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Corporate Social Responsibility in Hospitals: Need for Transparent CSR Initiatives for Internal and External Stakeholders

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Abstract *Social Responsibility initiatives are the indispensable strategies for governance and this applies equally well in the field of Corporate framework also. In the recent times, the corporate houses other than healthcare industry, evidently demonstrated that strategic balance among social, environmental, and commercial goals can be accomplished. Corporate hospital's contemporary functioning rests on the anarchic assumptions that healthcare industry functions on the notion that "what is good for patients or society cannot be good for business". At a time when patients are overexposed to medical procedures and medical treatment is within the reach of affordability of only those who are well insured, there arises a question,'is it not essential for corporate hospitals to adopt CSR initiatives'. An important corollary question, that also needs to be examined, is whether and for what reasons CSR initiatives must be nurtured by Corporate Hospitals. Drawing up from the existing research studies on CSR in corporate hospitals in Indian scenario i.e., corporate hospitals and healthcare sector, this paper (i) undertakes a thorough examination of the CSR initiatives needs a thorough examination; (ii) examines the implications of modelling of CSR in corporate hospitals so as to create a right balance between their social and economic objectives; (iii) to this extent, the paper 'hypothesizes' that (a) employee costs of corporate hospitals may positively increase due to CSR initiatives; (b) profit maximization i.e. positive increases due to CSR initiatives; and (c) the degree of workforce efficiency positivelyincreases sales turnover due to CSR initiatives.*

Keywords *Corporate Social Responsibility (CSR), Financial Performance, Reputation, Healthcare Services, Corporate Hospitals.*

INTRODUCTION

Although there is no single, commonly accepted definition of the notion of corporate social responsibility, however CSR is often used interchangeably with terms like corporate governance, corporate citizenship, corporate accountability and business ethics. Hence, there is no consensus on the actual meaning. However, Philip Kotler & Nancy Lee (2005) defined CSR as "a commitment to improve community well being through discretionary business practices and contributions of corporate resources." Mallen Baker (2010) refers to CSR as "a way companies manage the business processes to produce an overall positive impact on society."Corporate social responsibility represents the notion that corporations have responsibilities to society beyond their responsibility to maximize the economic value of owners' (or shareholders') interests. Corporate Social Responsibility (CSR) can be referred as an active and voluntary contribution of companies to improve social, economic and environmental factors so as to improve their competitive position and added value. According to World Business Council for Sustainable Development, "Corporate Social Responsibility 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". Although existing literature shows presence of definitions, there has been significant change to what has been emerging as comprehensive view of CSR (Min-Dong, 2008). The earlier view of charity-oriented aspect has been transcended to essential feature of corporate world. It is important to highlight that view in multi-layered pyramid of CSR (Carroll, 1991). It differentiates CSR into four interrelated aspectsand states that the corporation has not only "economic and legal obligations, but ethical and discretionary responsibility as well". It is only in the recent times, philanthropic activities got recognition. CSR isan emerging concept whereby corporate institutions, companies and industries decide voluntarily to contribute to a better society and a cleaner environment. Through the CSR initiatives the institutions/companies integrate social and environmental concerns in their business operations and maintain acontinued interaction with their stakeholders on a voluntary basis(European Commission, 2001). Hence, it has become a new trend of business governance.

In recent years, there has been a significant growth in the number of enterprises that have an explicit policy on CSR. At the same time, the practice of CSR has evolved

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considerably. In an increasing number of companies, CSR and sustainability have become cross-cutting issues that are deeply integrated within both operations and strategy. CSR not only meets the stakeholders' expectations of anperforming enterprise, but can also be linked to a financial performance of the organisation where the products/services transcend the barriers and reach out to larger cross-section of people across the national and international markets. Thus, CSR provides products with an essentially effective weapon to develop a key competition of foreign trade. CSR is considered a proactive business strategy and effective marketing tool to create and sustain a competitive advantage (Drumwright, 1994;Maignan& Ferrell, 2001). Competitiveness is cited as synonymous with a firm's long-run profit performance and its ability to compensate its employees and provide superior returns to its owners (Francis, 1989).

The Ministry of Corporate Affairs in India (Guidelines for CSR, 2010) has recently raised high expectation on the corporate firms to mandatorily confirm to the guidelines provided. On similar lines, The Companies Bill, 2011 has laid down strict guidelines for mandatory expenditure and disclosures guidelines for CSR activities for companies in India. Therefore, there is substantialincrease of pressure which leads to CSR's attention. But the critical issue worth considering is whether the corporate houses are shedding their inhibitions to declare their expenditure on CSR or they are maintaining undisclosed expenditure to attain tax benefits. The Companies Act 2013, irrespective of the size of business and operations, provides for a mandatory expenditure of 2% of the profits in the form of CSR and also provides guidelines to incorporate the same.

