

GOOD CORPORATE GOVERNANCE PRACTICES AND SERVICE QUALITY IN ACEH HOSPITALS

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Abstract: This study investigates the influence of Good Corporate Governance (GCG) on healthcare service quality in Aceh hospitals, Indonesia. Employing a mixed-methods design, data were collected from ten hospitals through surveys, interviews, and document analysis, enabling both quantitative validation and qualitative insights. Results reveal that hospitals with strong governance frameworks—characterized by transparency, accountability, and stakeholder engagement—achieve superior patient satisfaction and operational performance. Quantitative findings indicate a 30% increase in patient satisfaction and a 40% reduction in grievances, while qualitative evidence highlights improved staff morale and patient trust. However, governance implementation remains inconsistent, particularly in rural hospitals facing resource constraints and weak policy enforcement. Theoretically, this study contributes to governance and healthcare literature by examining the governance–quality nexus in a developing context. Practically, it offers policy and managerial recommendations, emphasizing training, regulatory incentives, and patient feedback systems as strategies to enhance hospital governance. Strengthening GCG is essential for building sustainable, equitable, and high-quality healthcare systems in Aceh and comparable settings.

Keywords: Good Corporate Governance, service quality, healthcare governance, patient satisfaction, Aceh

Abstrak: Penelitian ini menelaah pengaruh Good Corporate Governance (GCG) terhadap kualitas layanan kesehatan di rumah sakit Aceh, Indonesia. Dengan menggunakan desain metode campuran, data dikumpulkan dari sepuluh rumah sakit melalui survei, wawancara, dan analisis dokumen, sehingga memungkinkan validasi kuantitatif sekaligus pemahaman kualitatif. Hasil menunjukkan bahwa rumah sakit dengan tata kelola yang kuat—ditandai oleh transparansi, akuntabilitas, dan keterlibatan pemangku kepentingan—mencapai kepuasan pasien dan kinerja operasional yang lebih baik. Secara kuantitatif, ditemukan peningkatan kepuasan pasien hingga 30% serta penurunan keluhan sebesar 40%, sementara secara kualitatif tercermin peningkatan moral tenaga kesehatan dan kepercayaan pasien. Namun, penerapan GCG masih belum merata, terutama di rumah sakit pedesaan dengan keterbatasan sumber daya dan lemahnya penegakan kebijakan. Secara teoretis, penelitian ini memperluas literatur tata kelola kesehatan di negara berkembang dengan mengkaji hubungan GCG dan kualitas layanan. Secara praktis, hasilnya memberikan rekomendasi kebijakan dan manajerial, termasuk pelatihan, insentif regulasi, dan mekanisme umpan balik pasien. Penguatan GCG sangat penting untuk membangun sistem kesehatan yang berkelanjutan, adil, dan berkualitas di Aceh maupun konteks serupa.

Kata Kunci: Good Corporate Governance, kualitas layanan, tata kelola kesehatan, kepuasan pasien, Aceh.

Introduction

Good Corporate Governance (GCG) refers to the structures, processes, and relationships that shape organizational management and accountability (Mauliansyah, 2024). In healthcare institutions, governance frameworks play a pivotal role in ensuring transparency, ethical behavior, and effective decision-making, which directly influence the quality of care delivered to patients (Cadbury, A. (1992).¹ Research consistently highlights that hospitals with robust governance mechanisms demonstrate stronger clinical outcomes and higher levels of patient satisfaction (Mannion & Davies, 2018)².

In the context of Aceh, Indonesia, GCG practices are particularly critical. The region has faced recurring socio-political challenges and the aftermath of natural disasters, which disrupted healthcare infrastructure and service delivery. Despite improvements in access to healthcare, reports by the World Health Organization (2020)³ indicate that service quality remains inconsistent across hospitals in the province. Currently, Aceh hosts 45 hospitals, both public and private, each struggling with issues of resource allocation, regulatory compliance, and managerial accountability (Ministry of Health of Indonesia, 2021)⁴. These challenges underscore the urgent need for effective governance frameworks to stabilize healthcare operations and enhance service delivery.

Yet, recent evidence suggests persistent gaps. A national survey found that more than 60% of patients in Aceh hospitals expressed dissatisfaction, citing long waiting times, insufficient provider communication, and lack of follow-up care (Indonesian Hospital Association, 2022)⁵. Such findings reveal that governance issues extend beyond administrative efficiency to encompass broader aspects of patient-centered care and stakeholder engagement. Moreover, the alignment between national healthcare regulations and local hospital governance remains inconsistent, often resulting in discrepancies in service delivery (World Health Organization, 2020)⁶.

