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Paradigm Shift at Medika Utama Hospital: From A Doctor-Centric Approach to Patient-Centered Digital Services

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ABSTRACT

Hospital digital transformation has become a strategic agenda to enhance service efficiency, quality of care, and organizational competitiveness. However, the success of digital transformation is determined not merely by technology adoption, but also by organizational readiness, culture, leadership, and effective change management. This study aims to analyze the paradigm shift at Medika Utama Hospital from a doctor-centric approach to patient-centered digital services, while identifying the factors underlying the initial failure of digitalization initiatives. The research employs a qualitative approach using a case study design, based on secondary data analysis and an extensive literature review. The findings reveal that the digital transformation process remains largely technocratic, triggering organizational resistance, structural inertia, and weak transformational leadership. These results underscore that hospital digital transformation requires an organizational development approach, cultural change, and continuous learning to effectively realize patient-centered services.

1. Introduction

Digital transformation has become a major strategic agenda in the global healthcare sector, particularly for hospitals, in response to demands for greater service efficiency, improved quality of patient care, and enhanced organizational competitiveness in the digital era. Santoso et al. (2025) emphasize that digital transformation in hospitals aims to improve service accessibility, the accuracy of clinical data, and the speed of information-based decision-making. However, numerous studies indicate that the success of digital transformation is not determined solely by technological sophistication but is strongly influenced by human factors, organizational culture, leadership, and change management (Pesqueira et al., 2025; Westerhof et al., 2025).

This phenomenon is clearly reflected in the case of Medika Utama Hospital, a private Type B hospital that has operated for more than three decades under a strongly doctor-centric management paradigm. Within this paradigm, senior specialist physicians hold dominant power over strategic and operational decision-making, including medical equipment procurement. According to Mintzberg (1983), professional organizations such as hospitals tend to grant high autonomy to experts, which over time may lead to structural rigidity and resistance to organizational change.

The conservative, hierarchical organizational culture of Medika Utama Hospital, combined with minimal use of information technology, has resulted in service processes that remain heavily dependent on paper-based manual systems. This condition contrasts sharply with an increasingly competitive and Digital external environment. Izza et al. (2024) note that modern patients demand healthcare services that are fast, transparent, easily accessible, and digitally integrated through mobile applications, electronic medical records, and online consultation services.

External pressure intensified when Medika Utama Hospital experienced a 25% decline in general patient visits within one year, as patients migrated to competing hospitals that had already adopted digital systems. In addition, Indonesian government regulations mandating the nationwide integration of Electronic Medical Records (EMR) by 2025 through the SATUSEHAT platform place hospitals in a position where digital transformation can no longer be postponed (Ministry of Health of the Republic of Indonesia, 2021). Bayhaqi et al. (2025) affirm that digital transformation and information

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management are critical prerequisites for improving hospital service efficiency, although their effectiveness largely depends on organizational readiness and human resources.

In response to this crisis, hospital management launched the "Medika Digital Transformation 2025" initiative, which includes the implementation of an integrated Hospital Management Information System (HMIS), cost and procurement standardization, and real-time patient scheduling. Conceptually, this policy aligns with the Digital Transformation Framework, which emphasizes the integration of technology, organizational structure, human resources, and regulatory dimensions (Santoso et al., 2025; Dameria et al., 2025). However, its implementation triggered various forms of organizational resistance.

Open resistance from senior specialist physicians reflects perceived threats to their professional autonomy and power. This aligns with Pfeffer's (1992) Power and Politics in Organizations theory, which posits that organizational change is often resisted when it threatens the power base of dominant groups. Meanwhile, covert resistance among nurses and administrative staff—manifested through declining productivity and data entry errors—indicates low digital competence and fear of increased workloads. Chang et al. (2012) emphasize that digital literacy and a learning-oriented culture are critical to the success of organizational information systems.

