Addis Ababa University
College of Social Sciences
Faculty of Business & Economics
Master of Business Administration (Regular Program)

Factors Affecting the Practices of Corporate Social Responsibility in the Health Sector: Empirical Evidence from Local Hospitals in Ethiopia

A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Art in Business Administration

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Declaration

I, the undersigned declare that this thesisentitled “Factors Affecting the Practices of CSR in the Health Sector: Empirical Evidence from Local Hospitals in Ethiopia.” Is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not been submitted for a degree in anyother universities.

Sara Tsegaw _____ _____

Signature Date

Statement of Certificate

This is to certify that **Sara Tsegaw** has completed her thesis entitled "Factors Affecting the Practices of CSR in the Health Sector: Empirical Evidence from Local Hospitals in Ethiopia" is her original work and is submitted for examination with my approval as thesis.

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Acronyms

AIDS	: Acquired Immune Deficiency Syndrome
ANOVA	: Analysis of Variance
CD	: Customer Demand
COM	: Competition
CSR	: Corporate Social Responsibility
ED	: Employee Demand
ENT	: Ears, Nose and Throat
EPG	: Eminent Persons Group
ER	: Emergency Room
GDP	: Gross Domestic Product
GOV	: Government Policy
GRI	: Global Reporting Initiative
HCO	: Health Care Organization
HIV	: Human Immune Virus
IMF	: International Monetary Fund
KPMG	: Klynveld Peat Marwick Goerdeler
MCM	: Myungsung Christian Medical Center
NGO	: Non- Governmental Organizations
OBG	: Obstetrics & Gynecology
OC	: Organization Culture
PG	: Pressure Group
R&D	: Research and Development
SME	: Small & Medium Enterprise
SPSS	: Statistical Package for the Social Sciences
UN	: United Nations
UNESCO	: United Nations Educational, Scientific and Cultural Organization
UNIDO	: United Nations Industrial Development Organization
WHO	: World Health Organization

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ABSTRACT

Corporate social responsibility has been recognized as a weapon to survive in global competitive environment. But CSR has been little studied in the health sector. The goal of this thesis is to investigate and analyze factors affecting the practices of CSR in St. Paul's, MCM and Hamelin fistula hospitals to form a baseline for further research. This study used two sampling stages. The first one is to sample out the hospitals and secondly a number of respondents within the selected hospitals. Purposive sampling method was used to select 3 hospitals and all the management team members of the selected hospitals as a sample. The data for the study had been collected through self-administered standard questionnaire. Descriptive statistics, correlation and regression analysis were used to analyze the data with the aid of SPSS version 20.The results show that organization culture, government policy, and pressure group positively and significantly influence the level of CSR adoption. Employees demand, Competition and customers demand have positive relationship but not significant in explaining the level of CSR. The study recommended that hospitals should see social performance as an enlightened self-interest and should therefore handle it with a great concern.

Key Word: *Hospitals, CSR adoption/level, organization culture, government policy, employees demand, pressure group, customers demand, competition.*

CONTENTS

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Corporate Social Responsibility has been defined by the International Organization for Standardization's Guidance Standard on Social Responsibility ISO 26000 (2010) as "the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including the health and the welfare of society, takes into account the expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behavior, and is integrated throughout the organization and practiced in its relationships."

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line-Approach"), while at the same time addressing the expectations of shareholders and stakeholders (UNIDO, 2017). The 'soul' of corporate social responsibility is what the French philosopher Rousseau understood to be 'the social contract' between business and society. Rousseau conceptualized the relationship between business and society as being a 'symbiosis'. The Greek word 'symbiosis' means the co-living and co-existence of two parties in a mutually advantageous relationship (Bichta, 2003).

While CSR was broadly examined in the last forty years of the twentieth century, the notion that business has social responsibilities was apparent at least as early as the nineteenth century. The 1960s saw the spread of the CSR notion when researchers started to focus on it and define it. Philanthropy was met with improvements in terms of employee as well as customer relations (Oger, 2010).

During the 1980s, a sequence of ethical disgraces affected the public view, and CSR topic was carried to the public and communities. In the1990s, CSR notion was highly accepted and companies with good reputation were known to have good CSR practices. Nowadays, CSR is known as a rising business strategy that companies are integrating into their core activities, plans, and operations and it is linked with sustainable development (Bichta, 2003). CSR is predicted to further improve in strength and significance, becoming a central management issue of the 21st Century and ultimately a part of standard business Practice (Oger, 2010).

