



## Corporate Social Responsibility

### Introduction

Corporate social responsibility (CSR) is how an organization takes responsibility and accountability for the impact of its activities and decisions on stakeholders, society, and the environment. It acknowledges that certain organizations can have negative impacts and tries to correct them. CSR is important because it can help decrease health inequalities, promote human rights, construct social capital, and increase sustainability.

Although it primarily applies to the private sector, it is also used in the public sector, including in healthcare. Patients and staff want to be part of organizations that are ethically and socially responsible. In addition, the way healthcare systems operate today must not compromise the needs of future generations. As a result, hospitals are increasingly expected to contribute to a fairer society, safer environment, and sustainable future.

### CSR benefits

In addition to **social** (people), **economic** (profit) and **environmental** (planet) benefits, CSR can have direct benefits for healthcare organizations, such as:

- More informed decision-making
- Better relationships with existing stakeholders
- Ability to attract new stakeholders
- Preventing and reducing conflicts of interest
- Better reputation, trust, and patient loyalty
- Improved ability to recruit and retain employees
- Better competitiveness, innovation, and productivity
- Improved health and safety for workers
- Support from government and international bodies

### CSR framework

A helpful framework for CSR is Carroll's Pyramid which provides a conceptual framework that includes the economic, legal, ethical, and philanthropic responsibilities that stakeholders and society expect from organizations. Economic and legal responsibilities are at the pyramid's base because they are foundational requirements for organizations and fundamental to social responsibility. They are part of passive social responsibility; organizations must fulfill them to function, such as by being profitable and obeying laws and regulations, and are not part of a proactive approach to CSR.



Next are ethical and philanthropic responsibilities which are not functional requirements but are still expected from stakeholders. They are part of active social responsibility where organizations do something beneficial beyond the minimum requirements, such as implementing ethical standards that go beyond the law and supporting charities.

### Governance

Governance refers to the system by which an organization makes and implements decisions in pursuit of its objectives. Governance is both a distinct core subject of CSR as well as a means for implementing other CSR core subjects such as human rights, fair labor and operating practices, consumer issues, community development, and protecting the environment. Governing boards pursue CSR through a set of activities using principles of accountability, transparency, ethical behavior, respect for the rule of law, respect for international norms of behavior, and respect for stakeholder interests.

### Stakeholders

A crucial step for healthcare organizations wanting to implement CSR is to identify and engage with their stakeholders: patients, staff, local communities, the public, other organizations, suppliers, governments, regulatory bodies, and policy makers.

Stakeholder engagement should be interactive to provide opportunity for views to be heard and expressed. This dialogue, which could be with local communities, between management and employees, and with other organizations, leads to increased awareness, understanding, support, involvement, and commitment to CSR.

## Reading Material

- Siniora D. CSR in the Health Care Sector. Research Symposium. 2017.
- Russo F. What is the CSR's Focus in Healthcare?. J Bus Ethics. 2016;134:323-34.
- Brandao C, et al. Social Responsibility: A New Paradigm of Hospital Governance?. HealthCare Anal. 2013;21:390-402.
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- Takahashi T, et al. CSR and hospitals. HMF. 2013;26:176-9.





### ABC of Governance

aims at

- creating an awareness of issues related to health governance;
- providing a core of knowledge that is practice-based;
- encouraging communication between advocates of governance.

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## Practicing CSR

There are several processes involved in practicing CSR, from ensuring the organization's leadership understand CSR to deciding which initiatives to pursue to monitoring the organization's ongoing CSR performance.

The following is a helpful step-by-step guide to implementing CSR:

1. Ensure the organization's leadership knowledge about CSR: its principles, core subjects, benefits, and the impact it can have on stakeholders and communities.
2. Prepare for CSR initiatives by creating a culture of social responsibility at all levels.
3. Review organization governance, structure, systems, and procedures to ensure they reflect social responsibility principles.
4. Establish CSR-oriented vision and mission statements, codes of conduct, and ethical policies.
5. Develop organizational strategies, including strategic maps and balanced scorecards, that integrate CSR into daily activities and decision-making processes.
6. Identify the organization's negative impacts and work towards avoiding or mitigating those impacts.
7. Select CSR initiatives that are relevant to strategic goals and the organization's role. Try to link initiatives with Sustainable Development Goals (see Figure opposite). However, the organization should not prioritize initiatives where other organizations could be more effective. The following matrix shows how a hospital can determine which initiatives to focus on:

CSR		Hospital Role	
		Low	High
Link with Strategic Goals	High	Relevant for a hospital but government would be more effective, e.g. improving access to drugs for patients	Hospitals can be effective here and would benefit, e.g. improving health literacy
	Low	Society will benefit but the government is more effective than a hospital, e.g. improving general literacy	Not part of hospital's mission but society will benefit, e.g. extending healthcare to new communities

8. Use the organization's sphere of influence to enhance positive impacts and mitigate negative ones among stakeholders, such as persuading suppliers to adopt CSR policies.
9. Enhance organizational credibility through communication with employees and stakeholders to build confidence and trust, increase the quality of CSR, raise awareness, and resolve conflicts in an efficient and satisfactory manner.
10. Monitor CSR performance through regular reviews, benchmarking, collecting stakeholder feedback, and measuring performance against quantitative and qualitative indicators.