

Good Corporate Governance in Social Security Agency of Health in Indonesia

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Abstract. This study aims to examine the effect of Transformational Leadership and Organizational Culture on Good Corporate Governance at the head office of the Health Social Security Administration (BPJS Kesehatan). The methods of this research are quantitative methods and data processing using Structural Equation Modeling (SEM PLS) using the SmartPLS 3.0 software program. And the respondents in this research are BPJS Health employees with a total of 156 participants. Which includes 55 male, 101 female, among them there are 70 participants by the age of 30 years old, and 86 participants over 30 years old. The results of this study show that, (1) there is a positive direct influence of transformational leadership on good corporate governance, and (2) there is a direct positive influence of organizational culture on good corporate governance.

Keywords: Good Corporate Governance, Transformational Leadership, Organizational Culture.

1 Introduction

BPJS Kesehatan (Social Security Agency of Health) is the social security agency of Indonesia that provide universal health care to its citizens. Health Social Security Administering Body (BPJS Kesehatan) with National Health Insurance-Indonesian Health Card Program (JKN-KIS) has the goal that the state is present in the community to ensure that all Indonesians are protected by comprehensive, fair, and equitable health insurance. BPJS Health is a government social security program in the health sector which is one of five programs in the National Social Security System (SJSN), namely Health Insurance, Work Accident Insurance, Elderliness Security, Retirement Social Security, and Death Insurance as stated in the Law. Number 40 of 2004 concerning the National Social Security System. It is undeniable, since its launch, BPJS Kesehatan has brought many benefits to all Indonesian citizens. It has carried out the mandate of Pancasila specifically the 5th principles, which the realisation of social justice for all Indonesian People [1][2].

However, since its establishment from 2014 to 2020, BPJS Health in its implementation has not shown good organizational performance, based on the news data from 2019 dan 2020. BPJS Health has always suffered financial loss every year. According to its finance data, in 2014 at its first year, the deficit was stated IDR 1.9 trillion, in 2015, the deficit increased to IDR 9.4 trillion, in 2016, the deficit showed a slow reducing to IDR 6.4 trillion, but unfortunately in 2017 the deficit rose up to IDR 13.8 trillion, And in 2018 the deficit continue to rise up to IDR 19.4 trillion, in 2019 the deficit was slowly decreased down to IDR 13 trillion. Finally in 2020, BPJS Kesehatan made a profit of IDR 18.7 trillion in cash flow, but unfortunately on that year it has indebtedness in amount of IDR 25.15 trillion, which made BPJS Kesehatan once again in financial deficit of IDR 6.36 trillion [3][4].

Another problem in BPJS Kesehatan was the problem of quality aspects, as stated by Dr. dr. Hanevi Djasri, MARS, FISQua, Head of Quality Management Division of Health Policy and Management Center (PKMK) FK-KMK UGM, Yogyakarta on focus group discussions (FGD), sharing sessions, and comparative studies related to “National Health Insurance System and Fraud (Fraud) in Health Services, Hanevi explained that currently in the implementation of the BPJS Health program, namely the National Health Insurance or often called JKN, the quality aspect was still not a concern. This was worrying considering that the BPJS Health program is planned to cover the entire population of Indonesia. If the covered participants received poor health services, the BPJS Health program would not have an optimal impact on improving public health. Furthermore, Hanevi explained that fraud is one factor in the poor quality of health services. Fraud is an act that contains elements of (a) intentional, (b) cheating other parties, and (c) causing other parties to suffer losses [5].

Why “Good Corporate Governance”? since good corporate governance could be a number of forms, conventions, arrangements and controls that influence the way an industry or corporation is coordinated, overseen and controlled conjointly guarantees the relationship between partners and the objectives of a company. It is additionally said that corporate administration could be a bound together relationship between the company's administration, its board, its shareholders and other partners. The strategy by which executives and evaluators oversee their obligations to shareholders and more extensive corporate partners. The advantage of corporate administration for shareholders is that it can give expanded certainty in a reasonable return on their speculation whereas for partner companies, interface can give confirmation that the company oversees its effect on the environment and society in a capable way. [6][7][8].

2 Literature Review

2.1. Good Corporate Governance

Corporate governance is a few forms, traditions, arrangements and laws that influence the way a company or organization is coordinated, overseen and controlled conjointly decides the relationship between partners and the objectives of a company. because corporate governance could be a number of forms, conventions, approaches and controls that influence the way an industry or enterprise is coordinated, overseen and controlled conjointly guarantees the relationship between partners and the objectives of a company. The definition of good corporate governance within the open division is as a prepare of great administration,

including partners in different financial, social and political executions, as well as the utilize of different assets such as characteristic, budgetary and human resources for the advantage of those carried out by following to the standards equity, value, value, proficiency, straightforwardness, and responsibility [9][10][11].

