

# The Role of Organizational Culture in Mediation Dimensions of Good Corporate Governance in The Era of National Health Assurance on Performance the BLUD of Hm Djafar Harun Hospital Kolaka Utara District

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**Abstracts:** This study aims to look at the role of organizational culture in mediating the dimensions of GCG in the era of national health insurance on performance at the BLUD HM Djafar Harun Hospital, North Kolaka Regency, using quantitative research. The population of this study was civil servants and non-PNS employees who worked at the BLUD of the HM Djafar Harun Hospital, North Kolaka Regency, Southeast Sulawesi Province, namely 286 people who were selected based on Presidential Decree No. 77 of 2015. A Result the transparency dimension is formed by seven indicators and patient rights is the strongest indicator in forming the transparency dimension. In the accountability dimension, there are four indicators and the one that contributes the most to this dimension is the responsibility indicator. The dimension of responsibility has three indicators and the strongest in shaping this dimension are the indicators of obligation, ethics and rational decisions. The independence dimension is formed by five indicators and the strongest form of independence is the indicator of not having personal interests. In the fairness dimension, there are five indicators and the strongest form of this dimension is the cost balance indicator. Organizational culture in this study is composed of three indicators and the strongest in shaping this dimension are innovative and supportive. The performance in this study is composed of seven indicators, where the claim return indicator gives the greatest contribution to this variable. Good Corporate Governance based on the transparency dimension has an indirect effect on hospital performance in the JKN era. Good Corporate Governance based on the dimension of accountability has an indirect effect on hospital performance in the JKN era. Good Corporate Governance based on the dimension of responsibility besides having a direct influence is also a dimension that strengthens organizational culture on hospital performance in the JKN era. Good Corporate Governance based on the independence dimension has a direct effect on hospital performance in the JKN era. Good Corporate Governance based on the dimension of fairness has an indirect effect on hospital performance in the JKN era. Organizational culture directly has a significant effect on hospital performance.

**Keywords:** Organizational Culture, Good Corporate Governance, Performance.

## 1.INTRODUCTION

The hospital as a public service organization has responsibility for every public service it provides. This responsibility is to provide quality and affordable health services based on the principles of safe, comprehensive, non-discriminatory, and participatory, and protect the community as users of health services (health recipients), as well as for health service providers to realize the highest degree of health his height. Hospitals are health service institutions that provide complete individual health services that provide inpatient, outpatient, and emergency services (Kemenkes RI, 2020). The health service system in hospitals is a complex organization with a complex task structure and specialized knowledge. High (Larsen, 2018; Pribadi, Santosa, & Rusep, 2012). Six objectives must be achieved in improving the current health care system, namely (1) Safe, minimizing errors that may occur when providing services to patients, (2) Effective, as far as possible providing useful services to patients or avoiding things which are not useful in the service process, (3) Patient-centered, providing responsive services and respecting patient rights, (4) Timely, reducing waiting times that can be detrimental to patients and stakeholders. (5) Efficient, minimizing useless things, both in terms of equipment, ideas, and energy. (6) Equitable, providing services regardless of ethnicity, geographical location, socio-economic status, and (America, 2001; Trisnantoro, 2018).

Quality medical services show good performance which has an impact on increasing patient satisfaction. The principles of quality and cost control must be implemented in the implementation of the JKN program. However, in the implementation process, based on previous research, many deficiencies have been explained regarding the deficiencies that occur in hospitals related to the implementation of this JKN program. If reviewed based on aspects of service or based on the financing system. As explained by Sabrina (2015) regarding the low quality of service because the existing system in hospitals as providers and health service providers is still unstable, due to BPJS patient claims according to the Indonesian Case Base Groups (INA-CBG's) rates given are considered insufficient to hospital allocation or discharge. The National Health Insurance (JKN) is part of the SJSN which is carried out through a mandatory (mandatory) social health insurance mechanism. The JKN program is a form of reform in the health sector that aims to overcome the problem of fragmentation and distribution of health insurance. This problem occurs in the Community Health Insurance (Jamkesmas) and Regional Health Insurance (Jamkesda) schemes which result in uncontrollable health costs and service quality (Z. Arifin, 2016, Fossati, 2016).

