

# CHAPTER I

## INTRODUCTION

### **A. Background**

Knowledge management is one of the modern topics that have become a growing interest in the management world and it has applications in various organizations all over the world, as a gateway to the development of the contemporary organization. It also enables them to build intellectual capital capable of meeting the challenges faced in the third millennium and possibly beyond.

Several factors have led to the strengthening of the role of knowledge management in the achievement of activities and productive efficacy and the coordinated use of resources more efficiently in hospitals. The most important of which is globalization and the increase in the volume of health services as a result of the spread of provision in the faithful health services and increased competition. The need for rapid delivery of service and high quality has led many hospitals to focus their attention to activities and people, means. There are others that create knowledge to achieve managerial innovation and competitive advantage. Knowledge management all these facts can be simplified to achieve better results. (Karamitri, Talias, & Bellali, 2017)

The role of culture is important in the formation of personality, values, attitudes, and motivations. The individual is unanimously agreed upon by all behavioral scientists and is also a manifestation of sublimation to humans above the level of instinct, and its success in attaining the level of values that express his reality and thought. Since the culture of each society differs from each other and the culture of each organization from the other and even if these organizations are in the same country and field

of work, the culture of the entire organization is characterized by its beliefs, values, assumptions, perceptions, language, symbols, and others. Where organizational culture received attention in the late 20th century.

Organizational culture also plays a role in the organization's public reputation. It is distinguishing it from the others and it has the hallmarks of the components (physical and moral) which are affected by that institution, as it contributes to the achievement of the objectives and stability of the institution. Through the use of standards and the method of special performance of the work provided by that culture to relate individuals and stimulates them to perform their work with high quality and increase their commitment and their satisfaction with the work. Moreover, organizational culture theory with its values, its behavioral patterns, and its ethics are one of the important organizational theories. It contributes to the elimination of the problems faced by the institution, including guidance and improvement of the level of behavior and commitment to the laws and organizational culture and its managers must understand the dimensions and elements of that culture. It is also a product of what employees have gained as a result of joining the organization (values, habits, behavioral patterns and technical skills, contribute to the mission of its policies and which determines the character of the organization and distinguishes it from other organizations.

Successful institutions are those that constantly create new knowledge, are widely distributed within and outside the organization and are quickly found in new technologies and services. Organizational culture is a crucial factor in building and enhancing knowledge and knowledge management at an organization as it affects how members learn, acquire and share knowledge (Bellali, 2011). It is understood that many cultural aspects of healthcare organizations are important in determining the

quality of patient care - either by enhancing excellence or contributing to the failure (Jacobs et al., 2013).

Modern hospitals must be armed with a positive and high level of high organizational culture to achieve and improve the production process and quality in services. Modern hospitals are also required to have a good organizational culture for the development of an external environment that encourages and provides more innovative solutions to the problems of companies and their customers. A hospital's success is accepted by the provision of high-quality and high-value care, positive results for patients, and financial solvency - closely related to culture, including hospitals. It is also determined by the opportunities to achieve and maintain harmony between functions, high values, positive daily organizational practices. Hospitals with shrinking organizational cultures in search management planning, clinical decisions, and practices in regulation and values, often struggle a lot with this, (Nelson, Taylor, & Walsh, 2014)

Managerial Hospital Information System Innovation appear when a hospital continues to enable climate preservation to generate new ideas within the hospital and ensure that ideas through organizational barriers are translated into innovation and resource planning to continuously provide innovative activity and continuous assessment and monitoring through the internal and external environment. To determine whether the innovation will occur or not in a hospital.

The application of knowledge management is a subject of great importance, and is increasingly important in the 21st century environment as a strategic source to achieve innovation and sustainable competitive advantage and the practice of learning, development and continuous innovation. Including organizational culture is one of the important and necessary factors for the success and the continuation of organizations.

Based on the above and as a result of the limited studies that linked knowledge management factors, "the generation, sharing and application of knowledge" and the organizational culture factors, "information system and organizational structure and systems of incentives and processes" and its impact on managerial innovation, the researcher chose to prepare this study. The purpose being to diagnose and measure the impact of knowledge management and organizational culture factors on managerial hospital information system Innovation at the PKU Muhammadiyah Hospital.

## **B. The Study Problem**

There is a growing interest in business organizations as well as researchers and academicians, with respect to knowledge management and organizational culture. Several institutions in the healthcare industry continue to show interest in the material and moral potential to raise the level of innovation in their respective institutions. Over the years the number of health institutions in the world have increased significantly and clearly this has posed a challenge in the competitive environment between these institutions to attract customers and service providers to these customers. This has created an urgent need for the senior management of these institutions to adopt a new methodology based on management innovation to meet the challenges of competition and maintaining quality standards based on continuous improvement in all aspects of the work of these institutions.

Additionally, within the limits of the current and available literature, the researcher did not find any study addressed in detail with respect to the intended area of focus on the impact of Knowledge Management and Organizational Culture Factors on Managerial Hospital Information System Innovation in health institutions in Libya in general.

Based on the above factors, the researcher chose to study the diagnosis of the impact of Knowledge Management Factors and Organizational Culture on Managerial Innovation Hospital Information System at the PKU Muhammadiyah Hospital.

