Communication and Strategic Leadership: Its Role In Strengthening Hospital Governance

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Abstract. The government nationally implements health programs. This is a challenge for hospitals as implementers of advanced health services after first level health facilities. The various changes that occur in the world of health in Indonesia in implementing programs require communication, strategic leadership, and hospital governance. This research uses a qualitative methodology with phenomenological analysis. Researchers conducted interviews with twelve informants from three hospitals. The results of research on strategic leadership are visionary leadership with sub-themes, namely: (1) Challenges are opportunities; (2) Studying applicable regulations and creating superior products; (3) Risk mitigation by mapping problems and solutions. These sub-themes describe the strategies carried out by leaders in implementing superior programs for the hospitals they lead.

Keywords. strategic leadership, communication, governance

1. Introduction

The government implements a health program that is nationally implemented. This program has gone through in-depth study before becoming a national health insurance program. Previous health programs were carried out partially, such as Jamkeda, Askes, Asabri and so on. The government's commitment to the JKN (National Health Insurance) program is strengthened by Law no. 40 of 2004 stating that the health insurance program will start on January 1, 2014 for all Indonesian people. This program has a target of participation by all Indonesian citizens by December 31, 2019. The presence of this program shows that the government guarantees the health of all Indonesian citizens.

There are many challenges in implementing health programs with national scale coverage. In implementing JKN (National Health Insurance), the Minister of Health stated that hospitals as health service providers should have better order or governance.

"It is time for health services to be provided in a better order to encourage better health service delivery." (Ministry of Health, 2014).

Hospitals as providers of health services should have good quality services effectively and efficiently and meet existing regulatory standards.

Various challenges in implementing national health insurance as a new program that brings change in health were researched by Waring (2018) regarding politics and power in the world of health. Waring (2018) stated that the implementation of strategies in the health system
is often related to informal politics and power in the health system, such as various conflicts of interest and resistance from groups providing health services. Various industries show that strategic leadership requires managing politics within the organization when implementing change, development and using political skills or intelligence. Facing this challenge requires leaders’ intelligence to manage change with minimal conflict.

Similar things were stated by previous researchers regarding leadership in the world of health. This statement was conveyed by Kiyak, et al. (2011), Trastek, et al. (2014), Nicol, et al. (2014), Waring, et al. (2018). They stated that the complexity of hospitals requires strategic leadership in managing health services and human resource management, including the politics that occur in the health system. Hospitals also experience problems in financial management in the era of national health insurance.

The challenges of JKN (National Health Insurance) as a newly implemented policy, require a leader's ability to communicate and select problems in implementing this new policy. Kiyak, et al. (2011) stated that leadership is a process of imitation, selectiveness, role taking and empathy. Apart from that, how to handle strategy implementation and sources and targets in leadership is very important. Leadership is a process as well as an effectiveness that creates and communicates teams within an organization. Leaders select the challenges that exist in this new policy and communicate them to stakeholders.

The challenges of strategic leadership in changing complex hospital governance in the JKN (National Health Insurance) era, such as financial management, were stated by several national health figures. The financing challenges in JKN (National Health Insurance) were stated by Mboi (2014), Prijanto (2016) and Setyawati (2017) that hospitals need to be efficient, to calculate expenses correctly and to adjust to package tariff conditions as financing in JKN (National Health Insurance). Hospital leaders need to communicate various adjustments to face these financing challenges to stakeholders in the hospital.

Hospitals face a variety of political interests in healthcare practice. This politics not only affects government hospitals, but also private hospitals. The government program does not require the participation of private hospitals in serving participants, but private hospitals will not receive any more patients if the entire Indonesian population becomes participants in the national health program.

Ghiaspour et al., (2017)'s opinion regarding leadership in setting organizational goals and strategies is strengthened by other research which states that hospital leaders who have a strategic mindset, think about various steps in managing the hospital. Strategic meaning according to (Sinkkonen and Taskinen, 2003; Connelly et al, 2003; Kang et al., 2012; Berkenbosch et al., 2013a; Hazelbaker, 2013) in (Vuokko Pihlainen, 2015), the word "strategic" is combined with "thinking", "planning", "task management", "outlook", "goals", "vision" and "mission". In managing a hospital, thinking, planning, delegation, and leadership perspective are carried out in implementing goals, vision, and mission.

