



# Factors That Associated with Good Corporate Governance (GCG) to Non Medic Employee Performance at Islamic Hospital Khadijah Palembang 2019

1<sup>st</sup> Aannisah Fauzaania  
 Departement of Public Health  
 Institute of Health Science Bina Husada Palembang  
 Palembang, Indonesia

2<sup>nd</sup> Dian Eka Anggreny  
 Departement of Public Health  
 Institute of Health Science Bina Husada  
 Palembang Palembang, Indonesia

Corresponding author: dianeka\_82@yahoo.co.id

**Abstract** - Republic of Indonesia Law Number 44 of 2009 concerning hospitals in Article 33 paragraph 1 states that Every hospital must have an effective, efficient and accountable organization. The purpose of this research is to know the factors related to the performance of employees at Siti Khadijah Palembang Hospital 2019. The population in this study was 217 employees with a sample of 68 non-medical employees chosen by accidental sampling. Data collection was done by questionnaire in May 2019, then analyzed using chi square test with  $\alpha = 5\%$  and multivariate analysis with logistic regression test. The results obtained p value of accountability ( $p = 0.001$  and  $OR = 7.292$ ), transparency ( $p = 0,000$ ,  $OR = 11,840$ ) and fairness ( $p = 0.004$ ,  $OR = 5,630$ ). The results of multivariate analysis obtained the most dominant variable is transparency ( $p = 0.005$ ) and has probability value 8.98%, which means that employees who feel that accountability, transparency, and fairness of hospitals are good, may also have a good performance 8.98%. The conclusion is there is a relationship between accountability, transparency, and fairness in good corporate governance on the performance of non-medical employees. It is suggested that the Siti Khadijah Palembang Hospital to implement the GCG better.

**Keywords:** Performance, Good Corporate Governance, Employee

## I. INTRODUCTION

The concept of good corporate governance (GCG) in hospitals referred to as good hospital governance (GHG) or in Indonesian is referred to as a good hospital governance system. The concept of good hospital governance (GHG) is the same as the concept of corporate governance in general, but has adjusted its application to the type of business, namely health services. Republic of Indonesia Law Number 44 of 2009 concerning hospitals in Article 33 paragraph 1 states that "Every hospital must have an effective, efficient and accountable organization". The organization of hospitals was established with the aim of achieving the vision and mission of the hospital by implementing good corporate governance and good clinical governance. This shows the urgency of implementing a hospital governance system in each hospital to serve the most important public health needs. (Nur, Yusup. 2017: 2)

When referring to the world bank and UNDP programs, the orientation of public sector development is to create good governance. Understanding good governance is often interpreted by good governance. Meanwhile, world bank defines good governance as an implementation of solid and responsible development management that is in line with the principles of democracy and efficient markets, avoidance of misappropriation of investment funds, and prevention of corruption both politically and administratively, implementing budgetary discipline and creating legal and political framework for the growth of business activities. (Mardiasmo, 2009: 18)

The opening of the free market in the ASEAN region as of January 1, 2016, which was marked by the influx of goods and services from various countries in the ASEAN region including China, Japan and South Korea would be more free to enter Indonesian territory. Indeed, MEA is an opportunity and challenge for Indonesia. but all depends on the preparedness of this new chapter. To face competition in the ASEAN region, companies especially in Indonesia should improve themselves. This effort is in order to win market competition in the ASEAN region. Companies in Indonesia must be able to run business governance properly. Governance or Good Corporate Governance (GCG) is a term used in general. (Hamdani, 2016: 3)

It is hoped that the implementation of good corporate governance in public organizations, banks, and SOEs can restore public confidence, in anticipation of intense competition in the free market era, corporate social responsibility and business ethics. The application of good corporate governance cannot be separated from the morals and ethics of business people, which should be set forth in a standard in each company called the corporate code of conduct. (Sedarmayanti, 2012: 62)

GCG is needed in order to create efficient, transparency, accountability, responsibility, independence, fairness and fairness for all stakeholders. The business world has a role to improve the quality of management structures and work patterns of the company based on the principles of GCG on an ongoing basis. (Hamdani, 2016: 3-4)

The results of the Juairiah study in 2016 stated that the performance of employees at Siti Khadijah Hospital was not fully optimal. Information is also obtained about giving the same salary to both

high-performance employees and low-performing employees. In addition, if there are no sanctions against employees who are underperforming or have bad behavior, they have the same rights, resulting in the lack of professional performance of employees at the Siti Khadijah Islamic Hospital Palembang.

