# AN ANALYSIS OF HEALTH CARE SECTOR UNDER CSR PRACTICES IN BENGALURU

**Dr.Ravikumar R**
*Assistant Professor*
*Department of Commerce*
*Government First Grade College Ankola*

## *ABSTRACT*

*In India and all over the world, Corporate Social Responsibilities (CSR) has become part of mandatory business ethics. Society provides platform for all kinds of actions, performance and surpass. At the same time, Beneficiaries of societies have their responsibilities to the societies. In view of that, all over the world, Corporate Social Responsibilities (CSR) stems from a promise to the society in which a business operates. Matter of fact, India has long history of ethical responsibility of companies to society in the form of charity which is strongly motivated by Gandhian philosophy and India is a pioneer in introduction of an act to make CSR a compulsory and legal responsibility of companies.*

## INTRODUCTION

The Government of India under the Ministry of Corporate Affairs, has recently notified the Section 135 of the Companies Act, 2013 along with Companies Corporate Social Responsibility Policy Rules, 2014 hereinafter CSR Rules and other notifications related thereto which makes it mandatory with effect from 1st April, 2014 for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility (Ministry of Companies Affairs, 2018).

There is a guide line for giving CSR funds. The eligible companies are bound to be spent 2 percent of their net profit on the various issues like, eradication of hunger and poverty, promoting education, gender equality, women empowerment, health, environmental sustainability, skill development of employees working both in public and private sector and community development. In India, the eligible companies have largely chosen health, education and community development as their prime interest.

## SIGNIFICANCE OF THE STUDY

Providing health services is the responsibility of government and accordingly, it appoints people to provide healthcare services to people and communities particularly, in hospitals and health centers. Due to the increasing population and increasing demand for health care services the government has been suffering from a shortage of funds. The necessary funds will be sponsored by the companies under CSR. Associates do supplement the necessary tools and training for the implementation of the specific programs. Employees in the health sector are

the real instrumental in implementing the program as they directly participate in transforming the benefits. Communities and customers are the beneficiaries of the CSR program. Therefore, employees are the central force in CSR practices. And the main role of employees in effective implementation of CSR programs in health care sector.

## OBJECTIVE OF THE STUDY

The major objective of this research is to determine the impacts of CSR on beneficiaries of the health care sector in Bengaluru City.

# RESEARCH QUESTIONS

**Research Question 1** (RQ1): Do the dimensions viz. Health benefit, Livelihood, Environment, Peripheral development, Service quality, concerned with CSR, Technology and Innovation have an impact on Beneficiary sustainability?

