

Improving partnership performance of BPJS Healthcare in Indonesia

BPJS
Healthcare

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Abstract

Purpose – This study aims to investigate and analyze how to improve the partnership performance of BPJS Healthcare in Indonesia. The authors developed a new construct called engagement religious compliance (ERC). The antecedents of ERC include partnership commitment, perceived benefit and communication quality. This study will examine how the regression relationship of the five constructs will be. Therefore, their influence in increasing the partnership performance of BPJS Healthcare will be known as well.

Design/methodology/approach – This study used a mixed method. Quantitatively, respondents comprised 88 leaders from 45 Islamic hospitals in collaboration with BPJS Healthcare in Central Java, Indonesia, selected through a census. Furthermore, the data collection technique of this study used a questionnaire and it will be then analyzed by using partial least squares-structural equation modeling. Then, qualitatively, the data collection technique used in-depth interviews and focus group discussions, whereas the data were analyzed by using the interpretivist approach.

Findings – The new ERC construct is proven to be able to improve the partnership performance of BPJS Healthcare in Indonesia. In addition to ERC, partnership performance can be increased through partnership commitment, perceived benefit and communication quality. ERC is proven to be a mediating variable in improving partnership performance.

Originality/value – This research used ERC, a variable that mediates the effect of partnership commitment, perceived benefit and communication quality on increasing partnership performance. ERC is a novelty proposed in this study because, to the best of the authors' knowledge, it has not been discussed by any previous research.

Keywords Engagement religious compliance, Partnership performance, BPJS Healthcare, Partnership commitment

Paper type Research paper

Introduction

Companies that provide good services always comply with rules or laws. Organizational compliance is implemented when the company develops its services and when partnering with other organizations. Furthermore, organizations that form partnerships focus on the quality of services provided to customers and their relationships with other organizations.

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A partnership is a strategic relationship between companies to achieve predetermined goals with mutual benefits and high interdependence (Mohr and Spekman, 1994). One marketing strategy used in this relationship is marketing partnership. It is one of the 5P elements in the social marketing mix (Duane and Domegan, 2018). In a marketing partnership, companies collaborate with other parties in implementing marketing strategies to ensure superior performance. Based on (Duane, 2012), marketing partnerships in this study were developed using the partnership commitment, perceived benefit and communication quality aspects.

Several studies show limitations to partnering relationships in organizations (McQuaid, 2000, 2010). In addition, they show controversial results regarding the role of partnership commitment, perceived benefit and communication quality in improving partnership performance. Lee and Kim (2015) stated that commitment shows a positive and strong relationship with the success of outsourcing partnerships. Furthermore, Ee *et al.* (2013) showed that partnership commitment does not affect outsourcing performance. On the contrary, according to Moeller (2010), network commitment positively affects network performance. In line with this, De Waal and de Haas (2019) stated that partnership success is directly influenced by commitment. However, Shin *et al.* (2019) stated that partnership commitment could not improve financial performance. Lee and Kim (1999) suggested that benefits and risks share do not significantly relate to participation. Conversely, Lee and Kim (2015) found that benefits positively and significantly related to the success of outsourcing partnerships. Furthermore, Menon *et al.* (1999) stated that communication quality does not affect organizational performance. In contrast, Chang *et al.* (2011) found a positive relationship between communication quality and performance. Similarly, Yu and Shiu (2014) showed that communication quality positively and significantly influences partnership performance.

One organization that forms partnerships is BPJS Healthcare (social security administering body). The government formed BPJS Healthcare to improve the health of Indonesians and partners with hospitals, health clinics, doctors and pharmacies. The BPJS Healthcare has received many complaints from hospitals regarding its rules, which have not met its partners' expectations. This is consistent with Ratnawati *et al.*'s (2016) which showed a significant difference between the expectations of BPJS Healthcare partners and its services performance.

Hospitals complain when partnering with BPJS Healthcare, though there are many benefits. For instance, the BPJS Healthcare system monitors the performance of hospitals and doctors whose patients complain about lateness. Moreover, there is a system to ensure doctors serve patients at agreed hours or receive no claim from BPJS. The system monitors the hospital's performance and creates a conflict of interest in case of unwillingness to implement partnership rules. Therefore, engagement religious compliance (ERC) was proposed to promote the partners' willingness based on religious beliefs.

Partnering with BPJS also causes problems, such as facilitating fraud, as stated in the Regulation of the Minister of Health of the Republic of Indonesia Number 16 of 2019. The opportunity for fraud in partnerships with BPJS made studies to propose ERC, where the organization would implement rules based on religious values.

Partnerships in the health-care industry need the support of all stakeholders to increase performance. This support could be realized through engagement in achieving objectives or manifested in compliance by implementing rules based on religious values. This shows that engagement, compliance and religious values connect marketing partnerships in the service industry with performance. As a result, marketing partnerships and ERC are expected to improve performance in the long term.