1.2. Statement of the Problem

Yet, in Sub-Saharan Africa, little evidence is available on policy reforms that focus on redefining corporate social responsibility practices among business enterprises to fit a sustainable development agenda (Corrigan, 2014). Meanwhile, a consistent economic growth (GDP) rate, celebrated since 2001, in Sub-Saharan Africa has brought about increasing environmental risks and a depletion of natural capital assets from unsustainable economic activities (Oginni & Omojowo, 2016). Thus, the contributions of industries to sustainable development agendas via corporate social responsibility need to be assessed on a broader scope. But the central question is how do industries including hospitals in Sub-Saharan Africa promote sustainable development via corporate social responsibility practices? Previous studies have extensively focused on corporate social responsibility practices in the mining, oil, and gas industries in Zambia, South Africa, and Nigeria (Oginni & Omojowo, 2016).

For a hospital generating profit is not the primary purpose, as it is in a case of most economic entities, but the realization of a social mission, which is to provide high quality medical services. Health care, as an activity with an intrinsically moral goal, differs importantly from commercial activities, in that it narrows the range of opportunities for corporate wrong doing. Hence, the issue of CSR is increasingly relevant in the health care context, and it is worth considering whether the specific nature of hospitals raises special questions around corporate social responsibility and ethical values (Macuda, 2016).

Although, it is not much written on the methods that hospitals can adopt and use CSR, hospitals are contributing for environmental pollution and natural resources depletion. According to SIEMENS (2012) all hospitals in Germany consume approximately 3% of the nation's total

primary energy supply and thus contribute considerably to the carbon dioxide emission. Moreover, consuming too much energy directly translates into higher operating costs, which can become a considerable burden for the hospital in times of tight healthcare budgets.

Ethiopia is a country of more than 107 million people (Worldometers, 2017) with 234 hospitals (MOH,2015), many of which lack adequate running water and reliable electricity, focusing on better management and CSR strategies isn't the obvious priority to everyone. Most hospitals are owned by the government, and they are usually run by physician medical directors, who spend the majority of their time caring for patients (Own observation). Contribution to welfare of the society on ethical manner and environmental sustainability is not clearly known through scientific study. Moreover, there is no sufficient evidence on to what extent CSR is part of their sustainability strategy and operations. According to Bradley (2008) study in Ethiopian hospitals management good efforts on all sides were being wasted due to ineffective management structures. It wasn't uncommon to have a variety of donated drugs on hand, but without an inventory control system, the medical staff had no idea what was available. Moreover, CSR is a topic that is recognized by the academics. It does not seem to be a priority in other sectors including health care (Robertson, 2009).

As a strategy hospitals in Ethiopia need to incorporate CSR on their strategic plan which can help them to achieve a better use of available resources , sustainable procurement , exhibiting ethical value and principles , applying professionalism, applying healthy hazardous waste management practices, following occupational health and safety standards, enhance customer satisfaction, promote country sustainable development programs through eradication of disease burden & poverty and craft healthy citizens with healthy environment. Therefore, empirical investigation of existing CSR situation, awareness of CSR as a sustainability strategy and grounds to implement is highly compulsory.

The Millennium project assumes that the health sector already has the technology and know-how to solve the majority of the problems faced in poor and developing countries (Siniora, 2017). The idea of CSR in Ethiopia is in the infant stage as in most of the developing countries. Unlike the developed world in which the corporate governance system plays vital role in ensuring the ethical business practice, countries like Ethiopia are faced with lack of well-

established ethical business practice. This study aims to increase the focus on CSR in the three selected hospitals in Addis Ababa: St Paul's Millennium Medical College, Myungsung Christian Medical Center (MCM/Korean Hospital) and Hamlin Fistula Hospitals. It is focused on factors affecting the practices of CSR. In addition the study intends to analyze factors influencing ethical behavior in hospitals and to forward recommendation to arouse CSR practices in the future.

1.3. Significance of the Study

The significance of this study is to produce results that can add value in understanding the concept and practices of CSR in a selected hospitals: It explicitly widens the understanding of CSR practices in Ethiopia: The results of this research can be used as an input to forward a recommendation for hospitals on how to formulate a CSR strategy and how to integrate the practice to their moral and ethical obligations. And as pioneer in the health care sector, the result can be used as an input for further study.