Effective, efficient, and can accommodate changes to be able to meet the needs of society that arise as a result of changes. - These changes. To support the achievement of these goals, it is necessary to have regular administrative activities and an information system that is managed and developed as a support for the implementation of management and development of service efforts. The hospital is the only referral service facility (first and second level) in North Kolaka Regency. The development of number of patients in the last five years has shown an increase, which is presented in Table 1.

**Table 1. Development of the Number of Outpatient, Inpatient, and Referral Patient Visits**

Year	Patient classification					Number of Patients (Person)
	Outpatient		Inpatient		Back Referral	
	General	BPJS	General	BPJS	BPJS	
2018	205	12.530	191	4.288	268	17.482
2019	318	16.519	67	5.356	338	22.648
2020	125	12.290	33	4.856	430	17.734
2021	102	13.094	17	4.852	518	18.538
2022	97	19.908	13	4.856	993	25.867
Jumlah	847	74.341	321	24.208	2.547	102.269

Source: BLUD RS HM Djafar Harun Kolaka Utara, 2018-2022

Based on table 1. Shows that the number of patients in 2018 was 17,482 patients and increased by 25,867 or 25.2% of patients in 2022. Referral patients also increased from 268 patients in 2019 to 993 patients in 2022, this shows that the referral rate Returns are still high in hospitals, and this proves that hospitals have not performed service efficiently. Besides that, it can also be known based on the Principles of Good Corporate Governance. Good Corporate Governance is one of the determining factors in improving performance (Hamid, Yunus, & Sulaiman, 2015). Good Corporate Governance can be used to measure the performance of certain organizations with the principles of directing and controlling the organization to achieve a balance between power and authority in providing accountability to stakeholders (AW, Hamzah, & Arifin, 2012; Hamid, et. al. 2015, Mutamimah, 2014). There are major problems faced by hospitals as a result of late payments: 1) drug availability is disrupted, 2) doctors' performance declines, 3) medical care and equipment are maximized. Based on the results of other studies regarding cross-provincial JKN implementation studies, several deficiencies were also found, including partial referrals that were not widely carried out in the regions because of the lack of knowledge of officers about referral services in the JKN era and the community still complained about the referral system because sometimes they were referred to hospitals that were far away even though there were Hospitals that are closer to where they live (Dwiyanto, 2018; G. Febriani, Minarsih, & Haryono, 2015; Maidin & Palutturi, 2014). The return referral rate is still high at the hospital; this proves that the hospital has not carried out service efficiency. Research on good corporate governance related to performance has been extensively studied in several aspects. The research conducted by Al-Gamrh, Ismail, Ahsan, and Alquhaif (2020) and Arora and Sharma (2016) Examines good corporate governance with company performance. In addition, there is also research that examines good corporate governance regarding performance in banking units (Pranata & Laela, 2020), performance in business units (Nag & Chatterjee, 2020, Sajjad Nawaz Khan, et al. 2019), and financial performance (Soelton, Ramli, Anggraini, & Khosasi, 2020). Whereas in this study the influence of good corporate governance was examined based on its application in hospitals which

was mediated by organizational culture which would have implications for hospital performance in North Kolaka Regency.

Based on the background, the problem in this study is that there is a gap in people's expectations regarding hospital management which has implications for the low performance and quality of health services received by the community. Therefore, further analysis is needed regarding "What is the role of organizational culture in mediating the dimensions of good corporate governance in the era of National Health Insurance on performance at BLUD HM Djafar Hospital, North Kolaka Regency". The main problem in this study is questioning the variables of transparency, accountability, responsibility, independence, and fairness in the JKN era which affect hospital performance and the role of Organizational culture as a mediating variable at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

## 2.LITERATURE REVIEW

The two main theories related to corporate governance are stewardship theory and agency theory. Stewardship theory is built on philosophical assumptions about human nature, namely that human beings are inherently trustworthy, capable of acting responsibly, and have integrity and honesty towards other parties. This is what is implied in the fiduciary relationship that the shareholders want. In other words, stewardship theory views management as a tool that can be trusted to act in the best way for the public interest in general and shareholders in particular (Bosse & Phillips, 2016; Castaner & Kavadis, 2013; Thiel, Winter, & Bachner, 2017).