Additionally, Indian Medical Council deals with regulatory framework and seeks compliance from all kinds of hospitals. Although, it is evident that CSR activities of corporate hospitals primarily are meant for extending the best possible health care services to larger cross-sections of society. However, the corporate hospitals studies of CSR have not yet been conducted inacademia. The purpose of this study is to compensate for this gap. More specifically, this study will explore the relationship between CSR and financial performance in Indian corporate hospitals.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

The Stakeholder Theory and CSR- Literature Review

CSR reflects the basic assumptions of stakeholder theory which is based on three levels of justification: normative, descriptive, and instrumental. Whilenormative justification reflects philosophical aspects like righteousness, descriptive justification deals with reason for stakeholders' existence and instrumental justification deals with strategic performance criterions (Hu & Chia-Chung, 2009).Stakeholder theory is an offshoot of social contract theory (Klonoski, 1991). In stakeholder theory, the interaction with stakeholders is a crucial aspect of CSR. Effective CSR requires continuous communication, dialogue and enduring partnership with stakeholders such as members of trade unions, governmental authorities, non-governmental organisations, and business representatives. Internal stakeholders like employees contract workforce also play a vital role ensuring appropriate CSR activities are promoted.

Large corporate and companies strive for profit maximization but the underlying factoris that presence of CSR makes the organisation to function on 'how' to make the profits possible. As long as the profits are realistic prepositions, interested stakeholders would be engaging in ensuring such profits are actualised. The stakeholder management model proposed by Clarkson (1995) states that CSR builds a balanced equation where management relates to its obligations towards social performance to maintain stakeholder relationships. In order to fulfil this goal, there has to be a continuous interaction between the primary stakeholders and the corporate management such that their expectations are satisfactory met with.

Primary stakeholders typically include shareholders and investors, employees, customers and suppliers, together with governments and communities, such as customers or suppliers. In a corporate system, the satisfaction of the primary stakeholder group is of upmost importance. If these stakeholders are dissatisfied then continuation of the corporate system will be at stake where a corporate will no longer remain anon-going concern. The major challenge for the corporation involves the development of approaches for balancing the demands of a diverse range of stakeholders.

Of the four components of the pyramid model, economic responsibility is a core interest premise to both the capitalistic investor and the shareholders on one hand and on the other the, other primary stakeholders. It is ideal to state that1 when corporate companies accept their core economic responsibilities and define their obligations towards their primary stakeholders, the management would go to the next level where it determines the zones of ethical and moral principles in order to obtain the desired corporate performance. Incidentally, the management then would have drawn broad outlines for their active participation with the primary stakeholders,until and unless they regard and respect the perspective that all stakeholders are equal-level players in profit generation. Corporations cannot ignore or treatthe stakeholder relationship subserviently. Management must have the courage to evolve a mechanism to deal with ethical choices to ensure that the corporation survives the competition and gains its market position through ethical judgements. This concern of management can be actualised by CSR initiatives where decisions for survival are based on strategic decisions for profit attainment.

The Ministry of Corporate Affairs has provided broad guidelines where corporate houses provide a higher degree of compliance to conducting their business and abide by those guidelines. The Companies Act, 2013 also provides the liability to abide by the CSR provisions in accordance with the profits attained and their responsibility is bound to maintain the social standards. This mandate is to ensure that the corporate houses maintain utmost ethical responsibility towards their stakeholders where they indulge in relevant decisions, take actions which are right, do justice and maintain an equitable and fair approach to avoid injury. While every corporate house uses its discretion in certain areas to exhibit its corporate social responsibility, it also determines the CSR beneficiaries and the possible outcomes and constraints. Although the guidelines have specifically provided areas for where CSR activities can be taken up but is not exhaustive and categorical. In order to exhibit the social responsive behaviour, the corporate houses also do indulge in charitable activities. But these charitable activities are not directly covered under the CSR activities. In the absence of (i) core indicators to year mark the CSR activities and (ii) statutorily verifiable institutions to question the expenditure on the CSR activities for the said financial year, the corporate hospitals often come under a greater ethical justification in providing healthcare. Moreover, the transparency and the disclosure norms of CSR lack effective measure to create adequate checks and balances furnished in their financial reports that are published in the annual reports and auditors reports, which may or may not provide adequate reasons for justification of expenditure.

In any corporate hospital, like large companies, CSR comprises of two kinds of stakeholders, (i) internal stakeholders and (ii) external stakeholders. Internal stakeholders include hospital staff, executives and managers and shareholders. External stakeholders include inpatients and community workers and outpatients who come for consultations. Often the corporate hospitals use descriptive measures to showcase the CSR activities without provide measurable indicators of revenue and expenditure. Therefore, this present pertinent gap in the hospital's CSR functioning provides a sense of motivation to study the economic parameters of shouldering to social responsibili tythrough dissemination of health care services which directly provides indicator to measure the effectiveness of CSR and corporate hospital's financial performance.