1.4. General Objective

The study intends to describe, assess & evaluate the adoption level of CSR practices in selected public, private and charitable hospitals in Addis Ababa.

1.4.1. Specific Objective

The specific objective of the study is:

- To evaluate the common CSR practices that selected Ethiopian hospitals carry out
- To evaluate why do the hospitals engage in CSR
- To propose evidence on further stimulation of CSR practices
- To evaluate factors affecting CSR adoption/level of the selected hospitals

1.5. Theoretical Base for the Hypotheses

Today, business is not only a profit-making proposition but also a personified image which can think, leap, rebel and emote. It is this character of business that has brought CSR to the limelight. An offshoot of globalization, CSR has gained immense prominence and popularity in the business or public domain. If a corporation takes proper care and sensitive enough to address the issues of environment, then it is more likely to be labeled as a "socially responsible" (Chattu, 2015).

The healthcare industry, particularly hospitals are yet to make CSR an integral part of their business. For the hospitals, CSR exists more in the form of traditional philanthropy. A reflection of which can be seen in the society but the effect are not profound. There is a need for greater visibility, education and awareness of the concept so that the hospitals can turn small efforts into larger benefits for the society. The principal philosophy of a hospital should be driven by the need to save lives, create strong preventive health mechanisms and earn trust among the stakeholders about best practices in healthcare. Social and environmental stability will follow. CSR in terms of hospitals, reflecting the need to preserve natural capital (minimizing the hospital's environmental pollution); improve social capital (supporting the institutional framework of laws and acceptable business practices) and invest in human capital (empowering and training staff) (Kachhap, 2015).

Social responsibility and social responsiveness in health care imply both a new social dimension of care as well as new organizational patterns of hospitals and other health care organizations. Hospitals can and should be the first ones to follow this path, helping to shape public policies and consumer behavior, because incorporating ethical concerns presupposes the assumption that organizations need to balance conformance with performance and corporate responsibility. Health care organizations should try to understand their mission in a global society, promoting shared values and common ethical principles in new patterns of hospital governance (Brandão, Rego, Duarte & Nunes, 2013).

According to Kachhap (2015) in the last 20 years, healthcare industry in India has witnessed rapid growth and development. With the explosion of information technology (IT) and medical tourism in healthcare, a new model of business and corporate governance has been created. But

this new generation of hospitals have failed to capitalize on the response of the community and sustainability of the environment. Evans and Stoddart (1990) argue that the health sector and organizations whose mission is to provide health services should participate in social activities and take an active part in social responsibility actions. However, Perez and Morales (2011) note that social responsibility in health systems is virtually zero, so it has become an urgent need for health systems and health care carried out actions relating to social liability (Abreu, Crowther, Date & Exports, 2005).

Arrieta and De la Cruz (2005) state that to implement social responsibility in a health institution, we must make ethical, transparent practices, set benchmarks, clear and verifiable, require verification of data by independent agents, delimit the type of information that should be provided as institutions, to ensure the reliability of the assessment procedure and make audits. Some recent studies suggest measuring social responsibility in health institutions from the perception of various stakeholders. Ramos (2013) uses the environmental, social, economic, stakeholders and the voluntary proposals by Dahlsrud (2008) to measure social responsibility in nine health systems in Colombia. The results showed that most institutions: have a commitment to users by providing quality care and to recognize and secure their rights; provide welfare work and respect for labor law; and, respect the environment through integrated waste management and environmental training.

Morales, Galeano and Muñoz (2014) analyzed the social responsibility of eleven health promotion entities from stakeholders: community, suppliers, customers, investors, and employees. In this research, the authors propose multivariate profiles determined through analysis and conclude that not make a trend either because they constitute independent trends that cater to particular dynamics.

Keyvanara and Sadat (2015) studied 21 hospitals in the city of Isfahan, Iran (of a total of 27, 11 academic, 8 private, 2 social protection, 3 armed forces, and 3 affiliated to charity) with a single stratified sample of 946 participants. The dimensions analyzed were leadership and processes, marketing, workplace, environment, and community. They found a positive relationship between the level of CSR and the type of hospital (either public or private); and they found that management commitment to CSR actions, responsible marketing and the establishment of rules, regulations and codes of ethics are the most important dimensions for health institutions.

Therefore, this study expected to assess the existence of the above influential factors using the following research questions.

- What are the common CSR practices that Selected Ethiopian hospitals undertake?
- Why do they engage in CSR?

In line with the above research questions the following six hypotheses are proposed:

Hypothesis 1:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by government policy.

