Role of Corporate Social Responsibility in Hospitals to Improve Environmental Sustainability

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Abstract
Businesses have started integrating CSR as a critical strategy in their core operations, plans, and activities to promote sustainability. Hospitals are one such domain where it is inevitable to be socially responsible with its daily operations. It is also essential to understand the impact of environmental CSR initiatives in the context of hospitals. Despite this, there are limited kinds of literature available on CSR in hospitals. This research overcomes the research gap and provides an in-depth understanding of the nature of CSR in hospitals through an exploratory study. This study helps to learn broader lessons on CSR in hospitals by investigating the history and evolution of CSR (literature review), drivers and barriers of the companies to engage in CSR projects and the extent of CSR engagement to bring about environmental sustainability. A qualitative interpretative case-study was conducted on a private corporate company by integrating staff questionnaires and analyzing the available company data and documents. The research showed that the Company had been engaged with various CSR initiatives that hold accountability and responsible attitude towards the company’s stakeholders, the environment, the local community as well as our global society. This study identifies ‘attaining Health and Safety’ as the primary factor influencing the CSR projects and ‘the nature of hospital environment’ as the critical challenge for adopting CSR projects. Finally, the research lists the various reasons for the Company to engage in environmental projects, thus drawing broader lessons from the research.

Keywords: Corporate Social Responsibility, Sustainability, Environmental Initiatives, Hospitals.
Introduction

In a globalized environment, hospitals are considered to be the most important pillars of society, because of the growing population and its corresponding healthcare needs, resulting in an exponential increase in the demand for hospitals (Feldman & Lobo, 1997; McKee & Healy, 2000). As a consequence, in addition to clinical quality, hospitals are obliged to be socially responsible, to transcend local moralities and promote transnational values that are in accordance with international conventions of human rights and the abstention of environmental damage (Brandão, Rego, Duarte, & Nunes, 2013). Hospitals have evolved to engage in extensive programs relating to research and development, education and training, scientific and technological progress and other social wellbeing activities to promote cultural globalization, economic growth and social stability as well as environmental protection (Rechel, Wright, & Edwards, 2009). Hospitals are now acting more sustainably and responsibly, aiming for greener development, resulting in fewer environmental damages to society (Burger & Newman, 2010).

Simultaneously, the term Sustainable Development (SD) has gathered significant momentum in the operation of hospitals. The concept is viewed as the future viability of society, which integrates the social, environmental and economic goals within a single framework (Crawford & Scaletta, 2006; Weisz, Haas, Pelikan, & Schmied, 2011; Williams, 2005) Hence, in today’s world of intense global competition, it is critical to achieve SD in hospitals, and Corporate Social Responsibility (CSR) is recognized as an effective tool for achieving this (Baumgartner, 2014; Behringer & Szegedi, 2016). CSR is considered as the actions that promote social good, beyond the interests of the organization (Carroll, 1999). Various definitions identify CSR as an ethical (Gupta, 2010), humane (Matthiesen & Salzmann, 2017) and transparent (Dubbink, Graafland, & Van Liedekerke, 2008) way of doing business (Van Marrewijk, 2003). However, the extensive discussions, different phenomena, conflicting goals and varying objectives of CSR contribute to inconsistencies and ambiguities with the actual meaning and concept of CSR (Fischer, 2004; McWilliams & Siegel, 2001). Also, there are fewer kinds of literature available for CSR in sectors like hospitals, even though they are believed to be crucial as well as being obliged to provide trustable service to society (Jamali et al., 2010). Hence, it is essential to undertake more research about CSR in hospitals to efficiently apply ethical principles and to promote better health care services (Francis, 2001). This research therefore aims to gain a broader understanding of CSR in hospitals through a case-study. The case-study company manages the facilities at the hospital and is thus identified as a case-study with potential scope to investigate CSR.

