



RESEARCH ARTICLE

The Application Of Value For Money In Assessing The Performance Of Public Sector Services At The Regional General Hospital Cahya Batin Kaur District

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Abstract

To find out How to Implement Value For Money in Assessing the Performance of Public Sector Services at the Cahya Batin Regional General Hospital, Kaur Regency. This study uses two research methods, namely quantitative and qualitative with the Stewardship theory. This study is associative in nature which aims to determine the relationship between two or more variables, find the role, influence, and causal relationships, namely between the independent variable and the dependent variable. The variables connected in this study are variables consisting of the value for money variable and performance (x) towards public sector services (y). The results of the study showed that the implementation of Value for money was considered satisfactory because it had fulfilled the elements of value for money seen from three aspects, namely the aspect of economization where the cost of services provided was in accordance with the services obtained, the aspect of efficiency of resource utilization had provided quality services and the aspect of the effectiveness of medical and non-medical services provided was comparable to the costs charged. So that the measurement of economic value, efficiency and effectiveness, shows that the performance of the Cahya Batin Regional General Hospital, Kaur Regency has been carried out well and has fulfilled the elements of value for money.

Keyword: Value For Money, Performance, Public Services, Kaur Regional Hospital

Introduction

Regional autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their own government affairs and the interests of local communities (Law No. 32 of 2004). Granted by the central government, local governments manage government affairs. Nonetheless, the central government remains responsible for some parts of government, such as foreign policy, defense, security, monetary, and national fiscal. Kaur regional general hospital, under the coordination of the Kaur Regency government, is responsible for providing health services such as inpatient and outpatient care, free health counseling, and environmental facilities and infrastructure. Kaur regional general hospital is one of the agencies that has an important role in improving the welfare of the community because of its working area. Public facilities provided by the Kaur regional general hospital are a supporting factor in the delivery of citizen health services, and with a working area located in a densely populated district, the need for health facilities is also increasing.

One of the main indicators of hospital standards and service standards is patient satisfaction. A low level of patient satisfaction will have an impact on the number of patient visits, while the attitude of employees towards patients will also have an impact on patient satisfaction, as patient needs and patient demands will increase over time. Measuring and evaluating performance is one way to consider maintaining improved service quality. A value for money system is used to measure performance from the beginning of the budget to the end. When viewed from the inside, value for money is not new; it is

even one of the main principles of good governance performance budgeting. Value for money is the basis of measuring the performance of government organizations (Putra, 2013). According to Mardiasmo (2018), people must be responsible for the implementation of value for money, which is economical (careful saving) in the procurement and allocation of resources, efficient (efficient use) in the use of resources, namely by maximizing benefits and reducing costs, and effective (successful use) in achieving goals and objectives (Mardiasmo, 2018).

Efficiency can be defined as achieving certain outputs with certain inputs or achieving certain outputs with the least amount of certain inputs. The level of achievement of program results with set objectives is known as efficiency. In simple terms, effectiveness is the equation of results with outputs. These three things are important components of value for money that are interrelated (Mardiasmo, 2018). The high demand for evaluating government performance has many purposes. In other words, the goal is to improve local government performance and accountability. For this reason, local governments must be able to establish robust performance standards. No single measure that can be used to measure performance is compiled. As a result, different measures are needed for different purposes.

Government organizations must have an understanding of inputs, outputs, and outcomes in order to measure economy, efficiency, and effectiveness. Inputs are all types of input resources used in a particular process to produce outputs. Input performance indicators measure the amount of resources such as budget (funds), human resources, equipment, materials, and other inputs used to carry out activities. Reviewing the distribution of resources makes it possible to determine whether the allocation of resources is in line with the plan. The funds required, the labor used, the equipment used, and the amount of materials used are some examples of input performance indicators. (Mardiasmo, 2018). Output is the direct result of a process. Output measurement is a measure of the

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output produced by a process. The results of a program or activity are indicated by output measures. One way to assess whether the activities carried out are in accordance with the plan is to compare outputs. When the benchmark of an activity is linked to its clear and measurable objectives, output indicators are used as a basis for assessing the progress of the activity. Therefore, this measurement must be in accordance with the scope and type of activities carried out by the Agency. The amount of local revenue earned by the revenue department is an example of an output performance indicator (Mardiasmo, 2018).

Outcome is the impact of a program or activity on society. Outcome is higher in value than output, because output only measures the results that seem to measure the impact on society, while outcome measures the quality of the output and the resulting impact. In other words, outcomes are the results achieved from a program or activity compared to the expected results (Mardiasmo, 2018). Based on the information above, it is clear that various government agencies are in dire need of performance measurement using value for money to run their operations. Many people in recent years have demanded the government to provide faster and more efficient services. Performance measurement is a systematic process to assess the performance of a planned program or activity and, more importantly, whether it has achieved the success targeted at the time of planning (Nordiawan, 2018). Public sector performance measurement is very important to determine the level of performance for the community. It is crucial to assess the accountability of the organization in providing better and fit-for-purpose public services (Larasati & Nurhayati, 2022).

