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The Organizational Capabilities of Tanjungpinang City Hospital in Facing Changes in Accreditation Regulations and the JKN KRIS to Improve the Quality of Health Services

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ABSTRACT

Changes to national health service regulations, particularly through the latest hospital accreditation standards and the National Health Insurance Standard Inpatient Class (KRIS JKN) policy, require regional hospitals to improve their organizational adaptability so that they can continue to provide quality and sustainable services. This study aims to answer the question: how capable is the Tanjungpinang City Hospital organization in responding to regulatory changes? This study employed a qualitative approach using a case study design. Data were collected through in-depth interviews with purposively selected key informants, supported by document analyses. Data analysis employed the interactive model of Miles, Huberman, and Saldana, which encompasses data condensation, data presentation, and conclusion drawing through the triangulation of sources and methods. The operational capabilities in this study included human resource management, clinical service flow, hospital information systems, financial management, and service quality assurance mechanisms. The results show that the Tanjungpinang City Hospital has demonstrated managerial commitment through the renewal of standard operating procedures (SOPs), strengthening of organizational structures, and digitization of health services. Innovation capabilities are evident through facility improvements, the development of specialist services, and enhancing human resource competencies. However, operational capabilities still face obstacles, particularly in integrating electronic medical record systems with clinical service needs. The findings of this study imply that integrated organizational capacity building is necessary to improve the quality of regional hospital services and support institutional readiness to face the dynamics of future healthcare regulations.

Keywords: Organizational Capabilities, Regional Hospitals, Regulatory Changes, Hospital Accreditation, Health Services.

I. Introduction

Hospitals are institutions that play a vital role in public healthcare systems. To optimally provide healthcare services, effective management processes are required to maintain smooth operations and improve the quality of healthcare services provided to the public (Cahyanto, 2025). In line with the increasing



demands for quality service and patient safety, the government continues to strengthen the regulatory framework for health services through hospital accreditation policies, implementation of the National Health Insurance Standard Inpatient Class (KRIS JKN), and strengthening of the competency-based referral system. Quality health services are safe, timely, efficient, effective, patient-oriented, fair, and integrated (Lilleheie et al., 2020; Naik, 2022). Quality of service in hospitals is achieved through two approaches: internal and external quality improvement (Van Wilder et al., 2021). Internal Quality Improvement (Internal Continuous Quality Improvement) refers to hospitals making regular efforts to improve quality, including establishing, measuring, reporting, and evaluating quality indicators, reporting patient safety incidents, and managing risk. Meanwhile, external quality improvement is realized through a hospital accreditation mechanism that functions as an assessment system for hospital service standards and governance. The development of hospital accreditation in Indonesia has shown a significant increase, based on data from the Ministry of Health. In December 2024, out of 3,216 registered hospitals, 3,080 (96%) were accredited.

However, efforts to accelerate hospital accreditation have encountered several obstacles, including complaints about the high cost of accreditation, the lack of involvement of local governments and hospital owners in meeting accreditation requirements, and the accountability of accreditation agencies (Ministry of Health 2024). This condition shows that the fulfillment of accreditation standards does not only depend on regulations, but also on the ability of hospital organizations to adapt to policy changes and increasingly complex health service demands. Based on this phenomenon, Tanjungpinang City Hospital was selected as the location for an in-depth study of the root causes. Tanjungpinang City Hospital has undergone several phases of accreditation, achieving Basic Accreditation in 2012, Intermediate Accreditation in 2018, and Full Accreditation in 2023. This achievement shows that the hospital has met quality and patient safety standards in accordance with the applicable national standards. However, in 2024, Tanjungpinang City Hospital experienced a decline in several service indicators compared with the previous year. Inpatient visits decreased from 7,586 in 2023 to 6,591 in 2024, a decrease of 13.12%. As of June 30, 2025, the number of visits was recorded as 2,914, a decrease of approximately 11.65% compared to the previous period. Hemodialysis services also decreased by 14.28% (5,805 procedures in 2024 and 2,484 procedures by June 30, 2025).

This decline indicates challenges in managing hospital services that can be influenced by various factors, such as limited facilities and infrastructure, less than optimal fulfillment of human resources, and the use of information technology that has not been fully integrated into the health service system. Amidst the accreditation regulatory framework, hospitals are now facing major regulatory changes that affect the inpatient service model and the national referral system (Dharmagunawardene et al., 2025; Mansour et al., 2020). The challenges faced by Tanjungpinang City Hospital are also influenced by external factors. The hospital is located in the West Tanjungpinang District, which has a relatively stagnant, even negative, population growth (Badan Pusat Statistik, 2024). These demographic conditions have the potential to influence the number of patient visits and the level of utilization of health services in hospitals. This phenomenon shows that hospital management and leadership play important roles in maintaining service sustainability, patient safety, and health worker protection.