With the data that has been presented, the question arises to the author, namely what are the factors associated with Good Corporate Governance on employee performance. For this reason, the writer wants to examine the "Factors relating to Good Corporate Governance (GCG) Against the Performance of Non-medical Employees of Siti Khadijah Palembang Hospital in 2019" to find out what factors are related and have a scientifically significant relationship.

### 1.1. Related Work

Jayanti et al (2016) with her research about The Effects of Good Corporate Governance on performance (study of employees of PT. Pos Indonesia (Persero) Tuban). This type of research is explanatory research or explanatory research through quantitative approaches. Data collection techniques Through the distribution of questionnaires and taking documentation. The results of this study indicate that partially fairness, transparency, accountability, and responsibility have a significant positive effect. Simultaneously that GCG which consists of variables of transparency, accountability, and responsibility, fairness has a significantly positive effect.

In the other case, Chandra's research on (2016) explain about Implementation of Good Corporate Governance Principles in Hospitals. This research uses descriptive qualitative method. In this study using descriptive qualitative methods because research with a qualitative approach emphasizes more on the analysis of deductive and inductive inference processes and on the analysis of the dynamics of the relationship between observed phenomena, using scientific logic.

From the principle of transparency, research subjects are still not carried out thoroughly because the financial statement information is not entirely known by the director. From the principle of accountability, the research subjects have carried out it well. From the principle of responsibility, research subjects have not implemented it thoroughly, due to employee salaries that are not in accordance with the District Minimum Wage. In terms of independency carried out by the research subject, it still has not been implemented well, because there are still employees who work not in accordance with the job description.

### 1.2. Our Contribution

This paper presents the factors related to good corporate governance to the performance of employees at the Islamic hospital Siti Khadijah Palembang. Employees are one of the important assets for the development and progress of an organization or company. Therefore, companies must know some things that can affect the productivity of the performance of their employees. Through performance measurement methods using indicators of the principles of good corporate governance that we have carried out through

multivariate analysis, the results of the most influential factor are transparency of company. After doing research, then we publish it at the hospital which is the location of the study. Then, the management then gets a reference to be more transparent in carrying out leadership governance in his organization.

### 1.3. Paper Structure

The rest of the paper is organized as follows. Section 1 was introduction with background that explain why performance of employee was being an urgent issue to be discussed. Section 1 was also include about Related work, our contribution, and paper structure. Then Section 2 was explain about the result and analysis of this research. We use three types of analysis there are Univariate analysi, bivariate analysis, and multivariate analysis. Furthermore, Section 3 discussed about conclusion and the last section contains the reerences that we used.

## II. RESULTS AND DISCUSSION

### 2.1. Univariate Analisis

Table 1. Gender

Gender	f	%
Male	37	54,4
Female	31	45,6
Total	68	100,0

Based on table 1 shows that of 68 respondents with male gender as many as 37 respondents (54.4%), more than respondents with female gender as many as 31 respondents (45.6%).

Table 2. Age

Age	f	%
17-25	34	50,0
26-35	15	22,1
36-45	19	27,9
Total	68	100,0

Based on table 2 shows that of 68 respondents aged 17-25 years as many as 34 respondents (50%), respondents aged 26-35 years 15 as many respondents (22.1%) and respondents aged 36-45 years as many as 19 respondents (27.9%).

Table 3. Level of Education

Level of Education	f	%
High ( $\geq D3$ )	38	55,9
Low ( $< D3$ )	30	44,1
Total	68	100,0

Based on table 3 shows that of 68 respondents with a higher education level as many as 38 respondents (55.9%), more than respondents with a low education level of 30 respondents (44.1%).

**Table 4. Length of Employment**

Length of Employment	f	%
Old ( $\geq 3$ Tahun)	55	80,8
New ( $< 3$ Tahun)	13	19,2
Total	68	100,0

Based on table 4 shows that of 68 respondents with a relatively long working period of 55 respondents (80.8%), more than respondents with a relatively new work period of 13 respondents (19.2%).

**Table 5. Accountability**

Accountability	f	%
Good	41	60,3
Less good	27	39,7
Total	68	100,0

Based on table 5 shows that of 68 respondents as many as 41 respondents (60.3%) felt that hospital accountability was good, more than respondents who felt that hospital accountability was not as good as 27 respondents (39.7%).