Furthermore, structural inertia arising from outdated standard operating procedures that still require physical documentation reinforces Silitonga's (2019) findings that misalignment between new systems and existing policies leads to duplicated work, employee fatigue, and reduced operational efficiency. This situation is exacerbated by economic insecurity among pharmacy warehouse staff who fear job displacement due to automation, consistent with Greenhalgh and Rosenblatt's (1984) job insecurity theory, which links technological uncertainty to declining employee commitment and performance.

Empirical evidence from Bayhaqi et al. (2025) demonstrates that digital transformation does not automatically enhance hospital service efficiency without strong information management, human resource capacity building, and organizational culture change. These findings are reinforced by Westerhof et al. (2025), who highlight the importance of Lean Healthcare and Integrated Health System Theory in reducing process waste, improving cross-unit coordination, and strengthening patient-centered service orientation.

In conclusion, the initial failure of digital transformation at Medika Utama Hospital cannot be attributed solely to technical factors. Rather, it reflects organizational unpreparedness, weak communication change, resistance rooted in professional power structures, and underdeveloped digital leadership and information management. Therefore, this study is crucial for examining in depth the dynamics of the paradigm shift from a doctor-centric approach to patient-centered digital services, with a particular focus on digital transformation, organizational culture, resistance to change, and their implications for hospital service efficiency.

The digital era of healthcare delivery requires a fundamental shift in organizational paradigms from a doctor-centric approach toward patient-centered digital services. While the doctor-centric model—placing physicians at the core of clinical and operational decision-making—was effective in periods of limited technological capability, it has become increasingly inadequate in addressing modern service demands that emphasize speed, transparency, and patient experience (Izza, Kurniawan, & Maulana, 2024). Healthcare literature highlights that the digitalization of hospital services, including the implementation of Hospital Management Information Systems (HMIS) and Electronic Medical Records (EMR), represents a strategic response to rising patient expectations, intensifying competition among hospitals, and increasing regulatory pressure from governments (Bayhaqi, Pratama, & Hidayat, 2025). Nevertheless, digitalization extends beyond technical implementation, as it necessitates organizational culture change and a redistribution of professional power—conditions that often trigger resistance among senior physicians who perceive a loss of autonomy and professional status (Petrakaki, Klecun, & Cornford, 2016).

Digital transformation in hospital services is defined as a planned change process that leverages digital technologies to enhance operational efficiency, service quality, and patient experience (Bayhaqi et al., 2025). Empirical findings by Bayhaqi et al. (2025) indicate that digital transformation positively influences healthcare service efficiency; however, this effect becomes insignificant in the absence of robust information management systems and adequate human resource readiness. Similarly, Saputra (2025) argues that failures in HMIS and EMR implementation are more frequently caused by low digital literacy, employee resistance, and insufficient continuous training rather than technological limitations. These conditions are highly relevant to the case of Medika Utama Hospital, which entered the digitalization phase while still relying on manual systems and traditional work cultures.

To analyze these dynamics, Organizational Development (OD) serves as the primary theoretical framework. French and Bell (1999) conceptualize OD as a planned change effort led by top management to enhance organizational effectiveness and health through behavioral and systemic interventions. Contemporary OD and change management literature emphasizes that organizational change must be planned, inclusive, and focused on cultural and behavioral transformation rather than merely structural or technological adjustments (Jaya, 2024). The Burke–Litwin model (1992) further explains that external environmental pressures—such as EMR regulations and digital competition—act as catalysts for change by influencing transformational factors (leadership, strategy, and culture), which subsequently affect transactional elements such as work systems, procedures, and individual performance. This model provides a causal explanation for why technological change without cultural and leadership readiness often results in organizational resistance.

From an organizational culture perspective, Schein (2010) defines culture as consisting of artifacts, espoused values, and underlying assumptions. The hierarchical and conservative culture of Medika Utama Hospital reflects a core assumption that specialist physicians hold ultimate authority within the organization. Mintzberg (1993) notes that professional organizations like hospitals inherently grant high autonomy to experts; however, this autonomy can obstruct change when it is perceived to be under threat. Hospital transformation literature underscores that shifting toward patient-centered care requires redefining core organizational values—from professional dominance to multidisciplinary collaboration and patient experience orientation (Izza et al., 2024). Failure to realign shared values explains both overt resistance from specialist physicians and covert resistance from nurses and administrative staff.