Based on the previous studies above, there are inconsistencies in research findings regarding the role of marketing partnerships in improving partnership performance. On the one hand, marketing partnerships can be a driver of increasing partnership performance. But marketing partnerships are not a determinant of partnership performance. Likewise, in the business phenomenon, it is also seen that partnerships, apart from generating benefits, can also cause problems. Therefore, a new concept is urgently needed to fill the research gap regarding the role of marketing partnerships in improving partnership performance. This study develops new concept, namely, ERC and raises the research problem as follows: "How to improve partnership performance through the ERC based on partnership marketing?"

ERC is a new concept that integrates the SERVQUAL model (Othman and Owen, 2001; Parasuraman *et al.*, 1985), partnership theory (McQuaid, 2000) and social identity theory (Tajfel and Turner, 1979). The ERC concept is a novelty proposed in this study because it has not been discussed previously.

Literature review

Engagement religious compliance

ERC is a new concept, which is a combination of three concepts: engagement, religious and compliance. First, the concept of engagement is derived from the partnership theory developed by McQuaid (2000). The theory states that a partnership involves cooperation between people or organizations in public or private sectors for mutual benefit. Engagement is part of participation where the organization involves key stakeholders in cooperative relationships to achieve positive results (Erdiaw-Kwasie *et al.*, 2017).

Second, the concept of religious is derived from social identity theory (Tajfel and Turner, 1979) which introduces the concept of social identity as a way to explain behavior among groups. In the perspective of social identity, religious is an identity, both for individuals and groups. In a partnership relationship, behavior between groups with partners can be seen from their social identity. This study used an Islamic perspective concerning HQ. Al-A'raf verse 172 and HQ. Ar-Rum: 30, the opinion of Safrilsyah *et al.* (2010), Glock (1962) and Ancok and Suroso (2011). ERC plays a role when a service organization that has a religious identity is engaged in providing services to the community and then enters into partnerships with other organizations so that these organizations in doing partnership cannot be separated from service and a religious mindset. Everything that is done related to the partnership will always be returned to God (God is all-seeing, all-knowing).

Third, compliance is derived from the SERVQUAL model developed by Parasuraman *et al.* (1985) and Othman and Owen (2001) under the name Carter model. The SERVQUAL aspects in Carter's model include assurance, responsiveness, tangibles, empathy, reliability and compliance. Othman and Owen (2001) found that compliance can be used to assess the compliance of an organization that establishes a partnership in providing services, to the applicable partnership rules.

The synthesis of engagement from the partnership theory, religion from social identity theory and compliance from the SERVQUAL model approach resulted in a novelty called ERC.

The ERC concept implies an organization's engagement in partnering based on compliance and religious norms, developed based on the following considerations. First, engagement is required when organizations partner to ensure a satisfying partnership with an emotional bond. This is in line with Pansari and Kumar (2017), which stated that a relationship progresses to engagement when satisfying and has an emotional bond. Second, the partnership between the two organizations needs the support of all the stakeholders involved to produce a good performance. This support is realized through each partner's engagement in achieving objectives. Third, partner compliance is required in implementing

the partnership rules. Compliance is abiding by the regulations set by those authorized to regulate the partnerships between organizations. Fourth, compliance is based on religious values. Based on the four considerations, ERC was formulated as a combination of engagement, compliance and religious values.

The combination of the three concepts results in ERC, with the indicators proposed in this study are:

- The organization's willingness to carry out partnership rules according to Sharia provisions.
- Organizations are happy to provide partnership services Islamically.
- The organization pays serious attention to the implementation of partnership rules according to religious teachings.
- Organization prepares additional regulations in running partnerships according to religious beliefs.
- Organization provides additional services in running partnerships according to religious teachings.
- Organization provides service instructions in running partnerships according to religious beliefs.

This new concept is expected to help a service organization partner with other organizations, such as the government. The partnership should focus on meeting customers' needs to obtain services that prioritize Islamic principles and laws. Furthermore, the organization will be able to guarantee the needs of Muslim customers or provide services according to the demands of partners.

Marketing partnership

One marketing strategy useful in a partnership is marketing partnership. In line with this, [Duane and Domegan \(2018\)](#) stated that marketing partnership is a part of the 5P social marketing mix. However, the scope and substance of partnerships in social marketing are ambiguous and underused.

[Duane \(2012\)](#) identified seven characteristics of a marketing partnership. They include relationship commitment and trust, mutual benefit, shared values, communication, cooperation, the expectation of continuance and tension. This study used marketing partnership with partnership commitment, perceived benefit and communication quality aspects.

Partnership commitment

In the Islamic perspective, commitment is critical when a person or an organization cooperates. Commitment in carrying out obligations and avoiding Allah's prohibitions manifest a human being as God's creature. Furthermore, the commitment to partnering is realized by carrying out obligations and avoiding the prohibitions in the partnership agreement (HQ. Al Fath: 10).

