

A Study on CSR Practices in Private Hospitals in Kerala

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Abstract

Health has become one of the India's largest sectors both in terms of revenue and employment. Healthcare sector is important as it adds to the economic development of the country by creating job opportunities is little less compared others like IT. Confederation of Indian Industries (CII) had recognized health sector as an industry in 1980's. Corporate Social Responsibility mission of health sector is to touch a billion lives. The CSR could play a vital role for healthcare service sector to improve their image or goodwill and enhance the stakeholder participation. The new corporate hospitals have understood what CSR means and how to initiate CSR practices in the society. The primary objective of today's hospitals is that dedicated to its well-embraced CSR policy and to best business practices is to use scarce resources prudently and effectively. Altruism is the biggest incentive for CSR activities of hospitals. CSR as setting as a marketing strategy by the hospitals in Kerala too.

KEYWORDS: Corporate Social Responsibility, Customer loyalty, philanthropy, ethics, community.

INTRODUCTION

In India healthcare service has witnessed rapid growth and development. Hospital's service is essential part of our life. Healthcare services are profession as well as act of social welfare and devotion towards mankind. Currently the country can boast of approximately 13,500 hospitals, 27,400 dispensaries, 7, 17,860 registered medical practitioners, 4, 95,000 nurses, 2, 27, 000 auxiliary nurses. Indian healthcare industry is growing at a rate of 12% p.a (Ninawe, 2013). The CSR is a part of healthcare service sector after the introduction of companies Act 2013; organizations searching new ways of undertake CSR activities. Philanthropy is the key area of CSR practices in health sector but after the introduction of the act it has turned to environmental protection, ethical practices and community development etc.

Now, CSR firmly rooted on the agenda of healthcare service sector, with a motive of create goodwill, loyalty and corporate image. The present research paper is an attempt to explore the CSR practices as philanthropy activity and examine CSR activities for longstanding sustainability and generation of positive images of healthcare services.

Concept of CSR

The term Corporate Social Responsibility is used continually, many corresponding and extending concepts such as Corporate citizenship, business ethics, stakeholder management, and sustainability, have emerged multiple perspectives and by

those in facilitating role such as the corporate sector, Govt. agencies, academics, and the public sector. A widely cited definition of CSR in the business and social context has been given by the European Union (EU, 2002); it describes CSR as “the concept whereby companies integrate social and environmental concerns in their business operations and interaction with stakeholders on a voluntary basis. Corporate Social Responsibility is defined as “the responsibility of enterprises for their impacts on society” (European Commission, 2011). Today the organizations realizing the importance and the long-term benefit of being socially responsible in society. This definition is concise a bridge and encompasses of all aspects of corporate social responsibility including the environment, Social, human rights amongst others in business activity. The basic objective of CSR is to maximize the company’s overall impact on society and stakeholders at the same time considering environment and sustainability.

For healthcare organizations, the new consideration for CSR should take into consideration the global vast poverty-related challenges. Nowadays, society expects more from corporations and organizations due to hard social and economic realities. They expect business to have a responsibility to stakeholders, society, and future generations. Since these expectations are different, the business enterprise or organization should identify, analyses, and prioritize the stakeholder demands to establish a realistic and practical corporate duty. The social, health, and environmental problems facing global society today suggest that a more and different responsibility have been allocated to other actors, including corporations. (Siniora, 2017)

Objectives of the study

1. To study the Corporate Social Responsibility practices of private hospitals in Kerala.
2. To understand the dimensions through which customers perceive the Corporate Social Responsibility activities undertaken by the private hospitals in Kerala.

Literature Review

The review of literature explores the CSR phenomena with various perspectives. “There are two famous model of CSR conceptualizations-one by Carroll (1979) and other by Wood (1991) (Jamali, Mirshak, 2007). The conceptual model of CSR explained by Carroll differentiated between four types of corporate social responsibilities: economic, legal, ethical and discretionary. The managerial initiative & financial gain are the key motives for the adoption of CSR. The implementation of a holistic CSR framework in hospital can result into a higher efficiency in operations and building corporate image. “The usefulness of a mix of CSR perspectives economic benefits, conformance to legal and ethical expectations and philanthropic/ community involvement is helpful in explaining variations in CSR orientation”. (Uhlander, 2004). However the healthcare services are concerned CSR practices serve to create image and goodwill with competitive advantage as well. In India the concept of the CSR practices are defined as social welfare especially for under-privilege class. It’s a part of social justice, ethics & philanthropy. (Ninawae, 2013).