Hypothesis Construction

The Link Between CSR and Contribution of Knowledgeable Workforce

The knowledgeable employees, if, successfully exploit the organisational resources like materials, technology, infrastructure, this in turns adds value to the competitive spirit of the organisation which accelerates the organisation's performance. According to the Global Reporting Initiative in Amsterdam, which produces the generally accepted framework for corporate reporting on sustainability, the framework has 79 indicators in environmental, social and business performance. Of those 79 indicators, Human Resources has responsibility for 24. Similarly, environmental indicators range from using recycled products as source materials to conserving energy. According to a Green Workplace Survey Brief, out of 429 HR professionals, only 22 percent of HR professionals say their organisations have a formal policy on environmental responsibility, while 28 percent have an informal policy (Fox, 2008). Knowledge plays an accelerator role in business. When employees are allowed to get involved and empowered, this gives them a better control over theirwork, which will improve their quality of work-life,this is an important social component of CSR. Employees knowledge about their work is often seen as the best source to determine the way CSR is moving forward operationally, such as on waste reduction and equitable and efficient distribution. Employees' input into process improvements can also directly improve the organisation's productivity and profitability, which may in turn allow the organisation to allocate more funds to CSR initiatives (Lam & Khare, 2010). Investors like shareholders often get interested only in such organisations, where the workforce talent is available. Therefore, organisations often get motivated to have CSR driven initiatives for their workforce which directly involves HR and employees. These initiatives include careful development of knowledge building, human capital formulation, human asset development and creation of intellectual pool for sustainable development. Although there is a disagreement among researchers that human resources competencies should not be perceived as commodity nor should they be presented in books of accounts, in a reciprocal manner organisations ensure various componentsof organisational justice (Colquitt, 2001) to be prevalent, which ensures the fundamental basis for cooperative action through procedural justice (Greenberg, 1987) or distributive justice (Colella, 2001) to attain fair outcomes among people. When organisation deservingly gets the best from employees' knowledge management, the organisation not only compensates the employees with high pay but also treats them as organisation's assets and provides them exclusive opportunities for growth and development. The quality of competitive work force fosters aconducive environment to accelerate the organisational financial performance. Hence, organisations with high CSR driven philosophies satisfactorily enrich by building high reputation by demonstrating care for those high quality performers.

Marcus & Coffman (1999) state that many companies know that their ability to find and keep talented employees is vital to their sustained success, but they have no way of knowing whether or not they are effective at doing this. But organisations continue to attract talented workforce and strive to retain the talent. The model of talent outreach management is significantly based on two areas of concentrated pockets of people – the key resource persons among the workforce and those who are the helm of the top level management. These key resource persons (KRPs) are instrumental in instilling the value drivers to attain highest levels of performance. Although identifying the actual KRP is although controversial (Delbridge *et al*., 2006), its reference of the KRPs as 'making of an exceptional manager'breeds a non-aligned strategic divide and builds competitive indifference in the organisation.

H1: In Corporate Hospitals, CSR for internal stakeholders positively improves the sales turnover.

Link Between Corporate Social Responsibility Performance (CSRP) and Corporate Financial Performance (CPF)

In the existing literature, researchers concede to a positive relationship between CSRP and CPF (Cornell & Shapiro, 1987; Mitchell *et al*., 1997 Montero *et al*., 2004). When corporates intend to generate high levels of financial performance, they use their managerial discretion to opt for such CSR initiatives to generate the required responsiveness (Waddock & Graves, 1997, McGuire *et al*., 1988). Corporate organisations do year-mark certain portion of fund for conduct of CSR activities in various areas like social, cultural, environmental and employees etc. In accordance with stakeholder's theory, both management and stakeholders might indulge in continuous negotiations (implicit or explicit) to upkeep their interests to attain financial goals for boosting sustainable growth (Hill & Jones, 1992). It is important to note that corporate through CSR initiatives for internal and external stakeholders get enriched in enhancing their reputation which displaying their profitability and financial performance.

