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**The impact of institutional entrepreneurship on
value co-creation in long-term care context:
A case study**

**By Shu-Huei TSENG ^a Chien-Hsing LEE ^b
& Fu-Sheng TSAI ^{ct}**

Abstract. "Human-centered" is the core logic for long-term care development. Traditional though on value creation focuses on the financial profits generated in the transaction between product/service suppliers and customers. Differently, value co-creation emphasizes on collective creation of effective impacts (economic and social) via the knowledge and experiences exchanges between key stakeholders. Long-term care is a setting that deals both macro-level institutional and micro-level stakeholder behavioral concerns. The latter is embedded in the former; thus, it is critical to systematically discuss the influences of institutional change on the evolutionary value co-creation in long-term care context. The present article tries to search for theoretical essence and elements of value co-creation in long-term care, which is expected to be achieved jointly by service provider (the caring), receiver (the cared), the healthcare organization (e.g., hospitals), the government units, and other parties. Then the influences of institutional entrepreneurship's changes on these theoretical elements of value co-creation would be discussed. The article sets to offer clearer understanding of what value co-creation is in the long-term care context and how institutional entrepreneurship can alter value co-creation. Implications for research, practices, and health policy were discussed.

Keywords. Institutional change, Long-term care, Value co-creation.

JEL. B14, B24, B51.

1. Introduction

The Definition of Long-term Care refer to providing care suit contain long-term medical, care, personal and social support within long period for disable person, with the purpose of promoting or maintaining physical function and enhance independent normal living ability (Kane, 1998). The Long-term Care is broadly defined as containing physical disable or cognitive dysfunctionsince disease, damage or senescence, with the goal of promoting and maintaining independent

^a College of Management, I-Shou University, Taiwan.

☎. +886 8 7378595 ✉. tjeng666@gmail.com

^b Department of Business Administration, Cheng Shiu University, Taiwan.

☎. +886 7 7310606 ✉. martinzee0312@gmail.com

^{ct} Department of Business Administration & Office of Institutional Research and Management, Cheng Shiu University (833) No. 840, Chengcing Rd., Niasong District, Kaohsiung city, Taiwan.

☎. +886-7-7310606 mex. 5132 ✉. fusheng_tsai@hotmail.com

living ability; the content of the service contains diagnosis, prevention, treatment, care, rehabilitation, support and maintain with the society service (Weissert & Hedrick, 1994; Li, 2012). The long-term care means series care service which provide required service with reasonable price, suitable location, proper person in proper period according to disable person's retain function, in order to dignity and independently enjoy great life (Chen, 2014). The legislature passed Article 3 of Long-term Care on May, 2015: "Long-term care refers to personal support, assistance, social participation, care and related medical care according to the requirement of individuals or caregivers who have sustained or are expected to have physical and mental disability more than 6 months."

2. The development of long-term care

Domestic Long-term care institution was begun in 1980 announced the implementation of the Elderly Welfare Act, 1994 announced the Society Welfare Policy Guidelines, 1998 Executive Yuan approved "Strengthen Elder Nursing Service Program", Department of Health, Executive Yuan passed "Three-Year Elder Long-term Care Program", 2000-2003 Executive Yuan approved "Pilot Project of Constructing Long-term Care System", 2002-2007 Council for Economic Planning and Development, Executive Yuan promote "The Bill of Care Service Welfare and Industry Development", 2005-2008 Taiwan Health Community Six Star Plan and Holistic Health Care Plan, 2017 Executive Yuan approved "Ten-Year Long-term Care Program", 2008 is a period of establishing and measure national long-term care mode, launching "Ten-Years Long-term Care Program" which is important for constructing Long-term care institution. 2015 Long-term Care Net and Lon-term Care Act, 2016 Ministry of Health and Welfare raised "Ten-Years Long-term Care Program 2.0" which aims to let elder nursed and aging locally by community, common and affordable Long-term care system. The development of domestic Long-term care as follows (Table 1).