[Shin et al. \(2019\)](#) defined partnership commitment as the company's willingness to invest financially or physically in a partnership relationship. According to [de Waal and de Haas \(2019\)](#), it is realized by partners able to fulfill the contractual commitments and achieve strategic goals. Furthermore, the partners should prioritize long-term goals before short-term benefits and view partnerships as essential. [Ryu et al. \(2009\)](#) found that commitment positively affects collaboration in the partnership process. Similarly, [Morgan and Hunt \(1994\)](#) stated that relationship commitment positively relates to cooperation. Therefore,

enhanced relationship commitment increases cooperation. In addition, commitment to work and organization will increase engagement (Chalofsky and Krishna, 2009).

This explanation means that a higher partner's commitment increases their engagement. Also, greater commitment to partnering increases the partners' engagement based on religious compliance. Therefore, the first hypothesis is proposed as follows:

- H1. The higher the partner's commitment, the higher engagement religious compliance will be.

Perceived benefit

Perceived benefit indicates a marketing partnership based on mutual benefit. In this case, mutual benefit is a tangible or intangible reward from a partnership (Duane, 2012) where each partner benefits directly or indirectly from participation. Conversely, partner members become less committed to a change when there is no perceived benefit. Morgan and Hunt (1994) stated that increased relationship benefits improve cooperation. Moreover, interdependence results from a relationship where the participants share mutual benefits (Lee and Kim, 2015).

This explanation means that when the organization increasingly benefits from the partnership, the partners' engagement based on religious compliance increases. Therefore, the second hypothesis is proposed as follows:

- H2. The higher the perceived benefit, the higher the engagement of religious compliance will be.

Communication quality

Communication is a two-way process that combines formality, frequency and quality between parties in a partnership (Duane, 2012). It is used to convey information, persuade and influence others and is essential for any organization (Borca and Baesu, 2014). Therefore, communication quality is the extent to which group members perceive its flow as adequate, timely, accurate, complete and credible (Mohr and Sohi, 1995). According to Sengupta *et al.* (n.d.), communication quality is how its content is accepted and understood by other parties in the relationship. Furthermore, Chang *et al.* (2011) defined communication quality as the extent to which it is transferred between teams.

As a marketing activity in Islam, communication should always be based on the worship of Allah. Marketing activities should be performed to achieve mutual prosperity and not for temporary, group and self-interest (Zainal Rivai *et al.*, 2017). Moreover, continuous, open and two-way communication between parties ensures that information is transferred honestly (*qaulan sadida*) accurately. As a result, it creates high engagement of the parties to realize the partnership's goals. This engagement is based on compliance with the partnership and religious norms. Therefore, better communication quality between partners increases engagement based on religious compliance. The third hypothesis is proposed as follows:

- H3. The better the communication quality, the better the engagement religious compliance will be.

Partnership performance

Yu and Shiu (2014) stated that partnership performance is related to measuring and assessing the partner management's achievement based on the agreed program and

relationship goals. According to [Sodhi and Son \(2009\)](#), partnership performance is related to increasing the companies' operational efficiency. [Sodhi and Son \(2009\)](#) measured partnership performance using the strategic and operational aspects. In contrast, [Aulakh et al. \(1996\)](#) measured partnership performance through sales growth and market share. In contrast with the research of [Saad et al. \(2021\)](#) about relational risk and public-private partnership performance, partnership performance is measured through some indicators: enable continuous improvement, achieved partner's satisfaction, achieved performance effectiveness, met partners' requirements and led to improved project team satisfaction.

Engagement studies closely relate to partnership performance. [Anderson et al. \(1987\)](#) and [Dwyer and Oh \(1988\)](#) in [Yu and Shiu \(2014\)](#) stated that engagement in decision-making and goal implementation is a significant aspect of participation and determines the success of a partnership. In line with this, [Yu and Shiu \(2014\)](#) showed that participation positively and significantly influences partnership performance.

Engagement theory is based on the creation of successful collaboration ([Miliszewska and Horwood, 2006](#)) that positively relates to operational and financial performance ([Srivastava et al., 2017](#)). In addition, [Ryu et al. \(2009\)](#) stated that collaboration positively affects supply chain performance.

[Bakker and Bal \(2010\)](#) showed that job engagement positively relates to job performance. [Wefald and Downey \(2009\)](#) stated that engagement is considered cognitive and effective in one's work. Complications in one's work are viewed as positive, promoting engagement and increasing performance. Also, they could be perceived as negative, fostering stress and dissatisfaction as well as hindering performance. Furthermore, [Magoola et al. \(2021\)](#) investigated community engagement and public-private partnership projects in Uganda. The results show that there is a significant relationship between community engagement and the performance of public-private partnership projects. Thus, increasing community engagement has proven to be able to improve the performance of public-private partnership projects in Uganda.

