

Evaluation of Corporate Bylaws at William Booth Salvation Army Hospital Surabaya to Improve Service Efficiency

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ABSTRACT

This study aims to evaluate the corporate bylaws of William Booth Hospital Surabaya, operated by the Salvation Army, in improving hospital service efficiency. The hospital faces several structural and procedural challenges, including lengthy and complex operational procedures, rigid hierarchical bureaucracy, limited authority of the hospital director in strategic decision-making, and substantial intervention by the Bala Keselamatan Health Service Foundation (YPKBK) in policy formulation and strategic planning. These challenges create uncertainty in operational management and hinder efficient service delivery. This study employs a qualitative approach, with data collected through in-depth interviews, direct observation, and document analysis of the existing corporate bylaws. The data are analyzed using the Miles and Huberman qualitative data analysis model, which involves data reduction, data display, conclusion drawing, and verification. Data triangulation is also employed to strengthen the credibility of the findings. The study is expected to provide practical recommendations for improving the corporate bylaws, particularly by streamlining decision-making processes, reducing bureaucratic barriers, and enhancing overall service efficiency. Furthermore, the evaluation seeks to support the development of a more flexible and responsive hospital governance system capable of adapting to the evolving challenges of healthcare delivery. Strengthening the governance structure through revised corporate bylaws is expected to contribute to improved service quality and greater operational effectiveness. This study offers insights for hospital administrators and policymakers seeking to optimize governance frameworks in nonprofit healthcare institutions.

Keywords: Corporate Bylaws, Hospital Governance, Service Efficiency.

I. Introduction

The quality of healthcare services varies significantly across countries, with developed countries generally offering more advanced and accessible healthcare systems than developing countries. In Indonesia, despite progress in healthcare delivery, challenges such as unequal access to services and inadequate infrastructure persist. According to Statistics Indonesia (BPS), the morbidity rate reached 15.38% in 2019, highlighting the considerable burden on the healthcare system (Purnama, 2024). Since the implementation of the National Health Insurance (Jaminan Kesehatan Nasional, JKN) program in 2014, access to healthcare services has improved. However, service quality remains inconsistent. The 2022 Indonesian Health Profile

indicates an increase in the number of healthcare facilities and medical personnel, although their distribution remains uneven across regions (Kemenkes, 2023). Furthermore, Indonesia's healthcare expenditure remains relatively low compared with that of other low- and middle-income countries, potentially affecting the quality of healthcare delivery (Putra et al., 2022). Efforts to improve healthcare quality in Surabaya have included innovations such as the implementation of e-Health systems. Studies evaluating Surabaya's e-Health initiatives using the e-GovQual method indicate improvements in healthcare access and administrative efficiency (Jatmiko et al., 2023). Nevertheless, challenges related to service quality persist despite the availability of healthcare facilities and professionals (Chaniago et al., 2023). These conditions highlight the importance of improving service efficiency not only through technological innovation but also through organizational governance and operational reform. Increasing public expectations and intensifying competition in the healthcare sector further require healthcare institutions to adopt more adaptive and responsive management practices. In recent years, competition between public and private hospitals has intensified. The number of private hospitals has increased significantly, outpacing the growth of public hospitals (Hammad et al., 2022). Consequently, hospitals face growing pressure to attract patients, retain qualified medical personnel, and manage substantial operational costs, including investments in medical equipment and staff remuneration (Rsud-indo, 2024). Bala Keselamatan William Booth Hospital Surabaya, established in 1924 under the Bala Keselamatan Health Service Foundation (YPKKBK), has a long-standing commitment to providing socially oriented healthcare services. Originally established as a mission-driven institution, the hospital now faces increasing pressure to maintain its competitiveness amid changes in the healthcare landscape.