Table 1. *The Development of Long-term Care institution*

Year	The Content of Developing Long-term Care Institution
1980	Announced the implementation of the Elderly Welfare Act
1994	Society Welfare Policy Guidelines
1998	Executive Yuan approved "Strengthen Elder Nursing Service Program", Department of Health, Executive Yuan passed "Three-Year Elder Long-term Care Program"
2000-2003	Executive Yuan approved "Pilot Project of Constructing Long-term Care System"
2002-2007	Council for Economic Planning and Development promote "The Bill of Care Service Welfare and Industry Development"
2005-2008	Taiwan Health Community Six Star Plan Holistic Health Care Plan
2007	Executive Yuan approved "Ten-Year Long-term Care Program"
2015	Long-term Care Net and Lon-term Care Act
2016	Ten-Years Long-term Care Program 2.0

Data source: Ministry of Health and Welfare 2016 Ten-Years Long-term Care Program 2.0 (Approved version).

3. Theory and change of institution

The Institution Theory illustrated that the organization according to stakeholders view gains legality and legitimacy from the proceed of adapting environment's political, culture and society demand, the organization should pursue innovation under the overall social culture, living habits, political and economic systems and other environmental conditions. DiMaggio & Powell (1983) study how organization become similar, emphasize organization and environment is relative closely, organization survive have to follow institution environment, there have three kind of isomorphic pressure they mentioned: Forced Pressure from Legal and Regulations, Direction Pressure for Culture Expectation and Imitate Pressure. Forced Pressure: Organization have to obey the regulation promulgate by government in order to obtaining the condition and source of organization area surviving; otherwise, it will be punished or result in damaging the organization operation to survive disability. Direction Pressure: The organization area exist a set of gradually formed behavior standard and value, the member of organization is willing to obey non-regulatory norm. Imitate Pressure: The organization will imitate successful organization at same area as behavior reference mode so that reducing the uncertainty of core technology and increasing the possibility of own success (Hsieh, 2015). According to the study of organizational strategy, the organizational homogeneity and isotypism is regarded as a collective strategy of organization adaptation action. In order to adapt the institution environment, the organization have to keep adjust internal construction, organization will get change which is not set up originally within adapting process. The complexity of organizational institution environment is enough to become organization change pressure, possible to make organization change break away from original goal, producing unexpected results (Lin, 2002).

The organizational manage issue should be seen by larger view, maintaining the value of paying attention to society experience which contain organization, economic and political life, obeying the discipline conceptually, resolve and rebuild the issue. The organization is institutionalized in leadership management, and monitoring institutionalized (Cost and Profit) is responsibility of manager which must understand the reaction of internal and external environment, the organization renounce or change the status along with new situation or requirement. (Selznick, 1996) This article will be used to understand the impact of institutional change on long-term care values co-creation through above literates.

4. Value co-creation

The customer are excluded in traditional value creation process view, based on the self-value created by service provider only, which unilaterally create by service provider. With the knowledge raise of customer and

stakeholder, the service provider, customer and stakeholder is participate in creating value which will also be made from process of providing product and service, called "Value Co-Creation" (Prahalad & Ramaswamy, 2004).

According to Hung Wen Chiu et al's study, the customer value is divided as "Functionality Value", "Happiness Value", "Relational Value" and "Situational Value". Functionality Value: The value is produced by customer who feel physical recover within accepting medical service process from hospital. Happiness Value: This value is produced by customer who accept the hospital service to emotional level. Relational Value: When the customer strengthens the relationship between the hospital and the external institution, the customer create value with the relationship between the medical service and the resource injection caregiver. Situational Value: To produce positive psychological aspect for customer with situation which build by hospital. The doctor on behalf of the patient to decide whole medical decision as traditional medical care whether the customer required medical service will able to be reacted and meet the best benefit of the patient or not. Since high specialization of medical knowledge in medical care service, the patient barely have enough knowledge and information to choose required medical service, the medical care provider can reserve the providing medical information with the advantage of professional medical knowledge make the patient to disadvantages and unequal status. According to study, customers are willing to share information with service providers, and the development of friendly relations of participation in the interactive communication at the same time, service providers can clearly understand the require of customers, but also can provide service quality close to customer demand (Ennew & Binks, 1999). The more knowledge customer have, the high participate behavior in medical care process; When customer participation level higher, will more willing to cooperate with medical provider in medical interaction process, for example: To promote the best effect of medical care, the patient try to coordinate and help doctor make best treatment mode (Chang, Wang & Chan, 2010). The wiliness and coperative attitude of customer will affect the result of providing service process (Auh *et al.*, 2007). Customer not only provide service experience but also make service provider obtain customer knowledge through communication, and then produce value co-creation (Chen *et al.*, 2013). Patient can initiative participate in their own health, family member or caregiver as partner of care team, raise requirement and decide proper care arrangement on health care. Really patient-centered care should be fully explain and listen the requirement of patient and family, respect the independent rights for patients and their families joint care decision, and integrate the source of customer care require by caregiver, not only contribute to increase care communication but reduce care debate, let patient and family participate in care decision is important element of holistic health care. Patient participation not only reduce the uncertainty of medical care but