The involvement of an organization in implementing the rules in accordance with the provisions of partnership and religious norms is believed to be able to improve partnership performance. This is based on the statement of [De Waal and de Haas \(2019\)](#) that management involvement will affect the success of the partnership, as well as the opinion of [Mohr and Spekman \(1994\)](#) that participation can increase the success of the partnership.

Some experts' opinions show that high engagement increases partnership performance. Also, the engagement of more partners based on religious compliance increases partnership performance. Therefore, the fourth hypothesis is proposed as follows:

H4. The higher engagement religious compliance, the more enhanced partnership performance will be.

Methodology

Variable measurement

Partnership commitment is the willingness of Islamic hospitals to maintain and develop partnerships with BPJS Healthcare, measured by six indicators adapted from [Duane \(2012\)](#). Perceived benefit could be direct or indirect, resulting from a partnership with BPJS Healthcare and measured by four indicators adapted from [Duane \(2012\)](#). Furthermore, communication quality is the information transfer between hospitals and BPJS Healthcare, implying the extent to which its contents are received and understood. The communication quality indicator was adapted from [Zainal Rivai et al. \(2017\)](#), [Mas'ud \(2017\)](#), [Yusuf \(2006\)](#), [Menon et al. \(1999\)](#) and [Widodo \(2011\)](#). Partnership performance is the result obtained by the

Islamic hospitals from their partnerships with BPJS Healthcare. This study adopted the partnership performance indicator from [Sodhi and Son \(2009\)](#), [Aulakh *et al.* \(1996\)](#) and [Mas'ud \(2017\)](#). In addition, ERC is based on compliance and religious norms when Islamic hospitals partner with BPJS Healthcare. This study measured ERC using six indicators (see [Appendix](#)).

Data sources

The research object was the Islamic hospitals in collaboration with BPJS Healthcare in Central Java, Indonesia. This study used a mixed method. Quantitatively, respondents comprised 88 leaders from 45 Islamic hospitals in collaboration with BPJS Healthcare in Central Java, Indonesia, selected through a census. All respondents were given a list of questions related to the variables used in the study electronically, face to face or via Google Form.

Qualitatively, this study collected the data through in-depth interviews and focus group discussions with resource persons from hospitals class B (one people), class C (two people) and class D (two people), so that there were five people in total. In Central Java, there is no Islamic hospital class A, so there is no data that can be analyzed.

According to the Regulation of the Minister of Health of the Republic of Indonesia No. 30 of 2019, hospitals in Indonesia are classified into class A, class B, class C and class D categories. This classification is based on the criteria of buildings and infrastructure, service capabilities, human resources and equipment.

Data analysis

Quantitatively, data were analyzed using partial least squares-structural equation modeling (PLS-SEM) with Smart PLS 3.0 because it can be used to explain whether there is a relationship between latent variables and to confirm theories (Chin and Newsted 1999 in [Ghozali and Latan, 2015](#)). Therefore, PLS-SEM is very appropriate to develop theory of this study. The content, face validity and confirmatory factor analysis were used to define the new concept of ERC.

Qualitatively, in-depth interview and focus group discussion (FGD) were conducted with the resource persons. To obtain valid data, this study used triangulation approach. Triangulation was carried out by seeking information from the resource persons. The triangulation results show that the same information has been obtained, so it can be concluded that saturated data has been produced.

Qualitative data analysis in this study used the method proposed by Miles and Huberman ([Afrizal, 2017](#)) which was carried out in cycles, starting from stage one to stage three and then returning to stage one, as follows: (1) data codification, (2) data presentation and (3) conclusion. In this study, the data were analyzed by using the interpretivist approach.

Results and discussion

Respondent identity

Respondents comprised of leaders of Islamic hospitals in Central Java in partnership with BPJS Healthcare. They included directors (46.7%), managers (11.1%) and heads of divisions (24.4%). The study objects were Islamic hospitals of class D (48.9%), class C (31.1%) and class B (11.1%). Furthermore, 68.9% of the hospitals have partnered with BPJS Healthcare since its establishment in 2014, 4.4% since 2015 and 15.6% since 2016. This data shows that the hospitals have experience partnering with BPJS Healthcare and know how the partnership works.

Content validity and face validity of engagement religious compliance

To determine the content validity of the new concept of ERC, it is done by exploring the literature related to the concepts of engagement, religious and compliance so as to materialize instruments that are able to measure ERC. The results of the exploration were then discussed and consulted with three professors and five doctors who are experts in marketing, strategic and Islamic economics. This is done so that the instruments used to measure ERC meet the standards and get approval from experts.

Instruments that have been approved by experts are then consulted with Islamic hospital leaders and health workers who understand the Islamic hospital and BPJS, to get input and ensure that each question item, both closed and open questions can be understood properly. The results of content validity and face validity of ERC can be seen in [Table 1](#).