**Research Question 2** (RQ2): Does the dimensions Beneficiary sustainability have an impact with CSR on Beneficiaries?

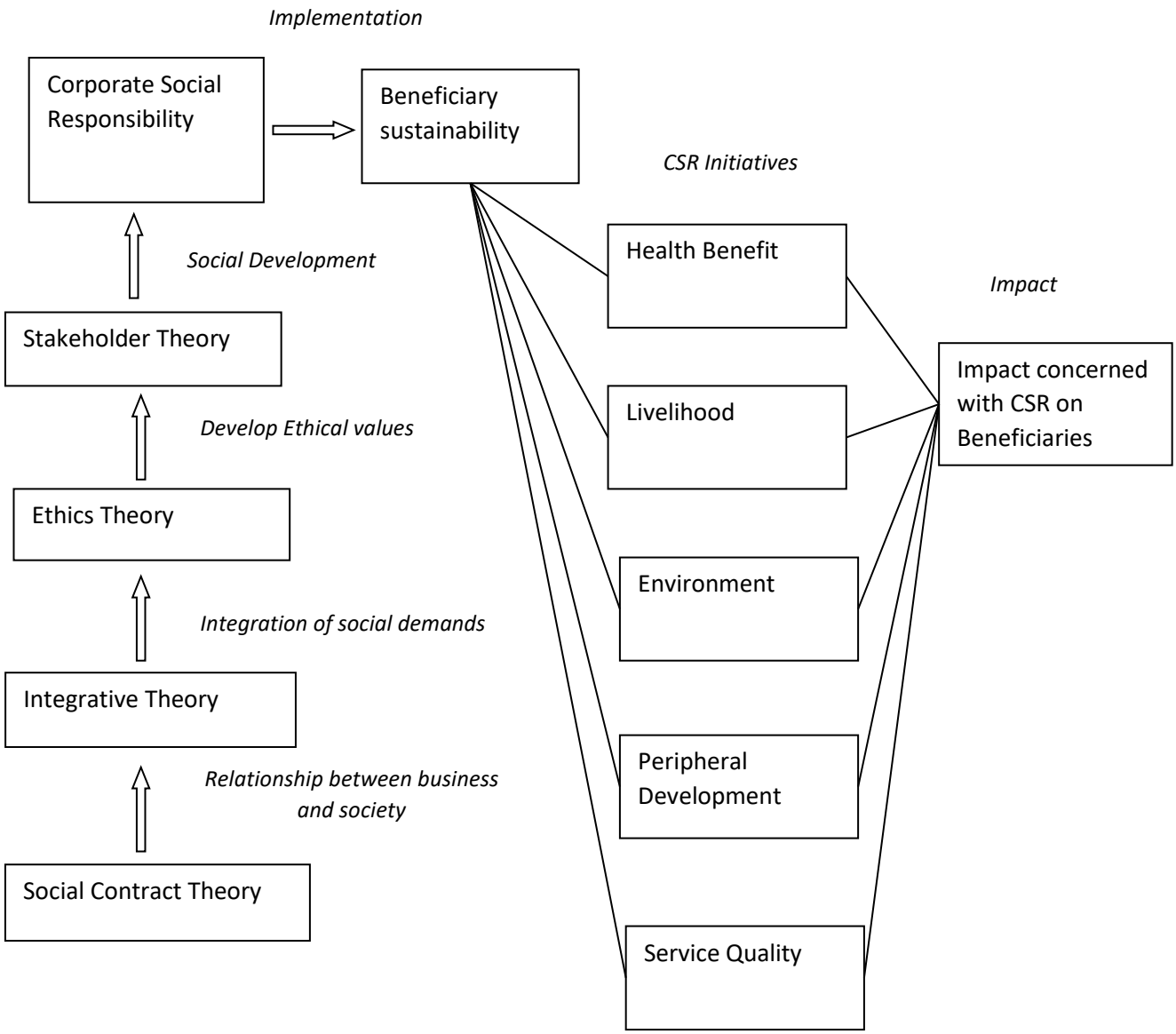
- $H_{01.1}$ Health benefit has no impact on Beneficiary sustainability.
- $H_{01.2}$ Livelihood and Skill has no impact on Beneficiary sustainability.
- $H_{01.3}$ Environment has no impact on Beneficiary sustainability.
- $H_{01.4}$ Peripheral development has no impact on Beneficiary sustainability.
- $H_{01.5}$ Service quality has no impact on Beneficiary sustainability.
- $H_{01.6}$ Technology and Innovation have no impact on Beneficiary sustainability.
- $H_{02.1}$ Beneficiary sustainability has no impact with CSR on Beneficiaries.