To remain competitive, William Booth Hospital must improve service efficiency without compromising service quality, which is fundamental to maintaining patient trust. Service efficiency involves optimizing resource utilization, streamlining administrative procedures, and utilizing technology effectively. Research indicates that human resource analysis and structured training programs can improve employee performance and operational efficiency in hospitals (Satato et al., 2024). However, the hospital continues to face challenges associated with lengthy and complex operational procedures, particularly in decision-making. Its rigid and hierarchical bureaucratic structure may create organizational dysfunction and negatively affect service efficiency (Borut, 2021). Furthermore, limitations on the hospital director's strategic decision-making authority and insufficient leadership commitment may hinder organizational reform initiatives (Septiani, 2020). The direct involvement of YPKKBK in policy formulation and strategic direction, although intended to safeguard the hospital's mission, may create uncertainty and delays in internal decision-making. Excessive intervention by the foundation may blur the boundaries of managerial authority and limit the hospital's organizational agility, ultimately affecting operational efficiency (Saragih et al., 2023). Given these challenges, a comprehensive evaluation of the hospital's corporate bylaws is necessary. Corporate bylaws are internal regulations that govern relationships among key stakeholders, including owners, managers, and medical staff, and establish the framework for hospital governance (BPK, 2017). Evaluating these bylaws can help identify regulatory weaknesses and provide a basis for developing policies that support more efficient hospital operations. Well-structured and flexible hospital bylaws are essential for effective governance. They establish clear guidelines regarding roles, responsibilities, and decision-making authority, thereby helping prevent overlapping responsibilities and gaps in task execution (Setiawan et al., 2019). Furthermore, clearly defined bylaws can support hospital directors in making timely strategic decisions, which are essential for maintaining efficient healthcare delivery (Fira, 2019). A robust and responsive governance framework also enables hospitals to adapt to changing healthcare demands. In addition, budgetary flexibility in response to service volumes can facilitate operational cost management and contribute to greater efficiency.

This study, entitled "Evaluation of Corporate Bylaws at William Booth Salvation Army Hospital Surabaya to Improve Service Efficiency," aims to evaluate the hospital's governance framework and formulate recommendations for its improvement. The research examines the structure and implementation of the existing corporate bylaws, their alignment with service efficiency requirements, the perspectives of hospital management and staff, and the factors that facilitate or hinder their implementation. Using a qualitative

approach, this study seeks to develop strategic recommendations for improving decision-making processes, reducing bureaucratic constraints, and strengthening the hospital's responsiveness to operational needs. The findings are expected to contribute to both theoretical development and practical improvements in hospital governance. Theoretically, this study may enrich academic discussions on governance in nonprofit healthcare institutions and expand the literature on the relationship between corporate bylaws and service efficiency. Practically, the findings are expected to provide actionable insights for hospital administrators, foundation representatives, and relevant government stakeholders. For hospital management, the study may offer evidence-based recommendations for optimizing internal regulations and improving operational effectiveness. For YPKBK, the findings may support a reassessment of its governance role to achieve an appropriate balance between institutional oversight and hospital autonomy. More broadly, this study may provide a reference for similar evaluations in other hospitals seeking to improve service efficiency and organizational competitiveness in an increasingly complex healthcare environment.

II. Literature Review and Hypothesis Development

The theoretical foundation of this study is based on the concept of Good Corporate Governance (GCG), which emphasizes five core principles: transparency, accountability, responsibility, independence, and fairness (OECD, 2015; Cadbury Report, 1992). These principles serve as the grand theoretical framework for evaluating hospital governance. In the hospital context, GCG promotes operational efficiency while maintaining quality standards in healthcare service delivery. Transparency fosters stakeholder trust, accountability reinforces managerial responsibility, and independence helps prevent conflicts of interest. Together, these principles provide a framework for assessing whether a hospital's governance structure, particularly its corporate bylaws, supports effective and efficient service delivery. Corporate bylaws serve as a middle-range theoretical framework in this study. They are internal governance documents that regulate relationships among hospital owners, managers, and clinical staff (Purnomo, 2016). Well-designed bylaws clearly define the distribution of authority, decision-making procedures, and operational protocols. Periodic evaluation of these regulations is essential to ensure their continued alignment with evolving healthcare regulations, institutional objectives, and patient needs (Setiawan et al., 2019). In particular, corporate bylaws can contribute to improved service efficiency by reducing bureaucratic delays, clarifying the decision-making authority of hospital directors, and minimizing unnecessary external interference from foundations or governing boards (Rahmawati et al., 2021). Hospitals with adaptive bylaws grounded in GCG principles have been reported to achieve operational efficiency improvements of up to 23% over a two-year period (Suharyanto et al., 2020). Despite their importance, the implementation of corporate bylaws often encounters challenges, including rigid bureaucratic structures, unclear delegation of authority, and limited staff awareness of established procedures. Weberian bureaucratic theory provides a useful perspective for understanding these challenges. According to Weber (1947), effective bureaucracies are characterized by a clear hierarchy, division of labor, formal rules, impersonality, written documentation, merit-based recruitment, and structured career paths. These characteristics are intended to promote organizational efficiency and accountability.