Previous studies have highlighted the importance of hospitals' managerial roles during crises. Managers function as decision-makers in emergency situations and as drivers of daily operational continuity, providers of psychosocial support for healthcare workers, and facilitators of organizational learning through crisis-based innovation. Managerial leadership is a key factor in maintaining the resilience of hospital organizations (Ahlstrom et al., 2025). In addition, the development of the new public management and good governance paradigm encourages public sector organizations to continue to develop adaptive capacity through the concept of dynamic governance, which emphasizes the organization's ability to respond to environmental changes quickly and appropriately (Basuki et al., 2023). The development of dynamic capabilities in the public sector will support the achievement of better governance through the development of public policies that are adaptive to a rapidly changing organizational environment (Wijaya 2020). In the context of regional hospitals, strengthening organizational capabilities is crucial in ensuring that regulatory changes are not only administratively complied with but also effectively implemented in healthcare practice.

Based on these conditions, this study aims to analyze the organizational capabilities of the Tanjungpinang City Regional Hospital in responding to changes in national healthcare regulations. Specifically, this study focuses on three main dimensions of organizational capability—managerial, innovation, and operational—as mechanisms for organizational adaptation in response to the dynamics of healthcare regulations.

II. Literature Review and Hypothesis Development

A review of previous research is an important part of the research design because it serves as a theoretical reference and shows the position of the proposed research in the existing scientific literature. Through a critical review of various previous studies, the author identified patterns of findings, methodological approaches used, and research gaps that require further study. Thus, the literature review serves not only as a summary of previous research but also as a basis for scientific argumentation to explain the relevance and contribution of the research.

2.1. Prior Studies

In their study (Kuddi et al., 2024), the researchers explored the latest innovations and key challenges in hospital strategic management and identified new methods to improve the efficiency and effectiveness of healthcare organizations. The results of this study indicate that strategic management in hospitals includes the implementation of health information technology, organizational models, and improvements in performance evaluation systems. However, this research focuses more on the general strategic management perspective and has not specifically examined how hospital organizational capabilities play a role in responding to changes in health service regulations. Research (Çınar and Eren, 2015) shows that OLC has a significant positive effect on sustainable innovation. Hospitals with high R&D expenditures, strong managerial support, and effective internal communication tend to have better learning capacities. These findings suggest that strengthening organizational learning is crucial for supporting healthcare innovation. However, this study focuses more on the relationship between organizational learning and innovation and therefore does not directly explain how innovation contributes to an organization's ability to adapt to changes in healthcare policy or regulation.

Research on organizational transformation at Prof. Dr. H. M. Anwar Makkatutu Regional General Hospital in Bantaeng Regency concluded that Prof. Dr. H. M. Anwar Makkatutu Regional General Hospital has implemented transformation based on 10 steps that refine Kotter's 8 steps of transformation and bring about changes in structure, culture, and the addition of service types. Organizational culture factors and transformative leadership have successfully influenced Prof. M. Anwar Makkatutu General Hospital's transformation, resulting in changes to the structure, culture, and addition of service types. There is a prototype model for hospital transformation strategy through accreditation activities and business plans (Muhajir et al., 2022). The research findings confirm that the success of organizational transformation is significantly influenced by leadership capable of systematically directing change. However, this study focuses more on the internal organizational transformation process and does not fully examine the role of organizational capabilities in addressing external regulatory dynamics.

The research conducted Wijaya (2020) aims to review and synthesize the available literature related to dynamic capabilities to contribute to the understanding of dynamic capability development in the public sector. It explicitly focuses on human resource capabilities (able people) and the business processes. The conclusion presented in this study is that by building and applying the concept of dynamic capabilities, public sector organizations can ultimately create capabilities that can produce policies that are adaptive and responsive to rapid environmental change. In the context of healthcare services, the concept of dynamic capabilities becomes relevant because hospitals, as public organizations, must be able to adapt internal policies, operational processes, and service systems in accordance with regulatory changes set by the government.

Research on dynamic managerial capabilities and organizational capacity for change: antecedents and consequences in improving organizational performance: an empirical study at the Semarang Maritime College, Central Java. The results of the study conclude that there is a strategic path to improve organizational performance in public organizations, namely educational organizations at commercial shipping colleges in Indonesia, through a path of dynamic managerial capabilities and organizational capacity for change, which can subsequently improve organizational performance (Widiatmaka et al., 2022). This finding strengthens the argument that managerial capabilities are not only related to day-to-day operational management but also to the organization's ability to manage change strategically.

Research conducted by Purbaningrum, Handayani, and Sokhivah shows that the managers of the Bunga Tanjung Integrated Service Center already possess the capability of thinking ahead, as demonstrated by several activities carried out to anticipate future challenges. However, improvements are still needed in terms of thinking again capabilities, namely the need for a systematic and measurable instrument to obtain feedback from service users, which can be used as material for follow-up in formulating new strategies (Purbaningrum et al., 2024). This approach shows that adaptive organizations can not only plan future strategies but also re-evaluate policies that have been implemented and learn from previous experiences.

