THE REALIZATION OF GOOD PUBLIC GOVERNANCE THROUGH THE ADOPTION OF INFORMATION TECHNOLOGY INNOVATION AND THE ORGANIZATIONAL CULTURE AT REGIONAL PUBLIC HOSPITAL IN SOUTH SUMATERA

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ABSTRACT

The realization of Universal Health Coverage through the roll-out of the National Social Security (JKN) fund has led to several changes in the policy of hospitals as one of the public sector organizations, including those related to information technology, organizational culture, and service governance. This study aims to determine the influence of Information Technology Innovation, Organizational Culture on Good Public Governance at Regional Public Hospital in South Sumatera Province. This study uses quantitative approach, which in collecting research data using questionnaire instruments. This research was conducted on Regional Public Hospital in South Sumatera. The sample used in this study is the respondents related to the National Health Insurance Policy at Hospital, e.g. personnel of Medical Recording Department, Internal Inspection Unit, Medical Committee, Coder and Accounting Department. The data analysis technique uses multiple linear regression analysis using SPSS program version 24.0 for Windows. The result of this study shows that (1) Information Technology Innovation has positive and significant influence on Good Public Governance, (2) Organizational Culture has positive and significant influence on Good Public Governance, (3) Information Technology Innovation, Organizational Culture simultaneously influence the Good Public Governance.

Keywords: Information Technology Innovation, Organizational Culture, Good Public Governance

INTRODUCTION

Background

The crisis of economic and trust that hit Indonesia in 1998 had a positive and negative impact on the welfare of the entire Indonesian people, one of which was the impact of poverty on the Indonesian people, so that it needed a hidden blessing to improve the living standards of all Indonesian people (Mardiasmo, 2018). Every citizen, has the right without exception, must obtain health services (Moha, 2016). Furthermore, it was revealed that, many facts say that the patient of the Health Social Security Agency (BPJS) who are undergoing treatment at the hospital have not received the maximum health services, when in fact, the core of health insurance policies, BPJS, or National Health Insurance program in all of the Indonesian territory is actually none other than the form of local wisdom of mutual cooperation in our noble cultural treasures. Various benefits of the technology services and guarantees for public health are expected to support the ideals of Universal Health Coverage (UHC) on January 1, 2019. Until May 11, 2018, this number has increased to 197.4 million. It means that 75.64% of Indonesia’s population has been covered by health insurance through JKN-KIS. Moreover, supported by the performance of
BPJS Health in 2018, it has won the title of Unqualified again, which is now known as Unqualified Without Modification of 26 times if calculated from the period of PT Askes (Persero) (Supriyatna & Hapsari, 2018). According to the Minister of Health of the Republic of Indonesia, conveying that with IT-based, the public can be served quickly and precisely, starting from the public reporting through 119 services, being picked up by ambulances, treatment during the trip to the hospital, and being provided of the services at the ER (Emergency Room). It is also revealed that the public can be treated quickly and will be monitored on the screen in the room. Furthermore, even if there are people who want to report directly of the incident or patients who are needed the treatment, it can be done in the room, that is through the WhatsApp application (Nursyamsi, 2019).

The Deputy Assistant for Health Services in the Ministry of Coordinator of Human Development and Culture, Andi Rahmadi, said that the hospitals were sought to optimize quality, responsive, and non-discriminatory health services to the public in order to encourage the management of hospitals to be innovate related to the implementation of health facility services. Then it was said “With the internalization of the Mental Revolution, participants will bring better changes related to the implementation of hospital ethics, health and safety services of the patients in line with the existing innovations in hospitals, eventually, there will be a need of implementing monitoring and evaluation systems. Furthermore, it is also revealed that the changes of service in the hospitals are in line with the implementation of mental revolution that must be carried out by every health facility in providing the services to the public (Aditya Ramadhan, 2019).

Innovation is a process that leads to changes in products, services, organizations, industrial sectors or regions as a result of new ideas being developed (Garud, Nayyar & Shapira, 1997; Lee & Treacy, 1988; National Research Council, 2001; Moore & Hartley, 2008; Adair, 2007) (Torugsa & Arundel, 2016) (Hartley, Sørensen, & Torfing, 2013). Technology is defined as all knowledge, products, processes, tools, methods, and systems in creating goods or providing services to meet target outcomes (Stock, Greis & Fischer, 2002). Meanwhile, according to Mulyani (2016) information is data that has been processed aimed at organizations or anyone who needs them. Furthermore, according to him, it is also disclosed that information is an organizational source that can be equivalent to other resources such as labor, materials, machinery, and finance (Mulyani, 2007). Information is like blood in the human body, therefore information is a necessity for the sustainability of organizational life (Mulyani, 2008). Information technology innovation is defined as the application of organizational IT processes made more efficient and effective (Swanson, 1994; Stock, Greis & Fischer, 2002). To improve the welfare and success of an organization in facing business competition and create a competitive advantage which is implemented through various integrated activities, it is necessary to have a business strategy which is the design of activities (Mulyani & Marjulin, 2017).