However, excessive rigidity may constrain innovation and reduce responsiveness in hospital operations (Kurniawan, 2021; Anwar et al., 2025). To address these limitations, hospitals need to balance formal organizational structures with operational flexibility. Overly hierarchical systems can delay decision-making, particularly in healthcare environments where timely responses are essential (Jumroh et al., 2021; Marselinus et al., 2023). Furthermore, governance documents such as corporate bylaws may fail to achieve their intended objectives of streamlining operations and clarifying responsibilities when their provisions are not adequately communicated or consistently implemented. This study also draws on strategic management theory, which focuses on formulating and implementing strategies to achieve organizational objectives (Pearce & Robinson, 2013). In hospitals, strategic management involves aligning internal resources and capabilities with external demands to improve organizational competitiveness and operational efficiency.

Corporate bylaws support this process by providing a governance and regulatory basis for operational policies and the allocation of responsibilities (Khalida et al., 2024). Clearly defined bylaws that align with organizational strategies can help prevent conflicts, clarify decision-making authority, and support compliance with healthcare regulations (Jumroh, 2021). In addition, the SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) provides a framework for understanding the relationship between governance and service quality. The model identifies five dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibles. Effective governance supported by well-defined bylaws can contribute to improvements in these dimensions by strengthening staff performance, optimizing resource management, and enhancing organizational responsiveness (Setiawan et al., 2019). Hospitals with effective governance structures, adequate human resources, and digital systems such as electronic medical records (EMRs) may also achieve greater operational efficiency and higher levels of patient satisfaction (Wijayanti et al., 2022). Nevertheless, improving healthcare service quality remains challenging because of several constraints, including shortages of adequately trained personnel, limited budgets, infrastructure deficiencies, resistance to organizational change, and high staff workloads (Putra et al., 2020; Hartini & Wahyudi, 2019). Hospitals must therefore address these challenges while strengthening their governance practices to support sustainable improvements. The integration of GCG principles, adaptive corporate bylaws, bureaucratic reform, strategic management, and service quality considerations provides a comprehensive theoretical framework for evaluating hospital service efficiency. By aligning internal governance structures with operational requirements and service quality objectives, hospitals such as Bala Keselamatan William Booth Hospital Surabaya can strengthen organizational responsiveness, clarify managerial responsibilities, and improve overall effectiveness in healthcare service delivery.

III. Research Method

This study employed a qualitative descriptive approach to evaluate the implementation of corporate bylaws and their implications for service efficiency at Bala Keselamatan William Booth Hospital Surabaya. The research was conducted on-site at the hospital in January 2024 and continued for approximately one and a half months. The hospital was selected as the research site because of its role in healthcare delivery in Surabaya and its relevance to the governance challenges examined in this study. The qualitative approach provided a flexible and in-depth means of exploring organizational dynamics, bureaucratic processes, and stakeholder perceptions. Sugiyono (2019) explains that qualitative research aims to develop an in-depth understanding of social phenomena, while Creswell (2018) emphasizes the importance of examining participants' experiences within their institutional contexts. Accordingly, this approach was appropriate for investigating the structure, implementation, and perceived effectiveness of the hospital's corporate bylaws. Informants were selected using purposive sampling, with an emphasis on individuals directly involved in hospital governance and operations. They included the hospital director, who was responsible for policy implementation; department managers and unit heads, who oversaw activities within their respective areas; administrative and medical staff, who applied the bylaws in their daily work; and patients, who experienced the outcomes of hospital service delivery. The inclusion of informants from different stakeholder groups enabled the study to obtain a broader understanding of the implementation of corporate bylaws across various operational levels. Data were collected using three primary techniques: in-depth interviews, participant observation, and document analysis. In-depth interviews were conducted to obtain detailed insights into how hospital policies were understood and implemented by individuals in different roles (Sugiyono, 2019). The interviews focused on structural barriers, decision-making authority, and service delivery processes. Participant observation enabled the researcher to examine workplace interactions, operational workflows, and the implementation of policies in their actual organizational context, consistent with the approach described by Miles and Huberman (2014).

