


**DO VISION AND MISSION REALLY MATTER? THE MANAGEMENT CONTROL EXPERIENCES OF REFORMED PUBLIC HOSPITALS IN INDONESIA**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p><b>Received</b> 20 January 2023</p> <p><b>Accepted</b> 17 March 2023</p>	<p><b>Purpose:</b> This study aims to investigate how reformed public hospitals in Indonesia design and implement their vision and mission as a management control (MC) mechanism.</p> <p><b>Theoretical framework:</b> This study employs the Simon’s Levers of Control (LOC) framework and focuses on the belief systems lever.</p>
<p><b>Keywords:</b></p> <p>Vision and Mission; Levers of Control; Management Control System; Public Hospitals; Badan Layanan Umum Daerah (BLUD).</p>	<p><b>Design/methodology/approach:</b> A semi-structured interview was used in this study to conduct qualitative research. The informants are 13 top management team (TMT) members from four BLUD public hospitals (PH) in Indonesia. The qualitative interview data were condensed, displayed, and analyzed. To analyze the data, the thematic deductive analysis approach was utilized.</p> <p><b>Findings:</b> This study concluded that in Indonesia, reformed PH's vision and mission remain mostly reliant on those of the local government as well as the accreditation requirement for gaining legitimacy. It is also found that a vision and mission statement reflecting the core values of an organization can be a driver for the MC mechanism as a whole.</p>
	<p><b>Research, Practical &amp; Social implications:</b> This study has practical implications for policy making in the context of BLUD PH management. All hospital components should understand the hospital's vision and mission. It's also vital to establish a vision and mission statement that's relevant to the increasingly competitive business climate of health service providers in Indonesia, so that the strategies used can help the organization attain its goals.</p> <p><b>Originality/value:</b> This is the first study to examine the relationships between vision and mission, as well as the overall management control system, in Indonesian public hospitals following the reform of the financial management status of public organizations. This study examines how relevant the vision and mission of public hospitals in Indonesia are, as well as how effectively they can adapt to a more competitive and business-focused organizational environment.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2023.v8i3.1092">https://doi.org/10.26668/businessreview/2023.v8i3.1092</a></p>

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## VISÃO E MISSÃO REALMENTE IMPORTAM? AS EXPERIÊNCIAS DE CONTROLE GERENCIAL DE HOSPITAIS PÚBLICOS REFORMADOS NA INDONÉSIA

### RESUMO

**Objetivo:** Este estudo tem como objetivo investigar como os hospitais públicos reformados na Indonésia projetam e implementam sua visão e missão como um mecanismo de controle gerencial (MC).

**Referencial teórico:** Este estudo emprega a estrutura de alavancas de controle (LOC) de Simon e se concentra na alavanca dos sistemas de crenças.

**Desenho/metodologia/abordagem:** Uma entrevista semi-estruturada foi utilizada neste estudo para conduzir a pesquisa qualitativa. Os informantes são 13 membros da equipe de alta administração (TMT) de quatro hospitais públicos BLUD (PH) na Indonésia. Os dados qualitativos da entrevista foram condensados, exibidos e analisados. Para a análise dos dados, foi utilizada a abordagem da análise dedutiva temática.

**Resultados:** Este estudo concluiu que, na Indonésia, a visão e a missão da PH reformada permanecem principalmente dependentes do governo local, bem como do requisito de credenciamento para obter legitimidade. Verificou-se também que uma declaração de visão e missão refletindo os valores centrais de uma organização pode ser um driver para o mecanismo de MC como um todo.

**Pesquisa, implicações práticas e sociais:** Este estudo tem implicações práticas para a formulação de políticas no contexto da gestão BLUD PH. Todos os componentes do hospital devem entender a visão e a missão do hospital. Também é vital estabelecer uma declaração de visão e missão que seja relevante para o clima de negócios cada vez mais competitivo dos provedores de serviços de saúde na Indonésia, para que as estratégias usadas possam ajudar a organização a atingir seus objetivos.

**Originalidade/valor:** Este é o primeiro estudo a examinar as relações entre visão e missão, bem como o sistema geral de controle de gestão, em hospitais públicos indonésios após a reforma do status de gestão financeira das organizações públicas. Este estudo examina a relevância da visão e missão dos hospitais públicos na Indonésia, bem como a eficácia com que eles podem se adaptar a um ambiente organizacional mais competitivo e focado nos negócios.