Pihlainen (2015) stated that the role of leaders or managers is to motivate staff. (Hennessy and Hicks, 2003; Kleinman, 2003; Sherman et al., 2007; O'Neil et al., 2008; Palarca et al., 2008; Furukawa and Cunha, 2011; Lorber and Savicˇ, 2011; Citaku et al., 2012) in (Vuokko Pihlainen, 2015) added that the strategic mindset subcategory also highlights the level at which managers operate, which varies from motivating staff to achieving missions and strategic planning. Analytical thinking, achievement orientation and the ability to communicate strategy, vision, and mission, all fall into the strategic mindset subcategory. Leaders not only carry out planning and delegation, but also ensure strategic progress by continuously building communication about the direction of the organization's strategy.
Leaders as actors in strategic leadership have a role in bringing organizational success in facing various challenges in implementing this health program. Communication between leaders and teams within the organization in dealing with changes in governance is also the key to success. For this reason, researchers explored informants to provide information regarding communication practices and strategic leadership in changes in hospital governance in the era of National Health Insurance.

2. Theoretical Bases
This research has several theoretical bases, regarding communication, organizational governance and strategic leadership.

2.1. Communication
There is a lot of research on communication as an important element in an organization. Several definitions of communication were presented by several experts. Communication according to Hovland, Janis and Kelley (1953), Forsdale (1981), Ruben (1988), Seiler (1988) in Awaru et al. (2019), states that it is the process of conveying stimuli or signals to other individuals in groups, in organizations and in society, creating, sending and using information to coordinate their environment and other people. The communication process can be done verbally and non-verbally.

Communication as a process of conveying information or stimulus to recipients of information can be carried out by other individuals, groups, organizations or the masses. This research will discuss the process of conveying information in an organization to influence individuals within it to achieve organizational goals. Several experts expressed opinions regarding organizational communication.

According to Goldhaber (1993), Pace and Faules (2001) in Awaru et al (2019), organizational communication is the process of creating and exchanging messages in a network of relationships that depend on each other to overcome an uncertain or ever-changing environment. The interpretation of exchanging messages in a network of relationships is the units in the organization.

2.2. Organizational Governance
Governance can be defined as: “The system by which entities are directed and controlled. It is concerned with the structures and processes for decision making, accountability, control, and behavior at the top of an entity. Governance influences how organizational goals are set and achieved, how risks are monitored and handled, and how performance is optimized.

Governance is a system and process, not a single activity and therefore the successful implementation of a good governance strategy requires a systematic approach that combines strategic planning, risk management and performance management. A formal organization is an institution that has a legal entity and is recognized by law as a legal entity. Governance practices are carried out by leaders who have been appointed with full legitimacy by the owner or representative of the organization's management. Organizational leaders bring the organization according to the vision, mission, and goals of the organization in facing various political, economic, and social challenges.

The existence of governance has implications for economic development and social welfare. First, related to incentives and performance assessment measures. Second, related to the implementation of mechanisms for assessing accountability and transparency to ensure that increased welfare as a result of increasing company value has been distributed evenly and can
be accounted for (Lukviarman, 2016: 17). Apart from that, governance is related to controlling the balance between economic and social goals which include individual goals as well as collective goals. The governance framework is aimed at increasing the efficiency of resource use and the need for accountability in running these resources, the aim of which is to align as closely as possible the interests of individuals, companies, and society (Priharta & Rahayu, 2019).

In another perspective, Monks and Minow (2011) place governance as an effort to maintain the relationship between three important actors in every company, namely owners, management, and the board of directors. Furthermore, the relationship between the three actors will greatly determine the direction and performance in accordance with the established mechanism. The lack of emphasis on the control aspect in this definition implies that a harmonious relationship in accordance with each domain will ensure the effective functioning of corporate control mechanisms in accordance with governance objectives.

Hospitals according to Law no. 44/2009: "Hospitals are health service institutions that provide comprehensive individual health services that provide inpatient, outpatient and emergency services." Decree of the Minister of Health of the Republic of Indonesia No. 340/MENKES/PER/III/2010 states: "Hospitals are health service institutions that provide comprehensive individual health services that provide inpatient, outpatient and emergency services."

