

Strategic Management Accounting In Improving Services Quality In Budhi Asih Hospital Jakarta

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Abstract : This study aims to find out how is strategic management planning, implementation, evaluation, how is the cost estimate, cost budget, cost control is applied to hospital cost management and how to calculate the level of effectiveness of existing cost management in Budhi Asih Hospital. This research is a descriptive qualitative, data collected through observation, interviews, documentation. The results of the study are strategic management planning in hospitals includes development of vision, mission, and goals, short, medium and long term planning, identification of internal and external factors, and strategy formulation. Implementation of strategic management in hospitals includes determining hospital policies, motivating medical and non-medical personnel, and developing a strategic culture. Evaluation of strategic management in hospitals includes monitoring all results, measuring individual and hospital performance, taking corrective steps. The application of cost estimates to cost management in hospitals is carried out by reviewing the hospital budget that has been used in the previous year and using bottom-up estimation techniques. The implementation of the cost budget in cost management in hospitals is done by allocating the estimated budget needed by the hospital into the budget ceiling of the planned hospital programs. The implementation of cost control includes monitoring the use of the budget by monitoring cash flow once a month which is carried out by the hospital supervisory board and Government Health Office. The calculation of the level of effectiveness of cost management in hospitals is done by comparing the actual costs incurred with the set budget plan.

Keywords : strategic management, services quality, effectiveness of cost management

1. Introduction

Along with the increasing public awareness of the importance of health, health services are currently one of the most important needs. One of the organizational institutions that provide health services is a hospital institution. Currently, private hospitals and government-owned hospitals need a system that aims to improve the quality of their services to patients (Herlambang and Susatyo, 2016). Service quality becomes alignment with the measure of success to be achieved. There are two factors of service quality analysis, namely service performance and service expected by customers (Efendi and Yuliati, 2016). One of the efforts to improve service quality is to implement a good management system within the organization (Hefniy, 2019). In essence, management is a process of using resources effectively to achieve certain goals or objectives (Satispi, 2018). Murniati (2009) said that strategic management is an activity that must be completed by top management together with personnel continuously, and is a

cycle that is able to produce decisions to meet the relevance of organizational needs with environmental needs.

An organization should be able to implement strategic management concepts in its service environment. Because essentially strategic management aims for the organization to have high productivity so that organizational goals are achieved effectively. The rapid growth of the hospital industry in DKI Jakarta will directly have an impact on the level of competition in hospitals that are increasingly stringent, so that the role of strategic functions will be indispensable, including the accounting function. Accounting has evolved in roles, practices and technologies. Accounting is no longer just a technical activity but has become a strategic activity. This evolution of the role of accounting ultimately has an impact on the development of literacy which is now often known as strategic management accounting (**Setiawan, 2017**). According to **Alamri (2018)**, Strategic Management Accounting is a process of identifying, collecting, selecting and analyzing accounting data, to assist management in making strategic decisions and to assess organizational effectiveness and will improve organizational performance.

Research conducted by **Cadez and Guilding (2008)** shows that the implementation of strategic management accounting can have an impact on company performance, both financial performance and non-financial performance. However, for hospital organizations, the concept of strategic management is relatively new. Some experts state that the concept of strategic development is taken from the experience of for-profit institutions. This can endanger the survival of non-profit institutions such as government hospitals, especially those that have to compete with similar services but have a for-profit orientation, namely private hospitals (**Trisnantoro and Laksono, 2015**). Therefore, a strategy is needed so that government hospitals can still excel compared to currently circulating private hospitals. Like other business organizations, hospitals are also required to have a competitive advantage in the face of competition. RBV (Resource-Based View) is one of the views of strategic management related to the utilization of company resources to generate a sustainable competitive advantage. This view argues that the company's internal factors in the form of resources (resources) and capabilities (capability) will really determine the company's profit (**Wernerfelt, 1984**).

The superior character of the resource in question is a valuable, rare, inimitable, and not substituted resource in the company. However, according to research conducted by **Fajrianti and Muhtadi (2016)** regarding the quality of health services in hospitals, the benefits of strategic management in hospitals may not have been considered by all human resources in it. This is indicated by the number of patient complaints that can be found in hospitals, for example at the Budhi Asih Regional General Hospital (RSUD) Jakarta. Budhi Asih Hospital Jakarta is a hospital owned by the DKI Jakarta Provincial Government in the form of a Regional Public Service Agency (BLUD) which is required to be able to manage its income to finance the running and development of the organization. This hospital was founded in 1946 and is well known by the people of Jakarta. However, until now there are still many complaints from patients when staying or visiting this hospital, including too long waiting time to get health services there, then the delay in starting the hours of health services, and the lack of supporting facilities provided by the hospital. Based on the 2019 Budhi Asih Hospital Community Satisfaction Survey Report, the results of the community satisfaction survey on the outpatient service time element obtained a poor score. This is due to the large number of patients but the procurement of an integrated Hospital Management Information System is not optimal so that the service system is considered to be still slow, because the procurement has not been carried out optimally due to cost constraints.