**Palavras-chave:** Visão e Missão, Alavancas de Controle, Sistema de Controle de Gestão, Hospitais Públicos, Badan Layanan Umum Daerah (BLUD).

## IMPORTAN REALMENTE LA VISIÓN Y LA MISIÓN? LAS EXPERIENCIAS DE CONTROL DE GESTIÓN DE LOS HOSPITALES PÚBLICOS REFORMADOS EN INDONESIA

### RESUMEN

**Propósito:** Este estudio tiene como objetivo investigar cómo los hospitales públicos reformados en Indonesia diseñan e implementan su visión y misión como un mecanismo de control de gestión (CM). Este estudio emplea el marco de las Palancas de Control (LOC) de Simon y se centra en la palanca de los sistemas de creencias.

**Metodología:** En este estudio se utilizó una entrevista semiestructurada para realizar una investigación cualitativa. Los informantes son 13 miembros del equipo de alta dirección (TMT) de cuatro hospitales públicos BLUD (PH) en Indonesia. Los datos de la entrevista cualitativa fueron condensados, presentados y analizados. Para analizar los datos, se utilizó el enfoque de análisis deductivo temático.

**Conclusiones:** Este estudio concluyó que en Indonesia, la visión y la misión reformadas de PH siguen dependiendo principalmente de las del gobierno local, así como del requisito de acreditación para obtener legitimidad. También se encuentra que una declaración de visión y misión que refleje los valores fundamentales de una organización puede ser un impulsor para el mecanismo de CM en su conjunto.

#### **Implicaciones de la Investigación:**

Este estudio tiene implicaciones prácticas para la formulación de políticas en el contexto de la gestión de BLUD PH. Todos los componentes del hospital deben comprender la visión y la misión del hospital. También es vital establecer una declaración de visión y misión que sea relevante para el clima comercial cada vez más competitivo de los proveedores de servicios de salud en Indonesia, de modo que las estrategias utilizadas puedan ayudar a la organización a alcanzar sus objetivos.

**Palabras clave:** Visión y Misión, Palancas de Control, Sistema de Control de Gestión, Hospitales Públicos, Badan Layanan Umum Daerah (BLUD).

## INTRODUCTION

New public management (NPM) principles have been widely adopted by a broad range of institutions, including hospital (Kirchhoff et al., 2019). In reformed hospitals, the introduction of business-like organizational structures and practices had increased managerial control (Øygarden et al., 2020). It is argued that the first step in strategic management of reformed public hospital is for senior management and the hospital board to determine the organization's mission, or "vision" (Jakab et al., 2002). Once a sound vision has been defined, its linking with short-term actions will lead to hospital success. Also, clarifying and communicating the organization's vision and strategy is contend as one of the primary critical management issues that should be considered in the healthcare industry (Grigoroudis et al., 2012). Understanding hospital strategy is essential given that these organizations operate in a continuously complex and unpredictable environment (Ghiasi et al., 2022).

There are, however, many problems faced by hospitals related to their vision and mission. Inamdar et al. (2002) found that healthcare providers in the United States felt that their mission statement had become stale, as well as lacked a clear vision for the organization's future. As a result, their employees were dissatisfied, and the hospitals experienced a great deal of pain on the inside. Stanton (2010) made the observation that the managers of the Australian hospital lack an understanding of the bigger picture as well as the strategy that would be used to get everyone working toward the vision. Poor communication throughout the organization made it harder for the senior management team to agree on things.

This study employs the Simon's Levers of Control (LOC) framework (Simons, 1995). Simons developed the LOC framework with the intention of controlling the implementation of strategy through the integration of four essential control systems, namely the belief, boundary, diagnostic, and interactive control systems (O'Grady et al., 2010). Belief systems are underlined by the core values of the organization, whereas the boundary systems are based on "risks to be avoided" as its strategic variable (Martyn et al., 2016). While diagnostic control systems contain an organization's critical success factors, interactive control systems embrace the strategic uncertainties (Widener, 2007).