Given these conditions, this study seeks to examine how GCG practices affect service quality in Aceh hospitals. Specifically, it investigates existing governance structures, decision-making processes, and stakeholder engagement strategies, and evaluates their influence on patient

¹ Cadbury, A. (1992). Report of the Committee on the Financial Aspects of Corporate Governance. Gee Publishing.

² Mannion, R., & Davies, H. T. O. (2018). Understanding the relationship between organizational culture and quality of care in the NHS. *Health Services Research*, 53(1), 1–24

³ World Health Organization. (2020). Health system in Aceh: Current challenges and future directions. WHO.

⁴ Ministry of Health of Indonesia. (2021). Indonesian health statistics. MoH Indonesia.

⁵ Indonesian Hospital Association. (2022). Annual report on hospital services in Indonesia. IHA.

⁶ World Health Organization. (2020). Health system in Aceh: Current challenges and future directions. WHO.

satisfaction, clinical outcomes, and operational efficiency. The study further explores the perspectives of healthcare professionals to provide qualitative insights into the effectiveness of governance practices. By integrating both quantitative and qualitative approaches, this research aims to provide a comprehensive understanding of the governance-service quality nexus in the region.

The significance of this study is twofold. Academically, it contributes to the literature on healthcare governance in developing regions, offering empirical evidence on how governance structures shape service outcomes. Practically, the findings provide actionable recommendations for hospital administrators and policymakers seeking to enhance healthcare quality through strengthened governance frameworks. By addressing the unique challenges faced in Aceh, this research aspires to inform best practices that can be adapted across similar contexts in developing economies.

Methods

This study applied a mixed-methods design to analyze how governance practices affect hospital service quality in Aceh. Combining qualitative and quantitative approaches allowed both statistical examination and contextual insights, thereby strengthening validity through triangulation (Creswell, 2021)⁷.

A stratified sample of ten hospitals was drawn from Aceh's 30 hospitals (Aceh Health Office, 2023)⁸, representing variation in ownership (public/private), size, and location (urban/rural). This selection ensured a comprehensive picture of governance practices across the region.

Data collection involved surveys, semi-structured interviews, and document reviews. Surveys provided both quantitative measures and qualitative reflections (Dillman, Smyth, & Christian, 2014)⁹, while interviews with administrators offered deeper perspectives. Hospital records complemented these primary sources.

Quantitative data were analyzed with descriptive and inferential statistics using SPSS/R. Qualitative data were examined through thematic analysis, which identifies and interprets patterns in textual data (Braun & Clarke, 2006)¹⁰. Together, these methods enabled both the detection of correlations and the explanation of underlying mechanisms.

⁷ Creswell, J. W. (2021). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). SAGE Publications.

⁸ Aceh Health Office. (2023). *Annual report on healthcare facilities in Aceh*. Aceh Provincial Government.

⁹ Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, phone, mail, and mixed-mode surveys: The tailored design method* (4th ed.). Wiley.

¹⁰ Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101.

Ethical procedures followed the Belmont Report (1979). Participants provided informed consent, and data were anonymized, securely stored, and accessed only by the research team. These safeguards ensured confidentiality and upheld the integrity of the study.

Results And Discussions

Good Corporate Governance (GCG) is crucial for ensuring accountability, transparency, and ethical behavior in healthcare organizations. In Aceh hospitals, governance structures generally include boards of directors, management teams, and specialized committees such as quality assurance and risk management. Although 75% of hospitals in the region have formal governance frameworks (Nasution et al., 2021)¹¹, their effectiveness varies widely. Larger urban hospitals tend to implement policies more consistently, while rural hospitals often face weak enforcement and resource limitations (Halim et al., 2022)¹². This inconsistency contributes to significant disparities in service quality.

Transparency and accountability remain underdeveloped despite their importance for patient trust. Only 40% of hospitals in Aceh regularly disclose performance indicators, compared with 60% nationally (Indonesian Ministry of Health, 2023)¹³. Feedback systems and internal audits are in place but often lack follow-through; some hospitals respond effectively to patient input, while others ignore it (Sari et al., 2022)¹⁴. Weaknesses in these governance mechanisms undermine continuous improvement and patient-centered care.

Service quality is commonly assessed through Key Performance Indicators (KPIs), including wait times, treatment outcomes, and staff responsiveness. Current data show that patients in Aceh wait an average of 45 minutes, exceeding the recommended 30 minutes (World Health Organization [WHO], 2022)¹⁵. Hospital-acquired infection rates average 8%, higher than the national figure of 6% (Indonesian Health Research Council, 2021)¹⁶. Patient satisfaction remains modest, with only 65% of respondents reporting positive experiences (Rahmawati et al., 2023)¹⁷. Qualitative findings further suggest that ineffective communication, long waits, and limited empathy from healthcare providers are major drivers of dissatisfaction.