Meanwhile, the agency theory developed by Michael Johnson, a professor from Harvard, views company management as 'agents' for shareholders, who will act with full awareness for their own interests, not as a wise and prudent, and fair party to shareholders. as assumed in the stewardship model. Contrary to stewardship theory, agency theory views that management cannot be trusted to act in the best way for the public interest in general and shareholders in particular (Clark & Beatty, 2016; Glinkowska & Kaczmarek, 2015). Good hospital governance practice is the operation of the hospital by the basic principles of hospital governance (Sitohang, 2014). The concept of GCG in hospitals is often referred to as Good Hospital Governance (GHG) or in Indonesian it is referred to as a hospital governance system. This concept is the same as the concept of a corporate governance system in general, but its application is adapted to this type of health service business (Nur, 2017).

The academic text of the 2004 National Social Security Law states that the National Health Insurance Program, abbreviated as JKN, is a government and community program to provide comprehensive health insurance for every Indonesian so that Indonesians can live healthy, productive, and prosperous lives. The social security program that guarantees the cost of health care and the fulfillment of basic health needs which is carried out nationally is mandatory for all Indonesian citizens by paying periodic contributions or the contributions paid by the government to the health social security administering body (UU.No.40, 2004). Health Insurance is a guarantee in the form of health protection so that Participants obtain the benefits of health care and protection in meeting basic health needs provided to everyone who has paid contributions or contributions (Thabrany, 2014). The JKN program as part of the National Social Security System is implemented under the principles of cooperation, non-profit, openness, prudence, accountability, and portability, is mandatory, the trust funds and the proceeds from the management of social security funds are used entirely for program development and as much as possible for the benefit of the participants. Since the start of the JKN era, which was organized by the Health Social Security Administrative Agency (BPJS Kesehatan), various problems have arisen and there are still many evaluations that need to be carried out (Handini & Chalidyanto, 2015).

Organizational culture is seen as the foundation of knowledge management. It regards employees as the most vital asset of the company as they directly contact customers and competitors. Therefore, employees can come up with ideas for products and services that will be easily accepted by the market, resulting in high profits for the company (Mojibi et al. 2013). In general, organizational culture is associated with the area of administration by developing models and theories appropriate to strategic management to obtain better financial results (Deal and Kennedy 1982; O'Reilly and Chatman 1996; O'Reilly et al. 1991; Schein 1988). Cameron and Quinn (2006) argue

that organizational culture is the main characteristic that distinguishes successful companies (Cameron and Quinn 2006), and when a company exhibits a high level of culture, its organizational performance also increases (Denison 1990; Kirkman et al. 2016; Oberföll et al. 2018; Schein, 1988). Kotter and Hesskett (1997), organizational culture is measured by: the extent to which managers use ways of doing things, the extent to which companies make serious efforts to encourage managers to follow them, and the extent to which companies have been managed according to long-term policies and practices.

Dessler, (2000) Performance (work achievement) of employees is the actual performance of employees compared to the expected performance of employees. Gibson, et al (2003) Job performance as the result of work related to organizational goals, efficiency, and other performance effectiveness performance. Performance is a multifaceted construct (Hubbard, 2009) where each party with an interest in performance tends to define performance according to their understanding and interests. Likewise, performance is often seen as a multidimensional construct (Mustika & Ghozali, 2018) which is not only associated with the entire organization but also with parts within the organization including activity units, processes, and individual employees. That's why it is not surprising that performance is defined in various ways. To understand the meaning of performance, it is necessary to first understand the literal meaning of the word performance. According to the WHO (World Health Organization), a hospital is an integral part of a social and health organization with the function of providing comprehensive (comprehensive), disease healing (curative) and prevention services. Disease (preventive) to the community. The hospital is also a training center for health workers and a medical research center. Based on law no. 44 of 2009 concerning hospitals, what is meant a hospital is a health service institution that organizes full individual health services that provide inpatient, outpatient, and emergency services.

## 2.1. Hypothesis

H1: Transparency in the JKN era had a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H2: Transparency in the JKN era had a significant effect on organizational culture at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H3: Transparency in the JKN era has a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency, which is mediated by organizational culture.

H4: Accountability in the JKN era had a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H5: Accountability in the JKN era had a significant effect on organizational culture at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H6: Accountability in the JKN era has a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency, which is mediated by organizational culture.

H7: Responsibility in the JKN era had a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H8: Responsibility in the JKN era had a significant effect on organizational culture at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H9: Responsibility in the JKN era has a significant effect on the performance of BLUD RS HM Djafar Harun North Kolaka Regency which is mediated by organizational culture

H10: Independence in the JKN era had a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H11 : Independence in the JKN era had a significant effect on organizational culture at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H12 : Independence in the JKN era has a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency which is mediated by organizational culture.