Research conducted by Mayarni studied the dynamic governance capabilities of the Pekanbaru City Government in implementing the new normal during the Covid-19 pandemic. The results of this study indicate that the concept of dynamic capabilities is the most essential aspect in the Pekanbaru City Government's efforts to achieve competitive advantage that can anticipate the COVID-19 pandemic and capitalize on opportunities to support the achievement of expected goals, thereby enabling the development and implementation of adaptive policies used for the development of dynamic capabilities, including the ability to think ahead, think again, and think across, particularly in the process of implementing the new normal during the COVID-19 pandemic. -19 (Mayarni, 2020). These findings suggest that public sector organizations require strong adaptive capabilities to respond effectively to environmental changes.

Research on the effect of organizational learning on company performance: The mediating role of innovation capability in state-owned enterprises in Ethiopia. The findings of this study emphasize the importance of structured learning processes, investment in digital transformation, and leadership commitment to knowledge-driven strategies. These findings are particularly valuable for policymakers and SOE managers in emerging markets, where institutional constraints and resource limitations often hinder innovation-driven growth in China. This study recommends that policymakers, managers, and stakeholders prioritize continuous learning and innovation as strategies for achieving a long-term competitive advantage in Ethiopian SOEs (Bogale, 2025). This confirms that innovation and organizational learning are two important elements in developing sustainable organizational capabilities.

The study conducted (Ahlstrom et al., 2025) makes an important contribution to understanding the dynamics of leadership and managerial strategies in hospitals during the Covid-19 pandemic. The results of the study identified four main themes that reflect the experiences of managers, namely: (1) centralized crisis management characterized by top-down orders, quick decisions, and excessive information overload; (2) managing daily operative work emphasizing decision-making empowerment, challenges in resource and personnel allocation, and the importance of cross-unit collaboration; (3) dynamics of managerial support, which included support for the welfare of health workers, high administrative burdens, limited HR support, the importance of digital support, and the need for recognition and appreciation of managers; and (4) new insights into learning and development, which emphasized the emergence of crisis-based innovation and the need for better strategic preparedness in facing similar crises in the future. These findings show that managerial capabilities are important for maintaining the resilience of hospital organizations. In addition to managing centralized crisis aspects, managers are required to ensure daily operational continuity, provide psychosocial support to health workers, and encourage organizational learning and innovation. The results of this study emphasize the urgency of developing comprehensive crisis management plans, strengthening organizational resilience, and increasing managers' capacity to face future health-system challenges (Ahlstrom et al., 2025).

Liebhaber et al. (2009) concluded that the success of hospitals in improving quality is highly dependent on the active involvement of doctors. However, this success cannot be achieved through a structural approach alone; it must be combined with a cultural approach that builds awareness, clinical leadership, and a collaborative culture. The recommendations of this study emphasize the importance of financial incentives and supportive regulations, the provision of credible and easily accessible data, and a focus on QI priorities that have the greatest impact on improving quality. However, most previous research has only addressed aspects of organizational capability in isolation, such as innovation, learning, or managerial leadership. Therefore, this study seeks to fill this research gap by analyzing hospital organizational capability more comprehensively through three main dimensions: managerial, innovation, and operational capabilities in response to changes in national healthcare regulations. This approach is expected to provide a more comprehensive understanding of how regional hospitals build adaptive capacity to respond to health policy dynamics and improve the quality of services to the community.

2.2. Theory Organizational Capability

According to Ulrich and Lake (1991), in *Organizational Capability: Creating Competitive Advantage*, organizational capabilities are collective skills that enable an organization to coordinate resources, develop competencies, and create sustainable value for stakeholders. In other words, capabilities are not merely individual abilities but rather the systemic capacity of an organization that arises from the interaction of structure, processes, culture, and leadership. Meanwhile, Ulrich and Lake (1991) view organizational capabilities as the foundation of competitive advantage stemming from internal structures, managerial practices, leadership, and shared mindsets. The theory (Ulrich & Lake, 1991) asserts that organizational capabilities are the bridge between available resources and strategic success, and in the context of hospitals, this is particularly relevant for addressing the challenges of full accreditation oriented towards continuous quality improvement (Ulrich & Lake, 1991). Based on the synthesis of organizational capability theory (Ulrich & Lake, 1991), this study categorizes hospital organizational capabilities into three main dimensions:

2.2.1. Managerial Capability

This capability includes the ability of leaders and management to:

- a. Develop strategies, visions, and missions that align with accreditation requirements.
- b. Organize structures and resources to be efficient and effective in achieving goals.
- c. Changes must be managed to ensure that accreditation standards are internalized throughout all units.
- d. Motivating and directing healthcare personnel to commit to a culture of quality and patient safety.

2.2.2. Innovation Capability

This capability relates to an organization's ability to create, adopt, and implement new practices to remain relevant to changes in the environment. Innovation is not only related to technology but also includes innovation in processes, services, and organizational culture. These innovations strengthen hospitals in meeting the latest accreditation standards, which demand continuous quality improvement.