History and evolution of CSR

From early nineteenth century, the notion of CSR has become increasingly prevalent in businesses (Williams, 2005). It is gaining enormous interest among both scholars and practitioners, resulting in rich and diverse literature investigation (Wang, 2015). However, looking back to the history, the development of CSR concept in academic literature goes through a long way and is likely that notions of CSR have been continuously discussed since the beginning of commercial and corporate life. The year 1917 first witnessed the concept of CSR, when Henry Ford announced that the
aim of Ford Motor company is that “To do as much as possible for everybody concerned, to make money and use it, give employment, and send out the car where the people can use it... and incidentally to make money... Business is a service not a bonanza” (Lee, 2008; Lewis, 1976, p.100). Carroll (2015), the father of CSR, states that, to find the roots of CSR, one has to travel hundreds of years back, even then the signs might be older. However, Bowen (1953) first coined the phrase, Corporate Social Responsibility in his book ‘Social Responsibilities of the Businessman’ and the company Shell first implemented CSR in 1998 (Saha, 2013). Friedman (1970) introduced the concept of ‘stewardship’ in CSR, explained how managers protect the interests of stakeholders and briefed the various benefits from adopting CSR in businesses. During the 1980s, the Stakeholder theory (Hannan & Freeman, 1984) came in to the picture of CSR, which eventually facilitated the understanding of relationship between CSR and SD during 1990s. By the beginning of 21st century, countries around the globe started framing guidelines, regulations and principles for adopting CSR as one of the best practices in corporations (Norman & MacDonald, 2004). Elkington (1998) described the triple bottom line in his book ‘Cannibals with forks: The triple bottom line’ and he states the three core principles of CSR as people, planet and profit. ‘People’ describe encompasses the social and ethical aspects of an organization, ‘Planet’ involves the ecological and environmental aspects of CSR, and ‘Profit’ covers the financial and economic aspects of CSR. These three aspects forms a balanced entity of CSR resulting in a new dimension called the Triple Bottom Line, which has given rise to the modern concepts of CSR such as Corporate Citizenship, Corporate Stakeholder responsibility and Political CSR (Elkington, 2013). The last decade witnessed an extensive discourse of CSR, and companies have started to take more social obligations (Muller-Camen & Elsik, 2014).

At present, CSR is becoming a significant global concern because of corporations’ interest to integrate social and environmental responsibilities into their daily activities of business to produce an overall positive impact on the society (Chen & Bouvain, 2009). Also, Renaud-Coulon (2014) opines on the need to educate and spread the awareness of CSR among the stakeholders around the world. Nishandar (2015) claims that it is not possible for the Government to address all the social concerns. Hence, he recommends the Corporates to come into the picture and provide solutions for social issues (ibid). However, throughout the evolution, there has been a ‘vibrant’ discussion on the concepts CSR, where few literatures identify CSR as a concept that is unconnected to businesses (Freeman & Liedtka, 1991); few literatures argue the relevance of CSR to businesses but identify them as a bad idea for an entity to make profit (Friedman & Erdmann, 1962); and, few literatures claim that CSR is of strategic importance to businesses (Farache & Perks, 2010). This discussion on various characteristics of CSR continues till date and complicates the concept of CSR even more (Tilt, 2016). The fact that there is no unique definition emerged in the history of CSR that can be used for all purposes, fosters the need for more intense research in the field of CSR (ibid).

Figure 1 explains the evolution of CSR, its concept and integration of social perspective over the years.
Figure 1: Evolution of CSR and integration of social perspective in timeline. Adapted from (Bhaduri and Selarka, 2016; Popa, 2015)
Various Definitions of CSR

Universal or specific definition for CSR is unavailable neither in literature nor in practice (Rahman, 2011). Many CSR definitions were developed by the scholars in the past based on the social, economic, political and environmental context of that period since 1950s (Tilt, 2016). However, various definitions of CSR cover various dimensions including economic development, ethical practices, environmental protection, stakeholders’ involvement, transparency, accountability, responsible behavior, moral obligation, corporate responsiveness and corporate social responsibility (ibid).

Table 1 presents the common CSR definitions by various scholars along the timeline.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Definition of CSR</th>
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<tbody>
<tr>
<td>(Bowen &amp; Johnson, 1953, p.6)</td>
<td>“The obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.”</td>
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<td>(Heald, 1957, p.375)</td>
<td>“Recognition on the part of management of an obligation to the society it serves not only for maximum economic performance but for humane and constructive social policies as well.”</td>
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<td>(McGuire, 1963, p.144)</td>
<td>“The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations.”</td>
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<td>(Walton, 1967, p.18)</td>
<td>“In short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals.”</td>
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<td>(Carroll, 1979, p.500)</td>
<td>“The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time.”</td>
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<td>(E. M. Epstein, 1987, p.104)</td>
<td>“Corporate social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of corporate social responsibility.”</td>
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<tr>
<td>(Wood, 1991, p.695)</td>
<td>“The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities. Therefore, society has certain expectations for appropriate business behaviour and outcomes.”</td>
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<td>(European Commission, 2001, p.6)</td>
<td>“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”</td>
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<tr>
<td>(Basu &amp; Palazzo, 2008, p.124)</td>
<td>“The process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioural disposition with respect to the fulfilment and achievement of these roles and relationships.”</td>
</tr>
<tr>
<td>(M. J. Epstein, european commission, 2001, p.6)</td>
<td>“Corporations have become more sensitive to social issues and...”</td>
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</table>
stakeholder concerns and are striving to become better corporate citizens. Whether the motivation is concern for society and the environment, government regulation, stakeholder pressures, or economic profit, the result is that managers must make significant changes to more effectively manage their social, economic, and environmental impacts.”