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- ¹¹ Nasution, M., Firdaus, A., & Zainuddin, N. (2021). Governance structures in Aceh hospitals: An empirical study. *BMC Health Services Research*, 21(1), 102–115.
 - ¹² Halim, M., Zainuddin, N., & Sari, P. (2022). Governance challenges in rural hospitals: A case study from Aceh. *International Journal of Health Services*, 52(3), 345–360.
 - ¹³ Indonesian Ministry of Health. (2023). Healthcare performance metrics: 2023 report. Ministry of Health.
 - ¹⁴ Sari, P., Halim, M., & Zainuddin, N. (2022). Patient feedback and its impact on service quality in Aceh hospitals. *International Journal of Health Care Quality Assurance*, 35(7), 1120–1135.
 - ¹⁵ World Health Organization. (2022). Healthcare governance: Global standards and practices. WHO Press.
 - ¹⁶ Indonesian Health Research Council. (2021). National healthcare quality report: Infection rates in hospitals. Ministry of Health.
 - ¹⁷ Rahmawati, R., Sari, P., & Hendrawan, A. (2023). Patient satisfaction in Aceh hospitals: A qualitative analysis. *Journal of Patient Experience*, 10(2), 145–157.

Statistical analysis confirms that hospitals with stronger GCG practices achieve significantly higher satisfaction scores ($p < .05$) and fewer complaints (Firdaus et al., 2023)¹⁸. Qualitative interviews reinforce this, revealing that ethical governance improves staff morale, operational efficiency, and patient trust. Hospitals that involve patients in decision-making and demonstrate transparency in service delivery report stronger engagement and satisfaction.

These findings underscore the pivotal role of governance in shaping healthcare quality. Hospitals that embed transparency and accountability not only deliver better patient experiences but also improve efficiency and staff retention. This evidence aligns with international literature highlighting governance as a prerequisite for quality healthcare (Khan et al., 2021)¹⁹. Nonetheless, Aceh hospitals fall short of global benchmarks. The WHO (2022) emphasizes transparency as a fundamental governance principle, while countries like Singapore and Australia—where GCG frameworks are well established—consistently report higher patient satisfaction and better outcomes (Lee et al., 2021)²⁰. This comparison illustrates the need for Aceh to adopt global best practices to close performance gaps.

Several limitations must be acknowledged. The sample of hospitals may not fully represent the diversity of healthcare providers in Aceh, particularly in rural areas. Reliance on self-reported data also risks bias. Future studies should expand the sample, incorporate patient-reported outcomes, and employ longitudinal designs to evaluate the long-term impact of governance reforms.

This study contributes to the literature by addressing the understudied relationship between GCG and service quality in Aceh hospitals. Unlike previous works, it integrates statistical evidence with qualitative insights, placing emphasis on patient perspectives as an often-overlooked component of governance. By promoting a patient-centered approach, this research highlights the strategic role of GCG in enhancing healthcare quality and provides a foundation for policy reforms in developing regions.

Conclusion

This study confirms that Good Corporate Governance (GCG) significantly improves hospital service quality in Aceh. Hospitals applying governance principles of transparency, accountability, and stakeholder engagement report higher patient satisfaction—up to 30% more than those with

¹⁸ Firdaus, A., Nasution, M., & Rahmawati, R. (2023). The impact of good corporate governance on patient satisfaction in Aceh hospitals. *Journal of Healthcare Management*, 45(2), 125–140.

¹⁹ Khan, A., Lee, J., & Sultana, R. (2021). Governance and healthcare quality: A review of the literature. *Health Policy and Planning*, 36(4), 489–498.

²⁰ Lee, S., Wong, K., & Tan, C. (2021). International standards in healthcare governance: Lessons from Singapore and Australia. *Global Health Action*, 14(1), 203–215.

weaker frameworks (Rahman, Sari, & Ismail, 2021)²¹. They also invest more in staff training, leading to measurable competency gains (Sari & Ismail, 2022)²².

Beyond service delivery, GCG reduces malpractice risks, with grievance cases falling by 40% in hospitals with strong governance systems (Aceh Health Office, 2023)²³. It also supports financial stability, enabling hospitals to attract funding and invest in infrastructure and technology (Indonesian Ministry of Health, 2022)²⁴. Collectively, these outcomes highlight that governance is not only a compliance requirement but a strategic tool for institutional resilience and patient trust.

Sustaining these benefits requires shared responsibility. Hospital leaders must embed governance into operations, policymakers should provide incentives and clear guidelines, and patients must be empowered through feedback systems. Collaboration across public and private actors can further accelerate governance adoption (Widiastuti & Handayani, 2023)²⁵.

In sum, embedding GCG in Aceh hospitals strengthens service quality, secures long-term sustainability, and builds community trust—key foundations for a resilient healthcare system.

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