

Chapter 9

Evaluation of Hospital Supply Chain Performance During the COVID-19 Pandemic: Balanced Score Card Approach

Doni Maryono

Universitas Muhammadiyah Sidoarjo, Indonesia

Rita Ambarwati

Universitas Muhammadiyah Sidoarjo, Indonesia

ABSTRACT

The pandemic has an impact on almost all sectors of people's lives, in the economic, political, and socio-cultural sectors. The government has implemented large-scale social restrictions (PSBB) as an effort to stop the spread of the COVID-19 virus. With the PSBB, it causes disruption to the hospital supply chain management. As a step to anticipate the hospital's impact on the PSBB, the hospital needs to evaluate the performance of supply chain management. The purpose of this chapter is to describe the performance evaluation of hospital supply chain management using a balanced scorecard approach. A new finding from this study is to measure the performance of hospitals experiencing various disruptions in their supply chain management caused by the COVID-19 pandemic with a balanced scorecard. The author concludes that measurements with the balanced scorecard approach can provide information about the performance of hospital supply chain management broadly in areas experiencing disruption due to the COVID-19 pandemic.

INTRODUCTION

In the operational implementation of the company's organization, for the control function, information is needed about how it is performing. (Solihin, 2009) says managers will not be able to plan, organize, lead, and control effectively if they do not have adequate information. Information is a source of knowledge

DOI: 10.4018/978-1-7998-8705-8.ch009

and understanding of a person on a problem that is needed to make a correct decision. The leaders or managers who will perform the control function. As explained that in their informational role, managers continue to look for information that contains the performance of their units, managers' senses scan the unit's internal activities and their environment, Mintzberg in (Raymond & Schell, 2011). From the information obtained, it is known that the performance has been effective and efficient or not. (Solihin, 2014) said the goal to be achieved through controlling is the availability of tools for managers to direct and motivate their subordinates so that they can work towards organizational goals and provide feedback to managers on how well their subordinates are performing. Managers need to make corrections if their performance is low but if it is according to the planned standards then the company's operations are good and maintained to achieve the company's goals that have been set.

The company is a business organization which is an open system. Barnard in (Solihin, 2009) said that the organization as an open system like any other open system that will get influence from the environment. The company's environment will provide various inputs to the organization, so the company must always adapt itself to the development of the company's environment in order to maintain its sustainability. Grant in (Solihin, 2009) said that the general environment of the company consists of various factors such as social values, education level, politics, economy, law, demography, natural resource environment, technology. On the legal side, in 2020 the government issued a large-scale social restriction (PSBB) regulation to control the ongoing pandemic so that it does not spread further. The existence of this government policy has an impact on the nets of almost all companies. Disturbances that occur in the supply chain in the form of demand fluctuations and changes in the length of the order (lead time) are operational disturbances that commonly occur in the supply chain. Supply Chain Management is the management of the activities of procuring goods and services, converting them into semi-finished goods and final products, as well as delivery through the distribution system (Haizer & Render, 2010).

Strategic planning allows companies to anticipate conditions that are always changing, and provide a road map and direction to go and how to achieve it (Jauch & Glueck, 2004). Strategic planning is an important management tool that can help organizations perform their duties better, facilitate strategy development and implementation, and make organizations more sensitive to customer and market needs (Obeng & Ugboro, 2008). Strategic planning (strategic planning) is vital for the organization in maintaining its survival (Wheelen & Hunger, 2004).

Hospital is an entity that is engaged in the treatment and care of people who need health services. As a General Hospital company, it also implements a strategy related to the supply chain. With the PSBB imposed by the government, the supply chain of General Hospitals is also likely to experience disruptions like other companies. As an anticipatory step, General Hospitals against the impact of this PSBB, General Hospitals need to evaluate their supply chain performance, so as to get an overview of the company's supply chain performance during this PSBB. (Fahmi, 2016) said to avoid problems arising in uncertain situations, managers should conduct research first, to seek as much information as possible and use several decision-making methods that are most appropriate for each problem condition. To evaluate the supply chain performance of General Hospitals, several approaches can be used, including the Balanced Scorecard. Luis and Biromo (Gultom, 2009) say that the definition of the Balanced Scorecard is a performance management tool that can help organizations translate their vision and strategy into action by utilizing a set of financial and non-financial indicators, all of which are intertwined in a causal relationship. result. The Balanced Scorecard is a suitable tool for evaluating and designing operations strategy (Dodangh, Majid, & Nasehifar, 2010). Thus, to evaluate supply chain performance at a General Hospital, it can be done with the Balanced Scorecard approach.

14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/evaluation-of-hospital-supply-chain-performance-during-the-covid-19-pandemic/293472

Related Content

Channel Conflict and Management of O2O Network Marketing Model Under E-Commerce Exploration of Ideas

Rafia Sber (2022). *International Journal of Circular Economy and Waste Management* (pp. 1-4).

www.irma-international.org/article/channel-conflict-and-management-of-o2o-network-marketing-model-under-e-commerce-exploration-of-ideas/312227

Consumer Social Responsibility (CnSR) in the Circular Economy of Global Value Chains: What Does It Mean, and Why Does It Matter?

Guli-Sanam Karimova and Stephen Arthur LeMay (2022). *International Journal of Circular Economy and Waste Management* (pp. 1-19).

www.irma-international.org/article/consumer-social-responsibility-cnsr-in-the-circular-economy-of-global-value-chains/302207

Medical, Pharmaceutical, and Healthcare Trade Relationships Between Australia and South Asian Nations

Ahmad A. Okasha and Eman Zabalawi (2022). *Strategic Cooperation and Partnerships Between Australia and South Asia: Economic Development, Trade, and Investment Opportunities Post COVID-19* (pp. 199-218).

www.irma-international.org/chapter/medical-pharmaceutical-and-healthcare-trade-relationships-between-australia-and-south-asian-nations/296781

ICT: A Magic Wand for Social Change in Rural India

Orance Mahaldar and Kinkini Bhadra (2019). *Socio-Economic Development: Concepts, Methodologies, Tools, and Applications* (pp. 1179-1204).

www.irma-international.org/chapter/ict/215780

To Spur Social Sustainability in the Pharmaceutical Supply Chain: A Literature Review

Adeel Shah, Musawir Ali Soomro, Urooj Nazir and Arham Khan (2022). *International Journal of Circular Economy and Waste Management* (pp. 1-35).

www.irma-international.org/article/to-spur-social-sustainability-in-the-pharmaceutical-supply-chain/309987