

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND**

Since 1968 when Congress (RA 5412) approved the creation of another city in the great Cotabato region, General Santos City (formerly Dadiangas) has rapidly transformed into a new economic growth area together with the provinces of South Cotabato and Sarangani Province. Being a recently declared highly-urbanized city, opportunities continue to swell in all facets of the local economy with new foreign funded large-scale investments including a world-class airport and fishport, roads and bridges, agro-processing center, and a host of other complimentary development initiatives and structures. Consequently, mass urbanization and domestic migration have spawned further economic development in the area. In 1995, the city has an estimated population of 350,000 growing at an alarming 5.14 % annually in contrast to the national yearly average of a little over two percent. This “Star of the South” and the neighboring provinces later became the, “Gateway to Opportunities,” in the country. Such statements truly affirm the growing confidence of the investors and other stakeholders in the future of the city.

Notably, the services sector kept pace with the bullish economy. New financial institutions sprung up. Higher and vocational-technology education are in demand, manpower and allied services multiply significantly. These sectoral “winners” are

helping the economy grow. Soon the hospital industry in the city will be experiencing tremendous growth as a result of these socio-economic events.

As the only public hospital, General Santos District Hospital (GSDH) has indeed experienced some difficulty in terms of the delivery of hospital services to its constituents and in servicing the needs of neighboring municipalities.

It is an institution that every constituent of the place desires because of the need for hospital services. Yet it does not keep pace with the growth experienced in the area according to GSDH chief, Dr. Benjamin Pagarigan.

## **2.1 PROBLEMS**

GSDH has been operating since 1974 under the full-subsidy of the Department of Health (DOH). However, management was later transferred to the local government of General Santos in 1992 in accordance with the mandate of the Local Government Code of 1991. This landmark legislation has empowered local government units to manage basic devolved structures particularly hospital and health services. Like most other local government units all over the country, GSDH management found the transition period from a centralized to a devolved set-up a burdensome duty coupled with confusions as to how newly-devolved GSDH should operate. Thus, the pressure on the GSDH management and policy makers was too great to ignore. Expectedly, the city local health board experienced difficulty adjusting to a new system of management.

Moreover, the gripes of the tax-paying people heard over the broadcast media meant that the problems were really widely felt by so many. GSDH throughout its existence "had received social subsidies not for profit (revenue-generating) from various entities but it has not achieved better social results".

#### **1.4 OBJECTIVES OF THE STUDY**

The researcher has three (3) objectives in conducting the study to wit:

- Determine the key success factors (KSFs) of the hospitals through an analysis of environmental factors affecting the industry players.
- Identify the strengths, weaknesses, opportunities and threats (SWOTs) of GSDH.
- Develop a strategy for GSDH and formulate feasible course of actions that will make GDSH a more effective and efficient institution in the delivery of hospital and health services.

#### **1.4 SCOPE AND LIMITATIONS**

This study focused on the hospital industry in General Santos City, and partly of South Cotabato. It also delved into the trends of the industry in the Philippines to serve as

benchmark or “best-in” comparison for GSDH’s performance. Moreover, it emphasized the hospital system in the country.

Relevant data particularly on the operations, issues, and concerns of GSDH were considered as basis for planning the hospital’s future operations.

## **1.5 METHODOLOGY**

The researcher initially conducted observation on the various facets of operation of GSDH.

Statistical reports, hospital records, and other relevant data were taken from private organizations and public agencies. Professional and academic journals and scientific review literature were likewise examined to provide other necessary information.

Also made were interviews with individuals who held important positions in the industry, academe, government and commerce and who had stakes in the local health care sector.