Construct validity of engagement religious compliance

Construct validity is intended to determine whether the indicators used to measure the proposed new concept, namely, ERC, can truly measure the new concept of ERC. Construct validity was carried out through a pilot test by distributing questionnaires to 15 respondents. Furthermore, the data of the 15 respondents was tested for bivariate correlation between each indicator score and the total construct score. The correlation between each indicator (ERC1 on ERC6) and the total construct score (ERC) showed significant results. In conclusion, each indicator is valid. This means that the indicators used to measure the new concept of ERC have really been tested to measure the new concept of ERC.

No.	Indicators	Question items	Validation
1	Organization's willingness to carry out partnership rules according to Sharia provisions (ERC1)	In partnering with BPJS, our hospital is willing to carry out partnership rules according to Sharia provisions	Holy Qur'an Al-Baqarah 208, Holy Qur'an Ali-Imran: 132, Ancok and Suroso (2011),
2	Organizations are happy to provide partnership services Islamically. (ERC2)	In partnering with BPJS, our hospital is happy to provide services for BPJS patients Islamically	Brodie et al. (2011) and Kanaparan et al. (2017) FGD with 8 experts in Islamic management and economics, 2 hospital leaders and 3 health workers
3	The organization pays serious attention to the implementation of partnership rules according to religious teachings (ERC3)	Our hospital pays serious attention to the implementation of partnership rules according to Islamic teachings	
4	Organization prepares additional regulations in running partnerships according to religious beliefs (ERC4)	Our hospital prepares additional regulations (not listed in BPJS) in preparing products and services that are in accordance with religious beliefs	
5	Organization provides additional services in running partnerships according to religious teachings. (ERC5)	Our hospital provides additional services (not listed in the BPJS rules) for BPJS patients in accordance with Islamic teaching	
6	Organization provides service instructions in running partnerships according to religious beliefs. (ERC6)	In partnering with BPJS, our hospital provides service instructions in accordance with Islamic teachings	

Table 1. Indicators, question items and validation new concept of engagement religious compliance

Validity test, reliability test and evaluation of structural models

The convergent validity test of quantitative data is shown in [Table 2](#).

The convergent validity test results show that the PC6 indicator has a loading value of 0.476, below the required 0.7, and is excluded from the model. The PP2 indicator has a loading value of 0.644, which is useful because the study for scale development is allowed with a loading of 0.5–0.6 (Ghozali and Latan, 2015). Furthermore, the reestimation results show that all indicators have a loading value above 0.6 and significantly meet convergent validity.

Discriminant Validity is seen from the cross-loading between indicators and other constructs. The results show that the correlation of all constructs with their respective indicators is higher than with other constructs. This shows that the latent construct predicts indicators in their block better than in other blocks.

The average variance extracted values of all constructs ranged from 0.700 to 0.860, which is more than 0.5, indicating that they meet the reliability requirements. Also, the composite reliability of all constructs ranges between 0.942 and 0.961, whereas their Cronbach's alpha values range between 0.928 and 0.950, meaning they are reliable. Moreover, all the constructs' composite reliability values were greater than the Cronbach's alpha values, indicating that all the constructs are reliable.

Evaluation of the structural model predicts the relationship between latent variables. R^2 of the ERC and partnership performance variables are 0.566 and 43.4%, respectively. This shows that the model explains the ERC variable and predicts the partnership performance relatively well.

Code	Communication quality	Engagement religious compliance	Perceived benefit	Partnership commitment	Partnership performance
CQ1	0.813				
CQ2	0.924				
CQ3	0.903				
CQ4	0.885				
CQ5	0.906				
ERC1		0.898			
ERC2		0.948			
ERC3		0.890			
ERC4		0.866			
ERC5		0.878			
ERC6		0.886			
PB1			0.926		
PB2			0.931		
PB3			0.917		
PB4			0.936		
PC1				0.872	
PC2				0.916	
PC3				0.896	
PC4				0.911	
PC5				0.808	
PC6				0.476	
PP1					0.893
PP2					0.644
PP3					0.808
PP4					0.901
PP5					0.894
PP6					0.884
PP7					0.803

Table 2.
Convergent validity test

The full research model is shown in Figure 1.

Hypotheses testing

The results of testing the causality relationship are shown in Table 3.

Table 3 shows that all $H1-H4$ are accepted. Therefore, partnership commitment, perceived benefit and communication quality affect ERC, which influences partnership performance.

A specific indirect effect analysis was conducted to determine whether ERC mediates the effect of partnership commitment, perceived benefit and communication quality on partnership performance. The results are presented in Table 4.

