



## THE IMPACT OF ORGANIZATIONAL STRUCTURE AND ADMINISTRATIVE POLICES OF HOSPITALS ON DELIVERING QUALITY OF SERVICE FOR PATIENTS SATISFACTION

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### ABSTRACT

**Background:** A well-organized hospital will determine the kind of service it will render to its patients. This diverse mix of objectives determine the nature of the hospital, its organizational hierarchy, the scope and volume of activities, the number and size of departments, staffing patterns, etc.

**Objective:** The study seeks to examine the health workers and in-patient's relationship building and to identify the importance of organizational structure in delivering quality services to in-patients.

**Method:** The researchers considered a total of 35 management, and 70 in-patients together in all 105 as the sample size. These consisting of both males and females working in the various functional areas, and operations in the Hospital. This sample size was chosen because it formed a fair representation of the population. Simple random sampling was the sampling technique used for the study..

**Result:** This output also shows that Patients satisfaction have a high positive relationship with Environment & physical ambience, Payment process & Discharge process, Information flow to family about patient condition & treatment, Janitorial (daily cleaning), and Doctors information about treatment & concerns (administrative polices).

**Conclusion:** It was also recommended that; Management should reduce the number of health workers working under a superior and should also reduce the number of superiors' management reports to. It was further recommended that, management should, improvement the clarity of communication and information giving to patients' relatives on patients' condition and Management should also paste the vision and mission statement of the hospital on walls and vantage points for reminder.

## **INTRODUCTION**

The healthcare organizations worldwide are struggling to deal Deloitte However with increasing health costs while providing high quality services to consumers at lower costs, in comparison to other industries, the healthcare industry is a very costly industry as the medical practice today requires more usage of technology and modern medical tests. Most of the hospitals spend millions to purchase and to upgrade their medical equipments (Shukria & Deloitte, 2015).

During the last decade, hospitals have tried to move from functional towards process-oriented organizational forms. In a process-oriented hospital, the focus is on the process of care instead of on functional departments such as radiology and internal medicine. In hospitals, patient care comes first. In larger hospitals, particularly those attached to medical colleges, there will be emphasis on training. The more specialized centers will additionally have elements of research. More and more hospitals are getting involved in community health and outreach programmes. The principal objectives of a hospital include central goals: these are cure, diagnostic, treatment procedures and rehabilitation. Medication as a supportive goal: care which includes, nursing care, providing an atmosphere for rest, quietness, comfort and thereby facilitates healing and reassuring patients' rehabilitation. However, the goals are extended to alleviate health

problems of the community, Teaching and Research. Further the secondary objective of the hospital includes financial viability, staff satisfaction, motivation, productivity and Quality service: which has to do with efficiency, effectiveness, equity, safety, patients-centered. Depending on the emphasis that the management wishes to give to achievement of some or all of the objectives or activities enumerated above, each hospital develops and proclaim its mission statement or philosophy. The mission statement serves as a guideline to the management and the senior executives.

The mission and vision statements form part of the organizational and administrative polices. The hospital set long term goal with the hope of achieving it in the short run. It gives meaning to the purpose of the hospital and tells an employee what institution expects in terms of his contribution. The hospital philosophy and the mission statement should therefore, be publicized widely and be internalized by staff and all those intimately involved in the affairs of the hospital for easy acquaintance.

The quality of health services provision in Indonesia's hospitals is low and the Indonesian Government is seeking to improve this situation through its legislative and administrative capacity. This is because the established practices of the public sector in Indonesia is to follow regulations set out in umbrella laws or policies, and such laws or policies ensure public goods, such as health

services, are appropriate and delivered effectively (Wulan, 2017). Hospitals are health facilities that provide in-patient, out-patient, and emergency care with all its supporting facilities. To be able to perform their activities, each hospital must establish rules that regulates how healthcare is provided, this is regulated into the hospital by-laws.

## METHODS

The researchers considered a total of 35 management, and 70 in-patients together in all 105 as the sample size. These consisting of both males and females working in the various functional areas, and operations in the Hospital. This sample size was chosen because it formed a fair representation of the population. Simple random sampling was the sampling technique used for the study. This probability sampling method was adopted because it gives every member of the population an equal chance of being selecte.