The question that always remains unaddressed is to prove the validity and consistent linkages between CSRP and CPF. Most relevant researches include CSR and corporate financial performance (Ingram, 1978). Many organisations in India do indulge in CSR initiatives but hesitate to disclose their CSR expenditure statements in public domain like annual reports. Therefore, the sticky issue remains unattended, i.e., should the Ministry of Corporate Affairs include mandatory disclosure norms of CSR expenditure statement compulsory and penal provision for those who do not confirm to the requirements of the guidelines. It is highly appreciated by researchers to ensure that corporates upfront declare their expenditure statements for public information and conduct of social audit. Otherwise, there will be space for corporate to camouflage the financial gains through an unknown route and display corporate financial performance (Orlitzky *et al*., 2003). Most of the researchers follow two distinctly different ideological beliefs about the broad linkage between the CPF and CSR. One cross-section of researchers argues that Corporate Financial Performance and Corporate Social Responsibility are quite interlinked and have a positive correlation. CSR rating will immediately alter to reflect that information. Organisations should cautiously note how to establish or acknowledge the relationship between CSR and financial performance, even if one actually exists that could be presented to the stakeholders (Vance, 1975).The other cross-section of researchers firms advocates the visible linkages between CSR and CPF. Alexander & Buchholz (1978) stated, any new information about the firm's social responsibility will have little / any affect on the price per share regarding a firm's financial performance. Thus, it is no responsibility on Corporate Firms to showcase the linkages between the Corporate Financial Performance and CSR performance (Moskowitz, 1972). Any Failure to exercise the responsibility could be misleading and could be misinterpreted even though the corporate firms/organisations do not intend to do so.

H2: In corporate hospitals, there is positive increase between corporate social responsibility performance and corporate financial performance.

Link Between Corporations Social Responsibility of Corporate Hospitals and Sales Turnover

When corporate leaders intend to provide a meaningful CSR experience to their stakeholders like employees, customers, suppliers, government agencies, and financial investors, then the former intends to create a value added relationship. This results in increased sales turnover and productivity. Corporatehouses expect value addition fromboth internal and external stakeholders. The strength of corporate leaders and stakeholders depends upon who actively indulge in the sense-making and sense-giving (Gioia, and Chittipeddi, 1991).Through the CSR initiatives, the corporate determine the most competitive internal and external stakeholders and with the interested ones, who would continue to provide an improved and sustainable relationship with the corporate.

The degree of exchange of information pertaining to actionable leads to reciprocal trust based relationship. Building trust is quiet often based on continuous interaction through information passing, participation and involvement of internal and external stakeholders. Hence, such partnership which encourages of mutual trust linkages, builds through continued interaction, communication and transparency (Andriof *et al.*, 2002). According to the annual corporate reputation survey conducted by Harris Interactive® and the Reputation Institute, Johnson & Johnson was recognized for having the 2nd best corporate reputation in America.(http://www.reputationinstitute.com/thought-leadership/category/2012-reptrak-in-countries).According to Nielsen Corporate Image Monitor survey, 2012, out of 1700 respondents, which included various stakeholders, ranging from policy makers, influential groups, the financial community, investors, and the top level management, Tata Motors scored the highest in corporate reputation as it practices innovative techniques, provide reliable products, and strives for excellence (www.nielsen.com).

By being a strong influencer, in corporate strategic planning, Freeman strongly views that only selected and demarcated stakeholders play a contributory role in achievement of increased productivity and ensure corporate profit maximisation. The employee cost reflects the expenditure the corporate spends on salaries, training facilities, developmental initiatives, skill development programmes, employee development programmes and other academic development initiatives. When internal and external stakeholders actively reflect positive and integrated support, commitment, engagement by sales turnover, corporates also tend to maintain better relations with those stakeholders (Freeman, 1984) to enhance their financial performance. The disbursement of CSR may be traced out from elaborate statements detailing the same or from employee cost from annual reports. Hence, researchers do find a link between corporate social responsibility performance and employees productivity which incidentally enhances financial performance (Pava & Krauz, 1996). Although these assumptions may be true but their final conclusions in annual reports and financial statement often depict an unconnected, unclear and confusing picture (Margolis and Walsh, 2003). Therefore, corporate hospitals spend huge investments under the philosophy of CSR to maintain high class professionals to provide super specialised services. It is a clear cut endeavour to build corporate brand and reputation. Hence, the hypothesis is as follows:

H3: In corporate hospitals, the employee cost on internal CSR initiatives increases the sales turnover which positively increases the corporate financial performance.

RESEARCH METHODS

The research data is from the 5 years financial statements of 15 corporate hospitals in India between 2007 and 2011. It is important to note that none of the 7 listed corporate hospitals that have been operating in the market (in the recent past) have disclosed their CSR budget for each financial year. Among them, in many of the financial statements that were published, although there is substantial descriptive information about the corporate social responsibility related events conducted, or organised to address the needs of various stakeholders, yet there is a lack of concrete information regarding the financial statements pertaining expenditure on CSR per year. More so, interestingly, in addition to the existing information on CSR, the corporate hospitals have not reflected any information regarding specific activities demarcating to their internal and external stakeholders.