According to [11] there are 5 basic pillars of GCG namely

- a) Transparency in its implementation is like the dominant culture in Indonesia, which in this case governance itself, which consists its 3 anchor that have interests, namely the government, business actors, and the community. For this reason, in its implementation, information relating to the government, economic actors, and workers must be completed in a timely, adequate, clear, precise, and easily accessible manner.
- b) Accountability is a form of organizational accountability to stakeholders so that organizational management can function properly, measurably, and in accordance with the interests of the organization without compromising the interests of participants.
- c) Responsibility, the company has the principle of prudence and ensures compliance with laws and regulations, the Articles of Association and Company Regulations and carries out social responsibilities such as paying attention to society and environmental sustainability, preferably in the environment surrounding the organization by making adequate planning and implementation.
- d) Independent, the decision-making process must be based on decisions that prioritize the interests of the community and the law.
- e) Fairness, the company must provide a fair opportunity for stakeholders to obtain the available benefits.

2.2 Transformational Leadership

Leadership is about how to influence other people, subordinates or followers to want to achieve organizational goals [12][13].

Transformational Leadership could be a authority style that can rouse positive changes in those who take after. Transformational pioneers are by and large enthusiastic, excited, and enthusiastic. Not only are these pioneers concerned and included within the prepare, but they are moreover cantered on making a difference each part of the gather succeed [14][15].

2.3 Organizational Culture

Thought in the Harvard Business Review, organizational culture is the collective impact of the members' beliefs, behaviours, and general values. The norms in any organization govern how members conduct and serve customers, how they work together as a team, whether they feel motivated to achieve organizational goals, and whether they are sincerely carrying out the company's overall mission. How do members get their work done? Independent or mutual cooperation? Do members feel inspired, committed, and involved, or overwhelmed, overworked, and unappreciated?[16][17].

3 Research Methodology

This study uses quantitative methods and data processing using Structural Equation Modeling (SEM PLS) using the SmartPLS 3.0 software program. The research will be carried out at the BPJS Health head office for 1 (one) year from the time the proposal was made to the field and written in full, namely from September 2021 to September 2022 with an analysis unit for employees at BPJS Health headquarters and BPJS Health supervisors.

3.1 Research Model

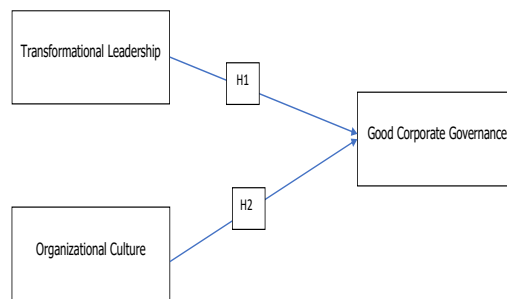


Fig 1. Research Model

3.2 Research Hypothesis

Based on the description of the discussion and framework of thinking, the research hypothesis can be formulated as follows:

- H1 : There is a positive and significant influence of Transformational Leadership on Good Corporate Governance at BPJS Health.
- H2 : There is a positive and significant influence of Organizational Culture on Good Corporate Governance at BPJS Health

3.4 Research Respondents

The respondents used in this dissertation study were BPJS Kesehatan employees with a total of 156 participants, male respondents were 55 respondents or 35.3% of all male respondents, while female respondents were 101 respondents or 64.7% of all female respondents, and Respondents aged ≤ 30 years were 70 respondents or 44.9% of all respondents aged ≤ 30 years, while respondents aged > 30 years were 86 respondents or 55.1% of all respondents aged > 30 years.

4 Research Result

The results of the calculation of the Structural Equation Modeling the direct influence of Transformational Leadership on Good Corporate Governance, the path coefficient value 31 is 0.348 and Tcount is 5.358, because the value of Tcount (5.358) 1.96, then reject H0, accept

H1 and it can be interpreted that there is a direct positive effect of Transformational Leadership on Good Corporate Governance.

The results of the calculation the Structural Equation Modeling the direct influence of Organizational Culture on Good Corporate Governance, the path coefficient value β_1 is 0.354 and Tcount is 5.554, because the Tcount (5.554) > 1.96, then reject H0, accept H1 and it can be interpreted that there is a positive direct influence of Organizational Culture on Good Corporate Governance.

5 Conclusion

The results of the research show that there is a direct influence of Transformational Leadership on Good Corporate Governance. The results of the study also show that there is a direct influence of Organizational Culture on Good Corporate Governance.

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