Statement of the problem

The study of practice of CSR by companies has been conducted by many academicians and researchers in different angles, especially at national and international level. They focused on profitability in connection with financial performance and CSR. Almost all the hospitals in Kerala have registered under Registrar of Companies under

the Act. But very few of the hospitals have a CSR policy and still very few are undertaking the CSR activities. People are aware of the fact that some of the hospitals in Kerala have been practicing CSR, since the implementation of Indian Companies Act 2013. Through such corporate social proceedings, the customer aspires not only hospital relationship and communication, but also proper medical assistance and ample service to common people. By this it is observed whether there is an increment in customer's perceived benefit along with analyzing the possibility of company identification between the customers. Hence it can be assured that no such study has been done regarding CSR practices by hospitals in Kerala.

Research Methodology

In the present research the sample consisted of total of private hospitals includes specialty and multi-specialty hospital; from Kerala. These hospitals have adopted & fulfill regulations given in company bill 2012-section 135 schedules VII for CSR. These hospitals are registered under Registrar of Companies (RoC) and accredited & certified by NABH, NABL and ISO-26000. The CSR practices implemented by each hospital were studied, analyzed and presented meaningfully. For the present study secondary data was acquired from the official websites of sample private hospitals.

Instrument and Variables

To fulfill the objectives of the study a structured self-designed format was adopted by the researcher. The study variables are awareness, practices, implementation of Act, act of philanthropy & building the image, etc. were observed. The study is qualitative and descriptive in nature.

Source of Data

The data was collected from secondary sources like books, journals, Government reports and from several websites. The policy and practices of CSR initiatives by hospitals are available on websites of concerned hospitals. This data was analyzed and interpreted in the light of present objectives of the study.

Scope and limitations

Due to the limited time the present research work was conducted on private hospitals only. The study refers the purposive sample. One can't deny the errorless notation of secondary data and its intention was also differ from the present research.

Case studies of private hospitals in Kerala

KIMS Hospital, Trivandram: KIMS Hospital always has been in the forefront as a socially committed corporate. "Inclusive growth" has been one of the driving forces in setting up the institution. Every member of the KIMS family is committed to provide care and solace to all who are in need of medical care.

KIMS hospitals have CSR activities in the following categories:

KIMS hospital have formed 'HridayaSpandanam' scheme of 100 free heart surgeries for unaffordable heart patients. 'Guruvandanam' scheme for knee replacement surgery for retired school teachers. Spine foundation running for free or subsidized treatment for congenital spine deformities. Liver foundation for free or subsidized liver transplant surgery for unaffording patients, Dialysis foundation for free/subsidized care for the poor and needy voice foundation, forum for professional voice users, vocologists and aspirants. Other than the above CSR initiatives KIMS undertake medical camps, training programs, and ecofriendly practices and go green initiatives.

Aster MMS

MIMS ltd. (hereafter described as the company) since its inception has seen itself as a corporate citizen responsible to the society. In order to carry out the charitable activities in a structured manner, company has decided to formulate a policy. The policy has been prepared in line with the requirements of the companies Act, 2013. CSR activities are the following Aster MIMS Charitable Trust was incorporated in 2002 with genuine concern to lend a helping hand to the underprivileged to undergo expensive treatment including surgeries, organ transplants, and dialysis at subsidized cost. The trust has extended its aid to patients in Aster MIMS Kottakkal also.

Adoption of Vazhayoor Panchayat

The initiative of adopting a panchayat and establishing a Rural Health Centre was one of the most successful projects of the Trust. This center is equipped with a pharmacy and a laboratory. A senior doctor is at the helm of affairs at the Rural Health Centre aided by trained nursing staff. Subsidized treatment is provided to the poor.

MIMS Surround

Under this scheme, poor patients living in the immediate vicinity of Aster MIMS are provided with free treatment.

Stand Alone Dialysis Centers

Aster MIMS Trust is a pioneer in standalone dialysis center and our first center was established in Vadakara. The centre turned to be a great success, which paved way for setting up similar centres in association with the local NGO's and philanthropists in Calicut, Kannur, Ulliyil, Irrikur, Panur, Trikaripur, etc.

Early Cancer Detection Project

DM Foundation had organized a mammoth Early Cancer Detection Camp at Perumanna Panchayat in Calicut district. About 1250 residents were screened by our doctors and paramedical staff at the camp from which 91 patients were referred to Aster MIMS for further screening. The Trust too had come forward to help when and where required.