In addition, changes and commitment to the value of integrity, work ethic and mutual cooperation must be carried out as innovations in the implementation of health services, so that excellent service is achieved, which means fast, precise, and friendly (Adhitya Ramadhan, 2018). The Organizational culture is considered appropriate, because it is believed that the organizational culture can influence one’s way of thinking and acting.

Organizational culture can also be interpreted as a pattern of behavior or attitudes of users of accounting information system technology based on shared values, assumptions, beliefs, which are considered valid and trusted, thought and felt to be the right thing (Mulyani, Putra, Sukmadilaga & Rozak, 2017; Grindle, 1997; Christensen, Lægreid, Roness & Røvik, 2007). Morals and culture that support good governance are morals and cultures that do not tolerate various forms of corruption and abuse of office, siding with the weak/poor, sensitivity to gender equality, awareness of the importance of the role of society in public decision making, and the existence of trust and tolerance (Sumarto, 2009). According to Belak (2016), company growth is more successful by passing on norms, values, vision, mission and strategic objectives throughout
the management and governance process (from owners through top and middle management to the company's operational level).

**Identification of the Problem**

1. How big is the influence of Information Technology Innovation on Good Public Governance?
2. How big is the influence of Organizational Culture on Good Public Governance?
3. How big is Information Technology Innovation and Organizational Culture influence on Good Public Governance

**LITERATURE REVIEW**

**Information Technology Innovation**

Innovation is a process that leads to changes in products, services, organizations, industrial sectors or, regions - as a result of new ideas being developed (Newton et al., 2009; Council, 2002; Osborne & Brown, 2005; Adair, 2007; Lee & Treacy, 1988; Daft & Becker, 1978). Furthermore, innovation is defined as a necessary condition for modernization (Bekkers, Duivenboden & Thaens, 2006). Likewise, Rogers (1983) states that innovation is an idea, exercise, or object that is considered new by individuals or other adoption units. According to Brien (2002) information technology is defined as a computer-based information system consisting of hardware, software, internet, and other telecommunication networks, as well as using database resource management techniques and various other computer-based technologies to convert data into various kinds of information. Furthermore, Garson (2007) states that technological innovation is the development of new conditions and the introduction of tools derived from human knowledge and interactions with the environment. Information technology is a term used to describe a collection of organizational, user, and management information systems that supervise/regulate the information system (Turban & Linda Valonino, 2011).

Furthermore, according to Mulyani & Rachmawati (2016), information systems include hardware components, software and procedures, human procedures and substance of information where the utilization involves functions such as input, process, output, storage and communication as integration between humans and machines. Information systems are components and tools that provide information to all interested parties in an organization (Ladewi & Mulyani, 2015). In supporting the organization, these components interact and synergize with each other (Mulyani & Endraria, 2017). Information systems interact with information technology users through collection, processing, strengthening and use of data and information that support a business (Mulyani, Hassan & Anugrah, 2016). In this research, information technology innovation can be defined as a process that leads to changes in the products, methods and services of an organization as a result of new ideas being developed that include hardware, software, network technology, and other facilities.

**Organizational Culture**

The concept of organizational culture is a pattern of behavior, beliefs, groups (organizations) and all thoughts that characterize shared values and tend to persist (Luthans, 2011; Gibson, Ivancevich, James & Konopaske, 2009; Greet Hofstede, 1984; Ratifah & Mulyani, 2015; George et al., 2012; McShane & Glinow, 2009). Furthermore, according to Alvesson (2002), culture is understood as a building block in organizational design where a subsystem is well distributed from other parts of the organization, which includes norms, values, beliefs, and behavior. Organizational culture in this research is a pattern of shared basic assumptions accepted by the group when solving problems originating from the external environment and integrating the internal environment, which has been done well enough to be considered a truth, which, in turn, is taught to new members as the correct way of understanding, think, and feel the problems
at hand (Schein, 2010; Jones, 2003; Geert Hofstede, 2011). In this research, organizational culture can be interpreted as a pattern of behavior values and thoughts of a particular group or institution as a problem solving tool, a solution for these groups and institutions to solve problems originating from within the organization and outside the organization together which can be followed by members another organization