We focus on the belief systems lever for a number of reasons. Firstly, Simons specifies that the mission and vision statements, along with the statement of values, explicitly describe the organization's core values and are well defined by the belief systems (1995, p. 56). Secondly, studying the lever is also relevant for our research context given that in professional organizations like hospitals, conflicts between managers and professional staff can be reduced by using belief controls, which enable the two parties to communicate organizational goals and

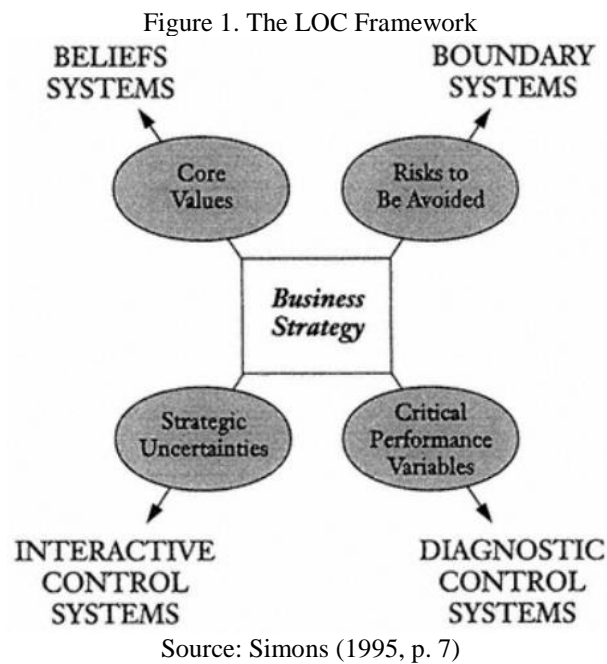
share values (Yu et al., 2018). Thirdly, in comparison to the other levers of control, there has been comparatively little research on beliefs systems (Martyn et al., 2016). Finally, this study has potential practical contributions since the LOC Framework suggests that embracing belief systems prior to beginning an interactive control use will increase MC effectiveness (Bedford, 2020).

This study aims to investigate how reformed public hospitals in Indonesia design and implement their vision and mission as a management control (MC) mechanism. This research is important to conduct given that the vision and mission of public hospitals in Indonesia are generally still "uniform," and their nature and function are thought to have not changed significantly (Widayat, 2009). It seems problematic in a period of replacing government-style hospitals by more business-like models based on the Public Service Agency (*Badan Layanan Umum*—BLU) occurred in Indonesia (Fahlevi, 2016; Harmadi & Irwandy, 2018; Mahendradhata et al., 2017).

## LITERATURE REVIEW

### The Levers of Control (LOC) Framework

The Levers of Control (LOC) framework, first developed by Robert Simons (Simons, 1995), is both a strategic management tool and a theoretical framework for understanding how strategy and control interact (Figure 1). Simons analyzed the business strategy at its core as well as described four fundamental constructs that should be examined and grasped before a strategy can be successfully implemented. The four constructs include core values, risks to be avoided, critical performance variables, and strategic uncertainties. Each is controlled by a different system, or lever, namely the belief, boundary, diagnostic, and interactive control systems, respectively (Simons, 1995, p. 6).



Belief systems are employed to motivate and direct the pursuit of new opportunities (Simons, 1995). It is a collection of core values that are communicated to employees in order to inspire and drive them to discover, explore, and create as well as expend time engaging in proper actions (Widener, 2007). Boundary systems are purported to impose restrictions on opportunity-seeking behavior (Simons, 1995). Simons uses codes of business conduct, strategic planning systems, and asset acquisition systems as boundary levers to regulate "risks to be avoided" (Martyn et al., 2016).

Diagnostic control systems are utilized to encourage, monitor, and reward the accomplishment of predetermined goals (Simons, 1995). The key strategic variable underlying diagnostic control system is critical success factors, which are determined by a number of factors including human and machine performance as well as technical and financial factors (Martyn et al., 2016). Interactive control systems are used to help organizations learn and come up with new ideas and ways of doing things (Simons, 1995). An interactive control is forward-thinking, with active and regular discussion among top administrators, and it assists the organization in strategically positioning itself in a volatile market (Widener, 2007).