Having explored other scholars’ views and definitions of CSR, due to the close connection with the work nature of the case-study Company, this research inherits the definition of CSR as suggested by the European Commission (2001): “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” The main reason for selecting this definition is because, this research not only focuses on activities that are ‘named as’ CSR initiatives, but also studies various operations of the hospital that are performed with social and environmental concerns.

**CSR in Hospitals**

In today’s world with the advent of globalization, hospitals play an imperative role by providing effective responses to existing, new and unexpected health care problems. Hospitals, with the mission of providing restorative administrations, are obliged to continually ensure that the welfare of patients remain the utmost primacy while promoting social, economic and environmental equity through CSR initiatives (Siniora, 2017). Despite this, the healthcare industry is facing severe challenges such as a continuous rise in healthcare costs, expanding market demands, emergence of new diseases and the corresponding need for treatments, meeting technological advancements, less public awareness, increasing customer dissatisfaction, high media attention, and shortage of willing and qualified caregivers (Pointer & Orlikoff, 1999). These challenges are intensifying day-by-day and it is far greater than in the past (ibid).

On analysing the top 100 sustainable corporations in the world in the year 2017 from Siemens tops Corporate Knights’ 2017 Global 100 ranking, only 11% of the corporations that fall under ‘healthcare sector’ scored above 90% in several categories pertaining to energy, innovation and human resources (Figure 1) (Corporate Knights, 2018).
Consequently, World Health Organisation invited hospitals to provide support in fighting against our intensifying global sustainability issues such as climate change and the energy crisis by implementing strict environmental guidelines and regulatory measures (World Health Organisation WHO, 2009). Therefore, hospitals with its negative impact to the global sustainability development, constitute a rewarding field for innovative initiatives for social and environmental wellbeing, as one of the developmental issues of any country (Tehemar, 2012). By proactively implementing CSR in hospitals through awareness creation and holding a number of community events related to medical issues, a number of key benefits are identified such as, brand recognition, higher efficiency, enhanced patient loyalty, economic improvement, and increased support from stakeholders like the Government, customers, shareholders, and business partners (Jamali, Hallal, & Abdallah, 2010). Hence, from the brief literature review, it is evident that CSR in hospitals, if properly considered and implemented, definitely impacts the organization in a positive way and promotes shared values and common ethical principles.

Environmental Initiatives in Hospitals

Hospitals, categorized under service sector, encompass a wide variety of operations, significantly contributing to natural resource depletion and environmental change (McGain & Naylor, 2014). Globally, healthcare sector accounts for one of the biggest environmental footprints when compared with any other industries (Desai & Chandawarkar, 2016). They significantly contribute to excess resource consumption, increased pollution and waste outputs, rising energy costs, and the change in climate that are creating critical challenges for healthcare providers (ibid).

Hence, it is essential to understand the impacts of hospitals on the environment and study the need for ‘Corporate Environmental Responsibility’ in an hospital environment (Babiak & Trendafilova, 2011; Hancock, 2001). Researches on CSR and environmental sustainability is increasingly converging due to the increasing
environmental concerns around the globe (Montiel, 2008). Simultaneously, the businesses have started shifting towards more ‘eco-centric’ management to establish harmonious relationship with the natural environment in which they are operating (Shrivastava, 1995). With the increase in global warming, the need for achieving sustainable environment has become more prevalent, resulting in numerous environmental regulations to identify and assess the environmental responsibilities (Montiel, 2008; Newell & Paterson, 2010; Unsworth, Russell, & Davis, 2016).

Consequently, Governments have started to impose legislations and environmental policies in the healthcare sector to promote sustainable society and a least interfered climate (Blowfield & Murray, 2008). For example, ‘Environmentally Hazardous Chemicals Act 1985 No 14’ is passed by the Government of New South Wales for managing hazardous chemicals and providing a flexible legal framework for the assessment and management of environmentally hazardous chemicals and classified chemical wastes in New South Wales (NSW Legislation, 2018). Rugman and Kirton (2000) identified the five levels of environmental regulations namely multilateral, regional, national, sub-national, and municipal for efficient implementation of environmental initiatives. However, there is a minimal research exploring CSR and its environmental initiatives.

