

“A Study on the Relationship between Corporate Social Responsibility & Corporate Performance of Private Healthcare Providers with special reference to Mangaluru City. ”

1. MS RUNA LOBO (MBA; NET)
ASSISTANT PROFESSOR
DEPARTMENT OF BUSINESS ADMINISTRATION
ST ALOYSIUS COLLEGE MANGALURU.
2. MS VINOLA SANDRA SEQUEIRA (M.A; M.Phil; KSET)
ASSISTANT PROFESSOR
DEPARTMENT OF ECONOMICS
ST ALOYSIUS COLLEGE MANGALURU.
3. MS PREEMA TAURO (MBA)
LECTURER
DEPARTMENT OF BUSINESS ADMINISTRATION
ST ALOYSIUS COLLEGE MANGALURU

ABSTRACT

Private Healthcare has become one of India's largest sectors both in terms of revenue and employment. It comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment and is growing at a brisk pace due to its strengthening coverage and increasing services. The initiation of contribution towards the corporate social responsibility by the private healthcare is commendable.

This study aims to show the relationship between the development of Corporate Social Responsibilities (CSR) practices & corporate performance among the private healthcare providers in Mangaluru City. Stratified random sampling method is adopted. The healthcare's having an existence of more than a decade is considered for the study.

This study attempts to show the strategic incorporations of corporate socially responsible actions, more concerned and engaged with stakeholders, contributes to improve the competitiveness of these organisations.

Keywords: Corporate Social Responsibility (CSR), Private Healthcare, corporate performance, stakeholders, community reach.

Introduction

The Indian private healthcare sector is one of the fastest growing industries primarily due to the lacunae left by the government sector in healthcare services. It accounts for almost 74 per cent of the country's total healthcare expenditure¹. With the rising trend of lifestyle diseases as compared to traditional health problems, the demand for specialised care has increased in urban areas. Growing health awareness and preventive health

¹ Source: Report on Healthcare- January 2017 by IBEF

care are further expected to boost the demand for healthcare services. People prefer private healthcare services, rather than government sector, although the costs in the latter are much more affordable.

Corporate Social Responsibility is how companies manage the business processes to produce an overall positive impact on society” (Baker, 2004)². It is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large” (World Business Council for Sustainable Development)³. CSR are the voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner.

Mangaluru city houses government hospitals, medical colleges, corporate hospitals, multi-speciality hospitals, general hospitals, private nursing homes and polyclinics. The study aims to project the current CSR initiatives conducted by Private hospitals in Mangaluru city as well as suggest possible sustainable CSR avenues for future.

Review of literature

1. Brandao Cristina, Rego Guilhermina, Duarte Ivone, and Nunes Rui (2013) focused on the issue of corporate social responsibility in health care, namely in the hospital setting, emphasising the special governance arrangements of such complex organisations and to evaluate if new models of hospital management will need robust mechanisms of corporate governance to fulfil its social responsiveness.
2. Collins Sandra (2010) attempted to determine the CSR Orientation and Viewpoints that the future healthcare managers may hold. It was observed that the future healthcare managers may hold patient care in high regard as opposed to profit maximization and will also continue to need rules, laws, regulations, and legal sanctions to guide their actions and behaviour.
3. BSR report (2013) attempts to showcase the role of business in population health in the United States, with a particular focus on the role of CSR in strengthening corporate engagements that aim to improve the health and wellness of employees, communities, suppliers, customers, and the general public.
4. Toshiro Takahashi, Ellen Moriah & Brown Adalsteinn (2013) emphasised the role of CSR in advancing hospital management and how CSR can help hospitals in deciding its role in initiating the best policies that can be applicable to pursue its actions and behaviour.
5. Abreu Rute and David Fatima (2015) mentions the importance including healthcare in policy making and politics to make it accessible to all.

Research Gap

The articles scrutinised discussed about the CSR activities initiated by the various Private healthcare providers worldwide. Few articles provided information on the role of future managers and the requirements that will help to guide them. Our article is an attempt to identify the areas of CSR provided by private healthcare providers in Mangalore to the general public and also contribution of CSR towards its corporate performance.

² Baker, M. (2004) “Corporate Social Responsibility – What does it mean?”

³ World Business Council for Sustainable Development in Hopkins, 2007

The study aims to project the current CSR initiatives conducted by Private hospitals in Mangaluru city as well as suggest possible sustainable CSR avenues for future.

Research Design

This section deals with the objectives, the methodology adopted to get the data, the sampling techniques and the limitations of the study.

Objectives of the study

- To know the areas of CSR activities performed by the Private healthcare in Mangaluru city.
- To know the challenges faced by the Private healthcare in the implementation of CSR activity and maintaining profitability.
- To know the basis for choosing the target customer for the CSR activities.