**Table 6. Transparency**

Transparency	f	%
Good	42	61,8
Less good	26	38,2
Total	68	100,0

Based on table 6 shows that of 68 respondents as many as 42 respondents (61.8%) felt that hospital transparency was good, more than respondents who felt the transparency of hospitals was not as good as 26 respondents (38.2%).

**Table 7. Fairness**

Fairness	f	%
Good	47	69,1
Less good	21	30,9
Total	68	100,0

Based on table 7 shows that of 68 respondents as many as 55 respondents (69.1%) felt that the fairness of rights for employees from the hospital was good, more than the respondents who felt the fairness rights for employees from hospitals were not as good as 21 respondents (30, 9%).

**Table 8. Performance**

Performance	f	%
Good	47	69,1
Less good	21	30,9
Total	68	100,0

Based on table 8 shows that of 68 respondents as many as 47 respondents (69.1%) had good performance, more than the respondents whose performance was still not as good as 21 respondents (30.9%).

## 2.2. Bivariate Analysis

**Table 9. Accountability**

Accountability	Performance				P-value	OR
	Good		Less good			
	n	(%)	n	(%)		
Good	35	85,4	6	14,6	0,001	7,921
Less good	12	44,4	15	55,6		
Total	47	69,1	21	30,9		

Based on table 9, the results of the analysis of the relationship of accountability with the performance of non-medical employees, it was found that out of 68 respondents who felt good hospital accountability, 35 respondents (85.4%) had good performance but 6 respondents (14.6%) had poor performance. While from 68 respondents who felt that hospital accountability was not as good as 12 respondents (44.4%) had good performance and 15 respondents (55.6%) had poor performance. The Chi-Square test results obtained  $p = 0.001 < \alpha (0.05)$  and OR 7.292), it can be concluded that there is a significant relationship between accountability and the performance of non-medical employees at Siti Khadijah Palembang Hospital in 2019, as well as respondents who feel accountability hospitals have a high chance of 7,292 times greater to have good performance compared to employees who feel that hospital accountability is less good.

**Table 10. Transparency**

Transparency	Performance				P-value	OR
	Good		Less good			
	n	(%)	n	(%)		
Good	37	88,1	5	11,9	0,000	11,840
Less good	10	38,5	16	61,5		
Total	47	69,1	21	30,9		

Based on table 10, the results show that most employees who have good performance state that the transparency of RSI Siti Khadijah has also been good with the number of respondents as many as 37 respondents (88.1%). While some of the employees who had poor performance stated that the transparency of Siti Khadijah Hospital was also still less good with the number of 16 respondents (61.5%).

The results of the analysis of the relationship between performance and transparency using the Chi-Square test obtained  $p$  value = 0,000

$<\alpha$  (0.05) and OR = 11,840), it can be concluded that there is a significant relationship between transparency and the performance of non-medical employees at Siti Khadijah Hospital Palembang in 2019, and based on OR results, respondents who felt that the transparency of the hospital had a high chance of 11,840 times greater to have a good performance compared to employees who felt transparency from the hospital was less good.

Fairness	Performance				P-value	OR
	Good		Less good			
	n	(%)	n	(%)		
Good	38	80,9	9	19,1	0,004	5.630
Less good	9	42,9	12	57,1		
Total	47	69,1	21	30,9		

Based on table 11, the results obtained that of 68 respondents feel fairness of the employees of the hospital has good value as many as 38 respondents (80.9%) had a good performance but nine respondents (19.1%) had a poor performance. Whereas from 68 respondents who felt that fairness or employees from hospitals was worth less than 9 respondents (42.9%) had good performance and 12 respondents (57.1%) had poor performance. The Chi-Square test results obtained a value of  $p = 0.004 < \alpha$  ((0.05), and OR 5,630)

So, it can be concluded that there is a significant relationship between fairness and fairness with the performance of non-medical employees at Siti Khadijah Palembang Hospital in 2019, and based on OR results, respondents who feel the fairness of hospital committees is 5,630 times more likely to have good performance compared to employees who feel that fairness and justice from the hospital are less good.

### 2.3 Multivariate Analisis

Table 12. Selection of candidate models

Variable	P value
Accountability	0,001
Transparency	0,000
Fairness	0,004

Based on table, the results of multivariate model candidate analysis were obtained with p value  $< 0.25$ , namely accountability (0,000), transparency (0,000) and fairness funds (0,002). These variables are then included in the multivariate model.

