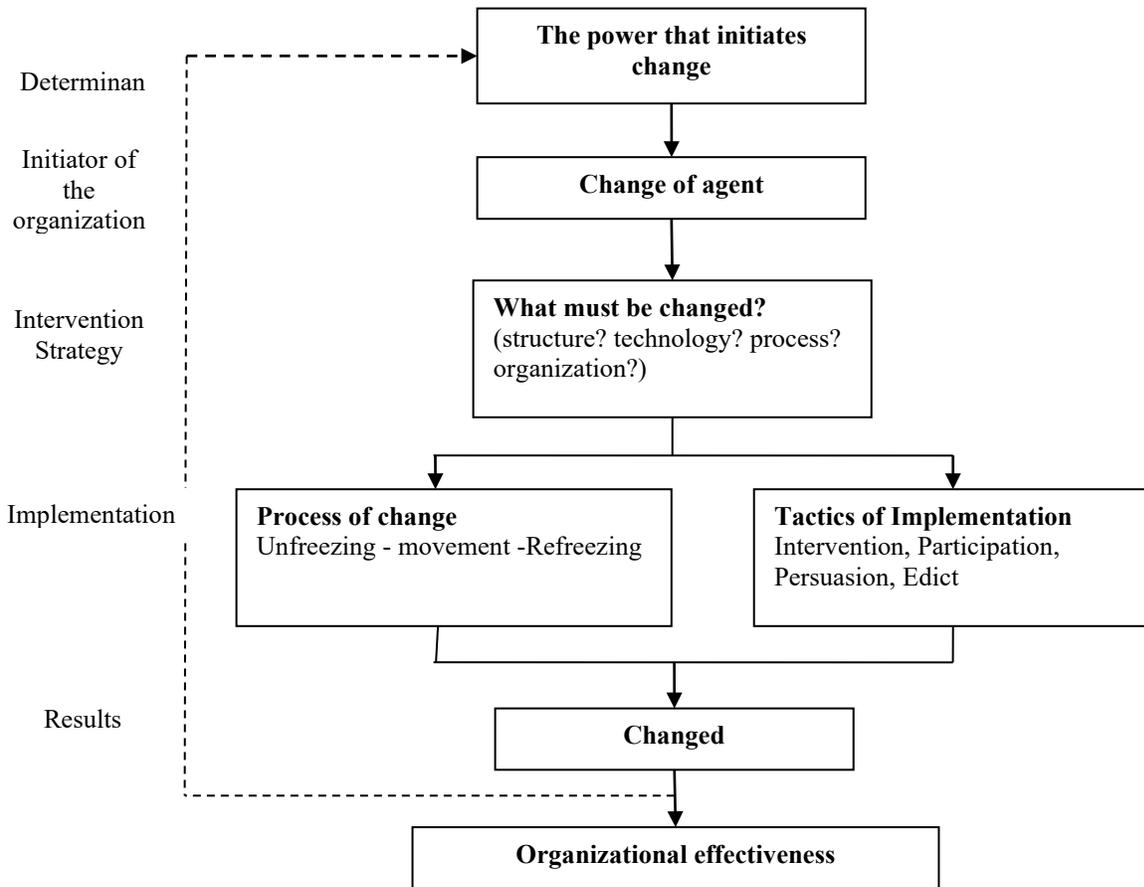


Figure 3 Model for managing organizational change

The determinant here is to identify opportunities that will be utilized by management. Opportunities for these opportunities can be from internal or external to the organization. Karp, T., et al (2008) assume that high complexity and internal uncertainty are frequent cases in public sector organizations. So that the identification of these opportunities becomes an important part in initiating change in the organization. Other functions of identification besides knowing the opportunities that exist also know the problem, so that anticipation will also be obtained at this stage. The number of changes that are unexpected due to dynamic environmental factors (Ziemba & Oblak 2015), make these determinant factors fail to be grouped in certain categories. At Margono Hospital it was found that these opportunities were obtained one of them from the distribution of the patient's home region where Margono Hospital was a Provincial level hospital which became a Referral Hospital in Central Java.