Research Methodology

The data for the study is gathered from both primary and secondary sources. The primary data is obtained through structured questionnaire and interviews. The secondary data is obtained through journals and website.

Twelve Questionnaires were distributed to the respondents within the Mangaluru city to collect information.

Sample Design

Stratified random sampling method is adopted. All Private Healthcare providers categorized as;

1. Teaching-cum- Research hospitals,
2. General Hospitals,
3. Special Hospitals

Of the Mangalore city who were functioning as per the guidelines laid (private medical establishment act 2007) by the government of Karnataka state are considered for the study.

The information for the study was collected from the employees who are serving for more than ten years in the organisation.

Limitations

- Time constraint
- Information collected may be biased.
- CSR is introduced only in major health care units and not in the smaller units.
- Area of the study is restricted to Mangaluru city.

Data Analysis

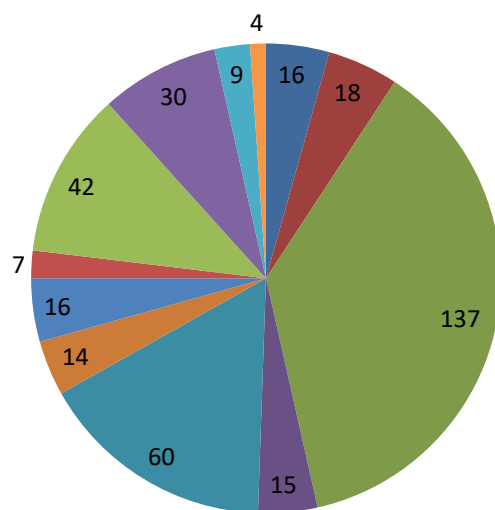
This section deals with the data analysis from the information gathered through the structured questionnaire in the form of tables and charts.

Section A

1) Years of establishment.

Name of private healthcare	Years of establishment
1. A.J.Hospital & Research centre	16
2. Justice K.S Hegde	18
3. Father Muller charitable hospital	137
4. Yenapoya	15
5. K.M.C	60
6. Sahara	14
7. Omega	16
8. Indiana hospital & heart institute hospital	7
9. Unity	42
10. S.C.S	30
11. Vinaya	9
12. Kanachur institute of medical sciences	4

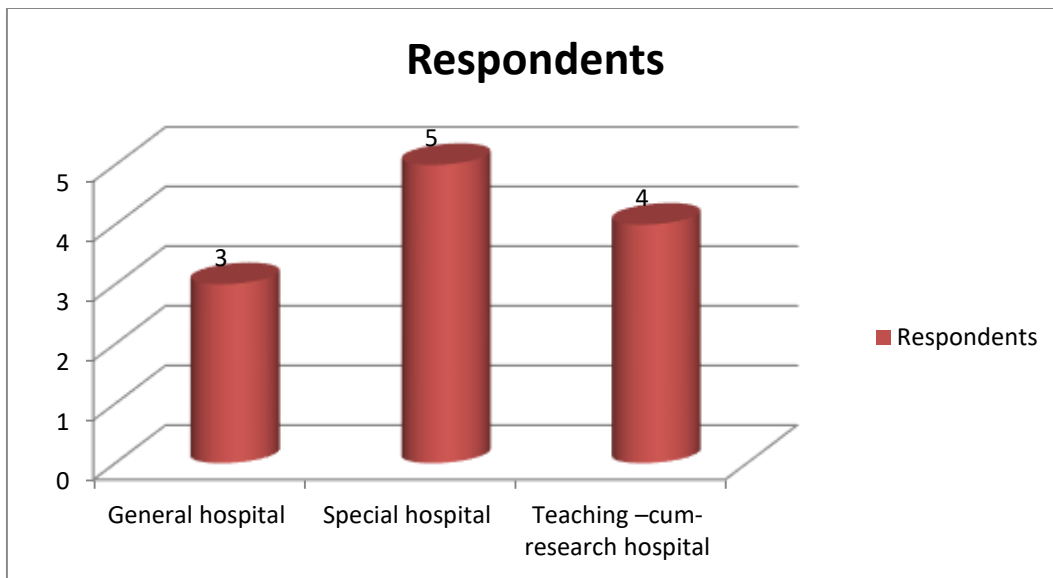
Years of establishment



- 1. A.J.Hospital & Research centre
- 2. Justice K.S Hegde
- 3. Father Muller charitable hospital
- 4. Yenapoya
- 5. K.M.C
- 6. Sahara
- 7. Omega
- 8. Indiana hospital & heart institute hospital
- 9. Unity
- 10. S.C.S
- 11. Vinaya
- 12. Kanachur institute of medical sciences