The LOC framework proposes that business strategy can be successfully controlled by balancing four levers (Simons, 1995). It is asserted that the strength of these four levers lies less in their individual applications than in their coordinated use, complementarity, and balance. The levers are responsible for generating both positive and negative forces, which, when combined, produce a dynamic tension between the predictable goal achievement on the one

hand and the innovation and strategic renewal on the other. This tension must be managed in order to ensure the organization's continued success over the long term (Kruis et al., 2016).

## MATERIAL AND METHODOLOGY

A semi-structured interview was used in this study to conduct qualitative research. Top management team (TMT) members from four public hospitals (PH) in Indonesia are taking part in this study. The PHs were located in four different districts and two separate provinces. The each of TMT are consist of either director, vice director of medical service affairs, vice director of general administrative and financials affairs, or vice director of medical support affairs. We code informants per agreement of anonymity (Table 1). Exploratory, open-ended questions were developed for probing and follow-up questions (Kvale & Brinkmann, 2009). Before the interview, the informants' names were given anonymously. The goal is to gain the informant's trust so they will share information and thoughts freely (Cooper & Schindler, 2013). We told the participants what the study was about and gave them the choice to response or not answer every question.

Table 1. Codification of Informants

No.	Code of informant <sup>a</sup>	Code of PH <sup>b</sup>	Position	Educational Background
1	D1	PH_1	Director	Internal Medicine
2	VDM1	PH_1	Vice director of medical service affairs	Physical Medicine and Rehabilitation
3	VDF1	PH_1	Vice director of general administrative and financials affairs	Business and Management
4	VDS1	PH_1	Vice director of medical support affairs	Dental Medicine
5	D2	PH_2	Director	Anesthesia Medical
6	VDM2	PH_2	Vice director of medical service affairs	Medical Anatomy Pathologist
7	VDF2	PH_2	Vice director of general administrative and financials affairs	Business and Management
8	VDS2	PH_2	Vice director of medical support affairs	Medical and Public Health
9	VDM3	PH_3	Vice director of medical service affairs	Medical and Public Health
10	VDF3	PH_3	Vice director of general administrative and financials affairs	Medical and Public Health
11	VDS3	PH_3	Vice director of medical support affairs	Medical and Public Health
12	D4	PH_4	Director	Medical and Public Health
13	VDF4	PH_4	Vice director of general administrative and financials affairs	Business and Management

<sup>a</sup>D=director; VDM=vice director of medical service affairs; VDF=vice director of general administrative and financials affairs; VDS=vice director of medical support affairs

<sup>b</sup>PH=public hospital

Source: Prepared by the authors (2022)

The Braun and Clarke's thematic deductive analysis approach (2006) was used to evaluate the data. Following Miles & Huberman (1994), we reduced, displayed, and concluded the qualitative interview data. The next step is to conduct a more in-depth analysis of the interview data by coding it according to the topic or issue of the research. Data interpretation is accomplished by describing the results. Researchers double-checked the transcription results and discussed with other researchers (peer debriefing) to make sure the data they had collected was accurate and reliable (Creswell, 2014).

## RESULTS AND DISCUSSION

### The Designation of Vision and Mission

For all hospitals, the vision and mission are formulated based on the vision and mission that were presented by the elected regional leaders as part of their political commitments while they were campaigning for their positions during the election. For example, PH\_4 has a vision to "...become a *qualified* PH and the *pride* of the people of District 4". This is in line with District 4 vision: "Realization of a District 4 society that is more *independent*, faithful, *prosperous*, and fair" as well as one of the missions of "strengthening human resource quality through equity and *improving...public health services*". As stated by director of PH\_4 and director of PH\_1:

"The hospital's vision and mission are prepared in accordance with the vision and mission of our district government" (D4).

"This is a feature of this government hospital, which lacks a clear master plan... Even though we are now BLUD (*Badan Layanan Umum Daerah*), we can't change our vision and mission as easily as that. We must continue to refer to policies enacted by local governments" (D1).