Table 4 shows that the perceived benefit and communication quality variables affect partnership performance through ERC, with a P -value less than 5%. In contrast, partnership

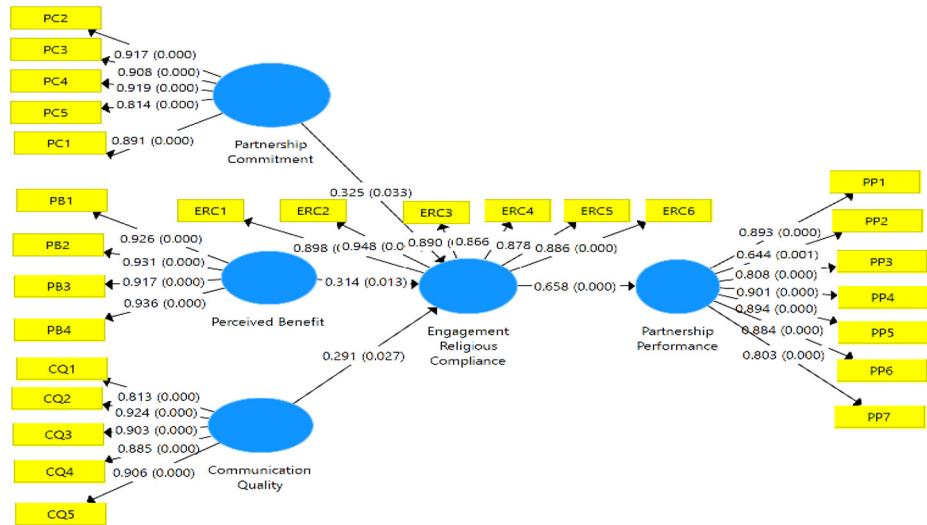


Figure 1. Full model

Table 3. Hypotheses testing results

Hypotheses	Effect	Path coefficient	P-value	Results
H1	Partnership commitment → ERC	0.325	0.033	Accepted
H2	Perceived benefit → ERC	0.314	0.013	Accepted
H3	Communication quality → ERC	0.291	0.027	Accepted
H4	ERC → Partnership performance	0.658	0.000	Accepted

Table 4. Specific indirect effect

Specific indirect effect	P-value
Partnership commitment → ERC → Partnership performance	0.076
Perceived benefit → ERC → Partnership performance	0.049
Communication quality → ERC → Partnership performance	0.045

commitment affects partnership performance through ERC, with a P -value of 0.076. Therefore, ERC is a mediating variable in the effect of partnership commitment, perceived benefit and communication quality on partnership performance.

Discussion

H1 states that high partnership commitment affects ERC. This hypothesis was accepted, indicating that partnership commitment determines the development of ERC unique in Islamic hospitals.

Five factors are developed and applied to indicate the degree of commitment to partnering between Islamic service companies. The five indicators include maintaining, developing, prioritizing partnerships as fundamental for the organization, essential and an emotional bond with partners.

Content and face validity and confirmatory factor analysis were conducted to define ERC. The results showed that an organization's engagement in partnering involved complying with rules and religious norms. The engagement is typical for Islamic service companies indicated by their willingness to implement partnership rules according to religious norms. Moreover, the companies provide services based on Shariah rules, implement additional regulations and provide partnership instructions according to religious teachings.

Below are the quotations from resource persons. It reinforces the new concept of ERC:

[. . .][. . .] At Islamic hospital, Sharia Committee will check the things that are in accordance with sharia. This becomes an internal regulation of the hospital. Services for BPJS Healthcare and non-BPJS Healthcare patients are not differentiated. The food and laundry provided must be halal. In the formulary, the drugs that will be purchased for a year by Islamic hospital have been reviewed for halal by the sharia committee. All BPJS Healthcare patients are regulated by sharia as long as they are Muslim [. . .] (Resource person, class B hospital)

[. . .][. . .] There is no difference between the services of BPJS Healthcare patients or general patients except in terms of queues and types of drugs. With the top-down rules from BPJS, RSI only continues the rules from BPJS Healthcare. BPJS Healthcare rules that are general in nature, then in Islamic Hospitals are added with additional rules in service. For example, the existence of rules to distinguish male and female wards. There is a rule that medicines and food given to patients must be halal. Islamic Hospital has a spiritual unit to maintain the patient's faith, including BPJS Healthcare patients. Every patient must receive spiritual services [. . .] (Resource person, class D hospital)

From the quotations above, it can be concluded that Islamic hospital is involved in a partnership with BPJS Healthcare. This involvement is carried out by complying with the partnership rules set by BPJS Healthcare. In addition to complying with the rules of partnership, Islamic hospital also implements partnerships based on Islamic norms, as can be seen from the employees of Islamic hospital's attitude which voluntarily and happily carries out partnership rules according to Islamic religious beliefs and also composes regulations or additional services in accordance with Islamic teachings. However, it is not stated in the BPJS regulations.

The high commitment from a partnership relationship is a source for developing ERC. When a partnering company is operated with high commitment, engagement is increased by complying with rules and religious norms. *H1* test results support a causal relationship between commitment, collaboration (Ryu *et al.*, 2009) and engagement (Chalofsky and Krishna, 2009).

The possibility to build partnerships is increased by maintaining, developing and prioritizing the relationships as fundamental for the organization. Furthermore, this

possibility increases when partnerships are considered essential for the organization, with an emotional bond with partners. As a result, it increases the level of ERC.