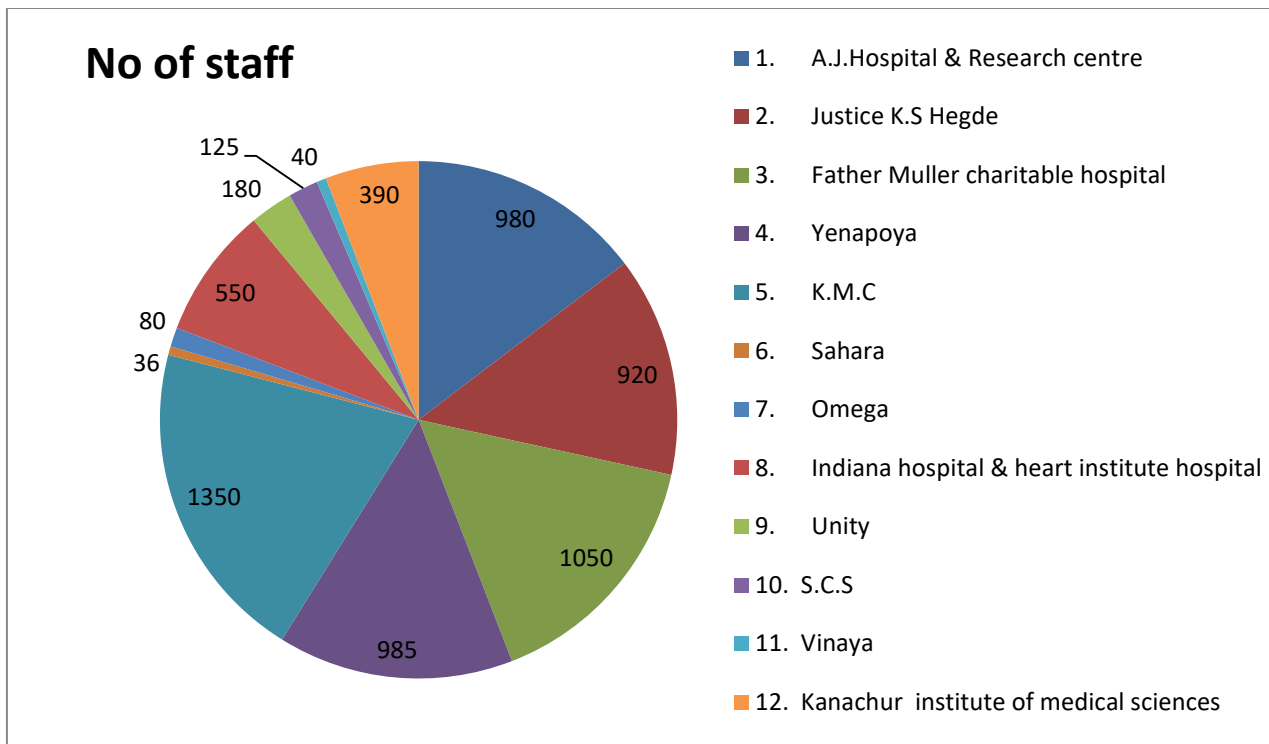
2. Type of hospital

Category	Respondents
General hospital	3
Special hospital	5
Teaching –cum- research hospital	4



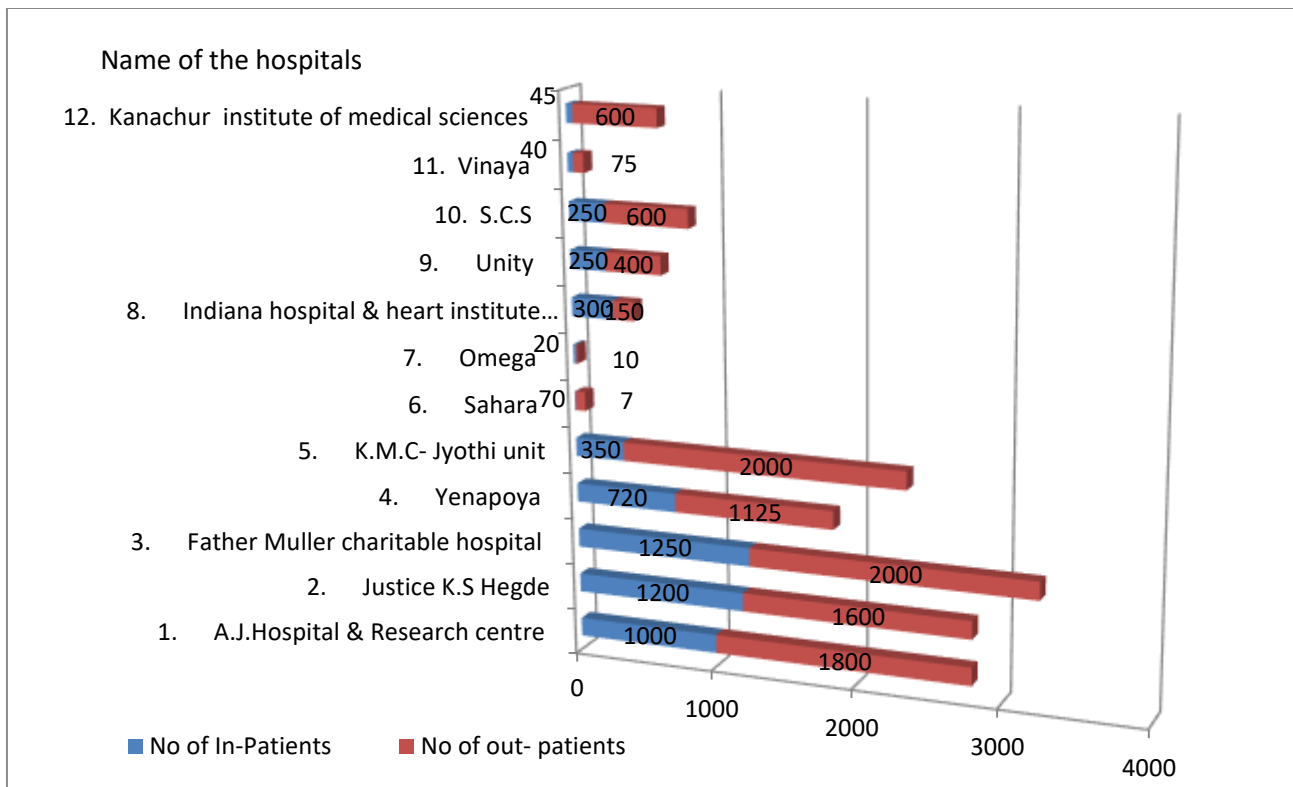
3. Administrative staff at healthcare.

