

Evaluating the organizational performance of Taiwanese hospitals using the analytic hierarchy process

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Abstract

Enhanced living standards and educational levels have fostered a strong public health consciousness, fuelling the development of the medical sector. Effective hospital operations definitely contribute to the maturation of the home care, pharmaceutical health food sectors. Therefore, such sectors must have the capability not only to assess the operations and organizational performance of hospitals. However, conventional evaluation models for organizational performance are generally too subjective and are aimed mainly at eliminating defects rather than providing information regarding competition or cooperative sectors, knowledge of which are vital to enhancing organizational performance or operations. The inability of home care, pharmaceutical or health food sectors to evaluate the organizational performance of hospitals makes it impossible not only to understand hospital operations, but also to select an appropriate hospital to cooperate with. Therefore, this study presents an optimal operating model capable of effectively monitoring the organizational performance

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of hospitals in relation to the medical sector, enabling administrators or decision makers to identify the most appropriate hospitals for cooperation or invest in nearby stores of interest such as pharmacies or health food stores. The *Analytic Hierarchy Process* (AHP)-based decision-making method can provide decision makers in related medical sectors or hospital administrators with a valuable reference for evaluating organizational performance of hospitals to identify the most appropriate hospitals for cooperation or invest in nearby stores of interest such as pharmacies or health food stores. Importantly, the proposed model can assist the medical sector to assess the organizational performance of hospitals, making it highly applicable for academia and commercial purposes.

Keywords and phrases : Organizational performance, hospitals, medical sector, analytic hierarchy process, Delphi method.

1. Introduction

Enhanced living standards and educational levels have fostered a strong public health consciousness, fuelling the development of the medical sector. Effective hospital operations definitely contribute to the maturation of the home care, pharmaceutical health food sectors. Therefore, such sectors must have the capability not only to assess the operations and organizational performance of hospitals. However, conventional evaluation models for organizational performance are generally too subjective and are aimed mainly at eliminating defects rather than providing information regarding competition or cooperative sectors, knowledge of which are vital to enhancing organizational performance or operations. According to the Department of Health, Executive Yuan, Taiwan, the number of hospitals in Taiwan declined by 231 or 29.35%, from 787 in 1989 to 556 in 2004. Additionally, the number of public hospitals declined by 5 or 5.38%, from 93 in 1989 to 88 in 2004; correspondingly, the number of private hospitals declined by 126 or 32.56%, from 694 in 1989 to 468 in 2004. Obviously, this reduction in hospitals will negatively impact the medical sector, such as sales volume. The inability of home care, pharmaceutical or health food sectors to evaluate the organizational performance of hospitals makes it impossible not only to understand hospital operations, but also to select an appropriate hospital to cooperate with. Therefore, this study presents an optimal operating model capable of effectively monitoring the organizational performance of hospitals in relation to the medical sector, enabling administrators or decision makers to identify the most