## HYPOTHESES OF THE STUDY

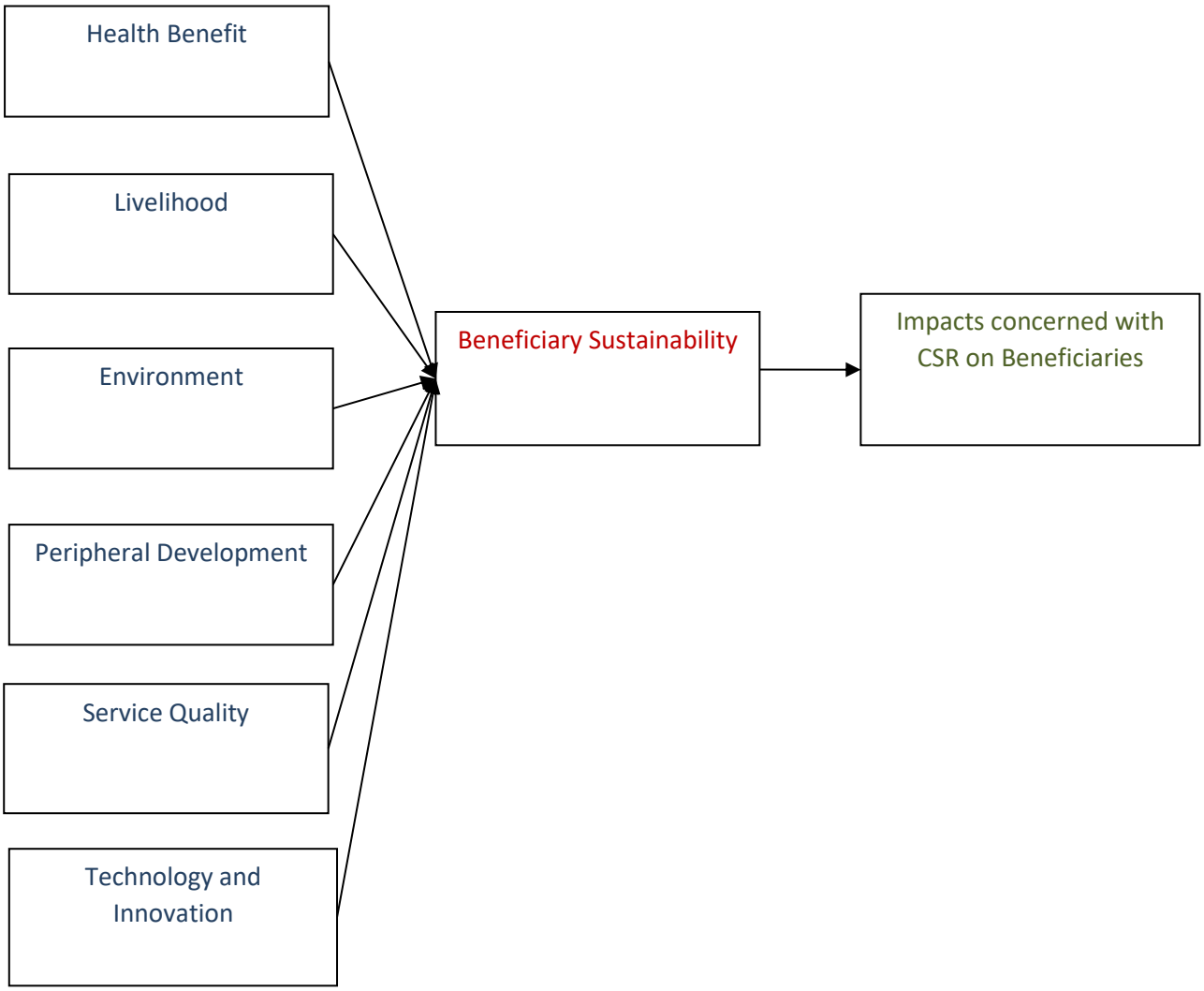
- $H_{01:}$ There is no significant difference between age groups with regards to the Health benefits, Livelihood, Environment, Peripheral development, Service Quality, Impacts concerned with CSR, Technology and innovation and Beneficiary Sustainability.
- $H_{02:}$ There is no significant difference between education groups with regards to the Health benefits, Livelihood, Environment, Peripheral development, Service Quality, Impacts concerned with CSR, Technology and innovation and Beneficiary Sustainability.
- $H_{03:}$ There is no significant difference between occupation groups with regards to the Health benefits, Livelihood, Environment, Peripheral development, Service Quality, Impacts concerned with CSR, Technology and innovation and Beneficiary Sustainability.

- $H_{04}$: There is no significant difference between types of health care organization groups with regards to the Health benefits, Livelihood, Environment, Peripheral development, Service Quality, Impacts concerned with CSR, Technology and innovation and Beneficiary Sustainability

## THEORETICAL FRAMEWORK CONCERNED WITH CSR



## CONCEPTUAL FRAMEWORK



## RELIABILITY AND VALIDITY

| Description | Number of Items | Cronbach Alpha |
|---|---|---|
| Health Benefit | 5 | 0.918 |
| Livelihood | 7 | 0.761 |
| Environment | 7 | 0.852 |
| Peripheral Development | 5 | 0.848 |
| Service Quality | 5 | 0.780 |
| Impacts | 5 | 0.836 |
| Beneficiary Sustainability | 5 | 0.869 |
| Technology and Innovation | 5 | 0.755 |
| Overall Instrument | 44 | 0.935 |

## SAMPLE SIZE ESTIMATION

- The accurate population (number of health care sectors) in the health care sector was not known. The number of employees serving in hospitals (health care sector) differs depending upon the number of personnel employed in each health care and area(s) of expertise.
- The standard deviation value from the pilot study, considering question on Beneficiary Sustainability was found to be 0.869. Sample size, when population is unknown, is estimated (Malhotra and Birks, 2006) using the formula:
- $n = \sigma^2 . z^2 / D^2$
- $\sigma$ = standard deviation = 0.869
- D = level of acceptable error = 0.05 (Level of significance)
- z = standard variant = 1.21
- n = estimated sample size = 443.