Document analysis involved reviewing official corporate bylaws, standard operating procedures (SOPs), internal reports, and relevant regulatory documents (Yin, 2018). These documents provided contextual

information and supported the verification of findings obtained from interviews and observations. Data were analyzed using the qualitative analysis framework described by Miles and Huberman (2014). The analysis began with data reduction, during which interview transcripts and observation notes were examined, coded, and organized according to recurring ideas and themes. The resulting codes were grouped into broader categories, including policy design, implementation challenges, and service delivery outcomes. These categories were then interpreted to identify how the hospital's governance structure facilitated or constrained service efficiency. Data triangulation was conducted by comparing information obtained from interviews, observations, and document analysis to strengthen the credibility of the findings. Finally, conclusions were drawn and verified through an iterative process of comparison and synthesis. A semi-structured interview guide was developed to explore several key themes, including the existing structure and functionality of the hospital's corporate bylaws, expectations regarding potential revisions, the alignment of the bylaws with hospital service efficiency requirements, and management and staff perceptions of their effectiveness. The interviews also examined factors that facilitated or hindered policy implementation and explored participants' perceptions of the implications for service delivery, decision-making speed, and stakeholder satisfaction. Through this methodological approach, the study sought to develop a comprehensive understanding of the implementation of corporate bylaws and their implications for service efficiency in a nonprofit healthcare institution. The use of multiple data collection techniques and informants from different stakeholder groups enabled the researcher to examine the relationship between governance arrangements and operational practices. The findings were expected to provide a basis for practical recommendations concerning the refinement of hospital policies and governance mechanisms.

IV. Result and Discussion

4.1. Research Results

This section presents the findings obtained from interviews, observations, and document analysis concerning the structure and implementation of corporate bylaws at Bala Keselamatan William Booth Hospital Surabaya. The findings are discussed in relation to the theoretical framework and relevant literature. The analysis is organized into six thematic areas that highlight the challenges and opportunities associated with improving hospital governance and service efficiency.

4.1.1. Structure and Implementation of the Existing Corporate Bylaws

Corporate bylaws are intended to provide operational guidelines for hospital management by establishing clear lines of authority, standardized procedures, and mechanisms to support efficient service delivery. However, the findings reveal a gap between the provisions outlined in the corporate bylaws and their implementation in practice. Interviews with key informants indicate that the bylaws have not been implemented consistently. One respondent stated, "The current governance is not in line with the ideal bylaws" (K01), highlighting the discrepancy between formal regulations and actual operational practices. This misalignment undermines decision-making efficiency and creates uncertainty among staff members. The findings also reveal overlapping authority between hospital management and the Bala Keselamatan Health Service Foundation. Rather than functioning solely as a supervisory body, the foundation is perceived as a bottleneck in the decision-making process. One manager reported, "Policies are conflicting between the hospital director and the foundation. Strategic decisions above IDR 100 million require foundation approval, slowing down processes" (K02). This bureaucratic rigidity limits managerial flexibility, particularly when urgent decisions are required. Furthermore, the existence of dual leadership, in which both the hospital director and the foundation exercise decision-making authority, has contributed to conflicts and restricted the director's autonomy. As one respondent explained, "There is dual leadership which obstructs the director's authority due to excessive intervention from the foundation" (K10). Despite these challenges, informants recognized

the potential of corporate bylaws to improve hospital operations if they were implemented effectively. As another informant stated, "If corporate bylaws are implemented well, they will support hospital services" (K13).

4.1.2. Expectations for a Revised Organizational Structure

Hospital staff and management expressed a strong desire for an organizational structure that positions the director as the principal executive authority while assigning the foundation a strategic supervisory role. Such a restructuring is considered important for addressing dual leadership and streamlining decision-making processes. One respondent stated, "We hope the new structure grants full authority to the director, with the foundation acting as a supervisory body" (K05, K011). The proposed organizational structure would assign the director responsibility for strategic, financial, and human resource decisions, while the foundation would oversee organizational performance and ensure alignment with institutional values. As one informant explained, "The director should set policies and lead operations, and the foundation should ensure that these are aligned with the mission of Bala Keselamatan" (K04). Interviewees also suggested examining organizational practices in Catholic and government hospitals as potential references for structural reform. One participant recommended, "We could take examples from Catholic hospitals or government-run institutions" (K07). These organizational models could provide useful benchmarks for developing a more flexible, transparent, and accountable hospital governance framework.