Name of private healthcare	No of staff
1. A.J.Hospital & Research centre	980
2. Justice K.S Hegde	920
3. Father Muller charitable hospital	1050
4. Yenapoya	985
5. K.M.C	1350
6. Sahara	36
7. Omega	80
8. Indiana hospital & heart institute hospital	550
9. Unity	180
10. S.C.S	125
11. Vinaya	40
12. Kanachur institute of medical sciences	390



4. Patients at healthcare (per day)

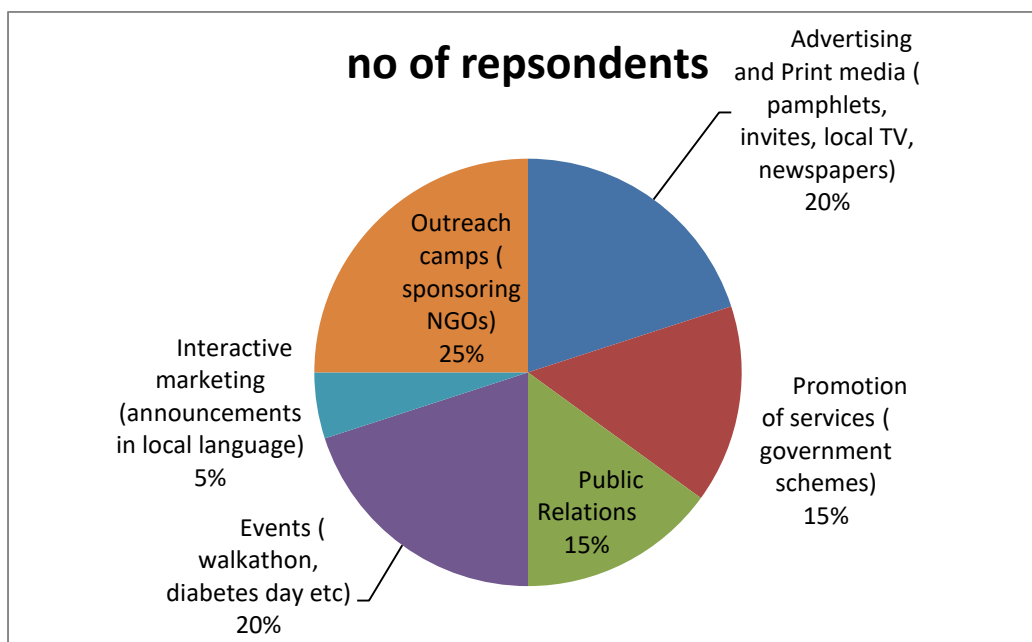
Name of private healthcare	No of In-Patients	No of out- patients
1. A.J.Hospital & Research centre	1000	1800
2. Justice K.S Hegde	1200	1600
3. Father Muller charitable hospital	1250	2000
4. Yenapoya	720	1125
5. K.M.C- Jyothi unit	350	2000
6. Sahara	7	70
7. Omega	20	10
8. Indiana hospital & heart institute hospital	300	150
9. Unity	250	400
10. S.C.S	250	600
11. Vinaya	40	75
12. Kanachur institute of medical sciences	45	600