2.3. Strategic Leadership

Strategic leadership began with various problems that emerged at the beginning of the 21st century. Some turbulence occurred due to increasing globalization and technology, and was further exacerbated by several other factors such as substantial volatility, namely the terrorist attack that occurred on September 11 2001. Terrorist attack at the World Trade Center, New York and the Pentagon, Washington, took many lives. This is a point of change from current politics and business to the future. Terrorist acts have changed the way of business globally, there have been problems with supply chains, travel delays and disruptions in communications. The global economic decline, unstrategic leadership, lack of supervision of business companies worsened the economic situation at that time. Analysis from various observers at that time stated that leadership was not very strategic, as seen from the orientation of loans which were short term and were not aimed at long term investment.

Effective strategic leadership is needed to improve all situations that occur. This strategic leadership model began to be developed in the late 1990s. Javidan et al in Hitt (2010) stated: "Strategic leaders must have global thinking. Leaders must have a complete understanding of their organization which fits the global competitive landscape, even though competing globally. Strategic leaders must pay attention to competitors who are global multinationals."

Strategic leadership according to Rowe (2001), Daft (2005), Ireland and Hitt (1999), Boal and Hooijberg (2001), Speziale (2015), is the leader translating the mission, vision, and institutional goals. This mission states the specific purpose or reason for the organization. This strategic leadership has the ability to anticipate and to see the future, has flexibility, thinks strategically, as well as creates and initiates change to excel in competition by empowering every individual in an organization or company. Leaders create strategies that adapt to changing situations and changes in organizational governance.

Nutt in Hitt (2010) stated: "Strategic leaders must be careful in managing human capital and social capital effectively to achieve an agile organization and stay ahead of
competitors. Flexible to be proactive about the competitive actions of other organizations, while still paying attention to business ethics.” McGrath & MacMillan in Hitt (2010) stated: “Effective strategic leaders must operate in conditions of uncertainty, see volatile environments as opportunities and apply an entrepreneurial mindset. This mindset identifies and exploits opportunities.”

The key word in several statements by previous researchers regarding strategic leadership is a leader's ability to organize individuals and groups in their organization so that they can compete and achieve organizational goals. Strategic leaders enable their organizations to continue operating in facing the changes in organizational governance.

3. Research Method

Qualitative research is an inductive process that organizes data into categories and identifies the relationships that exist between categories so that data and meaning emerge organically in a research context (McMillan and Schumacher, 1993). This research uses a qualitative approach with an interpretative phenomenological paradigm which aims to understand the meaning, events, symptoms that arise, and/or interactions for individuals in certain conditions and situations in life which emphasizes history and individual motives.

The informants in this research were adapted to the research method used in the research, namely qualitative phenomenology. Phenomenological research is research that explores informants who have experience in an activity. In this case, the experience is when hospitals face the dynamics of changes in hospital governance in the era of National Health Insurance. The selection of informants was based on their relationship with strategic leadership in implementing the National Health Insurance program.

This is reinforced by Neuman (2003), stating: "Researchers select informants according to certain predetermined criteria that are appropriate to the research topic." The informants selected must be considered credible to answer the research problem. The informants chosen in this research include:

1. The informant as a hospital leader is the leader who makes the decision for the hospital to choose to participate in the national health program.
2. Informants as hospital management. Consists of Medical Services Manager, Finance, HR. This management team knows the background of strategic leadership in the hospital.
3. The informant as Head of the Casemix team coordinates the implementation of the program.

4. Discussion and Results

4.1. Discussion

The researcher conducted interviews with twelve informants from three type C private hospitals. The researcher asked about their experiences regarding strategic leadership practices in type C private hospitals. The data was reviewed not only on the experiences conveyed by the informants, but also through reviewing literature from several journals regarding leadership in facing change.

Researchers asked about their experiences regarding strategic leadership in changing hospital governance. The questions were with regards to changes in hospital management, and various possible risks that occur. Each informant's statement was given meaning by the researcher. Each of these meanings produces themes of strategic communication and leadership practices such as: There are themes from each informant's statement regarding strategic
leadership practices. Themes in strategic leadership are: (1) Challenges are opportunities; (2) Studying changes in hospital governance; (3) Risk mitigation by mapping problems and solutions. These sub-themes describe the strategies carried out by leaders in implementing superior programs in the hospitals they lead.

4.2. Results

Strategic leadership practice has a theme, namely visionary leadership. It is a leader who studies the existing regulations in changing hospital governance. Leaders prepare themselves and interpret change as an opportunity. Leaders consider the risks they will face. The leader together with the team maps the problem and solution. The strategy of creating superior health service products while still paying attention to applicable regulations, is something that is analyzed in strategic leadership practices.