**Good Public Governance**

Good Public Governance Governance is all the activities of social, political and administrative actors that aim to guide, direct, control or manage society (sector or sector) (Kooiman, 1993; Sumarto, 2009). Then Stoker (1998) revealed that governance is a good management mechanism so that it does not depend on users of authority and sanctions from the government. In some institutions, good governance can be defined by UNDP as the exercise of economic, political and administrative authority to manage the affairs of a country at all levels. Governance consists of mechanisms, processes and institutions (Weiss, 2000) The Minister for State Apparatus Empowerment revealed that the GPG is a system or code of conduct related to the management of authority by state administrators in carrying out their duties in a responsible and accountable manner that must be carried out by state administrators in every state institution, in the domain of the legislature and supervision, executive, judicial as well as in non-structural institutions (Hoesada, 2016). Bovaird & Löffler (2003) Public governance can be defined as the way stakeholders interact with each other to influence the outcome of public policy. Office for Public Management Ltd (OPM) and The Chartered Institute of Public Finance and Accountancy (CIPFA) (2004), state that in realizing public governance the function of government is to ensure that organizations or partnerships fulfill all of their objectives, achieving the desired results for citizens and service users, and operate effectively, efficiently and ethically. This principle should guide all government activity. In this study, the GPG concept can be defined as a system or rules of behavior related to the management of authority by state officials in carrying out their duties responsibly and accountably as a process of managing activities properly and correctly carried out by the public sector which rests on the principles of integrity, openness, outcomes, success interventions, capacity building, strong internal control and implementation of good practices in providing services to the wider community efficiently and effectively.

**Hypothesis Development and Research Framework**

**The Influence of Technology Innovation on Good Public Governance**

Currently, the influence of Technology Innovation on Good Public Governance Currently, the development of information technology has resulted in broad access to services and information in obtaining services from various organizations that are transparent, collaborative, accountable and open to the public (Hilgers & Ihl, 2010). Government through Information Communication Technology (ICT) with the introduction of e-government and e-governance can improve governance (Kundu & Member, 2013; Supriyanto, 2016; Kalsi & Kiran, 2015; Abraham, 2012). In South Africa the concept of digital health innovation is a good reflection of the reality of the developing context in which all roles and systems are indicated to affect digital health to improve the quality of life of people (Herselman et al., 2016)

**H1: Information Technology innovation has an affect Good Public Governance**

**The Influence of Organizational Culture on Good Public Governance**

According to Agarwal & Medury (2013), that governance comes from a management mindset and culture. Likewise, expressed by Widuri & Paramita (2007) that corporate culture has
an influence in creating Good Corporate Governance (GCG) and that is the most important part of GCG, namely transparency, accountability, responsibility, independence, and fairness. Based on the results of discussions from managers, several things must be done to realize good governance in an organization, so what must be done is to strengthen ethics in the workplace as a new cultural trait of public service (Pillay, 2004).

Research that reveals a relationship between organizational culture and Good Corporate Governance researched by Kristiana, Wahyuni & Sujana (2017) reveals that the successful application of the principles of Good Corporate Governance can be influenced by internal and external factors of the company or organization concerned. One of the internal factors that affect Good Corporate Governance is organizational culture.

So that the hypothesis formulated in this study are as follows:

- **H2**: Organizational Culture has an affect Good Public Governance.
- **H3**: Information Technology Innovation and Organizational Culture has an affect Good Public Governance

RESULTS AND DISCUSSION

Results

The respondents of this study are the department related to the Good Public Governance in Hospitals, based on Permenkes 36/2015, i.e. Medical Recording, Internal Inspection Unit, Medical Committee, Coder and Accounting of 104 respondents. The minimum requirement for a valid questionnaire is if the correlation between items and its total score is positive and greater than R table (Rcount>0.279). The results of the validity test instrument obtained that the Pearson Correlation value for each statement is greater than 0.279, so that it can be declared valid. The result of the reliability instrument test obtained for the Information Technology Innovation variabel are 0.739, for Organizational Culture variable are 0.722, for the Good Public Governance variabel are 0.757. Because all variables have Cronbach’s Alfa>0.70, the data is declared reliable. validity test was conducted on 50 respondents from previous hospital respondents.

The data normality test results are shows with histogram images and probability plots as follows:
Based on Figure 1 and Figure 2, it can be seen that the data in this study have been normally distributed. Where on a normal probability plot, the distribution of errors is still around a straight line.