### Research Gap

From the previous studies it has been found that there are enormous literatures available on various issues of CSR both in India at international level. Most of the early studies have focused on evolution of corporate responsibility to the society (Arundhati, 2013). Studies have also discussed the rules, regulations practices, provisions of CSR. Some of the studies have examined the performance of CSR at country level, specific company's performance and even at implementation of the specific programme in the society (Alexander, 1986).

Previous studies have been devoted to analyze the stake holder perspective of CSR based on stake holder theory (Savage, 1989). Few studies have also evaluated the satisfaction of beneficiaries of CSR (Chong, 2007). Some studies have extended the satisfaction analysis to health sector (Ibrahim, 2000). However, the previous studies have not systematically examined the role of employees in effective implementation of CSR programmes on various health issues, particularly, in Bengaluru city of Karnataka. Accordingly, the present study will effectively fill this gap.

## DATA ANALYSIS AND INTERPRETATION

## CHI-SQUARE

### ASSOCIATION BETWEEN GENDER AND OCCUPATION

| Factor | Value | Df | Symp. Sig. (2-sided) | Statistical Inference |
|---|---|---|---|---|
| Pearson Chi-Square | 14.701[a] | 6 | .023 | **$X^2$=14.701** **Df = 6** **P= .023 <0.05** ***Significant at 5% level** |
| Likelihood Ratio | 13.563 | 6 | .035 | |
| Linear-by-Linear Association | 4.015 | 1 | .045 | |
| N of Valid Cases | 443 | | | |

***Significant at 5% level**

**Analysis:**

It is clear from the table drawn above table. The P-value is lesser than our chosen Significance at = 0.05 levels, the null hypothesis is rejected.

**Discussion:**

It is therefore concluded that there is an association between Gender and Occupation.

## TESTING OF HYPOTHESIS

## STRUCTURAL EQUATION MODELLING

**The observed, endogenous variables were:**

Beneficiary sustainability
Impact concerned with CSR on beneficiaries

**The observed, exogenous variables were:**

Health benefit
Livelihood
Environment
Peripheral development
Service quality
Technology and Innovation

**Unobserved, exogenous variables**

e1 (error term for Beneficiary Sustainability)
e2 (error term for Impact concerned with CSR on Beneficiaries)