Identifying performance metrics is the first step in performance measurement. Performance measurement helps decision makers monitor and improve the performance of

public sector work units and focus on organizational goals to meet public accountability requirements. Performance indicators provide information that enables public sector work units to assist their performance in delivering outputs and outcomes to society (Handoko, 2017). Public sector performance measurements are conducted for three different reasons (Mardiasmo, 2018). First, they are done to help governments perform better; second, they are used to organize resources and decisions; and third, they are done to improve institutional communication and increase public accountability. From what is said above, it can be concluded that performance measurement is a metric process to assess whether actions can be implemented as planned and can provide information that allows the public sector to take action, which in turn can drive decisions to improve and improve public sector performance.

Method

This research uses quantitative descriptive method (quantitative descriptive analysis method). That is, applying the concept of value for money in measuring the service performance of Cahya Batin Hospital Kaur Regency. by analyzing the elements of value for money, by calculating the level of economy, efficiency and economic level. Effectiveness of Cahya Batin Hospital Kaur Regency. However, the hospital performance and performance indicators that are the basis for calculating the value of economy, efficiency, and effectiveness are discussed first.

Results and Discussion

Result

Table 1. Respondents' Responses About Economic Level

No.	Statement	Skor				
		Very Dissatisfied	Very Dissatisfied	Very Dissatisfied	Very Dissatisfied	Very Dissatisfied
1.	The cost of health services at Cahya Batin Regional Hospital is proportional to the quality of services provided?		1	16	56	27
2.	Expenditures and budgets in this hospital are optimized to support the achievement of the goal of providing quality public services?	1	1	4	60	34
3.	transparency of the costs charged to patients at Cahya Batin Regional Hospital?	1	3	19	47	30
4.	financial management procedures in this hospital have been effective in maintaining efficiency and avoiding waste?	2	1	5	59	33
5.	your level of understanding of how service costs are calculated in this hospital?			17	44	39
6.	are there appropriate incentives or rewards to encourage efficient use of the hospital budget?		1	16	42	41
7.	the hospital's management in allocating and controlling expenditure to keep it efficient?			9	57	34
8.	the use of technology and information systems in this hospital to support efficient financial management?			14	50	36
9.	are there areas of expenditure that could be further optimized to improve efficiency at Cahya Batin Regional Hospital?	1	2	21	37	39
10.	has this hospital succeeded in achieving value for money in providing public services based on the efficient use of resources and budgets?		2	5	55	38

Source: Research Results, processed 2024

Discussion

Based on economic calculations, the economic level can be obtained from the percentage tabulation of filling out the questionnaire where the percentage value on the economy is 83.8% where the percentage shows that the economic level is quite economical. The cost of health services at Cahya batin hospital is comparable to the quality of services provided. Regarding expenses and budgets in the hospital, it is optimal to support the achievement of goals, namely providing quality public services. Transparency of costs charged to patients at Cahya batin hospital. In this case the researcher states that the

economic level is quite economical where the percentage value is 83.8%.

Based on efficiency calculations, the level of efficiency can be obtained from the percentage tabulation of filling out the questionnaire where the percentage value on efficiency is 85.76%. Regarding the use of resources in the regional hospital of the inner light, it is efficient to provide quality public services. Work processes in units or departments have been optimized to achieve efficiency in the use of budgets and resources and the use of technology in information systems in hospitals to improve operational efficiency. Efficient use of time and labor in the hospital to achieve public service goals as

well as management support in promoting a work culture that encourages efficiency and high performance at Cahya Batin hospital. In this case the researcher states that the level of efficiency is quite efficient where the percentage value is 85.76%.

Based on the results of the calculation of the effectiveness of the level of efficiency can be obtained from the percentage tabulation of filling out the questionnaire where the percentage value on effectiveness where the level of effectiveness is 84.04%. Regarding work processes in hospitals that have been optimized, the quality of medical and non-medical services provided by hospitals, procedures in hospitals, performance measurement and evaluation systems implemented in hospitals, initiatives taken by hospitals to improve service effectiveness. In this case the researcher states that the level of effectiveness is quite effective where the percentage value is 84.04%.

The satisfaction index obtained from distributing questionnaires is 84.87% (Figure 3 questionnaire data) which means that it is in the category of quite economical, quite efficient, and quite effective. Cahya Batin Regional General Hospital of Kaur Regency aims to serve the community and provide health facilities for the community, not solely for profit. In its organization there are many activities carried out by parties from various professions, both medical, paramedical and non-medical professions. To be able to carry out its functions, a comprehensive management system is needed, starting from the strategic planning process, both for the long term and for the short term. A strategy can be said to be good if the planning can be followed up practically into an operational program that is oriented towards economy, equity, quality. This means that hospitals must be managed economically, effectively and efficiently, in order to serve all levels of society by providing quality services.