H2 states that higher perceived benefit increases the engagement of religious compliance. This hypothesis was accepted, meaning that high perceived benefits affect ERC and determine ERC development in Islamic hospitals.

The terminology of mutual benefit was adopted from [Duane\(2012\)](#) to explain perceived benefits. This study focuses on the various benefits of participation unique to service companies in partnerships.

The structural model developed in this study confirmed the causal relationship between perceived benefits and engagement with religious compliance. Similarly, hypothesis testing supported this relationship, which is in line with [Morgan and Hunt \(1994\)](#) that perceived benefits positively relate with cooperation. Furthermore, this supports [Lee and Kim \(2015\)](#), which stated that interdependence results from a relationship with mutual benefits. However, these findings contradict [Lee and Kim \(1999\)](#), which showed that benefits and risk share do not significantly relate with participation.

H3 states that better communication quality improves ERC. This hypothesis was accepted, meaning that ERC could be increased by communication quality. Five factors are developed and applied to indicate the degree of communication quality of partnering service companies. The five indicators are continuous interaction, open communication, two-way feedback, honesty/*qaulan sadida* and information accuracy.

H3 test results show that communication quality significantly increases ERC in Islamic hospitals. This is in line with [Borca and Baesu's \(2014\)](#) study that communication is essential for any organization.

Communication quality from a partnership relationship develops ERC. Therefore, companies partnering using quality communication increase engagement by complying with rules and religious norms.

These results provide an expectation that in a partnership, frequent interactions as well as open and two-way communication based on honesty (*qaulan sadida*) and information accuracy increase ERC.

H4 states that more ERC enhances partnership performance. This hypothesis was accepted, meaning that ERC increases partnership performance by implementing regulations based on Sharia rules. Also, performance increases when hospitals serve BPJS Healthcare patients and implement partnership regulations based on Islamic teachings. Similarly, the hospitals realize high performance when preparing additional regulations regarding products and services, and provide instructions in line with Islamic teachings. The partnership performance indicators include the increase in admissions and number of patients by hospitals, service quality improvement and strong partnerships with humanitarian BPJS. These partnerships enhance commitment to obeying God and improve the hospitals' managerial development.

Conclusion and implication

Conclusion

Partnership performance increases through positive ERC. The Islamic hospitals' engagement in partnering with BPJS Healthcare based on religious norms has increased performance. This means that higher ERC increases performance when the hospitals partner with BPJS Healthcare. Performance is measured in terms of material, blessings and benefits for the wider community. Therefore, increasing ERC improves partnership performance. This is because the long-term success of partnership performance is determined by how the organization builds ERC.

The new concept of ERC mediates the effect of marketing partnership on partnership performance. This is because ERC mediates all the variables in the marketing partnership in influencing the partnership performance.

Theoretical implications

Companies that always develop good service will always comply with the established rules or laws. Organizational compliance is not only carried out when developing its services but also when an organization enters into partnerships with other organizations. Thus, the new concept of ERC was developed to enrich the concept of service quality that has been developed by [Parasuraman et al. \(1985\)](#), [Parsu et al. \(n.d.\)](#) and [Othman and Owen \(2001\)](#).

Partnership theory is used to describe various types of relationships in various circumstances and locations, where the benefits derived from partnerships are the availability of resources, increased organizational effectiveness and efficiency and allows greater legitimacy because it involves other parties ([McQuaid, 2000](#)). When a relationship is considered satisfying and has an emotional bond, it can develop to the engagement level ([Pansari and Kumar, 2017](#)). The new concept of ERC plays an important role when an organization engaged in services establishes partnerships with other organizations. When an organization conducts a partnership, the organization must pay attention to the partnership relationship that exists. The organization must be involved (engagement) with partners in realizing the objectives of the partnership. Therefore, a new concept of ERC was developed, enriching the views of [Pansari and Kumar \(2017\)](#) and [Brodie et al. \(2011\)](#). The results of this study also enrich the view of partnership theory by [McQuaid \(2000\)](#) that partnership involves cooperation. In this study, it is proven that organizations involved in partnerships can produce good partnership performance.

[Tajfel and Turner \(1979\)](#) argue that social identity is individual knowledge where a person feels as part of a group member who has the same values. In the perspective of social identity, religion is an identity, both for individuals and groups. In a partnership relationship, behavior between groups with partners can be seen from their social identity. Thus, a new concept of ERC was developed, enriching the views of identity social theory. In the ERC concept, service organizations that have a religious identity will not abandon their identity when partnering with other organizations, namely, partners with different identities or partners with public institutions or those under the auspices of the government. Islamic hospitals as a group that has an Islamic identity, when partnering with BPJS Healthcare, their behavior will not be separated from the Islamic values that they adhere to.