Section B

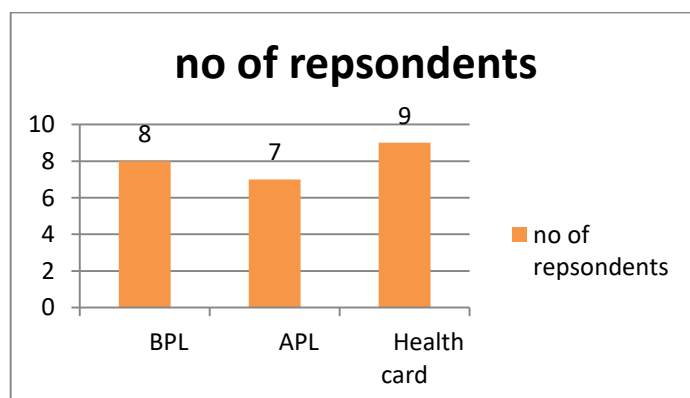
1. Communication of information about your CSR activities to the target audience

Particulars	Advertising and Print (media pamphlets, invites, local TV, newspapers)	Promotion of services (government schemes)	Public Relations	Events (walkathon, diabetes day etc.)	Interactive marketing (announcements in local language)	Outreach camps (sponsoring NGOs)
No of respondents	8	6	6	8	2	10



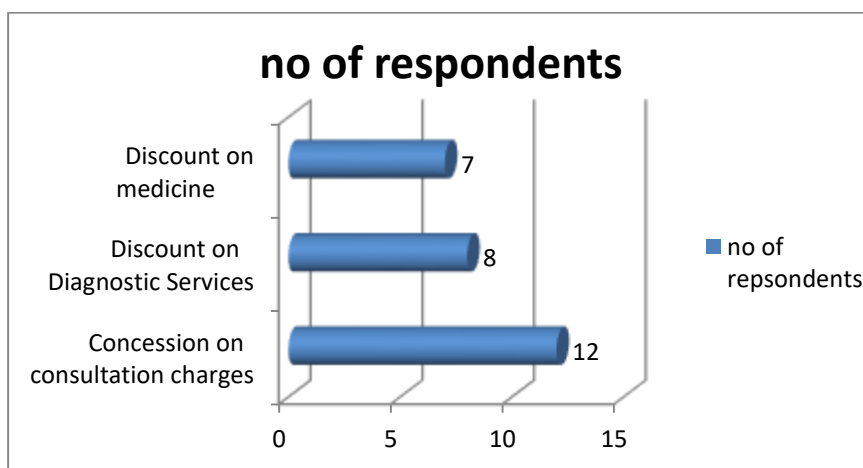
2. Identification of target audience for CSR activities.

Particulars	BPL	APL	Health card
No of respondents	8	7	9



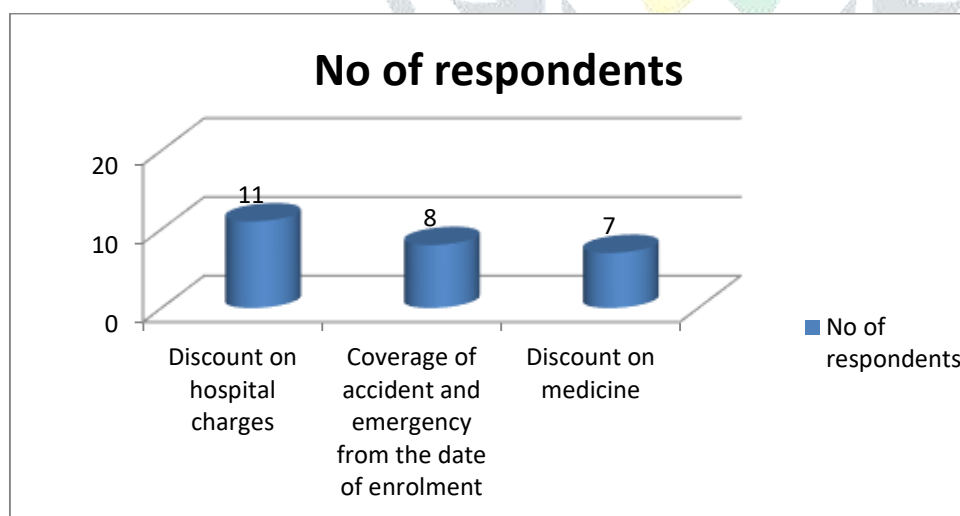
3. Out-patient benefits offered at your hospital.

