

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE ON PERFORMANCE OF EMPLOYEES IN HOSPITAL X

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ABSTRACT

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The implementation of good corporate governance is very important in improving the quality of work of employees in a hospital. This study aims to provide an overview of the implementation of good corporate governance in improving the quality of employee performance in hospital agencies. The research design used a cross-sectional approach. This research was conducted at a hospital; the sample in this study was 120 employees. The research instrument used a questionnaire. Bi-variate data analysis with chi-square test and simple regression test and path test analysis. The results show that the good corporate governance variable has a positive effect on employee performance at Hospital X with a p-value of $0.018 < 0.05$, the results of path analysis also show that the correlation of the good corporate governance variable to the performance variable is 0.303 which means that good corporate governance has a contribution to increasing. Quality of work of employees.

KEYWORDS:

Good corporate governance; quality; performance; and hospital –x.

INTRODUCTION

Preliminary -Background

The implementation of good corporate governance is needed to maintain the viability of a public organization. Good Corporate Governance (GCG) that can be realized in an organization is one of the elaborations of the implementation of organizational risk management mechanisms through a system designed to identify and analyze risks that may occur (Colquit et. al. 2011). The main objective of implementing the principles of good corporate governance is to achieve optimal performance of employees, which in essence will improve the quality of organizational performance so that the interests of management and employees will receive balanced and fair treatment under their respective positions. The implementation of good corporate governance can create value (value creation) for the community (public), suppliers, distributors, government, and investors so that it will have a direct impact on the survival of the company. (Robbin & Judge, 2013) At present, the demands of society (public) today are the implementation and creation of public sector institutions with good corporate governance. Hospitals as one of the public sector organizations in their current management are mostly not under the expectations of the local community; the community has not received optimal health services from hospitals, and transparency and public accountability in hospital organizations are still lacking. This is possible because the concept of good corporate governance has not been fully implemented (Nemmaniwar& Deshpande, 2016). Hospital performance indicators can also be identified based on several assessment points in service efficiency such as (Bed occupancy rate (BOR), Length of stay (LOS), Turn over the interval (TOI), and Bed turnover (BTO). The principles of good corporate governance are one of the most decisive factors in improving the quality of performance (Iin, 2018). The objectives of bureaucratic reform that are indeed being promoted are to realize good corporate governance which leads to service improvement, while the target of bureaucratic reform in terms of the human resource dimension is the realization of a professional, neutral and prosperous bureaucracy that can position itself as a servant

of the state and public servant to realize better public services (Jansen & Van, 2004). Based on the background of the research above, the problem of this research is how to implement good corporate governance on the performance of employees in hospitals. So that the purpose of this study is to provide an overview of the implementation of good corporate governance in improving the quality of employee performance in hospital institutions.

METHOD

This research is a type of quantitative research that uses analytical observational methods with a Cross-Sectional Study design that aims to determine the effect of the implementation of good corporate governance on the performance of employees in hospitals. The population in this study was all hospital employees. While the number of samples in this study was 120 respondents, calculated using the Slovin sample formula for observational research with a finite population and sampling through Systematic Random Sampling. Data collection was obtained through interviews using questionnaires and observation sheets. And data analysis was carried out by statistical methods used to analyze data and test hypotheses by using descriptive statistics, classical assumption tests, and path analysis, where path analysis serves to determine or explain the direct and indirect consequences of a set of variables, as a causal variable to a set of other variables which are effect variables.

RESULTS

This research was conducted at Hospital X. The results are only an illustration of the implementation of good corporate governance in assessing the quality of work of hospital employees.

Table 1. Distribution Respondent Based on Characteristics Respondent at Hospital X .

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Characteristics	Amount	
	n (120)	%
Age		
20-30 Years	19	15.8
31-40 Years	64	53.3
41-50 Years	37	30.8
Gender		
Man	37	30.8
Woman	83	69.1
Education		
DIII	45	3.7
DIV/ S1	62	51.6
S2	13	10.8

	Total	17993	12			
			0			

Based on the output, it is known that the significance value (sig) of good corporate governance is $p\ 0.018 < 0.05$. . It can be concluded that the good corporate governance variable has a positive effect on employee performance at Hospital X

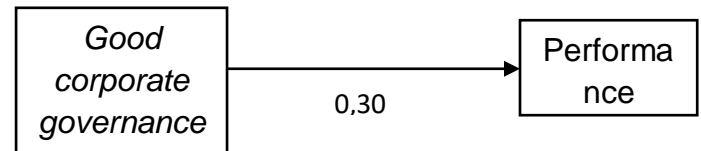


Figure 1. Path Analysis of the Implementation of good corporate governance on employee performance at Hospital X.