Religiosity as religious values that have entered into human beings plays a major role in efforts to develop human character ([Safrilsyah et al., 2010](#)). In the practice of partnerships between one organization and another, it is necessary to develop a distinctive religiosity according to the identity of the organization. Hence, a new concept of ERC was developed. ERC plays a role when a service organization that has a religious identity is engaged in providing services to the community and then enters into partnerships with other organizations, the organization in doing partnerships will not be separated from service and religious mindset.

The ERC concept emphasizes that in carrying out partnerships, organizations must be involved in complying with the partnership rules that have become a mutual agreement but by continuing to carry out the religious norms that are believed. Based on that perspective, the new concept of ERC is expected to be a contribution of thought to the development of SERVQUAL theory, partnership theory and social identity theory from the perspective of Islamic values.

Managerial implication

ERC influences the long-term success of the partnership between Islamic hospitals and BPJS Healthcare. Therefore, Islamic hospitals should focus on the following areas to build ERC:

- Continuously raise awareness that religious values are essential in developing human character (Safrilsyah *et al.*, 2010). Religious values must permanently be embedded in running the partnership relationship between Islamic hospitals and BPJS Healthcare. This is realized by believing, understanding, practicing and developing a character based on Islamic teachings. Therefore, the engagement of Islamic hospital's partnership with BPJS Healthcare should be based on Islamic religious values.
- Partnering with BPJS Healthcare creates benefits for hospitals and the community, as well as opportunities for fraud. Therefore, Islamic hospitals could build a fraud prevention system by implementing ERC. The ERC concept would ensure the hospitals comply with BPJS Healthcare rules and instill Islamic religious values. This would prevent fraud because every activity would be related to partnerships, to worship Allah.
- Increasing ERC improves partnership performance. In Islam, performance is measured by increased acceptance and number of patients and its usefulness for internal and external organizations, as Allah says in HQ. Al-Anbiya': 107, that "And We have not sent you but to be a mercy for the worlds."

In partnering with BPJS, Islamic hospitals pursue increasing admissions and the number of patients and its usefulness for the wider community. The benefits could be *qimah insaniyah* (humanitarian), *qimah khuluqiyah* (good attitude/*akhlakul karimah* in every activity) and *qimah ruhiyah* (getting closer to Allah). This requires working with BPJS based on Islamic teachings for Allah's pleasure, as stated in the hadith of the prophet:

Indeed, Allah tests the servant with His gift. Whoever is pleased with Allah's distribution of him, Allah will give him a blessing and will expand it. Moreover, whoever is not willing, will not get a blessing. (HR. Ahmad)

Limitations and future study agenda

- This study was conducted on Islamic hospitals that partner with BPJS Healthcare. Therefore, future studies should conduct an in-depth examination of ERC and partnership performance with BPJS Healthcare. This would provide more comprehensive results because the partner is also examined.
- There are seven characteristics of a marketing partnership. This study used a marketing partnership with three dimensions, namely, partnership commitment, perceived benefit and communication quality. In future research, it is necessary to conduct research using the other four dimensions.
- This study raises the new concept of "ERC" that religious in this study is viewed from an Islamic perspective. Islam is a universal religion that is suitable for all groups of people, not only those who are Muslim. Thus, these findings can be generalized and can be used for private, Christian and other hospitals. It is necessary to conduct an in-depth study of ERC based on religious organizations with different backgrounds to obtain more comprehensive results.
- Future studies should include other variables as moderation and mediation, such as the *fatwas* of *Ulama* and the income of professional organizations.

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	Code	Items
Table A1. Communication quality	CQ1	Continuous interaction
	CQ2	Open communication
	CQ3	Two-way communication/feedback
	CQ4	Honesty of communication/ <i>qaulan sadida</i>
	CQ5	Information accuracy

	Code	Items
Table A2. Engagement religious compliance	ERC1	Willing to run the partnership rules according to Islamic rules
	ERC2	Enjoy to provide partnership services Islamically
	ERC3	Serious attention to Islamic partnership services
	ERC4	Develop additional regulations in running partnerships according to religious beliefs
	ERC5	Providing additional services in running partnerships according to religious teachings
	ERC6	Provide service instructions in carrying out partnerships according to religious beliefs

	Code	Items
Table A3. Perceived benefit	PB1	Share resources
	PB2	Share the power
	PB3	Share the ability
	PB4	Common Interest

	Code	Items
Table A4. Partnership commitment	PC1	Continuity maintain partnership relationship
	PC2	Making efforts to develop partnerships
	PC3	Partnership is very important (top priority) for the organization
	PC4	Partnership is something the organization really cares about
	PC5	Have an emotional bond with a partner
	PC6	Dare to take risks (sacrifice) in partnering

Code	Items
PP1	Revenue level
PP2	Sales growth
PP3	customer service
PP4	<i>Qimah Insaniyah</i> /the benefits of humanity
PP5	Created partnership
PP6	<i>Qimah ruhiyah</i> /get closer to Allah
PP7	Partner managerial development

Table A5.
Partnership
performance

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