The results of the multicollinearity terms show the tolerance value and VIF for the Information Technology and Organizational Innovation variables as follows:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Correlations</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Zero-order</td>
<td>Partial</td>
</tr>
<tr>
<td>(Constant)</td>
<td>5.31</td>
<td>2.429</td>
<td>2.186</td>
<td>0.031</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Technology Innovation</td>
<td>0.175</td>
<td>0.082</td>
<td>0.176</td>
<td>2.124</td>
<td>0.737</td>
<td>0.207</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>0.811</td>
<td>0.095</td>
<td>0.712</td>
<td>8.567</td>
<td>0.851</td>
<td>0.649</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Good Public Governance

Sig.F 0.000

Adjusted R. Square 0.730

(Source: Statistical data processing, 2018)
The results of the data above do not appear to show a certain pattern, so it can be stated that the regression model is free from heteroscedasticity problem. Hypothesis testing conducted in this study uses multiple linear regression analysis which is calculated using the SPSS version 24 program. Based on Table 1, it can be seen how much influence Information Technology Innovation and Organizational Culture has on Good Public Governance. The multiple linear regression equation in this study is as follows:

\[ Y = 5.310 + 0.175X_1 + 0.811X_2 + e_i \]

Where:
- \( Y \) = Good Public Governance
- \( X_1 \) = Information Technology Innovation
- \( X_2 \) = Organizational Culture
- \( e_i \) = Standard error

1. Constant value of states that if an independent variable occurs in Information Technology Innovation 5.310 (\(X_1\)), 0.175 Organizational Culture (\(X_2\)) is nil, then the dependent variable Good Public Governance (\(Y\)) is 5.310
2. Coefficient value \( \beta_1 = 0.175 \) \(X_1\) shows that there is a positive influence of Information Technology Innovation (\(X_1\)) on Good Public Governance (\(Y\)) of 0.175. This shows that if the independent variable of Information Technology Innovation (\(X_1\)) increases by 1 unit, then the Good Public Governance variable (\(Y\)) will increase by 0.175 units, assuming that the other independent variables are constant.
3. The coefficient value \( \beta_2 = 0.811X_2 \) shows that there is a positive influence of Organizational Culture variable (\(X_2\)) on Good Public Governance (\(Y\)) of 0.811. This shows that if the independent variable of Organizational Culture (\(X_2\)) increases by 1 unit, then the Good Public Governance variable (\(Y\)) will increase by 0.811 units, assuming that the other independent variables are constant.

The significance value of each variable can be known based on Table 1. Through the regression coefficients of each independent variable, it can be seen that the direction of the relationship of the independent variable to the dependent variable. The significance value of Information Technology Innovation (\(X_1\)) is 0.036<0.05 and has a positive coefficient of 0.175 which means that \(H_1\) is accepted which shows that Information Technology Innovation has a positive effect on Good Public Governance. The significance value of Organizational Culture (\(X_2\)) is 0.000<0.05 and has a positive coefficient of 0.811 which means \(H_2\) is accepted. This shows that Organizational Culture has a significant positive influence on Good Public Governance. Based on Table 1, significant value of 0.000<0.05, it shows that \(H_3\) is accepted, which means that Information Technology Innovation and Organizational Culture have positive significant influence on Good Public Governance.
The test results value of adjusted R square (Table 1) of 0.736. It means that the independent variables, that are Information Technology Innovation and Organizational Culture, can describe the dependent variable, that is Good Public Governance, of 73.6% and the remaining 26.4% is described by other variables that are not found in this study.

**Discussion**

**The Influence of Information Technology Innovation on Good Public Governance**

Based on the results of statistical analysis, it was found that the variable of Information Technology Innovation (X1) has a significance level of 0.036<0.05 and has a positive coefficient of 0.175. In addition, Information Technology Innovation (X1) has a Tcount greater than Ttable, which is equal to 2.124>1.984, where H0 is rejected and H1 is accepted. It means that Information Technology Innovation (X1) has a significant positive influence on Good Public Governance. Positive values indicate a direct influence, which means that the higher the level of Information Technology Innovation, the higher Good Public Governance that may occur in Regional Public Hospital in South Sumatera.

Thus, it can be said that Information Technology Innovation is very important in creating public services. Public services can innovate through the Hospital Management Information System Integration, where changes in the more complex Management Information System are adjusted to several changes in service facilities, then it will create excellent and fast services, providing accurate information for management and patient. So that the existence of Hospital Information Technology Innovation will create efficiency, organizational effectiveness, and better performance.