The complaints in this hospital are considered to be the impact of the management system which ultimately greatly affects the quality of patient care at the hospital. The problems found in the field also show that there is no good control regarding the planning and implementation of the hospital budget. Therefore, the management of hospital costs should be managed efficiently so that all hospital needs can be met. In this case, good strategic management, including cost management, needs to be implemented effectively so that there is a balance in the budget, so that services can be provided optimally. According to (Blocher et al., 2011), the scope of the cost management process includes the stages of cost estimating (cost estimating), cost budgeting (cost budgeting) and cost controlling (cost controlling). Jaworzynska (2017) states that health facilities that implement strategic management can increase the effectiveness of activities in each field of activity, have a continuous improvement process and respond quickly to environmental changes compared to those without strategic planning. Research conducted by Rose et al. (2014) regarding managerial challenges in the quality of hospital services, stated that for general hospitals things that can be done to improve the quality of their services include improving basic facilities, reducing waiting times, and channeling additional resources. The strategy for developing hospital services is very important to pay attention to, so that hospitals can provide excellent service to patients.

According to the Ministry of Health (2009), excellent service is service to patients based on quality standards to meet the needs and desires of patients so that patients can get satisfaction which can ultimately increase their trust in health service providers. Considering that in the current era of competition with the number of private hospitals in Jakarta today, Budhi Asih Hospital Jakarta is considered to still provide poor service to patients and is considered not to have achieved budget balance. This condition requires an analysis to examine more deeply the existing resources and strategic management including cost management (cost estimate, budgeting, controlling) that has been implemented. With this evaluation, the achievements of the strategic management system implementation activities at Budhi Asih Hospital Jakarta can be identified and further actions can be planned to improve the performance of its implementation. An analysis of superior resources (valuable, rare, inimitable, and not substitutable) needs to be carried out considering the resource-based view perspective which assesses that each hospital has different resources, so that the resulting performance can also be different. Because this theory assumes that the source of competitive advantage comes from the internal conditions of each hospital, thus making Budhi Asih Hospital as a government hospital that has types of customers from various economic levels that are still able to excel in its competition with competitors.

2. Research Methods

2.1. Research Approach

The type of research used in this research is qualitative research with descriptive research type. Research with a qualitative approach emphasizes inductive analysis of thought processes related to the dynamics of the relationship between observed phenomena, and always uses scientific logic (Gunawan, 2013). This type of qualitative research is seen as a research procedure that produces descriptive data in the form of written or spoken words from people and observed behavior (Lestari et al., 2015). This study is used to describe everything related to strategic management in improving the quality of health services at Budhi Asih Hospital Jakarta. The data collected are in the form of

sentence narrations, pictures or schemes, networks and behaviors which the authors then express in the form of sentences (**Sutopo, 2006**). In this case, tracing the phenomenon and obtaining data in the field in connection with strategic management in improving the quality of health services at Budhi Asih Hospital Jakarta.

2.2. Data Collection Techniques

The methods used in data collection are observation, interview, and documentation. Observation is an accurate and easy method of collecting data and aims to dig up information and understand all the ongoing activities that are the object of his research study (**Patton, 2006**). According to **Tersiana (2018)**, interviews are a way of collecting research data by means of direct questioning with subjects who contribute directly to the object under study. The interview method used in this research is an in-depth interview in a structured manner. Interviews were conducted to obtain as much data or information as possible and as clearly as possible to the research subject. In finding the required information, researchers use interview method with related parties, namely the director of the hospital, the chairperson of the management of the hospital quality committee, the hospital public relations section. In the documentation, this technique is used to obtain data on hospital profiles, vision, mission, and goals, short, medium, and long term plans, strategies to improve the quality of health services, and evaluation of strategic management at Budhi Asih Hospital Jakarta.