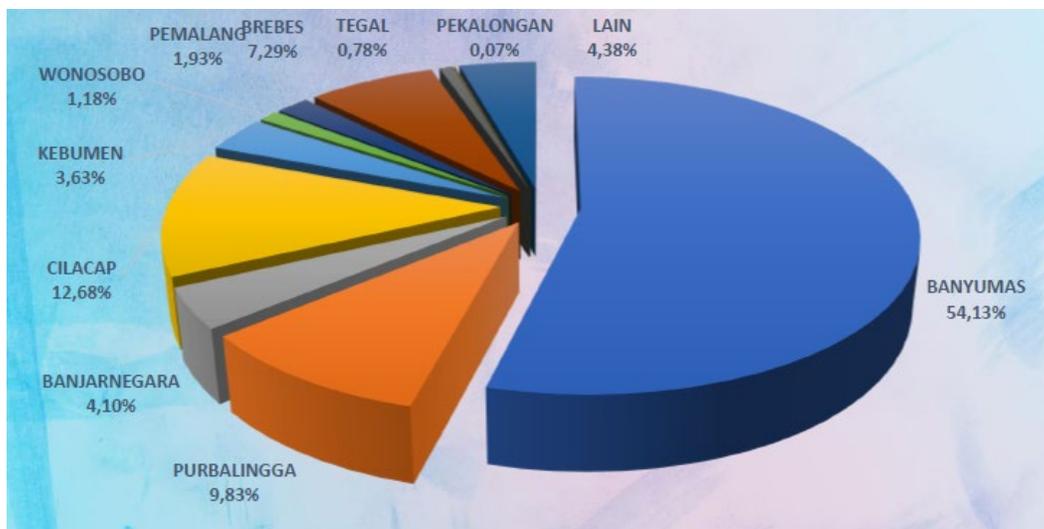


Figure 4 Scope of Margono Hospital Services

Can be seen from figure 4 that in the distribution of service coverage areas originating from various regions in Central Java. This makes its own opportunities and challenges, how Margono Hospital can improve services to people from various regions with varying distances. This potential is an opportunity that exists in this public organization, which is a referral hospital in various regions, should be able to meet the needs of patients or prospective patients from various regions. Distance is the main focus of how the patient requires a high struggle to be able to arrive in a long time to the destination.

The initiator of the organization here is an agent of change. The initiator of this organization becomes a major point that people in an organization become the ends of tokbak in the organization itself. (Karp, T., & Helg, T. I., 2008). Whereas what is meant by change agents according to Pfeffer in Robbin (1994) are those who are in power and those who want to replace or hinder those in power. Power in an organization is owned by the leadership of the organization, the leader has a vital role in determining the direction of development of the organization itself. Most leaders fail in change because they focus more on tools, strategies and structures and put aside the role of human beings themselves. (Karp, T., & Helg, T. I., 2008). Karp's statement became a supporter that the initiator is an important part in changing an organization. Do each agent of change carry subjective interests? what about the change agents from outside the organization, for example consultants. The independence of a consultant is certainly bound by the rules and codes of ethics of their profession. Every independent consultant from outside should be objective. But in reality there are still gaps to include the interests of the agents of change in the internal organization which will influence the decisions or results of the analysis of external change agents, namely consultants. Case in Margono Hospital, change agents are the subject and object of change itself. These subjects and objects are not only internal members in the organization but all stakeholders are also part of the change agents themselves. The head of the planning department emphasized that prior to the policy on system changes or anything in the organization, a communication forum was held for all relevant stakeholders. Leading an organizational change can be focused on changing the perspective of people in the organization. (Karp, T., & Helg, T. I., 2008). Effective communication is done so that all information is conveyed both to the employee or to the relevant stakeholders so that the change process can run effectively. Information is communicated both vertically and horizontally to find out the response about the change. (Graetz, 2000). This was done by the leadership of Margono Hospital by communicating both vertically and horizontally to relevant stakeholders. Communication by top management is seen as a powerful influence on the changes needed (Kotter, 1995). These stakeholders include patients who have been customers for many years, private parties such as drug company partners, the general public, medical staff, especially specialist doctors, and managerial level staff to illustrate what things need to be improved in management at Margono Hospital. The agents of change here most play a role in the leadership of the organization. A strong leadership commitment will realize a strong commitment also for its members. Top management support is important in implementing organizational change (Sutanto, J., et al, 2008; Ziemba, E., et al, 2015). Proven at the hospital. Margono, during the change several times the leadership or director of the hospital and the head of the department in charge of the system and planning section had a strong commitment to bring the organization in a better direction.

Strategy is the way it is used to achieve its objectives. The intended purpose of this material is change itself. the strategy used in managing this change process consists of four categories, namely people, structure, technology and organizational processes. Humans themselves are closely related to behavior, as discussed in the introduction to the previous changes, that human behavior is the object of change itself. How humans can change according to the goals that have been changed by the organization. This human behavior is part of a manager / leader to move and influence his subordinates, one of them is by means of socialization, training and the like. Having training and involving employees in the change process is an important part of the success of change management because employees will have more knowledge and can be implemented in the organization (Weber & Weber, 2001; Ziembra, E., & Obłąk, I. (2015). In the case of Margono Hospital, this behavior is a big challenge in the process of change. A system that has previously been organized and is considered comfortable by some parties must be changed in the name of the interests of the organization and to improve services. According to Chrusciel, D., & Field, D. W. (2006) there are two critical success factors through transformation change, namely that there are flexible organizational policies (comprehensive regarding organizational needs), and the organization is able to accommodate the personal needs of the agents of change to fit the needs of the organization. It is clear that stakeholders certainly need time to accept these forms of change. It is not uncommon for this form of behavior to be a scourge that management fears to make changes in the organization. According to the head of the planning department, there is a need for step-by-step socialization and mentoring to realize that this change must indeed be made. This awareness process is also not easy, and lasts for several years. Various conflicts arose over the interests of the underlying parties which insisted they did not want to make these changes.