Hypothesis 2:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by pressure groups.

Hypothesis 3:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by customer demand.

Hypothesis 4:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by employees demand.

Hypothesis 5:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by organizations culture.

Hypothesis 6:

The level of CSR practices that Selected Ethiopian hospitals carry out is directly influenced by competition.

1.6. Model Specification

The relationship connecting the independent and dependent variables is given below: Mathematically the model is expressed as:

$$CSR = \acute{\alpha} + f\,(GOV, PG, CD, ED, OC, COM) + U1$$

Where

CSR= Adoption/Level of Corporate Social Responsibility

GOV = Government policy

PG = Pressure groups

CD = Customer's demand

ED = Employees' demand

OC = Organizational Culture

COM= Competition

U1 = Stochastic error term

The level of CSR (dependent variable) is regressed against the listed factors (independent variables) in order to determine the degree of influence of these factors and their impact on CSR activities level.

Figure 3.1: Conceptual Frame Work

Source: Adopted from different literatures

Table 3.1: Operationalization of Variables

Variable	Dimensions	Definition
Government Policy (GP)	Policy, regulation, guidelines	Decision-making criteria that the hospital forced to implement
Employee's Demand (ED)	Safe working conditions, Quality in the work environment	It includes the policies and practices related to work carried out by an employee in the hospital
Pressure Groups(PG)	Environmental, Social, NGO and media pressure	The pressure exerted from environmental, social, NGOs and any media to promote ethical conduct that applies to a hospital
Customer Demands (CD)	Consideration of Customers' opinions, Improving quality of service delivery	Responsibility of the hospital with its customers to meet their needs without risk to them, providing accurate information on the services offered
Competition (CP)	Win customers choice, image building, attractive value	Company commitment to maintaining a relationship of respect and community support
Organizational Culture (OC)	The hospital purpose , mission , vision , values, procedures, habits and management style	Personality or the feel of the hospitals through entrenched values, beliefs and assumptions
Level of Corporate Social Responsibility (CSR)	Performance of the hospital in relation to its social responsibility	Degree to which the company implements a socially responsible activities with the various factors in the economic, social , legal and environmental philosophy

Source: Own Definition

1.7. Scope of the Study

This case study research is bound only in three hospitals (Government, Private and charitable Hospitals in Ethiopia), Namely St Paul's Millennium Medical College (Government owned hospitals), Myungsung Christian Medical Center (MCM/Korean) (privately owned hospital) and Hamlin Fistula (charitable Hospitals) working in Ethiopia.

St Paul's Millennium Medical College

St. Paul's hospital was established through a decree of the Council of Ministers in 2010, although the medical school opened in 2007 and the hospital was established in 1968 by the late Emperor Haile Selassie. It is governed by a board under the Federal Ministry of Health. The College initiated Ethiopia's first integrated modular and hybrid problem-based curriculum for its undergraduate medical education, and is currently expanding to postgraduate programs and diversifying its undergraduate program offerings. St Paul's is in the process of building its capacity quickly in a short period of time, growing from 3 to 250 faculty members in the last six years, and expanding teaching facilities. The college has more than 2800 clinical, academic and administrative and support staffs that provide medical specialty services to patients who are referred from all over the country, teaching medicine and nursing students and doing basic and applied researches. While the inpatient capacity is more than 700 beds, The College sees an average of 1200 emergency and outpatient clients daily. And it is a multispecialty referral hospital in Ethiopia (http://www.sphmmc.edu.et).

Hamlin Fistula Ethiopia

Is a registered charitable organization in Ethiopia dedicated to the treatment and prevention of childbirth injuries called obstetric fistulas. Drs Catherine and Reg Hamlin founded this organization in 1974 after being confronted with the tragic situation of Ethiopian women suffering from obstetric fistulas. Hamlin Fistula Ethiopia oversees: Addis Ababa Fistula Hospital the world's first fistula hospital, five regional hospitals providing health care to rural women, Hamlin College of Midwives & Desta Mender Rehabilitation training center for long-term patients. Hamlin Fistula Ethiopia is a world-class center of excellence for treating obstetric fistulas and training doctors to specialize in this surgery. Rehabilitation services such as physiotherapy, counseling and skills training are available to assist patients regain their self-esteem, find meaningful employment and reintegrate to village life (http://hamlinfistula.org/about-us/).