The organization's vision and mission statements also indicate that the hospital's leaders want the public to have more trust in the health services they offer. In PH\_1 and PH\_4 (PH\_2 and PH\_3), the current (previous) vision statements include the phrase "...become the *pride* of district society..." or "...become the community's *preferred* hospital..." to foster a sense of community awareness and belongings over the hospital's existence. This is understandable given that it is a current phenomenon that most people seek treatment at hospitals outside of their own region rather than there:

"The fact that this hospital can only care for about 50% of the district's residents is really distressing. The remainder, though, would prefer to visit a different hospital that is located even farther away. Yet, ... we recognize that this is due to our insufficient infrastructure and facilities" (VDS2).

“Because the majority of the population in this district is unaware of the health service amenities that we offer, they choose to seek treatment to another hospital instead” (D4).

“Our [previous] vision was to increase public knowledge of the hospital's existence. It is intended that once the community discovers that their district has a hospital, they will be proud and pleased to get health services here” (VDS3).

Surprisingly, the changes in organizational finance management patterns as a result of NPM introduction are not considered for, if any, plan to change the PH's vision and mission. In PH<sub>2</sub>, the newly elected regional head's vision and mission are still the primary considerations for revising the permanent vision and mission:

“We are currently updating our vision... Our present regent administration ushers in ‘A New Era of District 2’, which brings in a new set of priorities for the region. We are also responsible for incorporating this into the hospital vision and mission since we are a part of the regional government that deals with health services” (D2).

In the past, the vision of the PH<sub>2</sub> was "Making PH<sub>2</sub> the Pride of the Community." However, this vision has now been revised to "Becoming A Hospital that is Satisfactory in Service, Has Quality in Education and Research in the Health Sector, and is Always Committed to Serving the Wider Community." The director of PH<sub>2</sub> also said:

“We translated ‘A New Era of District 2’ into ‘A New Era of PH<sub>2</sub>’. Improvements in structures, infrastructure, and medical equipment herald the new era in our hospital. Human resources are also renewable as well as several service-related advances. The most important thing, though, is a renewed commitment to provide services” (D2).

In PH<sub>3</sub>, on the other hand, the hospital's vision and mission are changed based on whether or not its profile meets the requirements for the status of the assigned class type. According to Indonesian Regulation of the Health Minister Number 3 of 2020 Concerning Hospital Classification and Licensing, the class type (A, B, C, or D) requires a minimum number of facilities and services to be provided by its public hospitals (2020, pp. 36–45). For example, the A, B, C, and D class public hospitals must have at least 250, 200, 100, 50 beds, respectively. Also, the obstetrics and gynecological equipment must be installed in type A, B, and C hospitals, but not in type D hospitals. The vice director of medical service affairs of PH<sub>3</sub> stated that:

“Our prior vision centered on the delivery of emergency services by taking into account district regions situations that are more likely to be involved in traffic accidents. After it was determined that the hospital belongs to the type B class, the vision for the hospital shifted to place a greater emphasis on delivering specialized medical services as required by regulation” (VDM3).



Meanwhile, PH<sub>1</sub> has no clear plan to change its vision and mission that were formulated more than 20 years ago. The ‘long-lasting’ PH<sub>1</sub> vision is: “Becoming the Community's First Choice Hospital by Offering High-Quality, Professional Services that are Based on Education”. TMT member of PH<sub>1</sub> assumed that the vision and mission are still applicable in the present:

“I still think it [the vision and mission] is important, yet since the hospital is now a teaching hospital, I *may* propose changes by adding the "research" part of the vision and mission in the future” (D1).

“Our vision and mission remain relevant in the current situation and circumstances. This is especially true given the hospital's status as a teaching hospital with a network of medical faculties at many province-wide universities” (VDM1).

In summary, this study discovered that the vision and mission of reformed PH in Indonesia are still mostly based on the vision and mission of their local government. This is completely reasonable in light of the top management team members' belief that the hospital is not necessarily a really independent institution simply because it is a BLUD. The notion of “flexibility” espoused by BLUDs is seen as just applying to financial governance, with other organizational features still being governed by bureaucratic processes at the local level. This finding is in line with Fahlevi (2016)’s case study in two Indonesian reformed PH which found that the BLU status, which gave public hospitals more power, did not succeed in inspiring the necessary economic drive in either institution.