4.1.3. Alignment of Corporate Bylaws with Service Efficiency Standards

The existing corporate bylaws are perceived as insufficiently aligned with the requirements of efficient healthcare service delivery. Their rigid provisions and the extensive control exercised by the foundation are considered obstacles to timely and responsive managerial decision-making. As respondents observed, "The current bylaws do not meet efficiency standards. Improvements are needed to meet modern service expectations" (K05, K06). Governance inefficiencies, particularly those associated with lengthy decision-making procedures, were reported to affect service delivery timelines and patient satisfaction. Respondents emphasized that "Governance aspects directly affect efficiency" (K06, K13), underscoring the importance of clarifying the distribution of authority and streamlining internal policies. Periodic evaluations and revisions of the corporate bylaws were considered essential. Such evaluations should extend beyond administrative updates to examine how existing policies affect actual service delivery and operational responsiveness. One participant recommended, "Evaluation should lead to policy revisions and perhaps benchmarking with more advanced hospitals" (K07, K11). This recommendation highlights the importance of using evaluation findings as a basis for substantive governance reform.

4.1.4. Management and Staff Responses to the Corporate Bylaws

The responses of hospital management and staff reflected critical views regarding the implementation of the existing corporate bylaws. Although the bylaws were recognized as an essential governance instrument, concerns remained about their practical effectiveness. One respondent asked, "We want improvements, but will the foundation allow change?" (K08). This statement highlights the importance of shared commitment among the parties involved in hospital governance to support meaningful organizational reform. Staff members also expressed concerns about excessive intervention by the foundation and the unclear delegation of authority. One staff member remarked, "Governance policies should not be interfered with by the foundation" (K09). This perspective reflects concerns about limited managerial autonomy, which may discourage initiative and delay operational processes. Furthermore, staff members indicated that although corporate bylaws were formally in place, they did not consistently guide operational decision-making. As one respondent stated, "Currently, they are not functioning according to their purpose"

(K11). This situation contributes to uncertainty and frustration among staff, potentially undermining organizational coordination and productivity.

4.1.5. Supporting and Inhibiting Factors

The findings identified several factors that could support improvements in hospital governance and service efficiency. These included management's awareness of the need for governance reform and a shared aspiration to strengthen the director's authority. Investments in human resources, medical equipment, and technology were also identified as potential enablers of more efficient service delivery. As respondents emphasized, "Governance improvements should focus on director empowerment and better resource management" (K05, K06, K11). However, several major obstacles continued to hinder effective implementation of the corporate bylaws. The most prominent was the lack of clarity regarding the distribution of authority between the hospital director and the foundation. Respondents reported that "Decisions take too long due to unclear roles" (K03, K02, K05), indicating that ambiguity in governance arrangements contributed to delays in decision-making. To address these challenges, informants proposed redefining roles and responsibilities, strengthening the director's operational authority, and positioning the foundation primarily as an oversight body. One group of respondents stated, "We need to restructure responsibilities and make the director the primary decision-maker" (K11, K05, K02). These suggestions emphasize the need for a clearer division of responsibilities and a more efficient decision-making framework.

4.1.6. The Impact of Corporate Bylaws on Service Efficiency

The findings indicate that the implementation of corporate bylaws is closely associated with hospital service efficiency, particularly when inconsistencies in their application create operational obstacles. Delays in policy implementation resulting from ambiguous authority structures were frequently mentioned by informants. One respondent stated, "Inefficiency is caused by governance misalignment; decisions are delayed" (K06, K10, K12). Nevertheless, informants viewed effectively implemented corporate bylaws as a potential instrument for improving operational performance. As one respondent explained, "If applied correctly, they will improve service efficiency" (K13). This finding suggests that the effectiveness of corporate bylaws depends not only on their formal provisions but also on the consistency of their implementation and the clarity of the authority they establish. Governance inefficiencies were also perceived to affect patient and staff satisfaction. Delays in decision-making can reduce organizational responsiveness and negatively influence staff morale. One respondent observed, "Service delays result from decision-making bottlenecks" (K14). In response to these concerns, managers advocated granting the hospital director sufficient authority to make operational decisions independently within the established governance framework. As one respondent stated, "Responsibility should rest with the director" (K15). This perspective reinforces the perceived need to revise the corporate bylaws to clarify managerial authority, reduce decision-making delays, and improve service efficiency.