While this structure is a part of change that affects the distribution of many parts, one of which is reward, authority, position or chain of command and the like. The most difficult thing to do by this part of the structure is to provide opportunities or opportunities for new workers or prospective professional candidates to occupy strategic positions. Requires a mature form of planning to make a successful change. Planning for a clear change management process can help map tasks and resource needs (Cocks, 2014). For example, according to the planning staff section at the beginning there was a policy about various changes in the management system in this hospital, only having 3 Information and Technology (IT) staff which indeed had a strong commitment in IT to do the forms of change and innovation in this organization. Leaders who have a high commitment to technology also support to develop this section, add infrastructure and IT staff both through recruitment of civil servants and non-civil servants by taking into account the needs of the organization. The leadership considers that IT has an important role in implementing organizational change. Amali et al (2014) talk about the importance of IT management in public sector organizations. IT itself is very useful in the process of achieving organizational goals, strategic planning, Human Resource Management and Risk management. Choosing competent human resources in the IT field is also part of the leadership's commitment to improve the quality and quality of the IT midwife itself. So when there is a recruitment there is no form of abuse in the process and the result is that the selected HR are competent in the IT field. This is very helpful in the process of implementing the changes themselves. This is the form of change most avoided by holders of power who are concerned with the status quo. This change of structure becomes very sensitive if applied in an organization that is still a powerful influence of seniority control. In this Margono Hospital, members of the internal members of the organization still have a strong desire to remain in the old system, in addition to being considered comfortable, safe and it is considered beneficial for them even though it does not benefit the organization and the customer. So it is necessary to re-mapping the strategic positions occupied by Key Persons which are considered to be in line with the leadership's commitment in the organization to make these changes. When RS.Margono did that, it was proven to have a significant impact on the progress of these changes.

The third part is technology, technology becomes a challenge in organizational change. Usually, the technology in an organization is closely related to the modification and modernization of the tools used in an organization to improve its performance. At Margono Hospital, technology in the process of change has become a very important part, all forms of innovation in this organization are based on technology. Updating, updating and facilitating equipment and technology are the main efforts of the planning team to start innovation in this institution. Make and make aware to all members of the organization that technology has a major role in innovation which is the next challenge. Finally, what is taken is to socialize the object, namely the technology, the importance of using it, how to operate it and the impact that will be generated with the technology. Finally, the organizational process, the latter strategy is very much needed by the touch or role of managers who use their artistic abilities in determining and managing how this organization will run well. Like the communication process that often gets a lot of attention in the process of working relations both vertically and horizontally. For this reason, this change process must provide a lot of communication space for members of the organization so that they can have a role in decision making. If in each of these units can have and has taken a role in decision making, then the change process

according to Robbin, the change agent has been considered successful. This was done by Margono Hospital by using structured communication patterns ranging from FGDs with stakeholders to its socialization and assistance.

Implementation is the stage of implementing the change itself. the process of implementing changes can be described in several processes (see figure 5). The process of change according to Lewin is described only in three stages, namely: (1) thawing (unfreeze), (2) change (change) or motion (move), and (3) re-freezing (refreeze). In a change, it is quite fundamental, namely that an organizational change is always accompanied by two forces that reject and accept change. This is symbolized by a row of arrows up and down unfreezing the status quo. The status quo can be seen in the image below.