Save a Heart save a Child & Save a Heart Save a Life

Aster MIMS is committed to save and help the lives of poor - children and adult, suffering from heart ailments and needing surgical correction. These schemes were launched which were highly subsidized and free.

Charity Beds

Free or highly subsidized treatment and surgeries are provided to the underprivileged people under this scheme.

Renovation of Medical College Ward

Aster MIMS Trust is dedicated to serve people. We had taken an initiative to renovate and maintain Ward 2 of Calicut Medical College Hospital. The daily housekeeping chores is carried on by staff appointed by the Trust.

Scholarships

Scholarships are awarded to diligent children of our staff who want to pursue their studies in Aster MIMS Academy.

VPS Lakeshore

The Company shall be undertaking activities in the following broad areas. Specific programs and projects under these areas shall be proposed and implemented in each financial year.

- Eradication of hunger and malnutrition
- Health promotion
- Supporting Government initiatives in healthcare especially in preventive health, maternal and child health and care of older persons.
- Sanitation
- Availability of safe drinking water
- Campaign against use of alcohol, smoking, drug abuse etc.
- Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement
- Rural Development
- Promoting gender equality and empowering women
- Setting up daycare centers homes and hostels for women, senior citizens and marginalized communities.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture.
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

Amrita Institute of Medical Sciences (AIMS)

Amrita Institute of medical sciences based in Kochi, Kerala is recognized as one of the premier hospitals in South Asia. AIMS provide the follows social responsibility activities towards their customers as follows:

1. Patient service department

- Free/ subsidies treatment is provided for patients according to their financial status.

2. Medical Camp & outreach program

- Health awareness training program for school students and teachers
- Special awareness program on tobacco, drugs, alcohol abuse and deaddiction.
- Oral health education program
- Basic cardiac life support for policemen
- Palliative care training for students
- Volunteer's training program
- Tribal and rural organizer's training program
- Cancer education.

3. Clinical services

- Free clinic for poor and needy patients
 - General medicine clinic
 - General surgery clinic
 - Routine camps & emergency camps
- 4. Routine camps & Emergency camps**
- **Epidemics**
 - Seasonal Diseases
- 5. Disaster Management service**
- Earth Quakes
 - Flood Relief
 - Isunami.

Bio Medical Waste Disposal management also functioned by AIMS.

FINDINGS

- KIMS hospital has remarkable CR practices which mainly focus on philanthropy by providing healthcare services with the unique plan of action on three fronts.
- KIMS hospital deserves appreciation for its great contribution for environment, community involvement and philanthropy but it doesn't speak about ethical labor practices and ethical marketing.
- MIMS hospital shows high range of philanthropy culture. The hospital runs charity trust since 2002. The hospital given more importance to community involvement & philanthropic. Village adoption schemes of the hospitals make sure that the institution as in the line of social responsibility.
- VPS Lakeshore hospital serves CSR activities based on the practices denoted in Schedule VII of Companies Act 2013. Hospital provides healthcare services and health education to poor. No record found regarding labor welfare and ethical marketing.
- AIMS is one of the following and prize-winning CSR practitioner. The rural health programs for the tribal and village people are at the agenda of this hospital. It focusing on environmental protection and biomedical waste disposal management.

SUGGESTIONS

- Every hospital registered under Registrar of Company should constitute CSR committee to recommend CSR policy.
- Awareness regarding CSR practices to the employees will be helpful to create employee loyalty.
- CSR implementation can easily possible whether the stakeholders have self-efficacy.
- Hospitals should have given attention to community development and welfare of society. Every hospital should have economic, environmental, ethical and cultural dimensions then the organization can fulfill the societal obligation.
- In order to fulfill the needs and desires of the customers will lead to creating customer loyalty.
- Local customers and rural customers are the main targets of hospital CSR then the organization fulfills the bottom-up approach.

- Environmental management schemes have more relevance in the society but the hospital industry ignore about the same.

CONCLUSION

CSR has its relevance in non-profit organizations too. The practices of CSR build goodwill, the corporate image in the marketing. Nowadays CSR practices in the hospital sector used as part of a strategy. In the competitive world, the CSR makes the unique in nature. The CSR refers to the business initiatives that benefit to the society in terms of welfare. The CSR perception is ever changing concept. The hospital CSR is slowly changing from philanthropy to social welfare.

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