H13 : Fairness in the JKN era has a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H14 : Fairness in the JKN era has a significant effect on organizational culture at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

H15 : Fairness in the JKN era has a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency which is mediated by organizational culture.

H16 : Organizational culture in the JKN era had a significant effect on performance at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency.

The diagram illustrates the Research Conceptual Framework with the following components and relationships:

- Independent Variables (X):** TRANSPARANCY X1, ACCOUNTABILITY X2, RESPONSIBILITY X3, INDEPENCY X4, FAIRNESS X5.
- Mediating Variable (Y1):** ORGANIZATIONAL CULTURE Y1.
- Dependent Variable (Y2):** ORGANIZATIONAL PERFORMANCE Y2.

Relationships (Hypotheses):

- Solid arrows: H1 (X1 to Y2), H2 (X1 to Y1), H3 (X2 to Y1), H4 (X2 to Y2), H5 (X3 to Y1), H6 (X3 to Y2), H7 (X4 to Y2), H8 (X4 to Y1), H9 (X5 to Y1), H10 (X5 to Y2), H11 (X4 to Y1), H12 (X4 to Y2), H13 (X5 to Y2), H14 (X5 to Y1), H15 (X5 to Y1), H16 (Y1 to Y2).
- Dashed blue arrows: H3 (X2 to Y1), H5 (X3 to Y1), H8 (X4 to Y1), H9 (X5 to Y1), H11 (X4 to Y1), H12 (X4 to Y2), H13 (X5 to Y2), H15 (X5 to Y1).

Figure 1. Research Conceptual Framework

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### 3. METHOD

The research was conducted at BLUD HM Djafar Harun Hospital, North Kolaka Regency, and Southeast Sulawesi Province. This research is explanatory, namely the dimensions of Good Corporate Governance in the JKN era, organizational culture, and organizational performance at BLUD RS HM Djafar Harun which explains the causal relationship between variables through hypothesis testing. The populations of this study were civil servants and non-PNS who worked at the BLUD of HM Djafar Harun Hospital, North Kolaka Regency, Southeast Sulawesi Province, namely 286 people.

### 4. RESULT

In Vhin (1998) it is stated that the R Square value  $> 0.67$  indicates a strong PLS model (Strong) in predicting endogenous, R Square  $0.33 - 0.67$  indicates the PLS model is in the moderate category and R Square  $0.19 - 0.33$  indicates that the PLS model is weak in predicting endogenous. Following are the R-Square values in the construct:

**Table 2. R-Square**

Construct	R Square	Criteria
Organizational Culture	0.796	Strong
Hospital Performance	0.714	Strong

Source: Processed primary data, 2023

The results of the analysis in Table 2 show that the R square of organizational culture of 0.796 is in a strong category, meaning that the model is strong enough to predict organizational culture from its exogenous, while the R square of RS performance of 0.796 is in a strong category, meaning that the model is strong enough to predict hospital performance from its exogenous. Based on the results of the bootstrapping process as shown, the value of the direct path coefficient (direct effect) in this research model can be presented in table 2 and 3 below:

**Table 3. Hypothesis Testing**

Hypothesis	Influence	Original Sample	T-Statistics	T-Table	Information	Conclusion
1	Transparency → Hospital Performance	0.060	0.652	1.968	T-statistics < T-table	Not Supported
2	Transparency → Organizational Culture	0.130	3.754	1.968	T-statistics > T-table	Supported
3	Accountability → Hospital Performance	-0.091	1.052	1.968	T-statistics < T-table	Not Supported
4	Accountability → Organizational Culture	0.086	2.105	1.968	T-statistics > T-table	Supported
5	Responsibility → Kinerja RS	0.323	7.320	1.968	T-statistics > T-table	Supported
6	Responsibility → Organizational Culture	0.187	2.230	1.968	T-statistics > T-table	Supported
7	Independency → Hospital Performance	0.210	2.420	1.968	T-statistics > T-table	Supported
8	Independency → Organizational Culture	0.204	3.893	1.968	T-statistics > T-table	Supported
9	Fairness → Hospital Performance	0.062	0.690	1.968	T-statistics < T-table	Not Supported
10	Fairness → Organizational Culture	0.210	4.210	1.968	T-statistics > T-table	Supported
11	Organizational Culture → Hospital Performance	0.456	7.580	1.968	T-statistics > T-table	Supported

