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Application of Good Corporate Governance Principles in Public Regional Hospital of Haji, Makassar

Arni Rizqiani Rusydi, Sukri Palutturi, Noer Bahry Noor, Syahrir A. Pasinringi, Andi Multazam, Zuardin, Andriana Wiranto, Ahmad Yani

Abstract: *The newest development proves that hospital management is not sufficient to ensure that hospital management is efficient. A new instrument is needed to be called Good Corporate Governance to ensure that hospital management is implemented well. Public Regional Hospital of Haji is state-owned hospital type B. This hospital applied Hospital By-law, which is the internal regulation compiled in implementing Good Corporate Governance in a hospital. To analyze the application of Good Corporate Governance principals in RSUD Haji Makassar. This research is quantitative research through descriptive approach. Samples used are all staffs involved in organization structure of RSUD Haji Makassar, as many as 61 people. Sampling used was exhaustive sampling. Data collection was performed using questionnaire, completed with secondary data in the forms of hospital document and literature review. The research data was processed and analyzed using SPSS software. Transparency principle indicated that 47 people (76.48%) from the total respondents of 61 people obtained positive value. Accountability showed that 50 people (82.38%) from the total respondents of 61 people stated positive value, while in the fairness principle, most of the respondents, as many as 45 people (70.81) people also stated positive value. GCG principles have been applied well in RSUD Haji Makassar. The Good Corporate Governance needs to be maintained in order to increase the performance of RSUD Haji Makassar. There were still big intervention in this hospital, making the independency principal in this research could not be reviewed in depth.*

Keywords : *Good Corporate Governance, Public Hospital.*

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I. INTRODUCTION

According to WHO (*World Health Organization*), hospital is an integral part of a social and health organization with the function of providing plenary service (comprehensive), disease medication (curative), and disease preventive (preventive). Based on the Law No. 44 of 2009 concerning hospital, what is meant by hospital is a health service institution which implement individual health service in plenary by providing inpatient, outpatient and emergency service (1-3).

Along with technology advance, globalization effect, increased competition rate, and patients' behavior which becomes sharper and more critical in choosing health service triggers hospital to always provide optimal service to the community. Therefore, financial factor is not the only foundation to assess management performance. So that a significant concept for a hospital is needed in order to increase its performance(4).

This condition is directly and indirectly affects Public Regional Hospital paradigm as one of Regional Government Installation Performance Unit (SKPD) which was a cost center institution before, but now needs to change its orientation by mixing service public oriented and profit oriented, as well as emphasizing the creation of public institution which value for money-oriented (5).

Along with such condition, in order that RSUD service to the community has service procedure standard expected, then the Decree of Minister of Health Number 228/Menkes/SK/II/2002 is issued concerning the Hospital Minimum Service Standard Foundation which are obliged to be implemented in region. Such service standard and procedure is presented as the reference to create good RSUD performance (Lia G Partakusuma,2014). RSUD as a public organization in terms of its management is not in accordance with the regional community expectation yet. The community does not get optimal health service from RSUD and the public transparency and accountability is considered to be less sufficient. This is possibly because Good Corporate Governance has not fully implemented (6, 7).

Public Regional Hospital of Haji is state-owned hospital type B. This hospital applied Hospital By laws which is the internal regulation compiled to implement Good Corporate Governance in the hospital. This research aimed to analyze the application of Good Corporate Governance principles in RSUD Haji Makassar.

II. METHODOLOGY

This research was quantitative research through descriptive approach. Sample used were all staffs involved in organization structure in RSUD Haji Makassar which is as many as 61 people. Sampling used was *exhaustive sampling*(8).Data collection was performed using questionnaire, completed with secondary data in the forms of hospital document and literature review. The research data was processed and analyzed using SPSS software.The ethical clearance was obtained fromResearch Ethics Committee of UniversitasHasanuddin (Reference Number: 3602/UN4.14.8/TP.02.02/2019).

III. RESULT

Based on the research result, it was known that based on the respondents' characteristics and distribution regarding GCG application in RSUD Haji Makassar as follow.

Table 1. Distribution of Respondents' Characteristics Based on Gender, Age, Last Education, and Working Period in RSUD Haji Makassar.

No	Characteristic	n	%
1	Gender	Male	26 42.6
		Female	35 57.4
2	Age	< 30 years old	18 29.5
		30-39 years old	28 45.9
		40-49 years old	12 19.7
		≥50 years old	3 4.9
3	Last Education	High School	10 16.4
		S1	42 68.9
		S2	9 14.8
4	Working Period	0-5	14 23.0
		6-10	10 16.4
		11-15	27 44.3
		≥16	10 16.4

Source: Primary Data, 2019

Table 1 shows that most of the respondents are female (57.4%) with the age range between 30-39 years old (28%). The last education of the respondents was mostly S1 (42%) with the most working period was 11-15 years (27%).

Table 2. Distribution of the Frequency based on Transparency Principle in RSUD Haji, Makassar of 2019

Transparency Principle	Frequency	(%)
Negative	14	23.52
Positive	47	76.48
Total	61	100.0

Source: Primary Data, 2019

Table 2 indicates that most of the respondents have positive response towards the hospital transparency aspect. One of the transparency aspects which has high value was regarding the service information provided by RSUD Haji which is easy to be accessed by the patient.

Table 3. Distribution of the Frequency Based on Accountability Principles in RSUD Haji, Makassar of 2019

Accountability Principle	Frequency	(%)
Negative	11	17.62
Positive	50	82.38
Total	61	100.00

Source: Primary Data, 2019.