Myungsung Christian Medical Center (MCM/Korean Hospital)

Is a general hospital, located in the southeastern part of Addis Ababa, Ethiopia, was founded by Myungsung Presbyterian church of South Korea to provide quality healthcare for Ethiopians and to train Ethiopian medical professionals. MCM compound is consisted of two wings; Shalom Wing with the capacity of 161 bed facility; (40) surgical, (25) medical, (20) pediatrics, seven OBGs, ten ER and (11) Intensive Care and Grace Wing with the capacity of 67 beds, as well as a separate Medical College with a 6 year curriculum including internship. MCM offers ophthalmologic, dental, plastic surgery, ENT, psychiatry and hemodialysis services as part of community health programs, in addition to general medicine, pediatrics and obstetrics & gynecology. Long term expatriate staff includes one American Family Medicine Doctor, 4 Korean-American physicians (general surgeon, anesthesiology, radiology and pathology), one Norweigian plastic surgeon, and one Korean dentist. There are approximately 45 Ethiopian GPs and specialists on staff (www.mcmet.org).

CHAPTER TWO

LITERATURE REVIEW

Corporate social responsibility is a concept whereby companies integrate their social part and the environment in their own economic operations and interact with key players in their field of interest voluntarily. It is defined by the World Business Council for Sustainable Development as "The continuing commitment by business to behave ethically and contribute to economic Social development while improving the quality of life of the workforce and their families as well as the local community and society at large". CSR furthermore is what the community expects from it in terms of environmental, economic, legal, ethical and philanthropic view point (Dumitru, Ionel & Sorina, 2010). CSR has been adopted as a formal policy by many advanced societies, government and business. It is implemented in response to the present crisis of sustainability and recent scandals caused by socially and environmentally irresponsible and unaccountable behavior (Amponsah, 2015).

Carroll (1991,1998) suggested a pyramid of corporate responsibilities that had economic duties at the bottom of the pyramid, then legal responsibilities, then moral responsibilities, which meant doing what is right, just, and fair, and avoiding or minimizing harm to stakeholders, and finally, on the peak, philanthropic responsibilities, which refers to contributing to refining the quality of life in a community.

To reduce conflict between economic and societal responsibilities, Porter and Kramer (2006) have organized CSR initiatives into 3 categories: "Generic social issues": issues that are socially important but less likely to be affected by operations of business corporations and have little substantial effects from long-term competition; "Value chain social impact": social effects seen from the corporate side as social issues that can be significantly affected by very ordinary business activities in the course of regular business process; and "Social dimensions competitive context": social issues that affect the competitiveness in the region where business is conducted.

2.1.CSR and Healthcare Organization

Recently concept of CSR has been addressed in the context of health care delivery suggesting a new paradigm in hospital governance. Namely the report of the International Bioethics Committee of UNESCO on social responsibility and health, commenting on the right to health care access, states that "What is at stake is a fundamental right, together with the awareness of a limit of attainability. That's why the task of social responsibility is to be shared by the private sector and states and governments, which are called to meet specific obligations to the maximum of the available resources in order to implement and progressively achieve the full realization of this right." (Farrington, Curran, Gori, Kevin, O'Gorman & Queenan, 2017).

Indeed, there is a growing conviction that the deliverance of health care, just like other aspects of social life, should be driven in accordance with universal ethical principles, respecting the human being and its fundamental rights (Klarsfeld & Delpuech, 2008). The concept of social responsibility implies that a shared vision of the common good is universally accepted among health care professionals, other stakeholders and the overall social matrix. In the health care setting, a set of values should be followed such as equity in access to health care, universal coverage, and efficient resource allocation. Therefore, the implementation of a socially responsible behavior could be a vital step for a hospital to expand its competitiveness and to protect its external image. There should be a serious consideration for all stakeholders including the public and society at large: patients, patient associations, NGOs, the environment, healthcare professionals, healthcare payers and policy makers, the government and regulatory groups (Siniora, 2017). A socially responsible pharmaceutical company or hospital should investigate and find which way to treat or carefully discard a waste product that may pollute the environment (Brandão et al., 2013).

Tehemar (2012) claims that the healthcare industry has a variety of challenges issues such as stringent regulatory compliance, intense labor shortages, increased and costly technological advancements, implementation of international quality standards and substantial community dependence make this industry one of the most operationally difficult. Hospitals have to work harder than other industries to win and retain that trust while coping with the operational challenges.