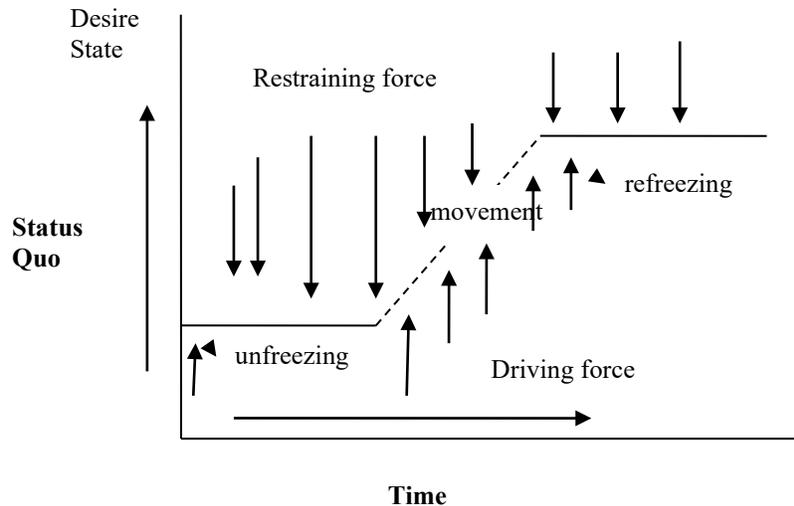


Figure 5 Phase change according to Kurt Lewin

Unfreezing the status quo Efforts to overcome pressures from opponents and supporters of change. The status quo is thawed, usually, the current condition (status quo) is shaken up so people feel uncomfortable. This stage was passed by Margono Hospital when there was a new online-based queue system, many forms of rejection from the community because of the limitations of the new hospital system that was still starting to change. Besides, the rejection was also obtained when applying the online-based performance system to doctors, doctors and health workers who the other. This form of rejection has been given by specialist doctors, who may have found the technology-based changes to be difficult for them. In addition, many private partners also reject this, for example in the implementation of a centralized drug procurement system. The movement to the new state Gradually but surely, changes are made. The number of opponents of change began to decrease, while the number of supporters increased after the socialization and assistance gradually and repeatedly, then their understanding increased so that the forms of rejection decreased and they began to accept new policies and systems. This is because maybe in addition to starting to understand also increasingly felt the benefits of the new system. Refreezing the new change to make it permanent If the desired conditions are achieved, stabilize the conditions through new rules, new compensation systems, & new ways of managing the organization. If successful, the number of opponents will be greatly reduced, while the number of supporters will increase (Kurt Lewin, 1951 in Robbin 2007). This has been applied in the hospital. Margono during the last 10 years, with the results of various awards in the field of service and innovation both at national and international levels.

Finally, the form of the resulting change is in accordance with the objectives to be achieved in the change. In the hospital. In addition, governance, HR, supervision and accountability systems can be part of the main innovations produced in this organization. Innovations in IT midwives that resulted in the change process at Margono Hospital. There are e-planning, integrated medical records system, quality control, electronic validation, goods managements, monitoring reporting and many innovation technology at Margono Hospital.

## **D. Conclusion**

This article discusses the change in management systems at Margono Hospital in terms of Stephen Robbin's Change Management Model. The results show that the chance of this change is largely because of the wide scope that spreads in Central Java due to being a Referral Hospital. The demand to provide good services according to customer needs is a priority in the organization. The following are the stages of change in the Stephen Robbin change model:

1. Determinants In Margono Hospital it was found that these opportunities were obtained one of them from the distribution of the patient's home region where Margono Hospital was a Provincial level hospital which became a Referral Hospital in Central Java.
2. Initiating the organization, in the case of Margono Hospital, the agent of change is the subject and object of the change itself. So not only are internal members in the organization but all stakeholders are also part of the change agents themselves. The agents of change here most play a role in the leadership of the organization. Where when the commitment of the leader is strong, then it will realize a strong commitment also for its members.
3. Strategy. In the case of Margono Hospital, this behaviour poses a big challenge in the process of change. How not, that a system that was previously organized and considered comfortable by all parties must be changed in the name of organizational leadership and to improve services. Various conflicts arose over the interests of the parties who insisted that they did not want to make the changes. While this structure in the form of change that is most avoided by holders of power who are concerned with the status quo. This structural change becomes very sensitive if applied in an organization that is still the influence of strong seniority control. This is done by re-mapping the strategic positions occupied by Key Persons who are considered to be in line with the leadership commitment in the organization to make these changes. The third part is technology, leaders who have a high commitment to technology also support to develop this section, add infrastructure by taking into account the needs of the organization and socializing the importance of information technology used by all elements of the organization. Finally, the organizational process, this change process must provide a lot of communication space for members of the organization so they can have a role in decision making. This was done by Margono Hospital by using structured communication patterns ranging from FGDs with stakeholders to its socialization and assistance.
4. Implementation of the change includes the process, Unfreezing the status quo This stage is passed by Margono Hospital when there is a new online-based queue system, many forms of rejection from the public, specialists, other medical personnel, private partners for the new policy. The movement to the new state, after the socialization and accompaniment gradually and repeatedly, then their understanding increased so that the forms of rejection decreased and they began to accept new policies and systems. Refreezing the new change to make it permanent. This is what has been applied in hospitals. Margono during the last 10 years, with the results of various awards in the field of service and innovation both at national and international levels.
5. Last is the result of the change itself, which is in accordance with the objectives set in formulating the existing change policy. The indicator has been many innovations in the field of services carried out by the hospital. Margono and the various awards received.

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