Table 3 shows that most of the respondents gave positive value to the accountability principle of di RSUD Haji Makassar. The high positive response on the accountability aspect was caused by authority and working division of each staff which is clearly explained in the form of letter of assignment.

Table 4. Distribution of Frequency Based on Accountability Principles in RSUD Haji, Makassar of 2019

Responsibility Principles	Frequency	(%)
Negative	10	16.63
Positive	51	83.37
Total	61	100.00

Source: Primary Data, 2019

Table 4 shows that the respondents gave positive value on the hospital responsibility aspect. This is presented from the respondents' answers of which one of them stating that the Leader is brave in taking risk if there is no incompatibility on the report given by the superior.

Table 5. Distribution of Frequency based on Fairness Principles in RSUD Haji, Makassar of 2019

Fairness Principles	Frequency	Percentage (%)
Negative	16	27.54
Positive	45	72.46
Total	61	100.00

Source: Primary Data, 2019

Table 5 gives illustration that fairness aspect has high positive value owned by RSUD Haji Makassar. Clear aspect related to hospital has clear regulation about the increase of payment on all staffs.

Table 6. Distribution of GCG Application in RSUD Haji Makassar

No	Dimension of Good Corporate Governance Variable	Perception		Total			
		Negative	Positive	N	%		
1	Transparency	14	23.52	47	76.48	61	100
2	Accountability	11	17.62	50	82.38	61	100
3	Responsibility	10	16.63	51	83.37	61	100
4	Fairness	18	29.19	43	70.81	61	100

Source: Primary Data, 2019

Based on table 6, it shows that from the 4 *Good Corporate Governance variables*, the highest variable considered as positive was Responsibility (83.37%), while the lowest was Fairness (70.81). The highest variable considered as negative was Fairness (29.19%), while the lowest was Responsibility (16.63%).



IV. DISCUSSIONS

The application of *Good Corporate Governance* in hospital is aimed to create information transparency, the presence of leaders' responsibility, fairness treatment of every staff in implementing their obligation, and accepting rights as staff or involvement of all staffs in developing hospital to become better (1). The high responsibility owned by the staff of RSUD Haji can be related to the high number of staff which has working period of 11-15 years so that their responsibility sense in completing the assignment is strong since they have been working for so long in the hospital. Research conducted by Marniati regarding the Analysis of Good Corporate Governance (GCG) principles on the staffs' performance in public administration division of Public Hospital indicated that the transparency, accountability, fairness and participation as well as staffs' performance in good category (9, 10). This result is different from Nurwahidah statement that responsibility, fairness and accountability are not related to the staffs' performance in Health Office of Wajo District (11).

Transparency is information delivery and openness in decision making process. Transparency principle can be seen from the aspect of delivering vision, mission, and provision, as well as information delivered to the staffs and government. The vision and mission was known by all staffs and implemented well. Furthermore, regarding the information related to financial statement, it can only be known by certain parties such as commissary, director and financial staffs (12). Transparency in this research did not give significant value towards the application of GCG in RSUD Haji Makassar. This research is in accordance with the research conducted by done by the Health Office of Pangkep District which stated that transparency aspect does not give any significant effect to Good Corporate Governance principles applied by the staffs (10). However, transparency applied by RSUD Haji can illustrate that information related to service is open based on the data presented in Table 2.

Responsibility is staffs' capability in completing task given to them well, on time, and brave enough to take risk for the decision made or action done. The benefits of the realization of staffs' responsibility in an organization includes conformity between the implementation and the procedure standard of implementation. Sense of owning and full responsibility from every staff towards the organization can give motivation to increase their performance as well as the presence of sanction applied in each mistake or negligence in the activities implementation. There was a staff who stated that the principle is in negative category on the leader's statement that the leader is brave enough to take a risk if there is incompatibility between the reports made by superior. This is related to the work period in which the length of someone's working period affect their working productivity, since they become more experience in working. However, the staffs who still have 0-5 years of working period still need to be monitored so that there is no mistake occurred when they complete their task since they are new staff who do not have much experience. Previous research conducted by Christian (2016) in the implementation of Good Corporate Governance Principles in Hospital stated that responsibility is a form of obedience towards the law and legislation as well as the hospital social obligation towards the surrounding public and environmental awareness. All staffs of the hospital have

obliged to the hospital regulation, however based on the observation result, several interviewee stated that there were still staffs who violate the regulation. The benefits of the realization of staffs' responsibility sense in an organization include the presence of conformity between the implementation and the procedural standard of the implementation, the presence of sense of owning and funny responsibility from each personnel in the organization, so that there is motivation to increase their performance. In addition, there should also be sanction that needs to be applied on every mistake or negligence done in the activity implementation (12).

Based on other result in this research, the fairness value had the highest negative value in GCG application in RSUD Haji. Such condition can be related to several findings from the field observation result that there are several things which were disagreed by the staffs related to the management process in RSUD Haji Makassar. The finding in the field include that there were many staffs who did not agree to the working position placement system when the position lacks staff and the working position is based on approach done to the head of the hospital, whereas the making of good management can be realized by placing the staff in certain position which is in according with the staff's education. In addition, there was also field finding which illustrates that the position promotion can be done by making an approach to the Head of the Hospital. The staffs were often implemented their task well, however the staffs who got reward were not the staffs who did it but the staffs who had interest on it. Thus, such thing makes the staff feels that there is a lack of fairness.

V. CONCLUSIONS

GCG principles have been applied well in RSUD Haji Makassar. Responsibility and Fairness are significant GCG principles in applying GCG in RSUD Haji Makassar. These principles need to be maintained in order to improve the performance of RSUD Haji Makassar. In addition, there is still big intervention from the government in this hospital so that the independency principle in this research cannot be reviewed in depth.

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