**Variable counts (Group number 1)**

Number of variables in the model: 10

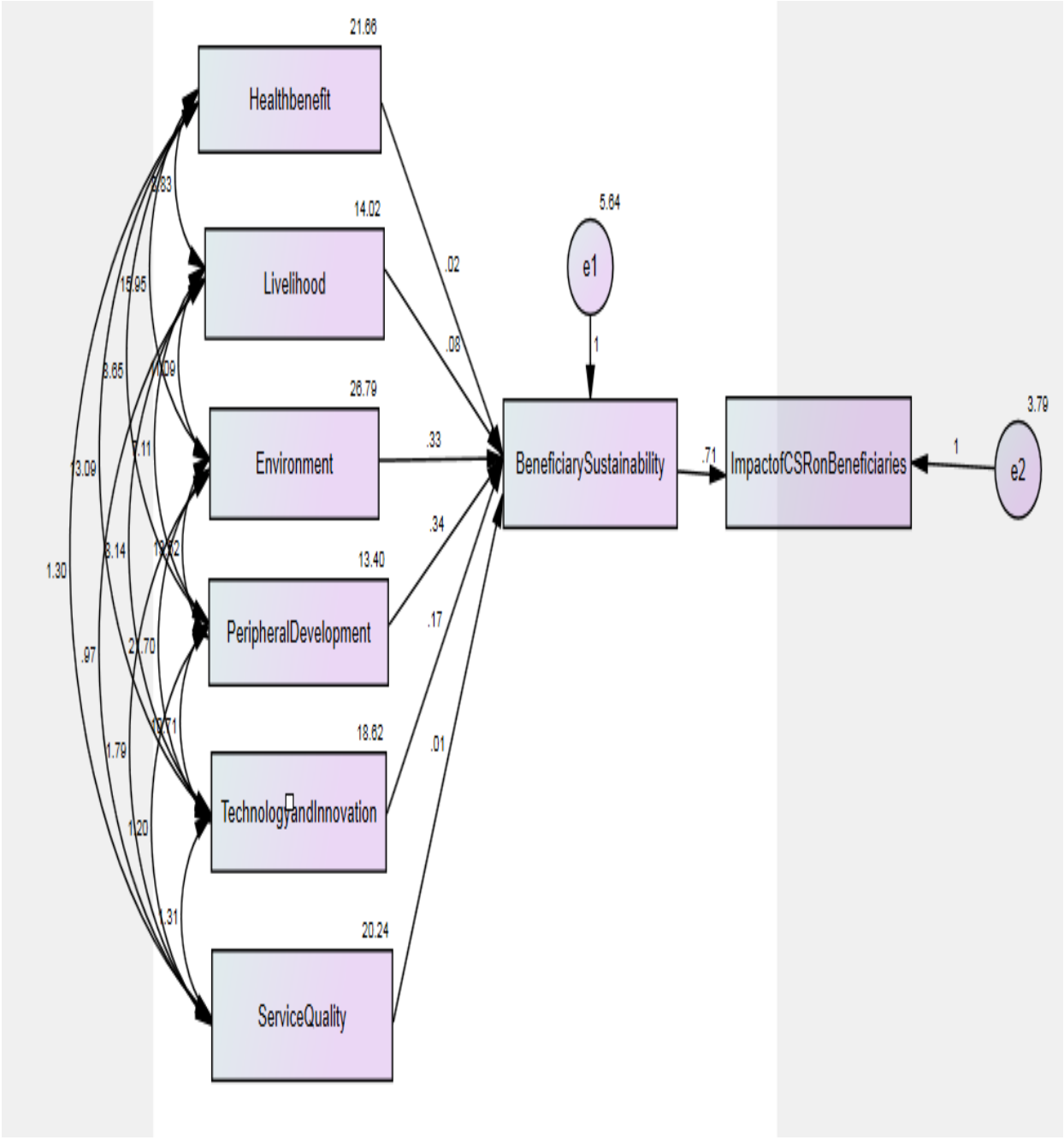
Number of observed variables: 8

Number of unobserved variables: 2

Number of exogenous variables: 8

Number of endogenous variables: 2

## SEM Path Analysis




**Source: Primary Data**

# SEM PATH ANALYSIS

| Dimensions | Path | Dimensions | SE | P Value | Result |
|---|---|---|---|---|---|
| Beneficiary sustainability | <--- | Health benefit | 0.033 | 0.540 | Not Significant |
| Beneficiary sustainability | <--- | Livelihood | 0.038 | 0.009 | Significant |
| Beneficiary sustainability | <--- | Environment | 0.037 | 0.000 | Significant |
| Beneficiary sustainability | <--- | Peripheral development | 0.045 | 0.000 | Significant |
| Beneficiary sustainability | <--- | Service quality | 0.025 | 0.650 | Not Significant |
| Beneficiary sustainability | <--- | Technology and Innovation | 0.116 | 0.146 | Not Significant |
| Impact concerned with CSR on Beneficiaries | <--- | Beneficiary sustainability | 0.028 | 0.000 | Significant |

**Research Question 1** (RQ1): Do the dimensions viz. Health benefit, Livelihood, Environment, Peripheral development, Service quality, Impacts concerned with CSR and Technology and Innovation have an impact on Beneficiary sustainability?

$H_{01.1}$ Health benefit has no impact on Beneficiary sustainability.

**Analysis:** It is clear from the above the table, the p-value is greater than the significance level, hence the null hypothesis is accepted.

**Result:** Health benefit has a negative impact on Beneficiary sustainability.

$H_{01.2}$ Livelihood and Skill has no impact on Beneficiary sustainability.

**Analysis:** It is clear from the above the table, the p-value is lesser than the significance level, hence the null hypothesis is rejected.

**Result:** Livelihood has a positive impact on Beneficiary sustainability.

$H_{01.3}$ Environment has no impact on Beneficiary sustainability.

**Analysis:** It is clear from above the table, the p-value is lesser than the significance level, and hence the null hypothesis is rejected.

**Result:** Environment has a positive impact on Beneficiary sustainability.

$H_{01.4}$ Peripheral development has no impact on Beneficiary sustainability.

**Analysis:** It is clear from the above the table, the p-value is lesser than the significance level, hence the null hypothesis is rejected.

**Result:** Peripheral development has a positive impact on Beneficiary sustainability.

$H_{01.5}$ Service quality has no impact on Beneficiary sustainability.

**Analysis:** It is clear from the above the table, the p-value is greater than the significance level, hence the null hypothesis is accepted.