It has been also noticed that the desire of top management to achieve administrative criteria, such as those linked to service accreditation and/or education accreditation, can also be a factor in determining whether or not alterations are made to the vision and mission of an organization. In this sense, hospitals should consider the need to accomplish legitimacy while establishing their management control mechanisms. This is consistent with Ruef & Scott (1998) who found that more managerial legitimacy can be attributed to hospital if its goals are aligned with the overall regime's theme.

## **The Implementation of Vision and Mission as an MC Mechanism**

### ***Belief Control Systems***

All hospitals have a statement of their vision and mission, which is a common way for organizations to tell what their core values are. In PH<sub>1</sub>, as its vision stated the intention to “...Offering High-Quality, Professional Services...”, timely service delivery is the main philosophy as conveyed by the director:

“Our primary concern is response time. As a public service institution, and especially because it deals with sick individuals, response time is critical. As a service implementation, we strive to provide information and medical treatment promptly. Human resource management involves medical staff administering [practice licenses]. We're working on it. This is especially true in the service areas that need skilled medical staff but haven't yet issued practicing licenses.” (D1).

In PH\_2, following its vision: "Becoming A Hospital that is ... Always Committed to Serving the Wider Community.", a high commitment to providing public services is demonstrated through an "impartial" policy to patients regarding the administration of the national health insurance program membership, as stated by the vice director of general administrative and financial affairs:

“Hospitals are a direct reflection of the presence of the local government when it comes to providing medical services to the community. When a patient, for example, does not have a card for national health insurance (*Badan Penyelenggara Jaminan Sosial—Kesehatan*) but is willing to declare themselves as a class III patient, even though the regulation states that we are not allowed to differentiate between service classes, we will try to take care of the administration of the membership in the Social Service Bureau (*Dinas Sosial*) so that the health services that are provided will not be subject to charges” (VDF2).

### ***Boundary Control Systems***

Every department inside the hospital already has a task guideline in the form of Standard Operating Procedures (SOPs). This is a responsibility and a prerequisite for providing the community with the highest quality service as well, with the goal of reducing any potential risk. For example, in PH\_3 that focuses on aim to become “...The Best Choice of Hospital and Excellence in Specialist Services...”, it is in the unit in charge of human resources, the specific guidelines have been drawn up regarding the priority of medical personnel recruitment as well as payment of salaries and incentives that prioritize the welfare of specialist doctors:

“In comparison to others, we aim to obtain specialist medical personnel. Similarly, we encourage some potential general medical staff to continue their specialist courses by providing financial assistance” (VDF3)

### **Diagnostic Control Systems**

As a way of putting their vision and mission into words, the hospitals have their own specific service quality criteria as a critical success factor. In PH 1, as its vision statement says that it wants to provide a “High-Quality, Professional Services”:

“We do regular evaluations, and if a patient has *complaints*, we see that as a sign that the organization is not living up to its vision and mission” (D1).

Meanwhile, for the PH<sub>2</sub> whose vision is “Becoming A Hospital that is... Always Committed to Serving...”, it is stated by vice director of medical service affairs that one of the most important performance indicators for the organization is the attendance rate of the medical staff:

“We have a long history of providing subpar care, such as when a patient goes to the polyclinic room and frequently discovers that there isn't a doctor available to see them there. Fortunately, the nowadays presence of medical staff, especially the specialists, is highly sufficient as a sign of their high level of commitment” (VDM2).

### *Interactive Control Systems*

In general, all hospitals suffer strategic uncertainties, particularly when it comes to national health insurance claims policies. Although certain types of drugs and medical interventions are commonly covered by insurance, they are frequently disregarded by medical personnel (Prayudi & Basuki, 2014). They prioritize their professional autonomy in determining how to treat patients. In PH<sub>4</sub> whose vision is to "...become a qualified PH” and mission to “improving medical and nursing services to patients according to hospital service standards as well as improving facilities and infrastructure to support optimal health services”, the physicians’ resistance is managed interactively by establishing a particular unit as it is stated by the vice director of general administrative and financial affairs:

“Previously, we always debated and agreed that national formulary pharmaceuticals are equally as effective as patent drugs... However, we in management soon understood that not all medications are appropriate for particular diseases. For the sake of patient safety, we have now assembled a committee called the Therapeutic Pharmacy Committee (*Komite Farmasi Terapi*), which reviews recommendations for the provision of specific pharmaceuticals not included on the national formulary list” (WDF4).