2.2.1. Ethical Values of Healthcare Organizations

Health care organizations ethics has three intertwined but distinct scopes. The first is the expression of the moral compass for the organization referred to its mission, vision, and values. The chief executive officer should also play the role of chief ethics officer. The second dimension relates to the critical ability in identifying the ethical challenges and solving them in methodical means. The third element relates to the practical implication and integration of organizational ethics through management process (Pearson, Sabin & Emanuel, 2014).

On one hand, compliance relates to meeting regulatory and legal requirements and it aids the organizations in reducing the risk of severe punishments. Such programs are obligatory and are usually recognized by top management. On the other hand, ethics programs are optional and dedicated to important standards and values (Pearson et al., 2014. Ethically admirable organizations must hold a deep set of values applicable to the promotion of health and care of the sick and must be skilled at dealing with conflicting values that arise in health care. Organization ethics refers to organization's attempts in defining its core values and mission, seek the best possible resolution of struggles, and run its functions to confirm that it acts according to the defined set of values. The scarcity of resources in the health care sector drives organizations to set significances in a way that is both ethically justifiable and clinically sound (Siniora, 2017).

It is important to note that the health care sector cannot solve the underlying causes of poverty; however, the social circumstances for human health are more the accountability of global economic organizations ranging from the World Bank and IMF to international governments who work within this international economic structure. Thus, a partnership of the pharmaceutical companies and hospitals with governments, international institutions, NGOs might achieve social and health equity (Brewer, 2014).

2.2.2. Ethical Principles of Healthcare Organizations

Principle of Justice: Pogge (2011) elaborates on the moral duty of western societies and companies to deliver system transformation in order to alleviate some of the world's prevalent human grief. In his book, World Poverty and Human Rights, the comments on articles 25 and 28 found in the United Nations Declaration on Human Rights: Everyone has the right to a standard of living satisfactory for both the health and well-being of himself and of his family, including food, clothing, housing, and medical care. Pogge then clarifies an intuitive notion examining the current globalization and interconnections that necessitate universal justice principles in which everyone should accept and share.

Therefore, social justice includes the human right to health based on the idea that health is a universal human right; there must be worldwide access to medicines. Hence, pharmaceutical companies and healthcare organizations have a moral responsibility to provide access to medicine for those who cannot afford them while achieving sustainable business ends (Brewer, 2014). Justice explains how social burdens and benefits should be distributed. The egalitarian theories state that people should receive an equal distribution of health care. Based on John Rawl's principle of Justice, the fair opportunity is vital to justice in the health care field. This implies that each person, regardless of his/ her social status, should have equal access to a sufficient level of health care. There should be a right to a decent minimum of health care: basic health care and other health- related resources (Siniora, 2017).

Principle of Beneficence: In addition to justice principle, HCOs have an obligation to follow the principle of beneficence. In their Principles of Biomedical Ethics, Beauchamp and Childress describe beneficence as not simply kindness or charity, but a real obligation to support others and further their genuine benefits. Beneficence states that one should prevent harm, remove harm, and promote good (Siniora, 2017). It is important to note that there is an embedded beneficence assumption in all health care professions; health education and vaccination programs. Active social responsibility requires hospitals and others healthcare organization to do something beneficial (out of beneficence duties) and not only abiding by the law or to broad ethical principles. This implies that the interests and values of all stakeholders are taken into concern Brandão et al. (2013).

2.2.3. Common Good of Healthcare Organizations

Pharmaceutical corporations and Health Care Organizations (HCOs) contribute to the common good. With their goods and services, they make different types of value added for society. Therefore, it is argued that successful HCOs increase the quality of life of the sick, minimize costly hospitalization through researching, manufacture, and distribute drugs of high social benefits (Leisinger, 2005).

HCOs should pursue their ends by contributing to their society. They own the know-how, vast resources, expertise, and management talent to solve social problems that they fully comprehend both in the developing world and in economically deprived communities. Creating shared value in practice by following a strategic approach to CSR, Porter argues that such strategic CSR efforts are fundamental to a company's profitability, success, and competitive position (Porter & Kramer, 2011). Therefore, HCOs with their embedded ethical values combined with their knowledge and resources should focus their CSR activities on solving health related issues in local and international communities.