For data collection purposes The researcher has considered the CSR expenditure - employee cost as independent variable and the dependent variables are sales turnover, profit before tax of the 7 listed corporate hospitals during 5 years (2007-2011). The rationale being, large corporate hospitals dealing with super speciality facilities and services have greater capability and competency to mobilise resources to conduct CSR based activities for society, environment and communication. The stakeholders from the social community also do respond equally on a reciprocal footing to meet their expectations.Waddock & Graves, (1997) have proposed that smaller corporate hospitals conduct lesser percent of CSR based activities than large corporate hospitals. Large corporate hospitals, for the kind quality services they render, attract huge social response towards their CSR activities. It is imperative that such large corporate hospitals need to respond befittingly to address the needs of large number of stakeholders.

Data Collection

For the purpose of the study, only secondary data have been used. Other relevant data havebeen collected from e-database from Centre for Monitoring Indian Economy (CMIE), Mumbai and other websites like www.systematrixshares.com, www.Kotaksecuriti es.com.The study required variety of data like annual reports and financial statements. Further, data were also collected from primary sources to substantiate the CSR implementation.

Selection of Sample

A sample of 7 top corporate hospitals has been taken from healthcare sector in India. The sample is based on a population of 42 corporate hospitals from the healthcare sector. For establishing the number years that would be appropriate to conduct the study, we have taken the period of study from 2007 to 2011. To gather data from corporate hospitals, we took information from available listed corporate hospitals in BSE (Bombay Stock Exchange). The non-listed corporate hospitals were eliminated and therefore the total sample

Table 1: Regression Analysis of Proft Before Tax and Sales Turnover as a CSR Performance Outcome

		Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Mar-07	Profit before tax	-0.048	0.019	-2.479	0.068	-0.101	0.006
Mar-07	Sales Turnover	0.013	0.003	3.661	0.021*	0.003	0.022
Mar-08	Profit before tax	-0.159	0.068	-2.350	0.079	-0.346	0.029
Mar-08	Sales Turnover	0.025	0.009	2.768	0.050	0.000	0.050
Mar-09	Profit before tax	-0.135	0.042	-3.194	0.033*	-0.252	-0.018
Mar-09	Sales Turnover	0.019	0.005	3.731	0.020*	0.005	0.034
Mar-10	Profit before tax	0.090	0.241	0.374	0.727	-0.578	0.759
Mar-10	Sales Turnover	-0.009	0.029	-0.293	0.784	-0.090	0.073
Mar-11	Profit before tax	0.025	0.014	1.848	0.138	-0.013	0.063
Mar-11	Sales Turnover	-0.001	0.002	-0.577	0.595	-0.006	0.004

“ p<0.05

Table 2: Regression Statistics and Anova of Proft Before Tax and Sales Turnover as aCSR Performance Outcome

	Multiple R	R Square	Adjusted R Square	SS	MS	F	Significance F
2007	0.899	0.809	0.713	22.643	11.322	8.454*	0.037
2008	0.894	0.799	0.698	22.370	11.185	7.946*	0.040
2009	0.928	0.861	0.791	24.095	12.048	12.342*	0.019
2010	0.715	0.511	0.267	14.320	7.160	2.094	0.239
2011	0.847	0.717	0.575	20.064	10.032	5.057	0.080

*F <0.05%

size of corporate hospitals considered wasonly 7 in number. The corporate hospital-wise information was collected on number of factors like Profit before tax, sales turnover and employee cost, during the period 2007 to 2011.

Data Analysis Tools

In order to derive the open handed results from the information collected through secondary data, various statistical tools like regression and ANOVA have been accomplished through EXCEL. To validate the data, regression analysis was run on year wise information. The primary data were reflected though bar diagram indicating the responses of respondents in percentage.

Data Analysis

H1: In corporate hospitals, CSR for internal stakeholders positively improves the sales turnover.

To examine the information regarding the role of corporate hospitals' responsibility towards internal stakeholders, employee cost was most appropriately chosen. The determinants of employee cost consist of salaries, perquisites, facilities, training cost, etc. which are detailed out in the annual reports of each corporate hospital. There is a firm belief that if internal stakeholders like employees of the any organisation are treated well andget right exposure and relevant opportunities to explore and exhibit their potentialities, then they would definitely show positive and higher work performance. In the present study, we find that the following results.

While analysing the ANOVA analysis it is found that the table value of F at 5% for V1=2 and V2=4 is 6.9443. Since the calculated value of F is more than the table value of F in 2007, 2008 and 2009,the hypothesis H1 is rejected.