2.3. Data Analysis Techniques

Sugiyono (2016) suggests that activities in qualitative data analysis are carried out interactively and take place continuously until complete, so that the data is saturated. Activities in data analysis according to **Miles and Huberman (2014)** are data reduction, data display, and conclusion drawing. Reducing data means summarizing, choosing the main things, focusing on the things that are important, looking for themes and patterns and removing unnecessary ones. After the data is reduced, the next step is to display the data or present the data. In qualitative research, data presentation can be done in the form of brief descriptions, charts, relationships between categories, flowcharts and the like. The most frequently used to present data in qualitative research is narrative text. In the process of drawing conclusions, researchers conclude from the presentation of data with evidence obtained in the field. Then verification is carried out through determining the final data from the entire process of analysis stages so that all problems regarding strategic management in improving the quality of health services at Budhi Asih Hospital are answered.

As for measuring the effectiveness of planning and using hospital operational costs, the benchmark used is to compare the costs that actually occur with the actual costs in accordance with the budget that has been set.

Table.1. Effectiveness Meter Classification

Percentage	Criteria
81-100%	Very Effective
61-80%	Effective
41-60%	Effective Enough
21-40%	Less Effective
<20%	Not Effective

3. Findings

The findings from the research are provided under the theme topics. Implementation of strategic management accounting and cost management in improving the quality of health services in the Budhi Asih Regional General Hospital Jakarta:

- Strategic management planning in improving the quality of health services
- Implementation of strategic management in improving the quality of health services
- Evaluation of strategic management in improving service quality
- Cost estimate on cost management in improving the quality of health services
- Cost budgeting
- Cost control
- Level of effectiveness of cost management

3.1. Strategic Management Planning in Improving Service Quality at Budhi Asih Hospital Jakarta

Strategic planning in improving the quality of health services at Budhi Asih Hospital Jakarta contains the entire process of activities related to formulation of vision, mission, and goals, analysis of internal and external factors (SWOT analysis), short, medium, and long term planning, and formulation of superior strategies in improving the quality of health services in Budhi Asih Hospital Jakarta. Formulation vision, mission, and goals are carried out by involving various parties, namely the director as leader, then there is the Deputy Director, Head of Hospital Committee and Head of Hospital Sub-Committee connected with the hospital owner's vision in terms of the Regional Government of DKI Jakarta Province. Involvement of various hospital stakeholder elements, the hope is to get maximum results and in accordance with all expectations party.

In the swot analysis, the strengths of Budhi Asih Hospital are the formation of a good brand image and government support. The weakness of the Budhi Asih Hospital is that the service procedure is still too long, and lack of socialization of existing policies. The opportunities that exist are good market share,

and already have working partners with various parties. threats can occur from internal factors hospitals such as the inability to utilize strengths and opportunities that exist, so that it becomes a threat. Threats from outside factors such as the current number of houses private hospital in Jakarta.

Currently there are still some issues such as the professionalism of HR and low customer satisfaction in this case the patient make this hospital must continue to improve quality service. In improving the quality of health services in Budhi Asih Hospital Jakarta, the hospital carried out a strategic plan by making short, medium and long term planning. hort-term planning is carried out for one year, medium-term planning is carried out in 2 years, and planning long term for 5 years. In determining planning short, medium, and long term is done by evaluate the implementation of last year's program by connect the next program.

In improving the quality of health services in Budhi Asih Hospital Jakarta, the hospital carried out a strategic plan by making superior strategy. In determining excellent service, every year the Committee Quality Improvement and Patient Safety propose to the Service Director who will be brought forward to become a service hospital excellence. In the 2020/2021 working year, Budhi Asih Hospital Jakarta establishes superior services that focus on Poli services Lungs. The committee ensures that the excellent services that have been submitted to the Director can meet the standard of good performance indicators internally and national performance indicators. As for the superior strategy at Budhi Asih Hospital Jakarta, namely creating superior services and performing risk grading. For follow up if the superior service does not reach the performance indicator standard, the committee took further action by carrying out periodic evaluation every 3 (three) months to analyze causes of non-achievement of the established performance indicator standards, to then determine the follow-up strategy so that the performance indicators it can be achieved. then there is also a joint risk assessment of each unit, which will be sorted, or risk grading, and later will be determined again how to handle it according to the circumstances conditions found.

3.2. Implementation of Strategic Management in Improving the Quality of Health Services

The implementation of strategic management in improving the quality of health services at Budhi Asih Hospital Jakarta is the implementation of the planning stage. Therefore, the implementation of strategic management must be in accordance with the predetermined plans. The implementation of strategic management further also pays attention to the following matters like appropriate hospital policies, motivating medical and non-medical personnel and developing hospital culture. In practice, supervision related to the implementation of hospital strategic management is carried out through meetings. Meetings are held once a month or as needed, so that the policies implemented can be controlled and in accordance with the planning. This implementation supervision meeting is held so that all policies implemented can run effectively.