Particulars	Concession on consultation charges	Discount on Diagnostic Services	Discount on medicine
No of respondents	12	8	7



4. In-patient benefits offered at the hospital.

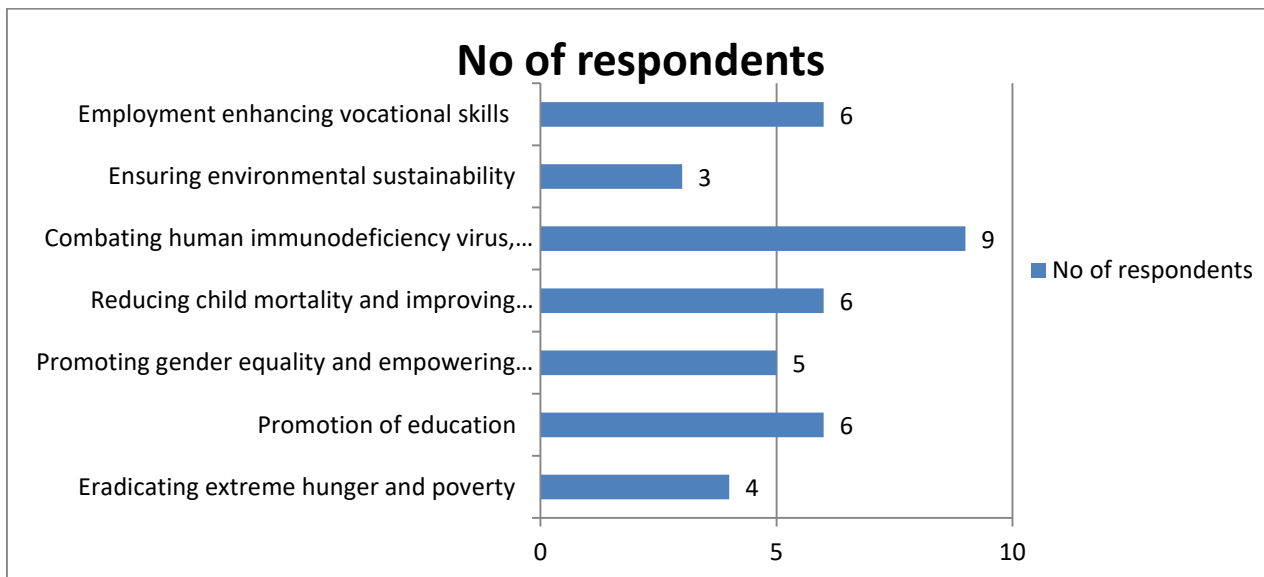
Particulars	Discount on hospital charges	Coverage of accident and emergency from the date of enrolment	Discount on medicine
No of respondents	11	8	7



5. CSR developmental activities conducted per Sec 135.

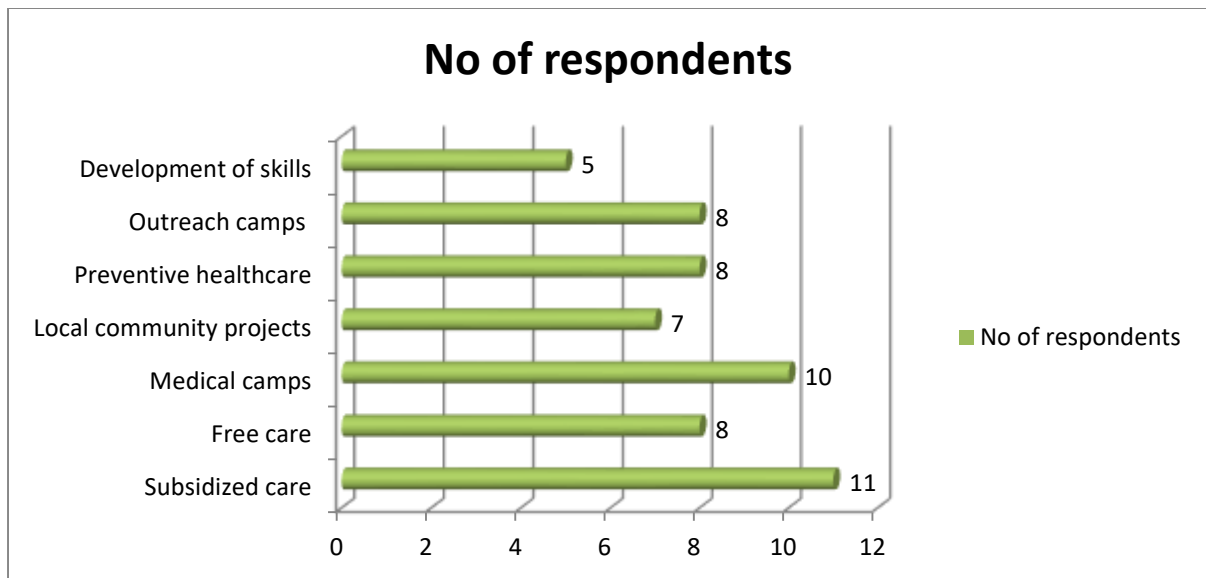
Particulars	No of respondents
Eradicating extreme hunger and poverty	4