Local governments have a very important role in efforts to improve the quality of people's lives in the health sector. Supported by Home Affairs Ministerial Regulation No. 61 of 2007, concerning Technical Guidelines for the Management of Regional Public Service Agencies, and Government Regulation No. 23 of 2005 concerning Financial Management of Public Service Agencies, and Decree of the Minister of Health of the Republic of Indonesia No. 129 / MENKES / SK / II / 2008 concerning Minimum Service Standards for Hospitals, it is necessary to regulate the Governance Pattern for Regional Public Hospital Management Bodies and one way of evaluation that can be considered is by measuring / assessing performance, starting from the budget planning stage to the budget implementation stage and its evaluation.

Value for money is the core of performance measurement in public sector organizations because government performance cannot be assessed in terms of outputs produced alone, but in integrity must consider inputs, outputs, and outcomes together. Value for money is a concept of managing public sector organizations based on three main elements, namely economy, efficiency and effectiveness. Economy relates to the selection and use of resources in a certain quantity and quality at the lowest price. Efficiency means that the use of public funds can produce maximum output (efficient). Effectiveness means that the use of the budget / management of the organization must achieve the desired target for the benefit of the public sector and can provide quality services.

Cahya Batin Regional General Hospital Kaur Regency is one of the hospitals under the auspices of the Kaur Regency Government. This office is an agency that is tasked with providing services in terms of health provision needed by the community and government. For example, inpatient and outpatient health services free health counseling, as well as environmental facilities and infrastructure. Cahya Batin Regional General Hospital of Kaur Regency is one of the agencies that has an important role in improving the welfare of the community. Public facilities provided by the Cahya Batin Regional General Hospital of Kaur Regency are a supporting factor in the provision of citizen health services, especially with

a working area located in a district with a large population, of course the need for health facilities is even greater.

Cahya Batin Regional General Hospital of Kaur Regency aims to serve the community and provide health facilities for the community, not solely for profit. In its organization there are many activities carried out by parties from various professions, both medical, paramedical and non-medical professions. To be able to carry out its functions, a comprehensive management system is needed, starting from the strategic planning process, both for the long term and for the short term. A strategy can be said to be good if the planning can be followed up practically into an operational program that is oriented towards economy, equity, quality. This means that hospitals must be managed economically, effectively and efficiently, in order to serve all levels of society by providing quality services.

Cahya Batin Regional General Hospital of Kaur Regency is required to be able to provide satisfactory service, so that the strategy and performance of the hospital must be oriented to the wishes of customers (patients). But after all, an organization must measure its performance for efficiency and effectiveness, so that the goals and objectives of the organization can be achieved and the needs of the people in the organization can be met. To measure hospital performance is not as easy as measuring performance in profit-oriented organizations. Measuring the performance of a public sector organization whose purpose is to make a profit, and pay more attention to social factors.

According to Mardiasmo (2019: 121) performance measurement is an important factor in an organization, including for public sector organizations. In addition to the public sector budget, performance measurement is needed to assess organizational accountability in producing better and targeted public services. This measurement is needed by various government agencies in carrying out their performance. The paradigm shift in government towards more efficient services is not negotiable. Various demands for the government to provide services quickly and effectively have become common demands in society in recent years. For this reason, every government agency should strive to improve performance and with more complete performance measurements.

Conclusions and Recommendations

Conclusions

Based on the results of the analysis and discussion that has been described, the following conclusions can be drawn:

1. The application of Value for money is considered satisfactory because it has fulfilled the elements of value for money seen from these three aspects, namely in the aspect of economization where the cost of services provided is in accordance with the services obtained, in the aspect of efficient use of resources has provided quality services and in the aspect of the effectiveness of medical and non-medical services provided is comparable to the costs charged.
2. Measuring the economic value, efficiency and effectiveness, shows that the performance of the Cahya Batin Regional General Hospital of Kaur Regency has been carried out properly and has fulfilled the elements of value for money.

Recommendations

Based on the research results and conclusions that have been summarized above, the authors suggest that the Cahya Batin Regional General Hospital of Kaur Regency should maintain and improve its performance in the following year. The suggestions that the authors can put forward are:

1. We recommend that the Cahya Batin Regional General Hospital of Kaur Regency use value for money so that the

services provided are right on target and can improve the quality of public services in the future.

2. Improve the economy, efficiency and effectiveness of the Cahya Batin Regional General Hospital of Kaur Regency, in order to maintain and improve its performance in the coming years so that customer welfare and satisfaction are getting better the following year

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