3.3. Evaluation of Strategic Management in Improving Service Quality

Evaluation of strategic management in improving the quality of health services at Budhi Asih Hospital Jakarta includes overall activities such as planning, implementation process, supervision to the results of the activity. The evaluation process involves all hospital stakeholders. The hospital director directs the outcome assessment process this activity. If there are deficiencies, the evaluation will provide a

note improvements to be implemented at a later stage. Evaluation that carried out by Budhi Asih Hospital Jakarta, namely monitoring the results of planning and implementing strategic management, Measuring individual and hospital performance, and take corrective steps. In an effort to evaluate the implementation of management strategic in improving the quality of health services at Budhi Hospital Asih Jakarta, the application of reward and punishment mechanisms can improve individual performance in hospitals. The Director provides rewards (gifts) to superior medical and non-medical personnel in the form of certificates or souvenirs as well as the opportunity to receive training in an earlier batch. In addition to providing rewards for superior medical and non-medical personnel, the hospital director also provides punishment for medical and non-medical personnel who have not carried out their duties properly. Punishment (punishment) given is in the form of warnings or reprimands.

3.4. Cost Estimate on Cost Management in Improving the Quality of Health Services

The application of cost estimates to hospital cost management in improving the quality of health services at Budhi Asih Hospital Jakarta is used to make it easier for hospitals to predict the costs and resources needed to complete hospital programs that will be run. The implementation of a cost estimate at Budhi Asih Hospital is carried out by reviewing the hospital budget that has been used in the previous year. The owner of Budhi Asih Hospital Jakarta, namely the Regional Government of DKI Jakarta Province, has set a target for hospital revenue to increase by 10% of the total hospital revenue in the previous fiscal year, so that the estimated cost required is also predicted to increase by 10% as well compared to the costs incurred. in the previous fiscal year. Budhi Asih Hospital Jakarta also estimates the costs needed to run hospital programs that have been planned using the Bottom-up Estimates cost estimation technique by formulating a hospital needs budget involving all parties in the hospital from the lowest level to the lowest level. the highest. The involvement of all parties in the hospital is expected so that the hospital budget that will be budgeted can meet all hospital needs, so that the quality of hospital health services can increase to the maximum.

3.5. Cost Budgeting on Cost Management in Improving the Quality of Health Services

Cost Budgeting on cost management in improving the quality of health services at Budhi Asih Hospital Jakarta is done by allocating the estimated budget needed by the hospital into the budget ceiling of the hospital programs that have been planned. By applying the bottom-up method in estimating the budget needed by hospitals, it often makes the number of programs that are considered to be run not proportional to the available budget. The obstacle that exists in the budgeting process is the limited budget available compared to the needs of the hospital as a whole. The very large need for hospitals requires the hospital, in this case the director and director of hospital finances, in synergy with the DKI Jakarta Provincial Health Office to decide which hospital programs that are considered to have a higher level of importance will be the programs that will be run.

3.6. Cost Control on Cost Management in Improving the Quality of Health Services

The use of hospital budgets or what can be called hospital expenditures is carried out as a support for hospitals in order to achieve hospital goals. Hospital spending must be done on target so that hospitals can improve overall hospital performance. Determination of hospital spending is done by comparing

hospital spending in the previous year so that the hospital can determine the part that must be added to its budget and the part that must be done efficiently. In carrying out hospital expenditures, supervision is also needed regarding the use of hospital budgets. Supervision of the use of hospital budgets is carried out by monitoring the hospital's cash flow once a month or it can also be done at any time if there are urgent matters. The supervision of the use of the budget is carried out by the hospital supervisory board and is also supervised by the regional government health office of the DKI Jakarta Province for the budget planning section.

3.7. Level Of Effectiveness Of Cost Management

Based on the Expenditure Realization Report at Budhi Asih Hospital Jakarta which is contained in the 2020 Expenditure Treasurer Accountability Report, the following results are obtained.