Promotion of education	6
Promoting gender equality and empowering women	5
Reducing child mortality and improving maternal health	6
Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	9
Ensuring environmental sustainability	3
Employment enhancing vocational skills	6



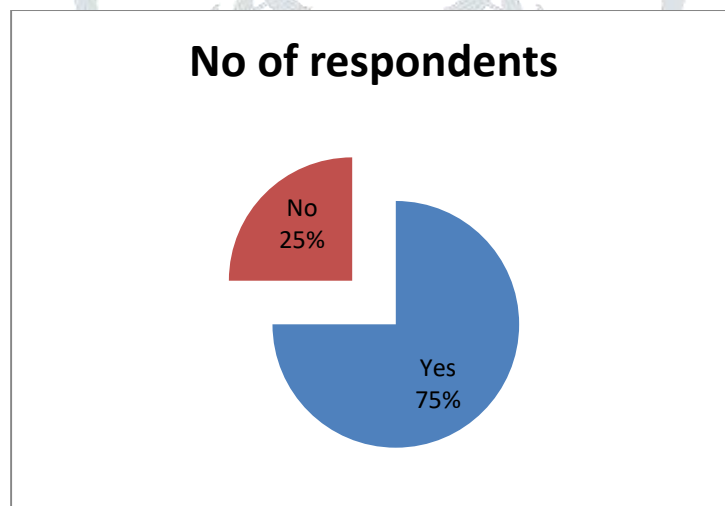
6. Types of CSR activities conducted at the hospital.

Particulars	No of respondents
Subsidized care	11
Free care	8
Medical camps	10
Local community projects	7
Preventive healthcare	8
Outreach camps	8
Development of skills	5



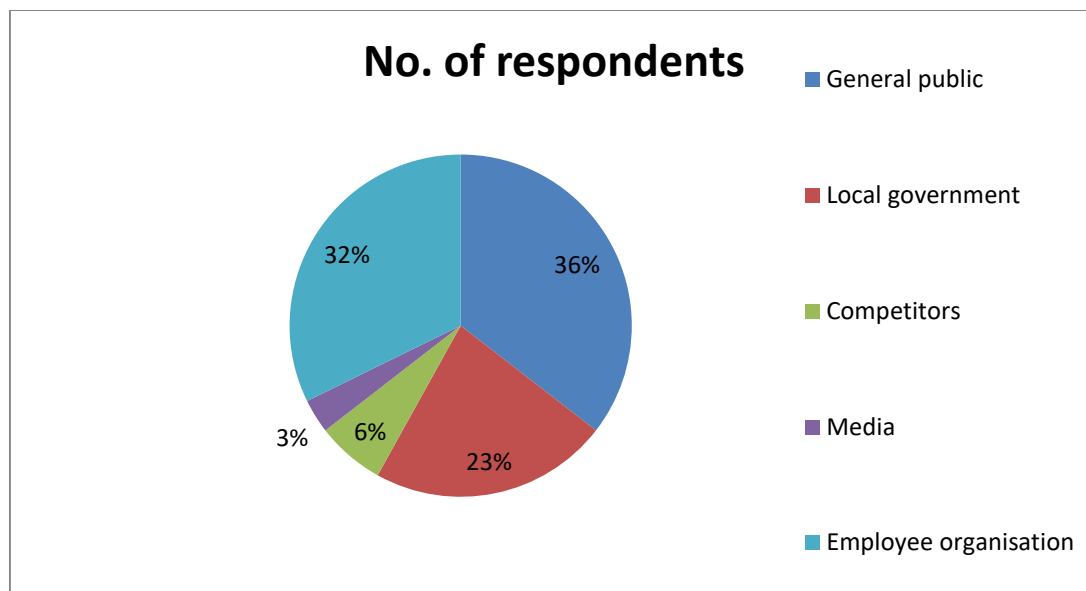
7. Growth and enrollment of new patients in the hospital due to CSR.

Particulars	Yes	No
No of respondents	9	3



8. Stakeholder groups benefited from CSR

Particulars	No. of respondents
General public	11
Local government	7
Competitors	2
Media	1
Employee organisation	10



Findings:

Father Muller charitable hospital is the only hospital which has an existence of 137 years. Majority of the hospitals are speciality and teaching – cum- research hospitals. The administrative staffs of Speciality and teaching – cum- research hospitals have more than 500 employees. Based on the type of healthcare every hospital has increasing number of in -patients & out- patients. Majority of the hospitals use advertising, media, outreach programs & various events to communicate about CSR activities to their target audience. Maximum numbers of hospitals have introduced health cards and also use BPL & APL cards to target their audience. Good amount of concession on consultation charges & discount on services is provided to out- patients whereas maximum amount of discount on overall charges is provided to the in- patients. Only few health care providers are conducting CSR developmental activities as per Sec 135. Most of the health care providers are aware of CSR activities and they conduct the same as per the need of hospitals and general public. In the current scenario CSR activities conducted have helped in the growth and enrolment of new patients in the hospitals. Maximum number of stakeholders has contributed through CSR activities.