The success of organizational change is also strongly influenced by transformational leadership. Introduced by Burns (1978) and further developed by Bass (1985), transformational leadership emphasizes the ability of leaders to articulate a shared vision, inspire followers, and attend to individual needs. In the context of digital change, leaders must not only focus on outcomes but also effectively communicate the rationale for change and involve key stakeholders from the planning stage (Jaya, 2024). The inability of Medika Utama Hospital's leadership to clearly communicate implementation details and actively engage physicians and technical staff reflects weak application of the Four I's—particularly intellectual stimulation and individualized consideration (Bass & Avolio, 1994)—thereby amplifying resistance and weakening organizational commitment.

Resistance to change is widely understood as a natural response to uncertainty and perceived threats to individual and organizational stability (Kotter & Schlesinger, 1979). Change management literature distinguishes between overt and covert resistance, both of which may emerge simultaneously (Jaya, 2024). In addition to individual factors such as economic fear and habitual work patterns, resistance may also stem from structural inertia—namely, misalignment between new systems and existing procedures. The fear of automation among pharmacy warehouse staff aligns with the concept of job insecurity proposed by Greenhalgh and Rosenblatt (1984). Failure to integrate structural and behavioral changes often results in duplicated work, organizational fatigue, and systematic rejection of digital innovation.

Managing resistance, therefore, requires effective change communication, employee involvement, and stakeholder management. Change communication involves informing, persuading, and engaging individuals affected by change (Jaya, 2024). Freeman (2010) emphasizes the importance of stakeholder mapping based on power and interest to determine appropriate engagement strategies, particularly for influential groups such as senior specialist physicians. Moreover, employee engagement—encompassing cognitive, emotional, and physical dimensions—has a direct relationship with reduced resistance and successful change implementation (Kahn, 1990; Jaya, 2024). Change approaches that are overly top-down, lack dialogue, and demonstrate limited empathy tend to weaken employee commitment to transformation initiatives.

Ultimately, the sustainability of hospital digital transformation depends on organizational learning and adaptive capacity. Argyris and Schön (1978) highlight the importance of double-loop learning, which enables organizations to question underlying assumptions and entrenched work patterns rather than merely correcting technical errors. Research by Westerhof, van Hasselt, and Boersma (2025) shows that successful hospital digital transformation is characterized by the integration of technological innovation with continuous learning and cultural adaptation. In this context, organizational ambidexterity becomes critical, as hospitals must maintain clinical service quality while simultaneously exploring digital innovation. Without structured learning and knowledge-sharing mechanisms, digital transformation risks being perceived as a threat rather than an opportunity to enhance performance and service quality.

2. Research Methods

This study adopts a qualitative approach with a case study design to conduct an in-depth analysis of the organizational paradigm shift at Medika Utama Hospital from a doctor-centric model toward patient-centered digital services. This approach is considered appropriate because it enables a contextual exploration of organizational change dynamics, particularly those related to digital transformation, organizational culture, leadership, and resistance to change within the hospital setting (Creswell, 2014; Yin, 2018; Jaya, 2025).

The research data are derived from secondary sources collected through a literature review and document analysis, including internal policies of Medika Utama Hospital, reports on the implementation of the Hospital Management Information System (HMIS) and Electronic Medical Records (EMR), service standard operating procedures, regulations issued by the Indonesian Ministry of Health regarding national EMR integration, as well as relevant academic journals and scholarly literature on hospital digital transformation, organizational development, and change management (Bayhaqi et al., 2025; Izza et al., 2024; Westerhof et al., 2025).

Data analysis is conducted qualitatively and analytically using a multi-theoretical approach. The Burke–Litwin model (1992) serves as the primary framework to trace causal relationships between external environmental pressures and the organization's transformational and transactional factors. Organizational culture is analyzed using Schein's (2010) framework, while professional power dynamics are examined through Pfeffer's (1992) theory of power and politics in organizations. Leadership in change is analyzed through transformational leadership theory (Burns, 1978; Bass, 1985), and resistance to change is examined using the concepts proposed by Kotter and Schlesinger (1979) and job insecurity theory (Greenhalgh & Rosenblatt, 1984).