Table.2. Table of Realization of Expenditure Reports for Budhi Asih Hospital Jakarta in 2020

No	Description	Budget Plan	Budget Realization	Remaining Budget
1	Health Affairs Improvement and Management Program	Rp27.547.850.258	Rp25.899.152.130	Rp1.648.698.128
2	Community Health Efforts Development Program and Individual Health Efforts	Rp195.000.000.000	Rp193.248.976.603	Rp1.751.023.397
3	Field Facilities and Infrastructure Improvement Program	Rp10.252.953.569	Rp8.256.185.973	Rp1.996.767.596
4	Health Human Resources Development and Empowerment Program	Rp51.578.599.306	Rp50.168.938.578	Rp1.409.660.728
Total		Rp284.379.403.133	Rp277.573.253.284	Rp6.806.149.849

Based on Permendagri No. 21 of 2011, the benchmark used by organizations to measure the effectiveness of planning and monitoring costs is to compare the actual costs that actually occur with the previously determined budget plan.

$$\frac{\text{Rp. 277.573.253.284}}{\text{Rp. 284.379.403.133}} \times 100\%$$

Total cost effectiveness 2020 =

So the effectiveness of cost management on the total budget in 2020 at Budhi Asih Hospital Jakarta is 97.6%. For the results of the calculation of the cost effectiveness of each program budget, namely the Health Affairs Improvement and Management program has an effectiveness level of 94%, the Community Health Effort Development program and Individual Health Efforts have an effectiveness

level of 99.1%, the Field Facilities and Infrastructure Improvement program has an effectiveness level of 80.5%, and the Health Human Resources Development and Empowerment program has an effectiveness level of 97.2%.

4. Discussion

4.1. Strategic Management Planning in Improving Service Quality

Planning in a hospital institution has a role in urgent. Through careful planning the hospital will be able to produce the right strategy as an effort to achieve the goals that have been set. The essence of planning as a strategic management process is decision making by sorting and selecting alternative activities that will be implemented so that efforts to achieve goals take place effectively and efficiently (**Allison dan Kaye, 2015**). Strategic planning process in improving service quality health care at Budhi Asih Hospital includes all activities, which are formulation of vision, mission, and goals, identification of internal and external factors (SWOT analysis), short term, medium term and long term planning, determination of superior strategy.

In the process of formulating the vision, mission, and objectives, the researcher assessed that the hospital director involved all stakeholders. The formulation of the vision, mission, and goals is done first by assessing the environment (**Sagala, 2017**). In this case it is know what the environment's basic need for health is that the hospital can provide. To fulfill the vision and mission then formulated specific objectives, after the formulation of specific objectives is clear, compiled achievement strategy through a number of programs as strategic activities. This is also in accordance with the resource-based view theory according to **Wandrial (2011)** which considers that the use of resources to carry out production activities can be institutionalized by the company in the form of mission statements, visions, and competitive strategies. In other words, an effective strategy is the embodiment of the mission and the company's vision as outlined in the form of strategic actions to achieve company goals (**Aditya, 2010**).

SWOT analysis can be divided into two elements, namely internal analysis that concentrates on the institution itself, and external analysis or the environment in which an institution operates (**Rangkuti, 2015**). In the analysis, the researcher identified internal and external factors through joint deliberation with the parties involved, consisting of the hospital director, deputy hospital director, head of the committee and head of the hospital sub-committee. It is known that the internal analysis carried out by Budhi Asih Hospital is by analyzing infrastructure and resources including human resources, where this is in accordance with the resource based view theory which believes that companies must be able to manage resources and utilize them so that they can become competitive advantages and can generate value for the company (**Grant and Robert, 2001**). In external analysis, to estimate the value of a company's resources, it requires in-depth knowledge of the area of competition and the capabilities of competitors. The difference in the company's resources and capabilities with competing companies will provide a competitive advantage for the company. **Jianwen et al. (2009)** argues that in a dynamic environment, organizations must create strategies to be able to maintain dynamic conditions between what the organization offers and what the environment regulates, so that the organization can continue to grow.

Based on the time criteria, there are three kinds of planning, namely short term planning, medium term planning, and long term planning. Short term planning is planning on results to be achieved in a period of one year or less so often sometimes referred to as an annual plan. This plan is basically is a description of the medium term plan. While planning medium term is planning on the results to be achieved in period of two years or less than 5 years. Long term planning present the expected results of the implementation of the strategy a certain amount usually for planning within five years (**Allison dan Kaye, 2015**).

Based on this theory, the documentation that has been obtained by researchers that RSUD Budhi Asih Jakarta has prepared short term, medium term, and long term planning in improving the quality of service health as stated in the Budhi Asih Hospital strategic business plan document. In an effort to carry out its duties and functions, Budhi Asih Hospital has made a strategic plan to achieve the vision and mission organization that is in the same direction and in synergy with the planning of the health office and local government. The Strategic Business Plan is composed of five yearly in the form of a document that is a guide for hospitals in setting goals, objectives and activities as well as policies taken.