## **DISCUSSION**

This study discovered that the vision and mission of reformed PH in Indonesia are still mostly based on the vision and mission of their local government. It has been also noticed that the desire of top management to achieve administrative criteria, such as those linked to service accreditation and/or education accreditation, can also be a factor in determining whether or not alterations are made to the vision and mission of an organization. In addition, this study found that the statement of vision and mission was well communicated and helped guide the MC mechanism as a whole.

This is completely reasonable in light of the top management team members' belief that the hospital is not necessarily a really independent institution simply because it is a BLUD. The

notion of “flexibility” espoused by BLUDs is seen as just applying to financial governance, with other organizational features still being governed by bureaucratic processes at the local level. In this sense, hospitals should consider the need to accomplish legitimacy while establishing their management control mechanisms. The truth is that health care personnel' daily work has been profoundly impacted by government regulations, system changes, and budget cuts (Qaralleh et al., 2023).

Moreover, the belief control systems are based on the organization's core values, which help employees figure out how to make decisions that aren't encased by operating procedures (Simons, 1995). Vision and mission statements sometimes describe the big picture and overall direction that an organization wants to go in (Ferreira & Otley, 2009). The mission defines the organization's overarching purpose in line with stakeholder values or expectations, while the vision describes its desired future state. Vision unites the organization's stated goals with its stated values to form a coherent, actionable whole (Chaston, 2012). For the vision to be practical, it must be intimately linked to particular targets and measures supported by senior management (Jakab et al., 2002).

This finding is in line with Fahlevi (2016)'s case study in two Indonesian reformed PH which found that the BLU status, which gave public hospitals more power, did not succeed in inspiring the necessary economic drive in either institution. This is also consistent with Ruef & Scott (1998) who found that more managerial legitimacy can be attributed to hospital if its goals are aligned with the overall regime's theme. Finally, this finding confirms Widener (2007) who have found that focusing on the belief system and using the diagnostic system both help organizations learn more (interactive control systems).

## CONCLUSION

This study intends to find out how Indonesia's public hospitals that have undergone reform have developed and carried out their vision and mission statements as a management control (MC) mechanism. This study concluded that in Indonesia, reformed PH's vision and mission remain mostly reliant on those of the local government. PHs continue to get financial protection from their owners, so the expected "Let the Managers Manage" mindset (DPPK-BLU, 2009) is not stimulated by the BLU status. On the other hand, top management's desire to meet administrative standards, such as service and/or education accreditation, can also influence whether an organization's vision and goal are changed. It seems that hospitals should build legitimate management control tools.

It is also found that the vision and mission statement was effectively communicated, hence guiding the MC system as a whole. The basic values of the organization serve as the foundation for the belief control systems, which in turn assist employees in determining how to make judgments that are not predetermined by defined guidelines. In addition, all parties involved have come to the conclusion that the vision should be incorporated into the process of developing the strategic plan for the organization in order to ensure its continuing growth in the years to come (Faridi et al., 2022).

The findings give some important practical implications. It is recommended that hospitals more effectively convey their vision and mission to all elements of the organization. Also, it becomes very important to be able to make a vision and mission statement that is more relevant to the increasingly competitive business environment of health service providers in Indonesia, so that the strategies that have been used, or will be used, can actually help the organization reach its goals. There is a need, therefore, to build a health care leader's "context" awareness for this purpose, which can assist them address complex organizational problems and think strategically (Rasa, 2020).

Several limitations should be considered when interpreting these findings. The primary limitation is associated with the use of qualitative interviews in data collection, which may focus more on meanings and experiences than contextual sensitivity. In addition, informants for this study come from a variety of occupational and educational settings, both of which have the potential to shape their own unique perspectives on the different types of strategic decision-making that are being investigated here. However, the selected informants are the most representative figures because they are key organizational actors who decide strategic decisions, such as the development and implementation of the organization vision and mission. Moreover, due to limits on access and time availability of informants, this study was only able to collect interview data from two provinces in Indonesia. Still, the two provinces contain the majority of public hospitals and were the first areas in Indonesia where hospital financial management reforms were put in place.

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