2.2.3. Operational Capability

This capability refers to the ability of an organization to carry out daily processes consistently, effectively, and in accordance with quality standards. Without operational capability, innovation and

strategies cannot be implemented sustainably. Operational capability is the foundation that ensures that innovation does not stop at the pilot project stage but is truly integrated into the routine of hospital services.

2.3. Conceptual Framework

The conceptual framework demonstrates external environmental pressures, including changes in national healthcare regulations and hospital competition. These regulatory changes include the implementation of the National Health Insurance Standard Inpatient Class (KRIS JKN), competency-based healthcare referral systems, and the 2024 Hospital Accreditation Standards update. These external pressures require hospitals to make continuous strategic, operational, and innovative changes. These external environmental pressures subsequently influence and are responded to through the organizational capabilities of the Tanjungpinang City Hospital. In this study, organizational capabilities are divided into three main dimensions: managerial, innovation, and operational capabilities. These three dimensions are positioned as internal factors that determine a hospital's ability to adapt to regulatory changes and competitive dynamics.

Managerial capabilities reflect the ability of hospital leadership and management to formulate strategies, manage change, coordinate resources, and build a healthcare workforce committed to a culture of quality and patient safety. These capabilities serve as the primary driver guiding the organizational adaptation process and as the foundation for the development of other capabilities. Innovation capability describes a hospital's ability to create, adopt, and implement innovations, whether in the form of service innovations, work processes, or the use of health information technologies. This capability enables hospitals to undertake continuous quality improvement and adapt their service models to regulatory demands and patient needs. Operational capability demonstrates the hospital's ability to carry out daily service processes consistently, effectively, and in accordance with quality and patient safety standards. Operational capability serves as the foundation of organizational stability, ensuring that strategies and innovations can be consistently implemented in service practices. The interaction and synergy between managerial, innovation, and operational capabilities determine the adaptability of Tanjungpinang City Hospital to regulatory changes and competition. This adaptability ultimately leads to the sustainability of hospital services, improved patient quality and safety, and strengthened the Tanjungpinang City Hospital's competitiveness within the national healthcare system. Therefore, this framework emphasizes that the success of the Tanjungpinang City Hospital in dealing with regulatory changes is determined not only by adherence to formal standards but primarily by the strength of its organizational capabilities in managing change, encouraging innovation, and maintaining consistent operational performance.

III. Research Method

This study uses a qualitative approach because it aims to understand deeply the adaptation process of the Tanjungpinang City Hospital in facing the transformation of health service regulations.

3.1. Research Type

The qualitative approach was chosen because it can explore experiences, perceptions, and managerial practices that occur contextually within the organization; therefore, it is suitable for answering research questions regarding the capabilities of hospital organizations in responding to the dynamics of changes in health regulations. According to Creswell (2018), the qualitative approach provides space to explore the processes, perspectives, and interpretations of informants in-depth. The research design used was an intrinsic case study because the focus of the research was on gaining an in-depth understanding of specific phenomena occurring at the Tanjungpinang City Hospital, rather than for the purpose of generalization. Tanjungpinang City Hospital was chosen because it has unique and strategic value, namely the process of

organizational adaptation in response to national and regional regulatory demands related to service transformation, accreditation, and the implementation of competency-based hospitals.

3.2. Objects and Research Locations

This study focuses on the organizational capabilities of the Tanjungpinang City Regional General Hospital in facing the transformation of health service regulations, which are analyzed through managerial practices and behavior, organizational innovation, and hospital operational processes. This study was conducted at the Tanjungpinang City Regional General Hospital, a regional general hospital in an area with negative population growth and a high level of competition in health services. This location was chosen because it is currently undergoing a process of healthcare service regulatory transformation and requires an increase in internal organizational capacity. This study focuses on the organizational capabilities of the Tanjungpinang City Regional General Hospital in facing changes in national healthcare service regulations, examining the role of managerial, innovative, and operational capabilities as mechanisms for organizational adaptation. This research focuses on the organizational capability of the Tanjungpinang City Regional General Hospital in facing changes in national health service regulations by examining the role of managerial, innovation, and operational capabilities as organizational adaptation mechanisms.

3.3. Data Sources

In this study, the data sources consist of primary and secondary data obtained from various parties and official documents, as follows:

- a. **Primary Data:** The primary data in this study were obtained through in-depth interviews with key informants selected purposively based on their level of involvement, knowledge, and experience in the decision-making process, innovation implementation, and accreditation process at the Tanjungpinang City Hospital. Informants were selected based on their ability to provide relevant, in-depth, and contextual information consistent with our research focus. The planned number of informants for this study is between 15 and 20, while adhering to the principle of data saturation, where data collection is stopped when the information obtained becomes repetitive and no longer yields significantly new findings.
- b. **Secondary Data:** Secondary data obtained by researchers from official hospital documents and relevant regulations, including hospital accreditation documents, performance and planning documents, operational and process documents, innovation activity archives, and external documents (if necessary).