4.2. Discussion

a. Current Structure and Implementation of Corporate Bylaws

The corporate bylaws of Bala Keselamatan William Booth Hospital Surabaya were originally designed to strengthen governance and improve operational efficiency. However, in practice, the bylaws have not functioned effectively as the primary reference for daily decision-making and operational activities. A substantial gap remains between the formal provisions outlined in the document and their implementation in practice. One of the main challenges is the lack of coordination among departments and the unclear distribution of authority, both of which impede efficient hospital service delivery. This problem is particularly evident in the overlapping authority of the foundation and the hospital director. Ambiguity in the governance

structure creates lengthy decision-making procedures and limits the director's ability to make timely strategic decisions. The director's restricted autonomy in financial management and policy formulation can delay organizational responses, including in urgent situations. This structural conflict indicates that the existing governance system has not established an appropriate balance between supervisory oversight and operational management. These structural shortcomings also affect strategic planning processes, particularly the preparation of the Annual Work and Budget Plan (RKATP). When the organizational structure does not adequately support efficiency, coordination among budgeting, operational services, and strategic policymaking can become fragmented. As an essential planning instrument, the RKATP should be supported by a governance framework that facilitates timely and accurate resource allocation. Without a clear delineation of authority and a well-defined organizational hierarchy, the existing structure may continue to constrain professional management and efficient healthcare service delivery.

b. Expectations for a Revised Organizational Structure

The proposed organizational restructuring is expected to clarify coordination channels, strengthen managerial authority, and simplify decision-making processes. This reform is intended not only to address dual leadership but also to foster a more responsive management culture capable of addressing contemporary healthcare challenges. Granting the hospital director sufficient authority over operational matters is central to this effort, as it would enable more independent decision-making and reduce unnecessary bureaucratic procedures. The revised structure is also expected to establish a more balanced relationship between the foundation and hospital management. Under this arrangement, the foundation would concentrate on strategic oversight rather than direct involvement in daily operations, allowing the director to formulate and implement policies based on technical considerations and operational needs. Such a division of responsibilities could improve service efficiency while maintaining institutional accountability. Furthermore, it could strengthen the integration of operational policies with strategic planning documents, including the RKATP, thereby ensuring greater consistency between planning and implementation within a coherent governance framework.

c. Alignment of Corporate Bylaws with Service Efficiency Standards

The existing corporate bylaws are perceived as insufficiently aligned with the efficiency requirements of contemporary hospital management. Rigid provisions and outdated governance arrangements can limit management's ability to respond promptly to changing service demands. When hospital directors lack adequate decision-making authority, operational efficiency becomes more difficult to achieve, particularly when decisions directly affect patient care. Excessive bureaucracy and centralized decision-making procedures can prolong administrative processes and disrupt the continuity of service delivery. These challenges highlight the need to review and revise the corporate bylaws to streamline workflows, clarify decision-making authority, and strengthen organizational responsiveness. Regular evaluations of governance documents are also necessary to ensure that institutional regulations remain relevant to changing managerial requirements and technological developments. In addition, benchmarking against well-established Catholic and government hospitals could provide useful insights into governance arrangements that balance accountability with managerial autonomy and service efficiency.

d. Management and Staff Responses to the Effectiveness of Corporate Bylaws

Management and staff perceive the existing corporate bylaws as insufficiently effective in clarifying authority and responsibilities. Reported inconsistencies between formally documented responsibilities and actual practices contribute to uncertainty and decision-making delays. Furthermore, extensive intervention by the foundation is perceived to constrain the autonomy of hospital management and complicate internal decision-making processes. Although hospital management recognizes the need to reform the corporate bylaws, the implementation of such reforms depends partly on the foundation's willingness to reconsider its governance approach. Positioning the foundation primarily as a strategic supervisory body, rather than an

active participant in routine operational decisions, is therefore considered important. Staff members also perceive the bylaws as ineffective because managerial authority is not clearly defined. This situation may contribute to internal conflict, reduced staff morale, and delays in service delivery. Consequently, reform efforts should address not only the formal provisions of the bylaws but also institutional attitudes toward leadership, accountability, and the delegation of authority.