Hospital strategy describes methods and approaches that used to achieve strategic goals (**Karmawan, 2016**). As a superior strategy that is in the Budhi Asih Hospital is a strategy that is carried out to effectively achieve hospital goals. From the analysis results, formulation of superior strategies in improving service quality health services at the Budhi Asih Hospital, namely by coordinating with related hospital elements, which are the hospital director, deputy hospital director, committee head and hospital subcommittee head. The superior strategy at Budhi Asih Hospital is to create a service program excellence, and conduct a risk assessment of each health service which is given. In an increasingly competitive business environment, every company is required to always develop strategies that can create competitive advantages. The use of the right strategy can lead the company to be able to compete with its competitors. Based on the resource based view theory, companies can compete with other companies to gain competitive advantage by managing their resources according to the company's capabilities, which is known to have been done by Budhi Asih Hospital. This is considered very good because based on resource based view theory according to (**Halawi et al., 2005**), the company's performance will be optimal if the company has a competitive advantage so that it can generate value for the company.

4.2. Implementation of Strategic Management in Improving Service Quality

Implementation of strategic management in improving service quality health care at the Budhi Asih Hospital is the execution of the planning. Managing the implementation of strategic management, Budhi Asih Hospital have set hospital policies. Regarding the determination of hospital policies, policies that have been set at Budhi Asih Hospital are controlling barriers, conducting screening and triage before serving patients, socializing rights and obligations to patients, implementing pharmaceutical management and implementing prevention and infection control. This is in line with the results of observations that have been made by researcher, which is the hospital is doing well implements these policies.

Strategy implementation is an action process that requires support from all staff and employees. A motivational process is needed so that employees fully supports the strategy that will be and is being carried out by the hospital (**Hubeis et al., 2013**). Based on the observations made by the researchers, the director of the Budhi Asih Hospital always gives motivation, direction, and orders to the all employee related to increasing their competence.

Hospital culture can created through habituation. Culture must be done to support the established strategy. Hospital culture in Budhi Asih Hospital is professionalism, discipline, and responsibility. Service Quality produced by Budhi Asih Hospital are formed from hard work in the implementation of strategic management in accordance with predetermined plan. The hospital director has an important role by coordinating with related parties at the time of strategic management is being implemented. The activity aims to implementation of strategic management can be done effectively, efficiently, and according to plan.

4.3. Evaluation of Strategic Management in Improving Service Quality

To find out the success of program implementation, managers must do an evaluation. The evaluation process is the last stage of the series strategic management process (**David, 2012**). In the view of the researcher, the strategic management evaluation process in improving Service Quality at Budhi Asih Hospital is divided three stages, which are monitor all results from planning and implementation, measuring individual and hospital performance, take corrective steps, also application of reward-punishment mechanism.

Based on the documents that the researchers got, monitor all results of strategic management planning and implementation are beind done by conduct meetings once a week with stakeholders, with participants are the hospital director, deputy hospital director, committee head and subcommittee head hospital to provide direction, guidance, monitoring and supervising the running of each activity, and measuring performance intensively.

In the context of performance measurement, measuring performance individual activities include measuring the level of success carried out by individuals, for example, medical personnel, non medical personnel and hospital committee. While measuring hospital performance, namely includes hospital facilities and infrastructure, service processes, programs activities, and others (**Trisnantoro dan Laksono, 2015**).

Taking corrective action is being done by take various corrective actions to ensure that the performance carried out is in accordance with the plans outlined by top management (**Hefniy, 2019**). Based on this theory, Budhi Asih Hospital is taking corrective steps by evaluating last year performances and then adjusting it to existing developments and facilities to determine future strategies, carry out a hospital self-evaluation once a year which is done by the hospital development team, the hospital looks for failures or obstacles to the activities carried out, then looks for solutions, and takes action to implement the agreed solutions and carry out program preparation. The researcher considers that every activity must have shortcomings, therefore improvements are needed in each activity to overcome these deficiencies to fit the predetermined plan.

To help employees achieve effective performance, organizations can pay attention to several things other than work discipline, namely reward and punishment (Sujatmiko et al., 2020). Hospital directors are known to give rewards (gifts) to superior medical and non-medical personnel, such as certificates or souvenirs as well as the opportunity to receive training in earlier wave. In addition to giving rewards (gifts) to energy, excellent employees, the hospital director is also provide punishment to employees who have not performed their duties properly in the form of a warning or reprimand.