There are themes from each informant's statement regarding strategic leadership practices. The theme in strategic leadership is visionary leadership with sub-themes, namely: (1) Challenges are opportunities; (2) Studying applicable regulations and creating superior products; (3) Risk mitigation by mapping problems and solutions. These sub-themes describe the strategies carried out by leaders in implementing superior programs for the hospitals they lead.

In the informants’ experiences regarding health insurance provided by the government, there is a common understanding between the informants' experiences regarding the concept of government health insurance in strategic leadership practices. Government programs are supported by all Indonesian Hospital Association (PERSI). This was stated by the chairman of PERSI, Kuntjoro (2019) as follows:

"PERSI welcomes policies that side with the common interests of the community participating in government programs, hospitals and of course the Government. PERSI explains the complex issues of quality and access to health services, especially hospitals. The existence of hospital class levels based on service capabilities also indicates differences in the capabilities of available resources."

PERSI's presentation emphasized that health programs are good because they support the common interest. Hospital class levels such as types D, C, B and A are the level of resources owned by the hospital. Hospitals prepare themselves in terms of quality and access to health services.

A similar thing was stated by the Secretary General of ARSSI, Ichsan (2015) regarding the readiness of private hospitals to participate in government programs by collaborating with BPJS for Health (Social Health Insurance Administration Body), as follows:

"Preparing to collaborate with BPJS for Health was initially a bit troublesome, considering that private hospitals are for-profit. So there are many habits that must be changed in private hospitals. First of all, the internal staff must have a lot of trainings. All officers must be trained."

The private hospital association reminded private hospitals that participate in government programs for changing their habits. Hospital leaders must be strategic in preparing teams that serve health. They must map the hospital's needs, so that it can survive.

The empirical statement conveyed by the Chairman of PERSI and the Secretary General of ARSSI (Indonesian Private Hospital Association) is reflected in the statements of informants from three private hospitals. They think strategically about health programs delivered by the government as well as understand the political regulations of the government which are applied to the entire population of Indonesia and are inevitably followed by all
hospitals even though according to Minister of Health Regulations, it is only required for government, regional and army hospitals. However, for private hospitals, this political challenge has become an opportunity.

Visionary leadership that is able to answer (1) challenges as opportunities; So the hospital’s participation in the government program is an opportunity because the government owns the program, and the payer is very clear. The health program delivered by the government is enthusiastic about improving hospital governance and maintaining service quality.

Hospital leaders carry out internal and external communication in decision making when participating in this program. Internal communication is carried out to shareholders, specialist and general doctors as collaboration partners and employees. External communication is carried out to suppliers, patients, and hospital partners. Communication is built in stages from unit leaders to top leaders and regular meetings are held with all parties.

Visionary leadership in responding to challenges is also applied to the next elements (2) Studying existing regulations and creating superior products. The leader and the team study the regulations while maintaining service quality. Leaders analyze patient visits and services to create superior programs. Equipment and equipment that is not owned by the hospital, is carried out in collaboration with other parties such as higher-level hospitals and first level health facilities. Creation of these superior products with communication from the medical team and financial team. Decisions from a medical perspective and operational costs are discussed in depth to create service programs. Existing service programs are communicated by the hospital marketing team to be conveyed to BPJS for Health, to collaborating private insurance companies, and to the patients.

The next strategic leadership practice is (3) Risk mitigation by mapping problems and solutions. Leaders carry out tiered communication from unit to department level. Leaders and teams mitigate risks both from services, finances, and operations. They carry out problem mapping, possible risks. For every problem that might arise, alternative solutions are prepared. Each stage of this alternative solution is communicated to prepare patient service procedures.

5. Conclusion

The health programs established on January 1, 2014 are government programs that have many challenges, including political challenges. For this reason, the program which was held for the entire Indonesian population and was mandatory for government, regional and army hospitals, finally included private hospitals. Private hospital leaders who think strategically see that this program is not only a challenge, but also an opportunity. Implementing government programs is an opportunity but has risks.

These possible risks are addressed by strategic leadership. Leaders create superior services that are adapted to applicable regulations. Leaders also carry out risk mitigation, analyzes of risks that may arise, and risk mapping with solutions.

6. Research Limitations

This research has limitations because it only analyzes strategic leadership practices in private hospitals. This research can still be developed into the impact of strategic communication and leadership on hospital performance or the impact of strategic communication and leadership on employee loyalty.
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