The teaching cum research hospitals as part of their operating structure offer free and subsidized care to its patients, free meals, concessions on medicines and consultation charges were provided. The Community medicine department actively takes care of outreach programs in its capacity as part of the curriculum.

The Corporate hospitals namely AJ Research hospital and KMC had a year round calendar of the various CSR initiatives they undertake ardently. Small Hospitals namely Sahara hospital and Vinaya Hospital provide subsidized care. The Management team of these hospitals decide on a one-on-one patient basis.

Private hospitals that have initiated Government schemes have not been compensated by the Karnataka Government. The Mukhyamantri Santwana Harish Yojana to Help Road Accident victims was implemented by various hospitals, but the State government has not repaid the hospitals the remuneration of the scheme. When these losses eat into the profits of the hospitals, CSR will not be executed.

Absence of established NGOs in Mangaluru city have limited hospitals from undertaking CSR initiatives in a full-fledged manner.

Suggestions:

Suggested Areas of CSR for Private Hospitals:

- Swach Bharath Abhiyaan projects: In tune with country wide initiatives of Swach Bharath, hospitals can promote the cause of cleanliness further with community initiatives and awareness programs.
- Donation drives:
 - Hair donation drives for cancer patients;
 - Organ donation drives with tie ups with educational institutions around Mangalore.
- Preventive healthcare initiatives:
 - Preventive Health Program for Females(focussed on preventing diseases, such as osteoporosis, breast cancer, cancer of the cervix & ovary, anaemia of various types and promoting healthcare in women)
 - Anti-TB campaign (TB is a contagious and airborne disease, and ranks as the 2nd leading cause of death from a single infectious agent, after the Human Immunodeficiency Virus (HIV). The incidence of TB has been steadily increasing in the country, with India having the highest burden of TB in the world)

Conclusions:

Although it is opined by 10/12 of the respondents that CSR initiatives lead to better visibility of the Hospital as a brand, there is still a lack of having these initiatives among hospitals. Established NGO can further ease the process of conducting CSR initiatives by Hospitals.

Bibliography:

1. Collins, S. K. (2010). An exploration of corporate social responsibility and Machiavellianism in future healthcare professionals. Carbondale, IL: Southern Illinois University Carbondale.
2. Brandao Cristina, Rego Guilhermina, Duarte Ivone, and Nunes Rui (2013), Social responsibility: a new paradigm of hospital governance”, Health Care Anal., December.
3. Collins, Sandra (2010),” Corporate Social Responsibility and the Future Healthcare Manager “, the Health Care Manager 29, Vol. 29, Issue 4, January, ISSN: 339-345.
4. Toshiro Takahashi, Ellen Moriah & Brown Adalsteinn (2013),” Corporate social responsibility and hospitals: US theory, Japanese experiences, and lessons for other countries”, Forum, Volume 26, Issue 4, December.
5. Abreu Rute and David Fatima, (2015),” Corporate Social Responsibility is urgently needed in Health Care”, Social Responsibility Journal, Vol. 1 Issue: ¾, ISSN: 1747-1117.
6. BSR report (2013),” Mobilizing CSR to Strengthen Corporate Engagement on Health and Wellness across the Value Chain”, Business and Population Health.
7. Sudarshan Pai U., H. N. Harsha Kumar, (2015),“A study on corporate social responsibility for the health care of the elderly by private health care providers of Mangalore city: A health systems research”, International Journal of Medicine and Public Health, Vol 5 | Issue 2 April-June.

1. www.ncbi.nlm.nih.gov/pubmed.
2. www.pdfs.semanticscholar.org
3. www.jcsr.springeropen.com

4. www.bsr.org/reports/BSR_A_New_CSR_Frontier_Business_and_Population_Health.pdf
5. www.sciencedirect.com/science/article/pii/S084047041300080X
6. www.emeraldinsight.com/doi/abs/10.1108/eb045813
7. www.ijmedph.org/article/366
8. www.ijmedph.org/sites/default/files/IntJMedPublicHealth_2015_5_2_157_153826_0.pdf
9. www.sciencedirect.com/science/article/pii/S084047041300080X
10. www.emeraldinsight.com/doi/abs/10.1108/eb045813
11. www.thehindu.com/sci-tech/health/more-people-opting-for-private-healthcare/article4967288.ece
12. www.mallenbaker.net/article/clear-reflection/definitions-of-corporate-social-responsibility-what-is-csr
13. www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/other-autre/csr-rse.aspx?lang=eng