The results of this study is in line with the study by (Criado, Sandoval-Almazan & Gil-Garcia, 2013) which reveals that at the present, most of public administrations emphasize the use of information technology in order to achieve efficiency and effective service delivery to the citizens. In addition, it is also in accordance to the results of (Kalsi & Kiran, 2015) research, which revealed that the power of Information and Communication Technology (ICT) in the form of e-governance which is the new information and communication technology can provide contribution significantly in achieving good governance. Likewise, the results of the study by (Alberecht, Albrecht, Albrecht & Mark Zimbelmen, 2009) revealed that the information technology is offered as “trigger” in empowering executives and stakeholders intrinsically to mutually enhance the structure of corporate governance. In line, the results of the study (Navarra & Cornford, 2003) e-government and the use of Information Technology and communication that are appropriate and improve government service delivery and re-establish governance structures.

**The Influence of Organizational Culture on Good Public Governance**

Based on the results of statistical analysis, it was found that the variable of Organizational Culture (X2) has a significance level of 0.036<0.05 and has a positive coefficient of 0.262. In addition, Organizational Culture (X2) has a Tcount greater than Ttable, which is equal to 2.154>2.011, means that the H0 is rejected and H2 is accepted. It means that Organizational Culture (X2) has a significant positive influence on Good Public Governance. Positive values indicate a direct influence, which means that the higher the level of Organizational Culture, the higher Good Public Governance in Regional Public Hospital in South Sumatera.

Organizational culture will produce fundamental values of organizations that loke to uphold the value of integrity, honesty, and the quality of work and excellent service and respect for openness and support. Based on the results of discussions from managers, several things must be done to realize good governance in an organization, then what must be done is the strengthen ethics in the workplace as a new cultural trait of public service. Through good organizational culture, then the Good Public Governance will be higher (Navarra & Cornford, 2003). The study
that reveals the existence of a relationship between organizational culture and Good Corporate Governance by revealed that the successful implementation of the principles of Good Corporate Governance can be influenced by internal and external factors of the company or organization concerned. One of the internal factors that influence Good Corporate Governance is organizational culture (Kristiana, Wahyuni & Sujana, 2017). Organizational culture is very influential on the behavior of members of the organization, so that if the organizational culture of an organization or agency is good, it is not surprising that the members of the organization are the people who are good and have certain quality.

**The Influence of Information Technology Innovation and Organizational Culture on Good Public Governance**

Based on the results of the F test, it can be seen that $F_{\text{count}}>F_{\text{table}}$ is $14.562>3.09$. With significance for each variable smaller than 0.05, which is 0.000. It means that there is a significant influence simultaneously of Information Technology Innovation and Organizational Culture on Good Public Governance in Regional Public Hospital in South Sumatera. These results are supported by the results of partial testing of Information Technology and Organizational Culture Innovation variables which state that partially these variables have a significant positive influence on Good Public Governance. It means, the higher the Information Technology Innovation, the higher the Organizational Culture, the higher the level of Good Public Governance in Regional Public Hospital in South Sumatera.

**CONCLUSIONS AND RECOMMENDATIONS**

**Conclusions**

Based on the results of analysis and discussion regarding The influence of Information Technology Innovation and Organizational Culture on Good Public Governance at Regional Public Hospital in South Sumatera, it can be concluded as follows:

1. Information Technology Innovation has a positive significant influence on Good Public Governance at Regional Public Hospital in South Sumatera. It means that the higher the Information Technology Innovation, the higher the Good Public Governance in Regional Public Hospital in South Sumatera.
2. Organizational Culture partially has a positive significant influence on Good Public Governance at Regional Public Hospital in South Sumatera. It means that the higher the level of Organizational Culture, the higher the Good Public Governance in Regional Public Hospital in South Sumatera.
3. Simultaneously, it can be known that Information Technology Innovation and Organizational Culture have positive significant influence on Good Public Governance at Regional Public Hospital in South Sumatera. It means that by increasing Information Technology Innovation and the level of Organizational Culture, it can increase the Good Public Governance in Regional Public Hospital in South Sumatera.

**Recommendations**

This study has some limitations, therefore the following are the recommendations which are stated in regard to the limitations of this study:

1. Future study can increase the number of samples from the study of the other government hospitals in Sumatera Province.
2. Further study based on existing theories, is expected to be able to examine other variables that can influence the Good Public Governance in government hospitals.

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