**Result:** Service quality has a negative impact on Beneficiary sustainability.

$H_{01.6}$ Technology and Innovation have no impact on Beneficiary sustainability.

**Analysis:** It is clear from the above the table, the p-value is greater than the significance level, hence the null hypothesis is accepted.

**Result:** Technology and Innovation has a negative impact on Beneficiary sustainability.

**Research Question 2** (RQ2): Does the dimensions Beneficiary sustainability have an Impact concerned with CSR on Beneficiaries?

$H_{02.1}$ Beneficiary sustainability has no Impact concerned with CSR on Beneficiaries.

**Analysis:** It is clear from the above the table, the p-value is lesser than the significance level, hence the null hypothesis is rejected.

**Result:** Beneficiary sustainability has a positive Impact concerned with CSR on Beneficiaries.

**MAJOR MODEL FIT INDICES SUMMARY**

| Parameters | Acceptable values for Good Fit | Research Model Values |
|---|---|---|
| GFI | >0.9 | 0.921 |
| AGFI | >0.9 | 0.906 |
| CFI | >0.9 | 0.939 |
| RMSEA | <0.06 | 0.040 |
| RMR | <0.02 | 0.011 |

**Source:** Primary Data, SPSS AMOS output, Haier et al. (2009); Hooper et al. (2008); Steiger (2007); Hu and Bentler (1999).

**Interpretation:** It is clear from the table drawn above table the Goodness of Fit Index (GFI) value was 0.921, Adjusted Goodness of Fit Index (AGFI) value was 0.906 and Comparative Fit Index (CFI) value was 0.939. All these values are (greater than 0.9) indicating a very good fit. It was found that Root Mean Score Error of Approximation (RMSEA) value was 0.040 (lesser than 0.06) and the Root Mean Square Residual (RMR) value was 0.011 (lesser than 0.02).

**Discussion**: The values indicate that the model is a good fit.

**FINDINGS**

**CHI SQUARE**

- It is clear from the P-value is lesser than our chosen Significance at = 0.05 levels, the null hypothesis is rejected.

**SEM**

- It is clear from the Goodness of Fit Index (GFI) value was 0.921, Adjusted Goodness of Fit Index (AGFI) value was 0.906 and the Comparative Fit Index (CFI) value was 0.939. All these values are (greater than 0.9) indicating a very good fit. It was found that Root Mean Score Error of Approximation (RMSEA) value was 0.040 (lesser than 0.06) and the Root Mean Square Residual (RMR) value was 0.011 (lesser than 0.02).

## SUGGESTIONS

On the basis of the study following recommendations with respect to CSR initiatives can be implemented by health care organizations in Bengaluru to increase the sustainability of beneficiaries. The study has proved that CSR has made significant impact on beneficiaries. However, all the components of CSR have not significantly influenced the beneficiary sustainability. Therefore, there is a need to improve the health benefits, service quality, technology and innovation to ensure the beneficiary sustainability. Because sustainability of CSR benefits are more important than just providing the health services.

## CONCLUSION

The present research work has examined the effectiveness of CSR in health care sector. The study has conducted in Bengaluru and analysis has made based on primary data. The major techniques used are SEM and Chi Square .The study has found that CSR has made significant impact on beneficiaries. CSR has made positive and significant impact on livelihood of beneficiary, environment and peripheral development and they lead to beneficiary sustainability. At the same time, health benefits, service quality, technology and innovation are not leading to beneficiary sustainability. Therefore, there is a need to improve the health benefits, service quality, and technology and innovation for better beneficiary sustainability.

## *References*

1. *Armstrong, J. Scott; Green, Kesten C. (2013). "Effects of corporate social responsibility and irresponsibility policies"(PDF). Journal of Business Research.* ***66*** *(10): 1922–1927.*
2. *McWilliams, Abagail; Siegel, Donald (2001). "Corporate social responsibility: A theory of the firm perspective". Academy of Management Review.* ***26*** *(1): 117–127.*
3. *Organ, Michael. "Cause Marketing – Definition". Retrieved June 14, 2017.*
4. *Jamali, Dima; Mirshak, Ramez (May 2010). "Business-Conflict Linkages: Revisiting MNCs, CSR, and Conflict". Journal of Business Ethics.* ***93*** *(3): 443–464.*

5. *Kemper, J.; Shilke, O.; Reimann, M.; Wang, X.; Brettel, M. (2013). "Competition-motivated corporate social responsibility". Journal of Business Research.* ***66*** *(10): 1954.*