e. Supporting and Inhibiting Factors in the Implementation of Corporate Bylaws

Several factors may support the effective implementation of corporate bylaws, including management's commitment to transparency and accountability, as well as investments in human resources and technology. These factors can provide a foundation for more structured and measurable governance practices. Nevertheless, organizational and cultural barriers continue to present challenges. In particular, the unclear division of authority between the hospital director and the foundation can delay decisions and encourage reactive rather than proactive policymaking. Addressing these challenges requires an organizational structure that clearly distinguishes operational management from supervisory oversight. Assigning the director primary responsibility for operational decision-making while positioning the foundation as a strategic oversight body could simplify administrative processes and improve organizational responsiveness. However, the effectiveness of this arrangement would depend on clearly defined responsibilities, consistent implementation of the corporate bylaws, and an institutional culture that promotes efficiency, accountability, and professionalism.

f. The Impact of Corporate Bylaws on Service Efficiency

The implementation of corporate bylaws is closely associated with hospital service efficiency. When the bylaws are consistently applied and responsibilities are clearly distributed, they can facilitate timely decision-making and improve coordination across organizational units. Conversely, delays resulting from internal bureaucracy and dual leadership can obstruct service delivery. At Bala Keselamatan William Booth Hospital Surabaya, unclear authority, particularly in situations requiring urgent action, has been identified as a source of decision-making delays. Providing the hospital director with clearly defined operational authority within an appropriate governance framework is therefore an important step toward realizing the intended purpose of the corporate bylaws. Previous studies by Rahmawati et al. (2021) and Suharyanto et al. (2020) emphasize the potential contribution of corporate bylaws grounded in Good Corporate Governance (GCG) principles to improved operational performance. The SERVQUAL model developed by Parasuraman et al. (1988) also highlights responsiveness, reliability, and assurance as important dimensions of service quality. These dimensions provide a useful perspective for examining how governance arrangements may affect patients' experiences of healthcare services. In addition, Weber's (1947) theory of bureaucracy and the strategic management perspective discussed by Pearce and Robinson (2013) provide theoretical support for the importance of clear organizational structures, defined responsibilities, and systematic decision-making procedures. Periodic evaluations and benchmarking against other hospitals could help ensure that corporate bylaws remain relevant, adaptable, and aligned with institutional objectives and service requirements. Overall, the findings highlight the need to strengthen the hospital's governance structure by clarifying overlapping responsibilities and improving decision-making processes. Corporate bylaws should function not merely as formal regulatory documents but also as practical governance instruments that support operational efficiency, reinforce accountability, and contribute to improved healthcare service quality.

V. Conclusion

This study reveals that the corporate bylaws of William Booth Salvation Army Hospital Surabaya, although designed to strengthen governance, have not been effectively implemented to support operational efficiency. Overlapping authority between hospital management and the foundation, combined with a rigid decision-making structure, has created administrative bottlenecks that hinder organizational responsiveness.

The lack of clarity in the distribution of roles and responsibilities has delayed important decisions and weakened organizational coordination, thereby limiting the hospital's ability to deliver timely and high-quality healthcare services. The findings highlight the need for organizational restructuring, particularly through the revision of the organizational hierarchy and the clarification of delegated authority, to align hospital governance with the principles of efficiency and Good Corporate Governance (GCG). A clear division of responsibilities between the foundation and the hospital director is essential to balance strategic oversight with day-to-day operational management. By strengthening managerial authority, reducing unnecessary bureaucratic intervention, and supporting coordinated planning mechanisms such as the Annual Work and Budget Plan (RKATP), the corporate bylaws can function not merely as formal regulations but also as practical instruments for organizational improvement. Furthermore, this study underscores the importance of periodic evaluation, stakeholder engagement, and benchmarking against established practices in hospital governance. Effective implementation of corporate bylaws has the potential to improve operational efficiency, strengthen organizational accountability, enhance healthcare service quality, and foster adaptability in response to changing healthcare demands. Therefore, corporate bylaws should be continuously reviewed and developed as practical governance frameworks that reflect operational needs and support evidence-based decision-making, stakeholder participation, and continuous improvement.

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