Source: Processed primary data, 2023

**Table 4. Path Coefficient**

Construct Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P-Value	Information
Transparency→ Hospital Performance	0.060	0.060	0.091	0.652	0.257	Not significant
Transparency→ Organizational Culture	0.130	0.133	0.035	3.754	0.000	Significant
Accountability→ Hospital Performance	-0.091	-0.087	0.086	1.052	0.147	Not significant
Accountability→ Organizational Culture	0.086	0.083	0.041	2.105	0.018	Significant
Responsibility→ Hospital Performance	0.323	0.323	0.044	7.320	0.013	Significant
Responsibility→ Organizational Culture	0.187	0.183	0.084	2.230	0.000	Significant
Independency→ Hospital Performance	0.210	0.214	0.087	2.420	0.008	Significant
Independency→ Organizational Culture	0.204	0.200	0.052	3.893	0.000	Significant
Fairness→ Hospital Performance	0.062	0.058	0.090	0.690	0.245	Not significant
Fairness→ Organizational Culture	0.210	0.213	0.050	4.210	0.000	Significant
Organizational Culture→ Hospital Performance	0.456	0.458	0.060	7.580	0.000	Significant
Organizational Culture→ Hospital Performance	0.456	0.458	0.060	7.580	0.000	Significant

Source: Processed primary data, 2023

## 5. DISCUSSION

**The Effect of Transparency on Performance:** The first hypothesis put forward in this study is "Transparency has a significant effect on hospital performance" Table 3 shows that transparency has no positive and significant effect on hospital performance, indicated by a significant p-value =  $0.257 > 0.05$  and a T statistic of  $0.652 < 1.968$ , and a positive path coefficient of 0.060, meaning that the level of transparency implementation in hospitals does not affect performance improvement hospital Thus the first hypothesis proposed in this study is not accepted (rejected).

**The Effect of Transparency on Organizational Culture:** The second hypothesis put forward in this study is "Transparency has a significant effect on organizational culture" Table 3 shows Transparency has a positive and significant effect on organizational culture, indicated by a significant p-value =  $0.000 < 0.05$  and T statistic  $3.754 > 1.968$  and a positive path coefficient of 0.130, meaning that the more transparency is applied in hospitals, the more organizational implementation is the culture at RS. Thus, the second hypothesis is accepted.

**Effect of Accountability on Hospital Performance:** The third hypothesis proposed in this study is "Accountability has a significant effect on hospital performance" Table 3 shows Accountability has no positive and significant effect on hospital performance as indicated by a significance p-value =  $0.147 > 0.05$  and T statistic  $1.052 < 1.968$  and a negative path coefficient of -0.091, this means that high or low implementation of accountability in hospitals cannot be reduced RS performance. Thus, the third hypothesis is not accepted (rejected).

**The Effect of Accountability on Organizational Culture:** The fourth hypothesis proposed in this study is "Accountability has a significant effect on Organizational Culture" Table 3 shows Accountability has a positive and significant effect on organizational culture, indicated by a significant p-value =  $0.018 < 0.05$  and T statistics  $2.105 > 1.968$  and a positive path coefficient of 0.086, meaning that the more accountability implementation in hospitals increases, the more organizational implementation increases culture at RS. Thus, the fourth hypothesis is accepted.

**The Effect of Responsibility on Hospital Performance:** The fifth hypothesis proposed in this study is "Responsibility has a significant effect on hospital performance" Table 3 shows that Responsibility has a positive and significant effect on hospital performance, indicated by a significance p-value =  $0.013 < 0.05$  and T statistic

2.230 > 1.968 and a positive path coefficient of 0.187, meaning that the higher the implementation of responsibility in the hospital, the higher the performance of the hospital. Thus, the fifth hypothesis is accepted.

**The Effect of Responsibility on Organizational Culture:** The sixth hypothesis proposed in this study is "Responsibility has a significant effect on Organizational Culture" Table 3 shows that Responsibility has a positive and significant effect on organizational culture, indicated by a significance p-value = 0.000 <0.05 and t statistic 7.320 > 1.96 and a positive path coefficient of 0.323, meaning that the more the implementation of responsibility in hospitals increases implementation of organizational culture in hospitals. Thus, the sixth hypothesis is accepted.