Table 2 presents a regression analysis to find out whether the hospital investing in internal CSR has a positive impact on the average productivity of employees for the current year and future years. This data study determined that for corporate hospitals within the CSR 2007, the investment can be explained by the average productivity of staff where R2= 0.80% and significance F was <0.05% at 0.03.The CSR investment in 2008, it was found that the average productivity of employees where R2= 79% and significance F was <0.05% at 0.04. Similarly, The CSR investment in 2009, it was found that the average productivity of employees where

Table 3: Regression Analysis of Employee Cost as a CSR Investment and Sales Turnover

		Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Mar-07	Sales Turnover	-0.017	0.011	-1.596	0.186	-0.048	0.013
Mar-07	Employee Cost	0.169	0.081	2.078	0.106	-0.057	0.394
Mar-08	Sales Turnover	-0.015	0.010	-1.501	0.208	-0.043	0.013
Mar-08	Employee Cost	0.138	0.072	1.910	0.129	-0.063	0.339
Mar-09	Sales Turnover	-0.012	0.010	-1.196	0.298	-0.040	0.016
Mar-09	Employee Cost	0.106	0.070	1.504	0.207	-0.090	0.302
Mar-10	Sales Turnover	-0.014	0.011	-1.256	0.278	-0.046	0.017
Mar-10	Employee Cost	0.115	0.078	1.467	0.216	-0.103	0.332
Mar-11	Sales Turnover	-0.008	0.006	-1.282	0.269	-0.025	0.009
Mar-11	Employee Cost	0.069	0.043	1.589	0.187	-0.051	0.189

Table 4: Regression Statistics and Anova of Employee Cost as a CSR Investment and Sales Turnover

	Multiple R	R Square	Adjusted R Square	SS	MS	F	Significance F
2007	0.876	0.767	0.650	21.467	10.733	6.571*	0.054
2008	0.866	0.750	0.624	20.991	10.495	5.989*	0.063
2009	0.827	0.684	0.526	19.146	9.573	4.325*	0.100
2010	0.819	0.671	0.507	18.793	9.396	4.082*	0.108
2011	0.823	0.678	0.517	18.983	9.492	4.211*	0.104

*F <0.05%

R286% and significance F was <0.05% at 0.01.From Table2, it can be inferred that the hospital for internal stakeholders investing in CSR helps to improve employee productivity in the future. Although the results were R2 statistically significant fit to great extent, but the results partially support hypotheses H1.

H2: In corporate hospitals, there is positive increase between corporate social responsibility performance and corporate financial performance.

One of the fundamental issues involved in CSR activities and their performance outcomes is surrounded by certain critical issues: First of all, whether the CSR activities address the need-based concerns of the external stakeholders or second, whether the corporate hospitals conduct such kind of CSR activities which motivate the external stakeholders to participate, get trained and then showcase their capability to vibe with the organisation's requirements, and thereby maintain relationship based on terms of 'mutuality'. It is wrongly presumed that internal and external stakeholders do accept any activity being projected as CSR initiative to dissuade the attention. Moreover, the management of corporate hospitals donot customise the CSR initiative to suit to the requirements of external stakeholder and its own requirements. These should be mutually exclusive in nature. If practices of this nature continue to persist, in the short run it may provide some financial gains, but the corporate hospitals, which are known by their brand image, tend to losea quality conscious stakeholder.

In Table 4, while analysing the ANOVA analysis it is found that the table value of F at 5% for V1=2 and V2=4 is 6.9443. Since the calculated value of F is less the than the table value in 2007, 2008, 2009, 2010, 2011,the hypothesis H2 holds true and is accepted.

Table 4 presents a regression analysis to find out whether the hospitals are investing adequately inthe form of internal CSR to bring about a positive impact on the average productivity of employees and estimate the increase in sales turnover in the current year and future years. This data determined that for corporate hospitals which got the CSR 2007,employee cost can be explained by the average productivity of staff where R2= 76% and significance F was at 0.054. For the CSR 2008 employee cost, it was found that the average sales turnover of employees was R2= 0.68% and significance F was at 0.06. Similarly, for the CSR 2009 employee cost, it was found that the average sales turnover of employees was R2 equals 68% and significance F was at 0.09. On an identical note, in 2010 and 2011, the CSR employee cost was R2= 67% for both years and the average sales turnover was

Table 5: Regression Analysis of Employee Cost as a CSR Investment and Profit Before Tax

		Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Mar-07	Profit before tax	-0.035	0.014	-2.574	0.062	-0.074	0.003
Mar-07	Employee Cost	0.081	0.019	4.376	0.011*	0.030	0.133
Mar-08	Profit before tax	-0.066	0.037	-1.798	0.147	-0.167	0.036
Mar-08	Employee Cost	0.091	0.035	2.614	0.059	-0.006	0.187
Mar-09	Profit before tax	-0.075	0.029	-2.598	0.060	-0.156	0.005
Mar-09	Employee Cost	0.086	0.025	3.413	0.026*	0.016	0.156
Mar-10	Profit before tax	-0.058	0.082	-0.702	0.521	-0.287	0.171
Mar-10	Employee Cost	0.065	0.069	0.944	0.398	-0.126	0.255
Mar-11	Profit before tax	0.020	0.014	1.399	0.234	-0.020	0.060
Mar-11	Employee Cost	-0.002	0.012	-0.160	0.881	-0.036	0.032