Based on the results of research on the distribution of respondents based on age characteristics, it was found that the largest number of respondents ranged between the ages of 31-and 40 years as many as 64 (53.3%). The distribution of respondents based on gender found that the sex of the respondents was more dominated by women as many as 83 (69.1%). And based on the level of education, it was found that the highest education level was dominated by DIV/S1 as many as 62 (51.6%).

Based on the results of path analysis that the correlation of the good corporate governance variable to the performance variable is 0.303, the coefficient of determination (KD) shows how good the regression model is formed by the interaction of independent variables. The KD value obtained is 9.2% which can be interpreted that the independent variable X has a contribution effect of 9.2% on the Y variable.

Table 2 Analysis Regression Variable Good Corporate Governance Employee Performance at X. Hospital

Model	Sum of Squares	df	Mean Square	F	Sig .
1 Regression	1561	4	385,276	3.044	.018 ^a
Residual	16432	121	118.809		

DISCUSSION

From the results of research that has been carried out that the implementation of good corporate governance at Hospital X has been running optimally although there are still some shortcomings, the implementation of good corporate governance at Hospital X shows the performance pattern of employees is quite optimal, it will still require consistency in carrying out policies. Good corporate governance is optimal in providing services to patients. If you look at the results of the path analysis that only 9.2% of the contribution of the implementation of good corporate governance in improving service quality, this is because employees still need adaptation in implementing this policy, and based on the results of statistical analysis it also shows

that good corporate governance influences improving work quality. Employee. The ability of employees to carry out all the tasks that are their responsibility in the hospital is quite optimal. These tasks are usually based on indicators of success and established SOPs. As a result, it is known that an employee will enter a certain level of performance if he carries out and completes his duties optimally. The application of good corporate governance is a renewal of a management control system in hospitals. The governance process is a method or mechanism carried out by company organs and management to realize commitments and governance structures so that they can achieve the principles of good corporate governance (Robbin & Judge, 2013). Each principle of good corporate governance needs to be applied because each principle of good corporate governance has an important role of each. Such as transparency in an organization that is supported by a clear legal umbrella, it will increase insight and increase public knowledge of the existence of the organization so that public trust can also be said to be good, then the creation of fairness also affects the rights and interests of the community will be fulfilled without any difference with so there is no conflict between other interests and it can be ascertained that the goals or objectives of the organization are achieved in accordance with expectations, after that the existence of public accountability which acts as a party that needs information is believed to be able to increase the achievement of the vision and mission that has been previously set in the organization, then when there is a responsibility is expected to increase the manager's sense of responsibility and awareness of managers so that they can be more professional and more ethical in the work environment so that it is expected to avoid abuse power, and finally, independence is expected to increase self-confidence in the organization and also have broad thinking in decision making when independence in every employee is embedded so that they do not depend on others (Mullins, 1999; Martins et. al., 2016; Brady & Cummings, 2010). A good hospital governance system demands the establishment and implementation of the principles of good corporate governance. There are several principles needed to build a

healthy business culture, namely transparency, independence, accountability, responsibility, and fairness. These five principles became known as the principles of good corporate governance (Mullins, 1999; Martins et. al., 2016). The application of Good Governance is intended to create information disclosure, leadership accountability, fair treatment for every employee in carrying out their obligations and accepting their rights as employees as well as the involvement of all employees in organizational development for the better (Morsiani et. al., 2017).

CONCLUSION

There is a positive influence on the implementation of good corporate governance on employee performance. The implementation of good corporate governance itself has indirectly improved employee performance in providing services to patients. As a suggestion, it is hoped that further researchers can conduct research with qualitative methods to dig deeper into the phenomena related to the implementation of good governance.

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