3.4. Data Collection Techniques

Data collection techniques in this study were conducted through in-depth interviews, observations, and documentary studies. The in-depth interviews were conducted in a semi-structured manner using a pre-developed interview guide to ensure that each informant provided information relevant to the research focus. Observations were conducted to directly understand the hospital's operational dynamics and the interactions between work units in the healthcare process. Documentation studies were conducted by reviewing policy documents, hospital performance reports, and documents related to healthcare accreditation and regulations.

3.5. Data Analysis Techniques

Data analysis was conducted following the interactive model of Miles, Huberman, and Saldana (2014), which includes three main stages: (1) data condensation, (2) data display, and (3) conclusion

drawing/verification (Miles et al., 2014). In the data condensation stage, researchers conducted a data reduction process by grouping information from interviews and observations into key themes related to managerial capabilities, innovation, and hospital operations. In the data presentation stage, the analysis results were organized into descriptive narratives and a thematic matrix to facilitate interpretation and identify the interrelationships between the research findings. Next, in the conclusion-drawing stage, the researchers interpreted the emerging patterns and verified data consistency through source and method triangulation. To improve data validity, this study used triangulation of sources and methods, as suggested by Moleong (2017) and Patton (2015), namely matching information from various informants and different data sources. Triangulation was conducted by comparing the information obtained from various informants and verifying the interview data with documents and field observations. Furthermore, this study adhered to ethical principles by ensuring that all informants participated voluntarily after receiving an explanation of the research objectives. The identities of the informants were kept confidential, and the data obtained were used solely for academic purposes.

IV. Results and Discussion

This section of the discussion aims to analyze how the organizational capabilities of the Tanjungpinang City Regional General Hospital (PDH) play a role in addressing changes in healthcare regulations, particularly those related to the transformation of hospital accreditation standards and implementation of national health policies. The analysis was conducted by linking empirical findings from interviews with Ulrich's theoretical framework of organizational capability and various previous studies on healthcare organization management. Regulatory changes in the healthcare sector are an unavoidable phenomenon for healthcare organizations, including PDH hospitals. Continuously evolving regulations require organizations to have a high level of adaptability to continue providing quality services and to meet government standards. Therefore, organizational capability is a crucial factor in explaining how healthcare institutions respond to policy dynamics.

In the hospital context, organizational capability is not only related to structural or administrative aspects but also encompasses the organization's ability to manage human resources, develop service innovations, and ensure effective and sustainable operational processes. These three aspects are crucial in explaining an organization's readiness to face the increasingly complex transformation of the healthcare system. Based on the research findings, it appears that the Tanjungpinang City Regional General Hospital is currently undergoing an organizational adaptation phase to meet various new regulatory demands related to hospital accreditation standards, strengthening clinical governance, and implementing a digital-based service system. This adaptation process involves changes to internal policies and adjustments to work systems, human resource competencies, and the management of healthcare facilities and infrastructure. Therefore, this study focuses on three main dimensions of organizational capability: managerial, innovation, and operational. These three dimensions were analyzed to understand how the hospital integrates strategy, resources, and work processes in response to ongoing changes in healthcare regulations.

4.1. Analysis of Factors Affecting Organizational Capability in Responding to Regulatory Changes

Previous researchers have viewed organizational capabilities as the main means for organizations to master digital transformation (Konopik et al., 2022). The concept of organizational capabilities explains how organizations can develop and modify their internal capabilities to respond to environmental changes and gain a long-term competitive advantage. In line with this study, the researchers focused on the Regional General Hospital of Tanjungpinang City. The demand for improving hospital quality poses a challenge to maintaining accreditation status over time in the next reaccreditation cycle scheduled for 2027. The accreditation process requires standards that serve as guidelines for hospitals to implement quality services (Tofan et al., 2025). The transformation of the accreditation system has been increasingly strengthened by the

issuance of the Decree of the Minister of Health of the Republic of Indonesia Number HK.01.07/MENKES/1596/2024, which forms the basis for the preparation of the latest accreditation instruments. The Ministry of Health standards emphasize strengthening clinical governance, active risk management involvement, data-based performance measurement, and the use of information technology through digitization, particularly the implementation of electronic medical records (Ministry of Health 2024). Thus, hospital accreditation is no longer seen as merely an administrative obligation; rather, it has evolved into a strategic mechanism to ensure the quality of safe, effective, and patient-centered healthcare services.

This section explains how hospital organizational capabilities, including managerial, innovation, and operational capabilities, play a role in responding to regulatory changes. Initial analysis indicates that changes in national health regulations affect hospital administrative aspects and have a direct impact on the overall organizational management system. As public service organizations, hospitals are required to adapt their internal policies, work processes, and resource management to remain aligned with evolving regulatory standards. From an organizational capability perspective, the ability to adapt to regulatory changes is a crucial indicator of an organization's readiness to face dynamic external environments. Organizations with strong capabilities can generally respond to policy changes more systematically by strengthening governance, improving human resource competencies, and developing more effective service systems.