**The Influence of Independence on Hospital Performance:** The seventh hypothesis proposed in this study is "Independence has a significant effect on hospital performance" Table 3 shows Independence has a positive and significant effect on hospital performance, indicated by a significance p-value = 0.008 <0.05 and T statistic 2.420 > 1.968 and a positive path coefficient of 0.210, meaning that the more independence is implemented in hospitals, the more hospital performance. Thus, the seventh hypothesis is accepted.

**Influence of Independence on Organizational Culture:** The eighth hypothesis proposed in this study is "Significant Independence on Organizational Culture" Table 3 shows independence has a positive and significant effect on organizational culture, indicated by a significance p-value = 0.000 <0.05 and t statistic 3.893 > 1.968 and a positive path coefficient of 0.204, meaning that the more independence it applied in hospitals, the more organizational culture will increase in hospital Thus the eighth hypothesis is accepted.

**The Effect of Fairness on Hospital Performance:** The ninth hypothesis proposed in this study is "fairness has a significant effect on hospital performance" Table 3 shows that fairness has no positive and significant effect on hospital performance, indicated by a significance p-value = 0.245 > 0.05 and a T statistic of 0.690 <1.968, and a positive path coefficient of 0.062, meaning that the level of fairness implementation in hospitals does not affect hospital performance. Thus, the ninth hypothesis is not accepted (rejected).

**The Effect of Fairness on Organizational Culture:** The tenth hypothesis proposed in this study is "fairness has a significant effect on Organizational Culture" Table 3 shows fairness has a positive and significant effect on organizational culture, indicated by a significant p-value = 0.000 <0.05 and T statistic 4.210 > 1.968 and a positive path coefficient of 0.210, meaning that the more fairness it applied in hospitals, the more organizational implementation is the increased culture at RS. Thus, the tenth hypothesis is accepted.

**The Influence of Organizational Culture on Hospital Performance:** The eleventh hypothesis proposed in this study is "Organizational Culture has a significant effect on hospital performance" Table 3 shows organizational culture has a positive and significant effect on hospital performance, indicated by a significance p-value = 0.000 <0.05 and t statistics 7.580 > 1.968 and a positive path coefficient of 0.456, meaning that the more organizational culture it applied in hospitals, the more hospital performance. Thus, the eleventh hypothesis is accepted.

### **5.1. Indirect Effect (Mediation Effect)**

Previous tests of the significance of mediating effects relied on Sobel's (1982) test. The Sobel test compares the direct relationship between the independent Variables and the dependent variable with the indirect relationship between the independent variables and the dependent variable which includes the mediating construct (Helm et al., 2010). The Sobel test assumes a normal distribution which is inconsistent with the nonparametric PLS-SEM method. In addition, the parametric assumptions of Sobel's test usually do not hold for indirect effects  $p_1$ ,  $p_2$ , because the product of two normally distributed coefficients results in a non-normal product distribution. In addition, the Sobel test requires nonstandard path coefficients as input to the test statistic and lacks statistical power, especially when applied to small sample sizes. For this reason, studies have rejected the Sobel test for evaluating mediation analyses, especially in PLS-SEM studies (Eg, Klärner, et al., 2013; Sattler et al., 2010) in Kutif Sofyan, 2020.



According to Hair et al. (2016: 235) instead of using the Sobel test, researchers must bootstrap the sampling distribution of indirect effects. This approach has also been put forward in the context of regression (Preacher & Hayes, 2004, 2008a) in Sofyan, 2020, and has been implemented in Hayes' SPSS-based PROCESS macro (<http://www.processmacro.org/>). Bootstrap makes no assumptions about the shape of the distribution of variables or the distribution of statistical samples and can be applied to small sample sizes better. Therefore, this approach is very suitable for the PLS-SEM method and is implemented in SmartPLS 3 software. In addition, bootstrap indirect effects produce a higher level of statistical power compared to the Sobel test.