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promote the benefit output of health care (Vernarec, 1999). The patient who initiatively participate will enhance self-efficacy to achieve their goal in discussing care program.

5. Analyst and discussion

West society has appeared the concept of "Patient", "Caregiver" and "external staff" since more two thousand years ago. The former two is easy to understand and control, but the last one is related, contacted and operated to external staff, establish the related platform, build the mechanism, design the effectible operating mode and even forming the long-term care system. Should be cautious confront the huge policy program in modernization country. In process of forming the long-term care, the subjective and objective character of variety professional and half-professional also occurs dedicatee chance, the protagonist or supporter who is the single provider in the last time become a member in care team. Still remain indispensable position in care giver. However, it is still insufficient to develop a well care operation only by caregiver and patient, the existence of care relative platform, mechanism, effective operation mode and long-term care system is necessary to implement the care. Except the content, essence and system, the related matter of long-term care is complicated, along with the nature and positive promoted development, forming the exclusive professional area, discipline and job system, even growing to unique service system.

Recently long-term care trend is customer orientation, the service provide is increasingly focus on user's autonomy and option, starting to pursue the way to defend personal autonomy and free choice service. Disease is a basic analysis unit in thinking health care value, the disease is centered on people, not centered in medical care giver (Potter & Teisberg, 2014).

Thus, service provider have to discuss care requirement with elder and relative, providing care program and type which is meet the individual person than decide by unilateral. Health care program create the value for patient, cooperate with medical care provider who centered on result, rather than limiting and criticizing they made, and the satisfaction of each other can be felt. For example: Population aging trend, increasing the disease complexity, difficult for elderly people to get the medical care and care requirement, traditional medical care is divided in general specialist elder clinic and general ward. Ministry of Health and Welfare hospital reform in response of elder society and elder medical requirement which integrated into neurology, psychiatry, division Chinese medicine, Family medicine and established dementia integrate clinic or elder particular clinic, elder ward such as providing the elder best medical service. Another example: Population aging rapidly, long-term care service along with chronic type of disease, family structure change, miniaturized family reduce live with children, dual-earner household, traditional care is that the nursing home provide elder daily life care and nursing. Function nursing

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home provide medium term care (or acute late period care), medium care is a period of care after the acute period and before returning home, integrating the medical care service source, in order to make elder recover best physical function and reduce unnecessary hospitalize, long-term care institution and restore to dependable life.

Table 2. *Value creation and value co-creation*

Instruction	Institutional Entrepreneurship	Value creation	value co-creation
General specialist elder clinic, general ward	Dementia integrate clinic, elder particular clinic		Ministry of Health and Welfare hospital reform in response of elder society and elder medical requirement which integrated into neurology, psychiatry, division Chinese medicine, Family medicine and established dementia integrate clinic or elder particular clinic, elder ward such as providing the elder best medical service.
General nursing home	Functional nursing home provide medium care(or acute late care)	Population aging rapidly, long-term care service along with chronic type of disease, family structure change, miniaturized family reduce live with children, dual-earner household, traditional care is that the nursing home provide elder daily life care and nursing.	Function nursing home provide medium term care (or acute late period care), medium care is a period of care after the acute period and before returning home, integrating the medical care service source, in order to make elder recover best physical function and reduce unnecessary hospitalize, long-term care institution and restore to dependable life.