## RESULTS

**Table 1**

Items	Description	N=70	100%
Age	a. 20-30	24	34.3
	b. 30-40	42	60.0
	c. 40-50	4	5.7
Gender	a. Male	46	65.7
	b. Female	24	34.3
Occupation	a. Private employee	25	35.7
	b. Government	15	21.4
	c. Professional	30	42.9
Monthly income	a. 15000-19000	33	47.1
	b. 20000 and above	37	52.9
Re-visit and recommend this hospital	a. Yes	70	100
<b>Management</b>		N=35	100%
The structure of this organization	a. Functional	18	51.4
	b. Matrix	7	20.0
	c. Divisional	10	28.6
Number of superiors you report to	a. 1	15	42.9
	b. 2	18	51.4
	c. 3	2	5.7
Number of health workers under you	a. 1-5	15	42.9
	b. 6-10	11	31.4
	c.11-15	5	14.3
	d.16-20	4	11.4
State the mission and vision of this hospital	a. Yes	15	42.9
	b. No	20	57.1
The number of times you report to your superior	a. Everyday	27	77.1
	b. Twice in a week	6	17.1
	c. Sometimes	2	5.7
Patients' inability to pay bills	a. Management decision		

*(Field survey 2015)*

From the above table, the age composition of the patients ranges from 30-40 which shows 60% of the distribution. 65.7% of the patients were males with differing health issues. Majority of the respondents were professionals 42.9% who owned their business or work else. Monthly income of the majority of the patients ranges from 20000 rupees and above representing 52.9%. Patients were asked if they will recommend and re-visit the hospital, they happily responded yes representing 100%, this means patients were satisfied with services given by

the hospital. The management of the hospital agreed that their structure is functional which represents 51.4%. The majority of the management report to 2 superiors which show 51.4% of the distribution. Most of the management members could not state the vision and mission state of the hospital which represents 57.1%. Management members report to their superiors every day for update and prompt decision which shows 77.1%. When patients are unable to pay their bills, management decide on what to do.

**Table 2**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.968 <sup>a</sup>	.938	.927	.88571	.938	87.408	5	29	.000

a. Predictors: (Constant), Clarity of communication, Ability to solve problem promptly, Organizational productivity, Timeliness in completing the work, Focus on organizational objectives

This output shows quality of service have a high positive relationship with Clarity of communication, Ability to solve problem promptly, Organizational productivity, Timeliness in completing the work, and Focus on organizational objectives as that R-value (.968) indicates a very strong relationship between the two variables and R<sup>2</sup> value of .938 indicates that 93.8% of the variance in

quality of service is accounted by organizational structure (i.e. Clarity of communication, Ability to solve problem promptly, Organizational productivity, Timeliness in completing the work, Focus on organizational objectives) which shows how closely knit they.

**Table 3**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	342.850	5	68.570	87.408	.000 <sup>a</sup>
	Residual	22.750	29	.784		
	Total	365.600	34			

a. Predictors: (Constant), Clarity of communication, Ability to solve problem promptly, Organizational productivity, Timeliness in completing the work, Focus on organizational objectives

b. Dependent Variable: Quality of Service (QOS)

The ANOVA table above, the F-ratio where **F (5, 29) = 87.408, p < .0005** (i.e., the regression model was good and was fit for the data significantly)

**Tabel 4**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.750	.693		1.083	.288
	Organizational productivity	3.000	.545	.459	5.508	.000
	Ability to solve problem promptly	-2.000	.617	-.280	-3.244	.003
	Timeliness in completing the work	2.500	.476	.566	5.255	.000
	Focus on organizational objectives	.500	.723	.076	.691	.495
	Clarity of communication	1.250	.747	.184	1.673	.105

a. Dependent Variable: Quality of Service (QOS)

It can be observed that, organizational productivity (.000), ability to solve a problem (.003) and timeliness in completing the work (.000) have a positive impact on quality of

service whilst focus on organizational objectives (.495) and clarity of communication (.105) have no impact on quality of service.

**Tabel 5**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.898 <sup>a</sup>	.806	.791	.79035	.806	53.088	5	64	.000

a. Predictors: (Constant), Environment & physical ambience, Payment process & Discharge process, Information given to your family about patient condition & treatment, Janitorial (daily cleaning), Doctors information about treatment & concerns

**Tabel 6**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	165.808	5	33.162	53.088	.000 <sup>a</sup>
	Residual	39.978	64	.625		
	Total	205.786	69			

a. Predictors: (Constant), Environment & physical ambience, Payment process & Discharge process, Information given to your family about patient condition & treatment, Janitorial (daily cleaning), Doctors information about treatment & concerns

b. Dependent Variable: Patients satisfaction

The ANOVA table above, the F-ratio where  $F(5, 64) = 53.088$ ,  $p < .0005$  (i.e., the

regression model was good and was fit for the data significantly)

**Tabel 7**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.362	.511		6.574	.000
	Doctors information about treatment & concerns	.764	.409	.257	1.867	.067
	Janitorial (daily cleaning)	-.396	.313	-.160	-1.263	.211
	Payment process & Discharge process	1.963	.227	.747	8.649	.000
	Information given to your family about patient condition & treatment	.071	.344	.025	.206	.837
	Environment & physical ambience	.913	.226	.250	4.043	.000

a. Dependent Variable: Patients satisfaction

It can be observed that, Doctors information (.067), Janitorial (.211) and information given to relatives on patients' condition (.837) have no influence on Patients satisfaction whilst

payment & discharge (.000) and environment and physical ambience (.000) have a positive influence on the Patients satisfaction.