Based on the opinion of Hair et al. (2016: 235), it is possible to test the mediating effect between the variables in this study by looking at the values in the Specific Indirect Effect table and the p-value in the Total Indirect Effect table. Where according to Hair et al. (2016: 241), if the p-value for the indirect effect is less than 0.01, it can be said that the intervening variables in the study have a significant influence in being a mediator between variables, as explained in the following table 5:

**Table 5. Total Indirect Influence**

Mediation Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Information
Transparancy → Organizational culture → Hospital Performance	0.059	0.061	0.018	3.376	0.000	Significant
Accountability → Organizational culture → Hospital Performance	0.039	0.038	0.019	2.039	0.021	Not significant
Responsibility → Organizational culture → Hospital Performance	0.147	0.148	0.027	5.479	0.000	Significant
Independency → Organizational culture → Hospital Performance	0.093	0.092	0.028	3.384	0.000	Significant
Faieness → Organizational culture → Hospital Performance	0.096	0.098	0.028	3.469	0.000	Significant

Source: Processed primary data, 2023

## 5.2. Novelty Research

The concept of good corporate governance is built based on the results of a literature review study compiled in the form of indicators measuring hospital good corporate governance in the JKN era. There are visibility indicators and patient rights as additional indicators in the transparency dimension in the JKN era of good corporate governance. In the accountability dimension, there are indicators of responsibility and strategic planning as indicators added in the JKN era. In the independence dimension, the indicator of flexibility and managed professional is an additional indicator of good corporate governance in the JKN era. Meanwhile, in the dimensions of responsibility and fairness, there is no change in indicators.

The results of this study prove the development of a research model conducted by Sajjad Nawaz Khan (2019). The mediating role of innovation between corporate governance and organizational performance: Moderating role of innovative culture in Pakistan textile sector. Sajjad Nawaz Khan (2019) said that for the next researcher, a study of good corporate governance with performance using several mediation variables such as Organizational Culture and Organizational capabilities is needed. From the development of the model, it is proven that organizational culture mediates four dimensions of good corporate governance (transparency, responsibility, independence, and fairness) and one dimension that is rejected (accountability) at HM Dajafar Harun Hospital, North Kolaka Regency.

## CONCLUSION

The concept of implementing good corporate governance in the JKN era at HM Djafar Harun Hospital in North Kolaka Regency has been built based on stakeholder studies and a literature review of five dimensions, namely transparency, accountability, responsibility, independency, and fairness. The transparency dimension is formed by

seven indicators and patient rights are the most powerful indicators in shaping the transparency dimension. In the accountability dimension, there are four indicators and the one that contributes the most to this dimension is the responsibility indicator. The responsibility dimension has three indicators and the most powerful in forming this dimension are the three indicators, namely indicators of obligations, ethics, and rational decisions. The dimension of Independence is formed by five indicators and the most powerful forming of Independence is the indicator of having no vested interest. In the fairness dimension there are five indicators and the most powerful forming this dimension is the Cost balance indicator. Organizational culture in this study consists of three indicators where the strongest forming dimensions are innovative and supportive. Performance in this study is composed of seven indicators, where the return on claims indicator contributes the most to this variable. Good Corporate Governance based on the transparency dimension has an indirect effect on hospital performance in the JKN era, meaning that the high and low implementation of transparency in hospitals does not affect the improvement of hospital performance. Transparency is a dimension that strengthens hospital performance if mediated by organizational culture in the JKN era. Good Corporate Governance based on the accountability dimension indirectly affects hospital performance in the JKN era. Accountability is a dimension that also does not affect hospital performance if mediated by organizational culture in the JKN era. This means that the more accountable the implementation of governance, the more it will not affect the improvement of hospital performance. Good Corporate Governance based on the responsibility dimension in addition to directly affecting it is also a dimension that strengthens organizational culture towards hospital performance in the JKN era. The more responsible the hospital element in implementing governance in the JKN era, the more it will improve hospital performance. Good Corporate Governance based on the independency dimension directly affects hospital performance in the JKN era. This means that the more hospital governance is implemented independently by the internal hospital, the more it will improve the performance of the hospital itself. Good Corporate Governance based on the fairness dimension indirectly affects hospital performance in the JKN era, meaning that the high and low implementation of fairness in hospitals does not affect hospital performance. Fairness is a dimension that strengthens hospital performance if mediated by organizational culture in the JKN era. Organizational culture directly has a significant effect on hospital performance. This means that Organizational culture consisting of bureaucratic culture, supportive culture, and innovative culture is an important factor that must be considered because it is proven to significantly affect hospital performance and is also able to mediate to improve the performance of HM Djafar Harun Hospital, North Kolaka Regency, Southeast Sulawesi.

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