Hence, it is evident that CSR initiatives have drawn substantial interest from law and policy makers, and academics, but the CSR engagement with environmental initiatives have received relatively less attention in the academic literatures.

Data Collection

The primary and secondary data for qualitative case-study are obtained from various sources like interviews, observations, and documents (Merriam, 1988). This research gathers both primary and secondary data using various methodologies.

Primary data

Generally, sources for primary data are surveys, interviews, archival records, site investigations, directs observations, participant-observations and physical artefacts (Yin, 2017). In this case-study, primary research has been conducted through interviews as well as site-visits in order to investigate and study the different CSR initiatives at the case-study company. Additionally, the views of employees from different departments, in relation to the research questions were collected, through face-to-face interviews. The interviews were based on the questionnaires, which facilitated to achieve successful results. Due to the unavailability of some of the interviewees at the time of site-visits, the questionnaires were passed to them and the answers for the questions were sent through emails to the Author.

Secondary Data

Generally, sources for secondary data are literatures, reports, web-pages, documents, various studies by government agencies, international organizations or other businesses within the chosen topic (Yin, 2017). In this research, secondary data are collected from extensive literature review, reports, web-pages and findings from similar case-studies in the field of CSR. Information available on the case-study
company’s web-site are used to further enhance the credibility of findings from the research.

Conclusion

Various CSR initiatives are analyzed in the case-study company. Table 6 maps the initiatives at the case-study company with the five dimensions of CSR (Dahlsrud, 2008).

<table>
<thead>
<tr>
<th>Dimensions of CSR application</th>
<th>Initiatives by case-study company</th>
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<tbody>
<tr>
<td>Environmental dimension</td>
<td>Food wastage reuse, woodland green walkway path, recycling system.</td>
</tr>
<tr>
<td>Stakeholder dimension</td>
<td>Cycle to work scheme – cheap bicycle, health and well-being group – mental health training and ergonomics.</td>
</tr>
<tr>
<td>Social dimension</td>
<td>Project opportunities and in-class work study opportunities for students from local Universities and schools, Job opportunities to people from local region.</td>
</tr>
<tr>
<td>Economic dimension</td>
<td>DALI lighting system, efficient waste management system.</td>
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</table>

Rather than just ‘being good’ or ‘doing good’, these initiatives emphasize the importance of sustainability in a hospital environment. On the whole, it is inferred that, CSR activities in hospitals are in a dynamic phase, and it is moving towards a more holistic representation of sustainability. It is also found that, implementing the CSR initiatives have brought positive effects to the hospital such as good reputation of the case-study company within the community, improved customer satisfaction resulting in loyalty, cost reduction and enhanced contribution to environment (Friedman, 1970).

Drivers and barriers of CSR initiatives

Various factors drive the case-study company towards CSR to achieve the four core values of the company – trust, care, innovation and pride. Interestingly, when enquired about the key drivers of CSR initiatives to interviewees from various departments, the responses represented ‘multitude aspects’ that include legal compliance, diversity management, philanthropy, code of conduct and so on. From the analysis, this variation is mainly due to the fact that each department provides importance to different aspects based on their operational nature. For example, Legal compliance is the important driver of CSR initiative in waste management department whereas cost reduction is the key driver of CSR initiatives in electricity department. However, a list of drivers for CSR initiatives is created by analyzing and consolidating the data from interviews and reviewing it by comparing with the company’s current understanding of its role concerning CSR. Summary of drivers of CSR initiatives:
Health and Safety
One interesting analysis from this case-study is, ‘health and safety’ is identified as the primary driver of CSR initiatives. During the interview, when questioned about the primary driver of CSR initiatives, among the various options, 7 out of 10 people answered ‘others’ and specified that ensuring health and safety at the workplace is their main factor for selecting a particular CSR initiative. This is mainly due to the fact that the case-study company operates in the hospital environment where health and safety is given the primary importance.

Being a ‘good’ corporate citizen
From the analysis, it is found that ethical consideration is one of the important drivers of CSR initiatives at the case-study company. This is evident from various initiatives that encourages the case-study company to identify its expertise and extend support in terms of providing training and opportunities.

Increased stakeholder interest
All the initiatives within the case-study company have established good relations with the government as well as the local communities which eventually strengthened the supplier relationship.