Table 13. Multivariate modeling

Variable	Beta	P value	OR	95% CI
Accountability	-0,881	0,324	0,414	0,072-2,384
Transparency	-1,939	0,005	0,144	0,038-0,551
Fairness	-0,389	0,655	0,678	0,123-3,735
Constant	0,894			

Based on table, the results show that variables with a value of  $p > 0.05$  are accountability variables (0.324) and fairness (0.655). Based on these results the fairness variable is excluded from the model because it has the largest p value.

Variable	OR	OR after fairness outed	Change of OR
Accountability	0,414	0,320	69,1
Transparency	0,144	0,141	73,5

Based on table, the results show that after the fairness variable is issued there is a calculation of changes in the value of OR  $> 10\%$ , then the fairness variable is put back into the model. Furthermore, accountability variables are issued in modeling and revisited changes in their OR values. After that, the final results of multivariate modeling are obtained in the following table:

Variable	Beta	P value	OR	95% CI
Accountability	-0,881	0,324	0,414	0,072-2,384
Transparency	-1,939	0,005	0,144	0,038-0,551
Fairness	-0,389	0,655	0,678	0,123-3,735
Constant	0,894			

Based on table, the results of multivariate analysis showed that the most dominant variable related to the performance of non-medical employees was the transparency variable with a value of  $p = 0.005 < \alpha$  (0.05).

Its Logistic Regression Model:

$$y = 0,894 + (-0,881) + (-1,939) + (-0,389)$$

$$y = -2,315$$

$$\text{Good performance probability} = 0.0898 = 8.98\%$$

This means that non-medical employees at Siti Khadijah Palembang Hospital, who feel that hospital accountability, transparency and fairness are good, may also have a good performance of 8.98%.

According to the United Nation Development Program (UNDP) the principles developed in Good Governance are one of them is transparency. Transparency must be built within the framework of freedom of information flow of various processes, institutions and information must be freely accessible by those who need it and must be able to be provided adequately and easily understood so that it can be used as a monitoring and evaluation tool.

According to the researchers themselves, company transparency is a capital in moving employees or workers to be able to carry out their respective duties in achieving the target according to the target. Because when a company system runs transparently, the bad dynamics that might occur in a company due to miscommunication can be minimized.

By implementing transparency in its entirety, employee trust will also increase. When trust is inherent, the employee will not feel burdened when he / she is actually getting a double duty, or there is a new policy that has the opportunity to cause pros and cons. Things that can lead to internal conflicts such as mutual suspicion between employees, or concerns that there are rights and obligations that have been overlooked can be avoided and employees can carry out their duties according to their duties and awareness. In addition, corporate integrity will also increase.

To be able to improve employee performance, company transparency needs to be continuously improved. Because, in addition to influencing employees, the application of transparency can also improve the company's image for consumers who receive services.

### III. CONCLUSION

Based on the results of research conducted at Siti Khadijah Palembang Hospital in the performance of non-medical employees, conclusions can be taken was 68 respondents with male gender as many as 37 respondents (54.4%), more than respondents with female gender as many as 31 respondents (45.6%). The 68 respondents aged 17-25 years as many as 34 respondents (50%), respondents aged 26-35 years 15 as many respondents (22.1%) and respondents aged 36-45 years as many as 19 respondents (27.9%) Of 68 respondents with a high education level of 38 respondents (55.9%), more than respondents with a low education level of 30 respondents (44.1%). Of the 68 respondents with a long term work period of 55 respondents (80.9%), more than respondents with a relatively new work period of 13 respondents (19.1%)

There is a significant relationship between hospital accountability and the performance of non-medical employees with a value of  $p = 0.001 < \alpha (0.05)$  at Siti Khadijah Palembang Hospital in 2019. There is a significant relationship between hospital transparency and the performance of non-medical employees with a value of  $p = 0,000 < \alpha (0.05)$  at Siti Khadijah Palembang Hospital in 2019. There is a significant relationship between fairness of employee rights and the performance of non-medical employees with a value of  $p = 0.004 < \alpha (0.05)$  at Siti Khadijah Palembang Hospital in 2019. The most dominant variable related to performance is the transparency variable with a value of  $p = 0.005 \alpha \alpha (0.005)$  with an 8.98% probability value at Siti Khadijah Palembang Hospital in 2019.

### IV. ACKNOWLEDMENT

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