The rigor and credibility of the analysis are ensured through triangulation of theories and data sources, as recommended in qualitative research methodology (Jaya, 2025), by comparing the Medika Utama Hospital case findings with relevant empirical evidence and conceptual frameworks. This approach is expected to provide a comprehensive understanding of the initial failure of digital transformation and to formulate strategic implications for managing organizational change toward more patient-centered and digitally sustainable hospital services.

3. Results And Discussion

The findings indicate that the implementation of the Medika Digital Transformation 2025 program at Medika Utama Hospital has not yet achieved its intended goals of improving service efficiency and strengthening a patient-centered orientation. Although the Hospital Management Information System (HMIS) and Electronic Medical Records (EMR) have been introduced, service delivery continues to face serious obstacles in the form of duplicated work between digital and manual systems due to structural inertia rooted in outdated standard operating procedures. This situation has increased staff workload, reduced the productivity of nurses and administrative personnel, and lowered the quality of data entry. These findings suggest that digital transformation at Medika Utama Hospital remains technocratic in nature and has not been fully integrated with changes in organizational culture and behavior.

The study also reveals strong and multilayered organizational resistance. Overt resistance is evident among senior specialist physicians who oppose the use of EMR and procurement standardization because these initiatives are perceived as undermining their professional autonomy and decision-making power. At the same time, covert resistance is demonstrated by nurses and administrative staff through declining performance, data input errors, and absenteeism during digital training sessions. Pharmacy warehouse employees additionally express anxiety over system automation that may reduce their work roles. These patterns indicate low human resource readiness and weak change communication throughout the digital transformation process.

From a leadership perspective, the findings show that hospital leaders have not fully enacted transformational leadership principles. Change initiatives have been implemented in a predominantly top-down manner, with limited involvement of key actors and insufficient explanation of the strategic rationale behind the change. Consequently, digital transformation is perceived by many employees as a threat to job security and professional identity rather than as an opportunity to enhance service quality and organizational performance.

These findings reinforce the literature asserting that hospital digital transformation cannot be understood merely as a technological change, but rather as a complex and multidimensional organizational transformation process. The initial failure of Medika Utama Hospital to realize patient-

centered services demonstrates that the implementation of HMIS and EMR without cultural readiness and adequate human resource competencies does not yield significant efficiency gains. In this sense, technology functions only as an enabler, not the primary determinant of successful transformation.

From an organizational development perspective, the results align with the Burke–Litwin model, which positions external environmental pressures—such as national EMR regulations and digital competition—as key drivers of change. However, the hospital's inability to manage transformational factors such as culture and leadership has prevented systemic changes from being effectively internalized at individual and group levels. As a result, transactional changes have generated resistance, organizational fatigue, and declining performance.

Strong resistance from senior specialist physicians can be explained through theories of power and politics in organizations and the characteristics of professional organizations. In the context of Medika Utama Hospital, digitalization and procurement standardization are perceived as direct threats to physicians' sources of power and professional identity, triggering open opposition. These findings are consistent with prior studies showing that health information systems often challenge professional medical logics and intensify tensions between managerial and clinical interests.

Meanwhile, covert resistance among nurses and administrative staff confirms individual and structural resistance dynamics. Fear of increased workloads, low digital literacy, and anxiety over job loss reflect conditions of job insecurity. The persistence of manual SOPs further illustrates structural inertia, reinforcing evidence that misalignment between legacy policies and new systems contributes to inefficiency and organizational exhaustion.

In terms of leadership, the findings support transformational leadership theory, which emphasizes vision, inspiration, and individualized consideration in managing change. Weak application of intellectual stimulation and individualized consideration has reduced employee engagement and amplified resistance, underscoring that digital change without meaningful and participatory communication is likely to fail socially.