**Estimated model coefficients**

The common structure of the equation to predict patients' satisfaction, from Environment & physical ambience, Payment process & Discharge process, Information given to your family about patient condition & treatment, Janitorial (daily cleaning), Doctors information about treatment & concerns.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

**Y= Patients Satisfaction**

**X<sub>1</sub>= Environment & physical ambience**

**X<sub>2</sub>= Payment & Discharge processes**

**X<sub>3</sub>= Information given to your family about patient condition & treatment,**

**X<sub>4</sub>= Janitorial (daily cleaning)**

**X<sub>5</sub>= Doctors information about treatment & concerns.**

$$Y = 3.362 + 0.764X_1 - 0.396X_2 + 1.963X_3 + 0.71X_4 + 0.913X_5$$

## **DISCUSSION**

This output also shows that Patients satisfaction have a high positive relationship with Environment & physical ambience, Payment process & Discharge process, Information flow to family about patient condition & treatment, Janitorial (daily cleaning), and Doctors information about treatment & concerns(administrative polices) as R-value (.898) indicates a very strong relationship between the two variables that's administrative polices and patients satisfaction and the R<sup>2</sup> value of .806 indicates that 80.6% of the variance in Patients satisfaction is accounted by administrative policies (i.e. Environment & physical ambience, Payment process & Discharge process, Information given to your family about patient condition & treatment, Janitorial (daily cleaning), Doctors information about treatment & concerns) which shows how closely knit they.

An increasing number of hospitals react to recent demographic, epidemiological and managerial challenges moving from a traditional organizational model to a Patient-Centered (PC) hospital model. Although the theoretical managerial literature on the PC hospital model is vast, quantitative evaluations of the performance of hospitals that moved from the traditional to the PC organizational structure is scarce. However, quantitative analysis of effects of managerial changes is important and can provide

additional argument in support of innovation (Fiorio, 2018).

Findings depict that private healthcare service providers are attempting to deliver well improved healthcare services to their customers. Results confirmed that better quality of healthcare services inclines to build satisfaction and loyalty among patients. The healthcare service quality aspects are positively related with patient loyalty which is mediated through patient satisfaction (Fatima, 2018).

Patient satisfaction in health care constitutes an important component of organizational performance in the hospital setting. Satisfaction measures have been developed and used to evaluate and improve hospital performance, quality of care and physician practice. In order to direct improvement strategies, it is necessary to evaluate both individual and organizational factors that can impact patients' perception of care. The study aims were to determine the dimensions of patient satisfaction, and to analyze the individual and organizational determinants of satisfaction dimensions in hospitals (Kone Pefoyo, 2013).

## **CONCLUSION**

The growth of private healthcare institutions has become numerous, and therefore there is a need for quality services to be addressed. The syndrome that the sick needs the doctor has changed. It was explicit that, patients were satisfied with the services



provided by the hospital and will however refer others to the hospital. It was explained that, there was a perfect positive relationship between the organizational structure (i.e. Clarity of communication, Ability to solve problem promptly, Organizational productivity, Timeliness in completing the work, Focus on organizational objectives) and quality of service. Organizational productivity, ability to solve problems promptly and timeliness were effectively executed through the organizational functional structure. The management should improve on focusing on objectives and clarity of communication. It was also concluded that, there was a strong positive relationship between administrative policies and patients' satisfaction. It was observed that the uniqueness of payment and discharge process and the physical ambience were awesome administrative policies. When patients are not able to pay their bills, management decide on what to do. Management should reduce the number of health workers working under a superior and should also reduce the number of superiors' managements' reports to.

## **RECOMMENDATIONS**

It is recommended that, there should be an improvement in the clarity of communication and information giving to patients' relatives. Management should also paste the vision and mission statement of the hospital on walls and vantage points; thus, most health professionals did not know the vision and mission of the hospital used for the

study. In hospital setting, human life is very delicate and there's therefore a need for professional and adequate skills to handle life issues. Right from the front office to admission, IP and OP, diagnostics and all the other therapeutic services till cure, duty of care and reasonable service must be rendered to patients. A well-organized hospital will determine the kind of service it will render to its patients. Matrix organizational structure was however recommended.

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