Legal Compliance
Adhering to regulations and compliance to the law has been the conventional driving force for implementing CSR initiatives in hospitals. For example, the disposal of hazardous waste to minimise the environmental impacts is strictly adhered because of the need for legal compliance in the hospitals.

Reduced operating cost
In an environment like hospital, which works 24/7, socially responsible activities (say installation DALI lighting system, segregation of waste) contribute to substantial reduction in operation cost.

Innovation and learning
‘Innovation and learning’ is identified as one of the potential drivers for improving the ways of carrying out activities at the hospitals and for providing a better social progress. For instance, most of the CSR initiatives studied in the case-study are proposed as a result of innovation and learning by the local University students that resulted in significant improvements in the local community.

Additionally, reduced environmental impacts, good reputation leading to risk reduction and crisis management of the hospitals, long-term sustainability for employees and improved financial performance are some of the factors driving the CSR initiatives in the hospital environment. Interestingly, from analyzing the above factors, it is inferred that all the drivers for initiatives are interconnected and possess significant influence on each other. Example, legal compliance is main driver of waste management system. Whereas, efficient waste management system (say, segregation of waste) save money while reducing the negative impact to the environment which eventually increases the stakeholder interest.

However, Table 3 provides a summary of potential challenges and solutions in implementing effective CSR initiatives in hospitals.
### Table 3: Potential challenges and solutions to implement CSR; Source: The Author

<table>
<thead>
<tr>
<th>Potential Challenges</th>
<th>Possible Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Environment</td>
<td>Hospital environment demands 24<em>7</em>365 service. Hence, instead of a separate CSR initiative, it is ideal to implement initiatives within the various business operations of hospitals.</td>
</tr>
<tr>
<td>Constantly changing legal compliances</td>
<td>Ensure that the company is constantly updated with any change in legal legislation.</td>
</tr>
<tr>
<td>The budgetary limitations</td>
<td>All initiatives should be designed considering the budget and try to implement the initiative in a best way.</td>
</tr>
<tr>
<td>Lack of public awareness on being socially responsible</td>
<td>Train, develop, encourage and create awareness among public to take personal ownership for environmental and sustainability issues. Example, energy fact initiatives.</td>
</tr>
<tr>
<td>Inadequate evaluation of CSR initiatives.</td>
<td>A proper reporting should be mandated to track and measure the impacts of the initiatives.</td>
</tr>
<tr>
<td>Lack of awareness about the inherent hazards caused by improper health care waste management.</td>
<td>Training the staffs continuously on health and safety training. Drawing attention by creating publicity like poster sessions, exhibitions and demonstration.</td>
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### TABLE 2 The CSR Continuum and Basis of Competitive

**CSR continuum**  
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**Engagement of CSR in Environmental Initiatives**

One of the interesting inferences from the analysis of definitions (Table 1) is that, the engagement of CSR with environmental initiatives have been given spotlight only after 21st century. This indicates that companies are increasingly engaging in initiatives to achieve environmental sustainability. However, when calculating the dimension score for the frequently occurring definitions, Dahlsrud (2008) highlighted that the environmental dimension received a significantly lower dimension ratio than the other dimensions. He argues stating Carroll’s (1999) literature review, that the environmental dimension was not included in the early definitions. Hence, it can be inferred that the concern for environmental initiatives as part of CSR has been given less importance in the past and the importance is gradually increasing in recent times.  
On analyzing the case-study, it is evident that CSR initiatives pose a huge impact on the climate change as well as global environment. Reducing the ecological footprint has been a main issue for the company and it has been constantly engaging with
environmental CSR initiatives. Following are the ways by which the case-study company improves the environment and engages with environmental sustainability.

- Efficient waste management system by using colour coded bins. Additionally, a close watch of weight of regulated medical waste generation and its disposition is made. This helps to track the waste disposal, which helps to formulate strategies to reduce the waste in the mere future.
- Reduced consumption of energy by using energy efficient lighting system like DALI.
- Regulating the natural resources efficiently. For example, treatment of water and testing it regularly for bacteria like legionella.
- Reduced emission of hazardous substances by performing monthly waste monitoring.
- Using recycled and recyclable materials in the hospital.
- Training and encouraging the staffs to look for additional ways to reduce the firm’s environmental footprint.

By performing all these activities, the case-study company directly or indirectly contributes to reduce the carbon footprint, thus addressing the issues related to global warming. On the whole, hospitals are now addressing the effect of climate change due to the operation of hospitals. Hence the physical infrastructure and the facilities are designed in such a way that the hospitals effectively contribute to achieve environmental sustainability.
References


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