The findings of this study also indicate that the process of adapting to regulatory changes does not occur instantly but rather through a series of organizational adjustments involving various internal hospital actors. This process includes strategic decision-making by organizational leaders, coordination between work units, and adjustments to the existing service systems. Furthermore, regulatory changes encourage hospital organizations to evaluate their internal capacities, including management, service innovation, and organizational operations. This evaluation is crucial to ensure that hospitals have the adequate capacity to meet the demands of increasingly complex healthcare standards. Therefore, analyzing the factors influencing organizational capabilities is crucial to understanding how regional hospitals can maintain the quality of healthcare services amidst the constantly evolving regulatory changes. This analysis focuses on three key dimensions of organizational capability: managerial, innovation, and operational capabilities, which are discussed further in the following section.

4.2. Hospital Management Capability

In the view of Ulrich and Lake (1991) of managerial capabilities, organizations are understood as a system in which human resources carry out the functions of consideration, decision-making, and strategic allocation of resources. Dave also mentions that managerial capabilities are part of organizational capability, which is the collective ability of management to manage and integrate strategy, structure, human resources, and organizational culture to produce sustainable performance and competitive advantage. An excellent organization is not determined by great individual managers in isolation but by institutionalized, consistent, and replicable managerial patterns within the organization. This shows that the success of public sector organizations, including regional hospitals, is greatly influenced by management's ability to respond to the dynamics of the external environment. In this context, management refers to someone who has the responsibility of being a decision-maker, namely, the Director.

Currently, the Tanjungpinang Regional General Hospital is undergoing hospital accreditation transformation, marked by regulatory changes issued by the Ministry of Health of the Republic of Indonesia in the Decree of the Minister of Health of the Republic of Indonesia Number HK.01.07/MENKES/1596/2024 concerning Hospital Accreditation Standards. This regulatory change requires hospital leadership to direct the organization in making adjustments to policies, resources, and service systems. The results of interviews with informants show that regulatory changes impact various aspects of hospital services, such as doctors, nurses, hospital staff, medical equipment used, and other hospital facilities and infrastructure. In terms of finance, regulatory changes also impact an organization's financing needs because the limited funds available at the Tanjungpinang Regional General Hospital continue to seek financial assistance through the regional budget

and from external sources. In addition, the quality of the work culture at the Tanjungpinang City Hospital will be affected. The informants emphasized their continued commitment to providing quality health services. The findings of this study indicate that managerial leadership plays an important role in determining organizational policy priorities in the face of limited resources.

The analysis of asset conditions shows that there are non-compliant standards, such as patient beds. Although the physical condition of hospital beds is still good, their specifications no longer fully comply with the latest regulatory standards. In addition, adjusting facilities and infrastructure to comply with these regulatory requirements requires significant investment. This is in line with the standards set out in the Decree of the Minister of Health of the Republic of Indonesia Number HK.01.07/MENKES/1596/2024 concerning Hospital Accreditation Standards, which emphasizes strengthening clinical governance, active risk management involvement, data-based performance measurement, and the use of information technology through digitalization, particularly the implementation of electronic medical records.

Researchers have examined how hospital leaders set policy priorities and allocate resources in response to regulatory changes. At the managerial level, this discussion is important for assessing a hospital's diagnostic capabilities in complying with the latest accreditation standards. During the interview, it was evident that limited funds restricted the hospital's flexibility, prompting the Tanjungpinang Regional General Hospital to shift from budgetary independence toward a strategy of seeking external partnerships, including partnerships with external parties, central government support, and collaboration with various supporting institutions. At the managerial level, it must now perform a highly selective function, where resource allocation is focused only on activities that are considered "truly important." To reinforce the researcher's analysis, this statement is also consistent with the response given by the Head of Finance at the Tanjungpinang Regional General Hospital.

The informants shared the same understanding of budget constraints. The Tanjungpinang Regional General Hospital is currently overstretched, with regional referral standards and national regulations (KRIS JKN) exceeding its financial capacity. Ulrich's framework views managerial capability not only as an individual's ability to lead but also as the organization's ability to design and integrate internal systems to align with the demands of the external environment. Hospital leaders are now "captains" who must align old service systems with new regulations, such as KRIS JKN and competency-based referral systems. The use of data enables leaders to determine service priorities more objectively, even amid resource constraints. This statement is highly relevant to Ulrich's view that capable mitigation does not only see risk as a threat but uses it as a basis for changing long-term strategies.

The findings of this study indicate that managerial capability plays a crucial role in determining the direction of hospital organizational adaptation to such regulatory changes. Organizational leadership plays a key role in establishing internal policies and ensuring that all work units can adapt their operational processes to the demands of new healthcare service standards. This demonstrates that managerial capability is a key factor in maintaining organizational stability in a dynamic policy environment. From the perspective of Ulrich's organizational capability theory, managerial capability relates not only to decision-making but also encompasses the ability of organizational leaders to integrate strategy, work systems, and human resources. This integration enables organizations to respond to regulatory changes in a more targeted and coordinated manner, thereby enabling more effective organizational adaptation.