*p<0.05

Table 6: Regression Statistics and Anova of Employee Cost as a CSR Investment and Profit Before Tax

	Multiple R	R Square	Adjusted R Square	SS	MS	F	Significance F
2007	0.925	0.856	0.784	23.973	11.987	11.908	0.021
2008	0.885	0.784	0.675	21.940	10.970	7.241	0.047
2009	0.917	0.840	0.760	23.527	11.764	10.520	0.026
2010	0.769	0.592	0.388	16.573	8.286	2.901*	0.167
2011	0.834	0.695	0.542	19.459	9.730	4.557*	0.093

*F <0.05%

at 0.10%. Observing the R2 variances, it can be interpreted as the statistically significant and reliable. But the status of significance of F values is>0.05% except in 2007 and therefore can be assumed as partially reliable. Hence, it results partially support to hypothesis H2.

H3: In corporate hospitals, the increased CSR initiatives are being conducted to address the needs of the internal stakeholders which positively increase the corporate financial performance.

While analysing the ANOVA analysis it is found that the table value of F at 5% for V1=2 and V2=4 is 6.9443. Since the calculated value of F is more than the table value in 2007, 2008 and 2009, the hypothesis H3 is rejected.

Table 5 presents the regression analysis to understand whether the hospital investing in an external CSR improves the annual interest rate of the hospitals for the current year and the future year. The results showed that corporate hospitals in 2010 and 2011 are using the input of employee cost for CSR where profits did not sustainably increase. The 2007, 2008 and 2009 reflects that the employee cost assisted in accelerating the profit maximisation, where R2 in 2007 equals 85% wherein the significance of F at <0.05% was 0.02; R2 in 2008 equals 78% wherein the significance of F at 0.05% was 0.04; and R2 in 2009 equals 84% wherein the significance of F at 0.05% was 0.02.

But R2 in 2010 equals 59% wherein the significance of F at <0.05% was 0.16 which actually is not desirable. R2 in 2011 equals 69% wherein the significance of F at <0.05% was 0.93 which is not desirable. Considering above data the analysis partially supports the hypothesis H3.

Table 6 presents the regression analysis of the hospital's external CSR and the net income. The study found that in hospitals in 2004, the investment in external CSR could explain net profits by 18.9% of the total variance (p <0.05) in 2005. In 2004 and 2006, the net profit after taxes was 39.4% of the variance (P <0.05), which can be interpreted by the external input CSR in 2007. Therefore, the hospital investing external CSR in customers and communities helps to enhance net income. H3a is supported by the findings.

DISCUSSION

Review of the Hospital's CSR

The above mentioned study provides an interdisciplinary legal and economic framework. Carroll, in her work on "The Pyramid of Corporate Social Responsibility", develops the nexus between the external input of CSR and institutional financial performance. Considering the same, it was important to examine that the CSR complies all the legal aspects. The scope of CSR to its internal stakeholders could be extended to the activities relating to research and development, personnel training, and health education, as well as more than ten percent for processing medical relief, community medical services and other social services matters through which the proportionate income would be increased.There is an additional need to provide a comprehensive CSR evaluation scheme by the hospital such that corporate hospitals could maintain a more transparent system of corporate governance mechanism. Moreover, such additional services provided under the CSR schemes need a proper and independent regulation. This study found there is an urgent need to view internal CSR as an investment on workforce. Investment can be classified in research and development, personnel training, and health education categories, which are the regulatory requirements of medical items. This may reflect the progressive aspect in delivery of healthcare systems in health sector and also put right use of investment in CSR. There is still a tendency to respond to such regulations and evaluation system requirements.

Another finding it is important to trace the nature of investment and its proportions in the CSR initiative. The corporate hospitals do branch out to various metros and cities depending upon their environmental scanning analysis within their permissible limits. The disbursement of CSR initiative could be done at corporate HQ level or considering each hospitals income, determination of CSR percent could be drawn. The corporate HQ should declare the terms of CSR proportions depending upon revenues earned through their medical services. It appears that there should be more disclosures on what percent and on what aspects the CSR disbursement should get drawn against external and internal stakeholders. External stakeholders constitute suppliers, agencies with annual maintenance contracts, customer community services, others services. Ideally speaking, corporate hospitals should have disclosed this information in their annual statements.

It is imperative that in the Indian corporate hospitals context, most of investment in CSR is for its own employees and staff. CSR activities should list on the basis of costs that could be divided into research, training, and health education. The cost of the study includes teaching and educational activities, such as funding for hospitals (accounting for 34.28%). Personnel training costs include training the required personnel, transaction costs, training costs at home and abroad, training fees, talent management costs, poor training, food, travel, construction and maintenance fees, study costs, health education funding costs include books and periodical costs and others.