4.4. Cost Estimate on Cost Management in Improving Service Quality

The cost estimate process for Budhi Asih Hospital is carried out by involving all parties using a bottom-up mechanism. In the bottom-up approach, employees and managers at the departmental level prepare budgets for each department. The bottom-up method starts at the bottom level. Each department prepares its own budget. According to Agusalim et al. (2012), the advantage of this method is that there can be better communication between departments and a better level of accuracy of budget estimates. Based on the Resource Based View theory, this mechanism is one of the unique features of Budhi Asih Hospital as a government-owned hospital, which can provide advantages because this bottom-up mechanism can produce hospital budget planning accurately.

4.5. Cost Budgeting on Cost Management in Improving Service Quality

The cost budgeting process at Budhi Asih Hospital is carried out by allocating budget estimates that have been prepared to be included in the budget package for hospital programs that have been planned in one budget period. Of all the programs that have been planned, there will still be filtration of hospital programs to then be carried out according to the level of importance according to the needs of the hospital. According to Sasongko and Parulian (2015), the budget is a plan that will be carried out by management in a period that is stated quantitatively. Budget allocation is the realization of the program in the use of funds that are adjusted to the priority of activities, so that the program can be implemented properly. The stages and priorities of program activities each year are considered in order to achieve the hospital's mission and goals (Bastian, 2006).

4.6. Cost Control on Cost Management in Improving Service Quality

The cost control supervision process at Budi Asih Hospital is carried out by internal and external parties. From the internal side, it is known that the use of the budget is under the supervision of the hospital supervisory board. Meanwhile, from external parties, the supervision of the hospital budget is supervised by the DKI Jakarta Provincial Government Health Office for the Budget Planning section. This is in accordance with the Regulation of the Minister of Health of the Republic of Indonesia Number 10 of 2014 concerning the Hospital Supervisory Board which in article 3 states that the supervisory board functions as the hospital's governing body in conducting internal non-technical guidance and supervision of hospitals in hospitals, one of which is is to assess and supervise the implementation of the budget plan.

4.7. Level Of Effectiveness Of Cost Management

Based on the data obtained, it is known that the percentage of cost management effectiveness in the total budget of Budhi Asih Hospital in 2020 is 97.6%. For program budgets related to improving

Service Quality, namely the Community Health Effort Development program and Individual Health Efforts have an effectiveness level of 99.1%, the Field Facilities and Infrastructure Improvement program has an effectiveness level of 80.5%, and the Resource Development and Empowerment program Health Human Resources has an effectiveness rate of 97.2%. The data in Table 3.1 states that according to Permendagri Number 21 of 2011, there are 5 classifications of cost effectiveness measurement results. For the percentage results of less than 20%, it is stated as ineffective criteria, effectiveness 21-40% including less effective criteria, effectiveness 41-60% including moderately effective criteria, effectiveness 61-80% including effective criteria, and 81-100% effectiveness including very effective criteria. According to Gayatri and **Supriyanto (2016)** cost effectiveness needs to exist as a cost control so that there is no wastage of funds in a company. **Ali and Kamaruzzaman (2010)** point out that cost overruns are one of the main problems in the industry. Cost overrun occurs when the final cost or project expenditure exceeds the estimated cost. According to **Muninjaya (2011)**, cost management is an effective tool to evaluate the performance of an activity. This evaluation process is also very important in order to improve Service Quality at Budhi Asih Hospital.

5. Conclusion

Based on the results and discussion of the research above, it can be concluded that strategic management in improving service quality at Budhi Asih Hospital includes various activities. Strategic management planning in improving service quality at Budhi Asih Hospital includes several activities, namely the development of vision, mission, and goals, identification of internal and external factors through swot analysis techniques, short, medium, and long term planning, and determining superior strategy in improving service quality. Strategic planning in improving service quality at Budhi Asih Hospital is carried out collectively by all hospital stakeholders including the hospital director, deputy hospital director, and the head of the committee and the head of the hospital sub-committee.

Implementation of strategic management in improving service quality at Budhi Asih Hospital includes the activities carried out, namely determining hospital policies, motivating medical and non-medical personnel, and developing hospital culture. The results of the implementation of strategic management at Budhi Asih Hospital are increased performance of human resources, effective health service processes, increased competency standards of medical and non-medical personnel, and high public attractiveness.

Evaluation of strategic management in improving service quality at Budhi Asih Hospital includes several activities, namely monitoring all the results of activities from strategic management planning and implementation, measuring individual and hospital performance, and taking corrective steps. The evaluation process is very important in order to improve service quality. Every day improvements are made on the basis of the quality system as a reference. The system includes organizational structure, responsibilities, procedures, processes and resources to carry out the strategic improvement of service quality.