### **C. Questions of Study**

The problems of study were illustrated by the following question:

1. Is there influence of Knowledge Management Factors on Managerial Innovation Hospital Information System?
2. Is there influence of Organizational Culture Factors on Managerial Hospital Information System Innovation?
3. Is there 1. Is there influence of Knowledge Management Factors and Organizational Culture Factors on Managerial Innovation Hospital Information System?

### **D. Objectives of The Study**

The main objective of this study was to measure the impact of knowledge management factors and organizational culture factors on managerial innovation hospital information system at the PKU Muhammadiyah Hospital. Within this main objective was to try and reach the following:

1. Measure the influence of knowledge management factors on managerial innovation hospital information system.
2. Measure the influence of organizational culture Factors on managerial innovation hospital information system.
3. Measure the influence of knowledge management factors and organizational culture factors on managerial innovation hospital information system.

## **E. The Importance of The Study**

The importance of the study lies in the fact that it dealt with a relatively recent subject (according to the researcher's knowledge) related to measuring the combined impact of knowledge management factors and organizational culture factors on managerial innovation hospital information system at one of the most important hospitals in Yogyakarta. The is of great importance to all hospitals in general, whether governmental or private, because knowledge and organizational culture represent the core of modern hospitals in their quest to adapt to the stage of providing services based on knowledge and requirements of the times, as many studies have pointed out. Knowledge management is the strategic source for building managerial innovation hospital information system at hospitals that face problems in the constant mismatch between management, resolutions and clinical practices in its function & values, besides at Indonesian hospitals, including the PKU Muhammadiyah Hospital-Yogyakarta. The importance of the study can be summarized from two perspectives:

### **1. Theoretical Benefit:**

- a) This study gave information and guidance on hospital management and how it is related to the role of managerial innovation hospital information system in hospitals.
- b) The research made many contributions to the current understanding of how knowledge management and organizational culture factors affect managerial innovation hospital information system.

### **2. Practical Benefits:**

This study contributed to the development of hospital management education, and by highlighting the importance of knowledge management

and organizational culture factors, acted as a guiding tool for managerial innovation hospital information system in the healthcare industry.

## **F. Limitation of the Study**

### **1) Time limits:**

The study was limited to the period beginning October 2019, to the end of December 2019.

### **2) Spatial boundaries:**

The spatial boundaries of this study were limited to the PKU Muhammadiyah Hospital- Yogyakarta– Indonesia. Place. Jl.Wates. km. 5,5, Ambarketetawang, Gamping, Kabupaten Sleman. Daerahistimewa Yogyakarta 5594, Indonesia.

### **3) Objectivity border**

This study dealt with measuring the effect of Knowledge Management Factors and Organizational Culture Factors on Managerial Innovation Hospital Information System at the PKU Muhammadiyah Hospital-Yogyakarta- Indonesia.

### **4) Scientific limits:**

The following study was based on the determination of study variables: (Lemken, Kahler, & Rittenbruch, 2000), (Balthazard & Cooke, 2004), (Chang & Lee, 2007).

### **5) Study Determinants**

The results of the study were determined by the opinions and attitudes of the sample members of the questionnaires that were distributed to the employees at PKU Muhammadiyah Hospital-Yogyakarta-Indonesia.

## 6) RESEARCH SCOPE AND RESEARCH PLAN:

The scope of this research is limited to using an influence existing in Libya. The thesis focused only on knowledge management, culture, culture and information innovation on hospital administrator innovation.

### RESEARCH PLAN:

There was a total of six chapters forming a whole. A description of each chapter is listed:

**The first** chapter provides a general introduction to the research that emerges, the research background, objectives, research questions, the research gap, and the importance of the research.

**The second** semester contained a group of the study's main literature. Note this article about the Knowledge Management and Organizational cultural and impact on the Managerial Innovation. it also focused on developing the hypotheses and the literature that helped develop the hypothesis so that he could test it. And the conceptual model used in the thesis.

**Chapter Three** presented the methods that will be carried out through data collection and analysis.

**The fourth** focus on the results of the research, "The Impact of Knowledge Factors Organizational Knowledge on Administrative Innovation", a detailed and empirically supported explanation of whether the results support the developer's ground. Introduced the fifth chapter and discussed prostitution. It also included or conclusions and recommendations. As the following table:



| <b><u>Input</u></b>   | <b><u>Operations</u></b>  | <b><u>Outputs</u></b>   |
|---|---|---|
| <b><u>1. Subject_and_title.</u></b><br><b><u>2. Introduction.</u></b><br><b><u>3. Importance.</u></b><br><b><u>4. Objectives.</u></b><br><b><u>5. Hypotheses.</u></b><br><b><u>6. Curriculum.</u></b> | <b>1. Search Plan.</b><br><b>2. Chapters.</b><br><b>3. Detective.</b><br><b>4. Demands.</b> | <b><u>1. Conclusion.</u></b><br><b><u>2. Results.</u></b><br><b><u>3. Recommendations.</u></b><br><b><u>4. References.</u></b><br><b><u>5. Index.</u></b> |