Most of the instances of CSR initiatives are to ensure that there is regulatory compliance. More than the regulatory compliance, the healthcare services and the community based services reflect a philanthropic image. Therefore, the hospital needs to develop a perceptual makeover to ensure the individuals and employees to distinguish between charity, philanthropy and the CSR initiative that the hospital takes on. Another significant observation was that the corporate hospitals have been displaying the descriptive information about their CSR works in their annual reports. Either such published information gives any details about the financial statements or any indicative linkages to expenditure on external and internal stakeholders. There is a statement of cost based descriptive information for conducting the community based services. There is a need to have a synchronised financial apportionment of expected expenditure and actual expenditure. This CS financial evaluation should also be reflected in the corporate hospitals financial statements. By providing such financial details to the internal stakeholders, the corporate hospital employees, through the internal CSR, get added advantage to improve their average productivity. Through this initiative, the employees get access to benefits directly. Hence, both the employer and the employee can perceive the proportionate gains in the productivity. The Human Resources department should invest time and capital resources in their employees and subsequently the employees' performance will yield the financial gains. Therefore, the researcher argues that CSR for internal CSR always provides tangible gains to employer and the employees.

CONTRIBUTION FOR PRESENT AND FUTURE RESEARCH

In the light of new CSR regime, under the Companies Act 2013, corporates having net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crore or more, or a net profit of Rs. 5 crores or more during the financial year shall constitute a Corporate CSR Committee. The Committee shall (i) formulate and recommend the CSR Policy to the Board; (ii) recommend amount of expenditure on activities under CSR Policy; (iii) monitor the CSR policy implementation from time to time. The Board takes into account the recommendations and ensure approve the CSR policy and disclose the contents in annual reports and on company's website. The corporate houses have an obligation to spend only two percent of the average net profits of the company.

The jurisdiction of CSR implementation also is of little concern as under the new scheme, the company shall give preference to local area and areas around it where it operates for spending the amount earmarked for CSR activities. Most striking point is that if the company fails to spend the said amount, the board shall, in its annualreport, specify the reasons for not spending the amount and there is no penal provision if CSR reports are not developed and published (The Companies Act, 2013; pp 95, 135).

Another dimension which is specified as 'indicative activities' under the CSR policies are too general and they can be lot of overlapping with the central or state sponsored schemes or projects. Moreover, there is no specificity attached to the external stakeholder, it is considered as a generic term. Until and unless the corporates try to draw specific stakeholder target group centric CSR initiatives, such an endeavour will not lead to a relationship building process. It will also be difficult to build linkages in formulating the expenditure and maximisation of profits as there may be distortions and it might mislead the citizens about the source for profit maximisation. Moreover, interested researchers might not be able to build the linkages between the CSR activities and the potential impact on customer purchases and measure the scope of corporate brand image building process (Preston and Bannon, 1997). In order to increase the profitability of the corporate hospitals, the CSR initiatives have to be more balanced between the internal and the external stakeholders.

LIMITATIONS IN THE PRESENT RESEARCH STUDY

1. Most of the CSR expenditure details were not available in public domain. The new guidelines on CSR are also silent on the source where the CSR expenditure statements would be published and the mechanism of disclosure. There is ambiguity in the previous and the present CSR guidelines. Descriptive information of CSR is devoid of expenditure statements. In the light of this mismatch, it was difficult to trace the actual CSR data. The CSR disclosure statements should be structured and accessible in a specified location either in annual reports or elsewhere. It should uniform for all corporate organisations.
2. The employees were hesitant to share their views on CSR and participate as an internal stakeholder. There were not even aware of the form of CSR activities which are done in formal sense under the HR department and under the CSR schemes. It would be appropriate to maintain a more transparent form of CSR initiatives and that is how awareness gets created. It was the same in case of external stakeholders. The linkages of the organisation and external stakeholders under the CSR schemes should be more meaningful, methodical and engagement oriented. We could use any CSR data to connect institutional CSR initiatives and external stakeholders' expenditure and the tangible results.

CONCLUSION

In this paper, attempt has been make to provide an overview of what the CSR is and what it ought to be in order to ensure applicability of model CSR policy framework and uphold the CSR philosophy. The ''applicability'' offers a promise to serve the society with sense of belongingness, carefully balance the financial outline between internal and the external stakeholder and attempt to develop meaningful and purposeful CSR trust-based governance, develop a transition model to nurture of the future generations, and develop long-term development model. Such CSR initiatives require higher order 'values' to develop a deeper conceptualization of nurturing, development, and commitment to society. However,the corporates do develop many synergic models to suit their business interests and profit maximisation. Scholars and practitioners alike should further develop mechanisms to explore making these synergetic efforts to make transparency and appropriate disclosures to develop a stronger conceptual foundation for CSR practical interventions.

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