6. A case study of Ping Tung Hospital Long term care center

The change of Taiwan population is not to be sniffed at, the government face the coming of population aging, especially elder care requirement, elder population has reach to 7 percent since 1993 as aging population, but Ping Tung county even has reach to 7 percent at 1990. Domestic government subjective to launch long-term care relative policy within elder welfare against population aging. In order to facing care requirement, health department launched "Three-year elder long-term care program", encourage each hospital set nursing home, means partial bunk transform to nursing home. Ping Tung Hospital build forty bunk of nursing home in recently Six Four Ward program, agreed from Ping Tung County Health Bureau to found forty bunk, expanded to one hundred bunk and move to present nursing home on 2000, the requirement of nursing home is significant.

The mainly resident in nursing home is disability, who accept variety assistance by disability condition. The tenet of all caregiver is caring service, named ward service, need to accept personal care training for one hundred hours and then expand the care range result in the training time up to one hundred ten hours, Ping Tung Hospital also training two shift of ward attendant in response of lunching the nursing home. The subject should be an important topic for nursing home, after all, nursing agency is deferent from medical agency, don't have national health insurance and all depend on resident own expense, the charge cannot compare with nearly Kaohsiung City even midland and north area because the living standard in south area is fair in height; but care quality cannot be reduce, Ping Tung Hospital Nursing Home still launch on time.

Ping Tung Hospital Long Term Care Department establish in 1997 and build long term care system, in order to achieve the philosophy of Holistic Health Care. Ping Tung Hospital start to provide Home Care Service in 1996, found one hundred bunk nursing home, but out souring to Po Cheng Hospital till May, 1997, the Po Cheng Nursing Home is high quality in Ping Tung and this period, laying the groundwork of Ping Tung Hospital long term care quality. Obtain subsidy from Care Center, Department of Health, Executive Yuan in 1995, starting Dementia care. Gradually program the care mode of each floor forwarding to flatlet in 1996. Consider the possible defray mode problem of push diagnosis relation, establish mid-term care, pushing short stay unit and expand nursing home to one hundred twenty four bunk, the mid-term care means developing mid-term care mode in nursing home by the medical requirement and care experience of local people. The mainly manpower is Registered Nurse and caregiver, uniting the Attending Physicians, case managers, Physical therapist, Occupational Therapist, social worker and Pharmacist, visiting evaluation before stay, arrange stay, accredited care affect, case closed counseling, connecting society source, back home, tracking case closed and place rehabilitate

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relative device like Pneumatic rehabilitate training device etc, as a full and compete care mode. Along with compete care requirement evaluation and integrated intervention services, make case return to society earlier, avoid to initiating unnecessary disability cause lack of care, result to long term care case. Thus, Ping Tung Hospital mechanism care approximately form and contain Mid-term, dementia and Lon-term care unit.

Day Care found in 1996, the families using desire is not high until society unit push ten years long term day care, Ping Tung Hospital obtain National Ten Years Long-term Care Program-Dementia Elder Day Care Service, so that the caregiver can accept the subsidy to gradually expand the day care market. Also obtain National Ten Years Long-term Care – Day Care Service (Disability Day Care), because belong to community day care, the location and staff care rate etc is regulated by society unit, but also develop first day care unit in Ping Tung County. Rehabilitate department obtain Ma Chia Village community rehabilitate service, and make Ping Tung Hospital society service more complete. Home Care is last providing service, start Ten Year Long-term care program service by society unit in 2000, service location is eight village in north of Ping Tung, also obtain home rehabilitate program from health department, combined with home care gradually develop community service to home.

Ten Year Lon-term Care is important policy recently promote by government, depends on public and private association, the elderly population is higher than the country should be actively planning, Pint Ting Hospital is public mechanism is more responsible for operate perfect care for Pint Tung County elder.

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