Compared with several previous studies on hospital management, the results of this study indicate that successful health policy implementation depends not only on regulatory compliance but also on the ability of organizational leaders to manage limited resources effectively. Regional hospitals often face challenges in the form of limited budgets, human resources, and service infrastructure, requiring adaptive managerial strategies to maintain sustainable organizational performance. Furthermore, the findings of this study indicate that the managerial decision-making process at Tanjungpinang City Hospital tends to be strategic and selective, particularly in determining the priority use of organizational resources. This situation illustrates that organizational leaders strive to balance the demands of meeting regulatory standards with the capacity of the available resources. Thus, managerial capability can be understood as the primary foundation

for building overall organizational capabilities. The leadership's ability to design strategies, coordinate work units, and manage organizational resources is a crucial factor in determining a hospital's success in navigating increasingly complex changes in healthcare regulations.

4.3. Hospital Innovation Capability

In the second indicator, Ulrich defined innovation capability as an organization's ability to continuously create, adopt, and implement new ideas, processes, services, and work practices in response to external and internal environmental changes. In the context of healthcare organizations, managerial innovation, service innovation, and innovation in administrative systems and organizational culture are important. Innovation capabilities are important for hospitals because hospital accreditation standards require Continuous Quality Improvement. The results of the interviews with the informants show that the Tanjungpinang City Hospital has carried out various forms of service and process innovations in response to internal limitations and demands for service quality improvement and hospital accreditation. This innovation demonstrates an organization's ability to adapt to changes in the healthcare environment.

Strengthening the innovation capabilities of public hospitals is not only through human resource development but also by improving medical equipment, facilities, and infrastructure as part of a medical service innovation strategy. Updating medical equipment demonstrates the hospital's ability to adapt its service infrastructure to increasingly complex medical needs and contributes to improving the quality of diagnosis, effectiveness of medical procedures, and patient safety. The shift in medical services from general practitioners to specialists and subspecialists is a strategic service transformation to improve the quality of hospital services. This improvement in service levels indicates that the hospital is focused on effective service development and quality improvement. The Tanjungpinang City Hospital's innovation capabilities have been enhanced through an integrated approach that includes strengthening human resource competencies, budgetary support, technological upgrades, and the development of specialized services. However, the further development of these innovations depends on the consistency of management policies, availability of funds, and the organization's ability to integrate competency and technology improvements into the service system as part of a continuous organizational learning process.

The sustainability of these innovations depends heavily on consistent management policies, the availability of financial resources, and the organization's ability to integrate technology and healthcare workforce competencies into the hospital service system. Research findings indicate that innovation capability plays a critical role in helping hospitals adapt to regulatory changes and improve healthcare quality. Innovation is not only understood as the introduction of new technology but also encompasses changes in service systems, organizational work patterns, and how hospitals manage their resources. Through these innovations, hospitals can improve service effectiveness while strengthening organizational competitiveness amid the dynamics of the healthcare system. From the perspective of Ulrich's organizational capability theory, innovation is a form of organizational learning that responds to environmental changes. Organizations with strong innovation capabilities tend to be better able to identify opportunities for improvement, develop new solutions, and implement changes that support improved organizational performance.

Compared with previous studies on innovation in the healthcare sector, the findings of this study indicate that innovation in regional hospitals often develops gradually through a process of adaptation to service needs and organizational resource constraints. This situation demonstrates that innovation does not always emerge in the form of major changes but can develop through improvements in work processes, strengthening the competencies of healthcare workers, and enhancing the quality of services provided to patients. Furthermore, research findings indicate that the success of developing healthcare innovations is heavily influenced by the support of organizational management and the readiness of human resources to adopt change. Without the support of internal policies and organizational commitment, various innovations have the potential to encounter obstacles during implementation. Therefore, the role of organizational leadership is crucial in creating a work environment that supports sustainable innovation development. Thus,

innovation capability can be understood as a strategic element in strengthening a hospital's overall organizational capability. Developing innovations integrated with the organization's management and operational systems not only contributes to improving the quality of healthcare services but also supports the hospital's readiness to face future regulatory changes and the dynamics of the healthcare system.

4.4. Hospital Operational Capability

In the third indicator, Ulrich views operational capabilities as part of Organizational Capability success, which is the ability of an organization to consistently execute core tasks through institutionalized systems, processes, and work behaviors. Ulrich emphasizes that organizational excellence does not only come from strategy and innovation, but mainly from the ability to execute daily operations reliably. In the case of the Tanjungpinang Regional General Hospital, this includes the consistency of patient services, compliance with clinical and non-clinical SOPs, and continuity of health service quality. In addition, the hospital must ensure that the flow of registration, medical services, pharmacy, and administration runs systematically, even when there are personnel changes. The interviews showed that the leadership's ability to actively manage change encouraged changes to SOPs and the alignment of manual systems towards digitization. This can be seen from the formation and strengthening of the IT Team, which plays a role in supporting the hospital's digital operations. According to Ulrich, operational capabilities are not only measured by the existence of ongoing processes but also by how these processes actually support the performance of the organization's key actors. Informants indicated that the current Electronic Medical Record (EMR) system does not fully support the work needs of medical personnel, especially doctors, in carrying out clinical service processes. The results of the study show that the organizational capabilities of the Tanjungpinang Regional General Hospital are determined not only by the existence of policies and technical innovations but also by the level of alignment between leadership, operational processes, and human resources. According to Ulrich, strong organizational capabilities are formed when strategy, systems, and people are consistently integrated into daily practices.