Finally, the study highlights the critical role of organizational learning and cultural adaptation in sustaining digital transformation. The absence of double-loop learning mechanisms has prevented the organization from questioning the underlying assumptions of the doctor-centric paradigm. This reinforces evidence that successful hospital digital transformation requires the integration of technological innovation with continuous learning, multidisciplinary collaboration, and a strong patient-centered orientation. Thus, the paradigm shift at Medika Utama Hospital demands bigger changes in organizational values, culture, and leadership patterns, rather than mere modernization of information systems.

The novelty of this study lies in its integrative approach to analyzing the early failure of hospital digital transformation as an organizational phenomenon rather than a purely technical issue. Unlike prior studies that treat HMIS and EMR implementation primarily as technical variables or efficiency drivers, this research explicitly links digital transformation to a shift in professional power dynamics from doctor-centric to patient-centered digital services within the context of private hospitals in Indonesia.

Theoretically, this study contributes by combining the Burke–Litwin model as a diagnostic framework with theories of professional power, transformational leadership, and multilevel resistance to change within a single integrated analysis. This approach enriches the digital transformation literature by highlighting the causal interplay among regulatory pressure, organizational culture, physician power dynamics, and human resource readiness.

Empirically, the study offers new insights by identifying layered resistance (both overt and covert) as indicators of failed planned change, as well as structural inertia arising from misalignment between manual SOPs and digital systems as a source of organizational fatigue and performance decline. Practically, the study advances the field by positioning organizational learning and ambidexterity as strategic prerequisites for managing the transition toward patient-centered digital services. In doing so, it not only explains why the initial digital transformation at Medika Utama Hospital faltered, but also proposes a new conceptual framework for designing sustainable, culturally grounded, and power-sensitive digital transformation strategies in hospital organizations.

4. Conclusion And Suggestion

This study concludes that the initial failure of digital transformation at Medika Utama Hospital was not caused by technological limitations, but rather by the organization's lack of readiness to manage a paradigm shift from a doctor-centric to a patient-centered digital service model. The top-down implementation of the Hospital Management Information System (HMIS) and Electronic Medical Records (EMR), without being accompanied by cultural change, adequate human resource preparedness, and effective change communication, triggered both overt and covert forms of organizational resistance. The dominance of senior specialist physicians' professional power, structural inertia stemming from the continued use of manual standard operating procedures, as well as economic insecurity and low levels of digital literacy among staff, further reinforced the failure of the planned change initiated by management.

The findings reaffirm the relevance of Organizational Development theory, particularly the Burke–Litwin model, in explaining the causal relationship between external environmental pressures and internal organizational factors. The study also strengthens existing literature suggesting that hospital digital transformation can only succeed when supported by transformational leadership, continuous organizational learning, and active engagement of all stakeholders. Consequently, the shift toward patient-centered digital services requires bigger changes in organizational values, underlying assumptions, and power structures, rather than mere modernization of information systems.

Based on these findings, it is recommended that Medika Utama Hospital redesign its digital transformation strategy by adopting a planned change approach grounded in Organizational Development, prioritizing cultural and behavioural change alongside technological implementation. Management should establish participatory, transparent, and empathetic change communication and actively involve senior specialist physicians as key stakeholders in digital policy design to mitigate power-based resistance.

Furthermore, the hospital should develop comprehensive digital literacy and continuous organizational learning programs, including practice-based training, cross-professional mentoring, and double-loop learning mechanisms to enable employees to reflect on and abandon outdated work practices. Aligning manual SOPs with digital systems is also critical to preventing duplicated work and organizational fatigue. From a leadership perspective, hospital leaders must strengthen transformational leadership by articulating a clear patient-centered vision, fostering intellectual stimulation, and providing individualized attention to employees' concerns.

For future research, it is recommended to employ mixed-methods approaches or comparative studies across hospitals to empirically examine the relationships among organizational culture, professional power, digital leadership, and patient-centered service performance. Further studies may also extend the analysis to explore the long-term impacts of digital transformation on patient satisfaction, clinical quality, and organizational sustainability within an integrated digital health system.

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