Cost estimate on cost management in improving service quality at Budhi Asih Hospital includes determining budget forecasting by reviewing the hospital budget that has been used in the previous year and involving all parties in the hospital from the lowest level to the highest level. Tall. The implementation of a cost estimate can assist hospitals in setting accurate budgets according to hospital

needs in order to improve service quality in hospitals. In the 2020 budget year, Budhi Asih Hospital set a total budget increase of 10.1% from the 2019 budget.

Cost budget on cost management in improving service quality at Budhi Asih Hospital is done by allocating a budget from the estimated hospital budget that has been compiled into budget items for hospital programs that have been planned. All programs that have been planned will be followed up with an assessment of the level of importance of the program so as to maximize the implementation of hospital programs that can improve service quality. In the 2020 budget year, Budhi Asih Hospital allocates a program budget that aims to improve the quality of hospital health services with a proportion of 90.3% of the total hospital budget.

Cost control on cost management in improving service quality at Budhi Asih Hospital includes monitoring the use of the budget carried out by the hospital's internal parties, namely the hospital supervisory board and external parties, namely the DKI Jakarta provincial government health office for the budget planning section. Budget supervision at Budhi Asih Hospital also enforces regular hospital cash flow monitoring so that the use of the budget can be maximized in accordance with the hospital's plan in order to maintain the quality level of quality health services.

The calculation of the level of effectiveness of existing cost management in the application of strategic management in improving service quality at Budhi Asih Hospital is carried out by comparing the actual costs that actually occur with the budget plan that has been set previously. Cost management effectiveness of Budhi Asih Hospital for the total the 2020 budget is considered to have been very effective with the realization measurement results reaching 97.6%. In the program budget related to improving service quality, namely the community health efforts development program and individual health efforts, the effectiveness level is 99.1%, the field facilities and infrastructure improvement program has an effectiveness level of 80.5%, and the resource development and empowerment program. Health human resources has an effectiveness rate of 97.2%. Therefore, the effectiveness of the cost management of Budhi Asih Hospital for quality improvement programs and the total budget in 2020 is considered very effective.

6. Suggestions

With all due respect for all parties and for the success of strategic management activities in improving service quality at Budhi Asih Hospital so that it runs more smoothly and obtains maximum results, the authors provide suggestions, including: In the strategic management planning process, hospitals are advised to pay more attention to the potential and resources of the hospital by adjusting the current hospital conditions. Strategic management planning in order to maximize its formulation by involving all stakeholders in the hospital so that all decisions made can be more measurable and accurate in order to meet hospital needs. Hospital directors are expected to be able to contribute to implementing strategic management in improving service quality at Budhi Asih Hospital.

Implementation of strategic management is expected to be implemented in accordance with the predetermined plan. Health human resources owned by hospitals to continue to be given direction so that all hospital programs can be implemented optimally. The hospital director must coordinate

regularly and in a well-structured manner with related parties during the implementation of strategic management.

The evaluation process of strategic management is expected to be carried out on an ongoing basis by exercising full control related to the implementation of hospital programs by taking into account all program indicators that have been determined. In the evaluation process, hospitals are also advised to be responsive in paying attention to existing problems and or problems that may arise in the future so that further improvements can be made immediately in order to create good quality health services.

The process of cost estimate needed in hospitals can involve all parties in the hospital from the lowest level to the highest level in order to increase the level of accuracy of the budget generated in accordance with the needs of the hospital to improve the quality of hospital services. With a good level of budget accuracy, the costs incurred for hospital needs can be reduced more efficiently.

The cost budget process in hospitals is expected to refer to cost estimates that have been formulated by all parties so that the planned programs, especially those related to improving service quality, can be carried out optimally. Determination of programs in hospitals that are considered as priority programs is also recommended to be able to involve all hospital stakeholders in order to produce quality health services.

The process cost control in hospitals is recommended to be carried out transparently and used as a benchmark for measuring performance both for all individuals in the hospital and the performance of the hospital itself as an organization. This is expected to keep all hospital employees to maintain good quality health services and can be a reference for developing the quality of hospital health services.

In hospital cost management, although the level of effectiveness in the total 2020 budget at Budhi Asih Hospital has reached the very effective criteria with an effectiveness value of 97.6%, the hospital is advised to continue to maximize the use of the budget that has been budgeted, especially the budget related to programs to improve service quality in hospitals.

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