The findings confirm that the development of digital hospital systems still requires improvement to optimally support clinical work processes. However, other findings indicate that challenges remain. Therefore, organizational capability development needs to be directed not only at structural and technological aspects but also at strengthening coordination mechanisms, organizational learning, and the involvement of internal actors so that the transformation can be institutionalized in a sustainable manner and support improvements in hospital service quality. Strengthening operational, innovation, and managerial capabilities is an important prerequisite for hospitals to respond to environmental changes, improve service quality, and ensure the sustainability of organizational performance. Organizational capability development efforts need to be carried out holistically and sustainably so that the transformation is not temporary but becomes an inherent part of the hospital's culture and performance.

The findings of this study also indicate that changes in national health regulations not only impact hospital administrative aspects but also influence managerial decision-making patterns and organizational strategies for maintaining the quality of healthcare services. This aligns with the research by Konopik et al. (2022), who emphasized that organizational capabilities act as adaptive mechanisms that enable organizations to adapt to dynamic external environmental changes. In the context of regional hospitals, these capabilities are reflected in efforts to adjust internal policies, strengthen coordination between units, and increase the human resource capacity. Furthermore, the results of this study reinforce the view of Ulrich and Lake (1991), who stated that organizational excellence is determined not only by designed strategies but primarily by the organization's ability to consistently integrate management systems, operational processes, and human resources. In the case of Tanjungpinang City Hospital, this integration is evident in management efforts to adapt service systems, develop healthcare innovations, and increase organizational readiness for the latest accreditation standards to be met.

Compared with previous research on hospital management and accreditation implementation, the findings of this study indicate that successful policy implementation depends not only on regulatory compliance but also on an organization's ability to build adaptive internal capabilities. This confirms that hospitals that can sustainably develop organizational capabilities will be better prepared to face policy changes and demands for improved healthcare quality. However, research findings also indicate that limited financial resources and infrastructure remain major challenges in organizational adaptation to regulatory changes. This indicates a gap between national policy standards and the resource capacity of regional hospitals. Therefore, a strategy to strengthen organizational capacity is needed through government policy support, partnerships, and optimal utilization of available resources. Overall, the results of this study indicate that strengthening organizational capabilities, including managerial, innovation, and operational capabilities, is crucial for supporting the successful transformation of healthcare services in regional hospitals. Developing these capabilities not only plays a role in improving healthcare quality but also in ensuring the sustainability of organizational performance amidst the dynamics of changing healthcare regulations.

V. Conclusion

The transformation of the accreditation system continued with the issuance of the Decree of the Minister of Health of the Republic of Indonesia Number HK.01.07/Menkes/1596/2024, which became the basis for preparing the latest accreditation instruments. These standards emphasize strengthening clinical governance, active risk management involvement, data-based performance measurement, and the use of information technology through digitalization, particularly the implementation of electronic medical records (EMRs). The capabilities of the Tanjungpinang Regional General Hospital are being strengthened and transformed into a more adaptive and quality-oriented healthcare organization. The hospital has demonstrated managerial commitment to driving organizational change through the renewal of SOPs, implementation of service digitalization, improvement of human resource competencies, and strengthening of supporting structures, such as the formation and development of an information technology team. Operational effectiveness is not yet fully optimal, particularly in relation to the limitations of the electronic medical record system, which does not fully support the needs of medical personnel. This indicates that the integration between digital systems and clinical service practices still needs improvement to increase the efficiency and consistency of service quality.

Furthermore, in terms of innovation capabilities, the hospital has begun to adopt various innovations, both in the form of service digitalization, infrastructure improvements, and the development of more specific medical services. The managerial capabilities of the Tanjungpinang Regional General Hospital are reflected in the role of leaders in initiating change, strengthening cross-unit coordination, and opening up space for discussions on regulatory changes. However, the need for more transparent and participatory communication between management and health workers indicates that the alignment between strategic policies and operational implementation still needs to be improved. The findings of this study contribute to the literature on organizational capabilities in the healthcare sector, particularly in explaining how regional hospitals respond to changes in national regulations by strengthening their managerial, innovation, and operational capabilities. Overall, from Ulrich's perspective, the organizational capabilities of the Tanjungpinang Regional General Hospital are not yet fully mature, but they have shown positive development. Strengthening organizational capabilities in the future needs to be done holistically by emphasizing the integration of leadership, operational processes, innovation, and human resources so that the transformation carried out can be sustainable and support improvements in service quality and the hospital's readiness to face accreditation requirements and external environmental dynamics.

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