Clear and comprehensible efforts by individual actors, governments, donors, NGOs, and the private sector are required to act based on each party's skills, techniques, knowledge, and assets. Thus, social corporate responsibility is also articulated by the readiness of the health care organization to cooperate with other parties. The pharmaceutical companies and HCO have an end that is achieved through its nor normal business activities like research, development, manufacturing, and selling pharmaceutical compounds to avoid premature mortality, to treat or lessen diseases, to avoid or shorten hospitalization, and to contribute to the quality of life of sick people (Leisinger, 2005).

The pharmaceutical industry and hospitals are heavily regulated, on national as well as international levels (Siniora, 2017). This triggers much exacerbation and financial stress (Collins, 2010). In the field of health care, the ethical and socially conscious behaviors are both the community and professions' anticipation. The health care sector, in general, is a sector where the thoughts of corporate commitment, liability towards patients, ethical performance and an overall responsibility towards society are universal.

David R Brennan, CEO of Astra Zeneca said, accountability is integrated into the strategy of pharmaceutical companies because of it significant to sustained success (Siniora, 2017). Most importantly, the pharmaceutical industry and hospitals have the technical know-how in medicine development and health care services; they have the ethical commitments of beneficence and justice to provide better development and access to medicines for underprivileged societies. CSR meets stakeholders' demand, objectives of health care institutions, and universal ethics requirements help lessen human suffering and improve the lives of people (Brewer, 2014).

Klaus Leisinger of Novartis states that the duty of the pharmaceutical company in an international economy is to research, develop, and manufacture groundbreaking medicines that make a transformation to sick people's quality of life, and it is their duty to do so in a profitable way. No other societal actor assumes this responsibility. Nevertheless, several pharmaceutical companies recognize a moral duty to do more, whenever probable, to aid in lessening health problems of poor individuals all over the world (Brewer, 2014). Michael Porter and Mark Kramer's view recommend companies to wisely select the social subjects they aim to solve, especially the ones that interconnect with their professional, proficiency, management talent, and know-how, arguing that corporations which choose social issues based on their expertise will have a greater impact on the social good (Siniora, 2017).

Williams, Cynthia and Aguilera (2008), in their comparative assessment of CSR, report verification in the literature regarding the impact that an occupation or an industry has on the type of CSR in which the firm implements (Oger, 2010). The important responsibility of any health care organization is to enlighten itself about its effect on society's numerous needs and objectives and to be thoughtful and responsive to the demands of stakeholders. Through this tactic, the business enterprise or organization will have a practical and defined social responsibility that is based on corporate values, resources, technical know-how, and enlightened leadership (Siniora, 2017). Farrington et al. (2017) stated that**,** health Care Organizations could be socially responsible by: Collaborating for disease prevention and management, Patient Safety in clinical trials, Ethical/Fair Marketing, Product Packaging/Labeling, Product safety and quality, Patient Privacy & Electronic Records and Managing waste, water and energy.

Keyvanara and Sajadi (2015) indicated five different dimensions concerning social responsibility in hospitals:

- Leadership and inner processes which include the areas of mission and vision, policies and procedures, ethical codes and regulations,
- Marketing that refers to suppliers and contractors, supply chain, consumer rights, responsibilities and liability management services including responsible purchasing,
- Workplace environment which contains staff safety and health issues,
- Environment which includes issues of sustainable development, pollution, waste management, energy saving and green purchasing management,
- Community that states the local community, academic community in partnership with social institutions, partnership with non-governmental organizations (NGOs), volunteer participation supporting activities of employee and charitable support.

According to Brandão et al.(2013), hospitals are required to fulfill their social and market objectives following the law and general ethical standards (refrain from harming the environment, protect the interests of all the stakeholders enrolled in the deliverance of health care, share a vision of common good that is universally accepted among health care professionals, managers, stakeholders and the overall social matrix). Embracing a socially responsible conduct is perceived as strategic in a global market, it contributes to the competitiveness of a particular entity and protects its external image. Therefore, the social responsibility is an expected policy not only in strategic planning but also in daily practice.

Utilization of a holistic CSR framework in hospitals may result in higher efficiency in operations, for instance, improved efficiency in the use of energy and natural resources can result in substantial cost savings. Therefore, a better hospital waste management not only reduces the amount of waste but also ensure its safe disposal. Moreover, hospitals have to pay attention to their reputation in order not to lose trust and patient loyalty. In the incidence of a reputation crisis, a hospital which realizes the idea of corporate social responsibility and has a history of exceptional service to society and environment often does not suffer as much as a hospital with no CSR plans. A damaged reputation might require years to rebuild. Concerning employees, there is clear evidence linking the employee morale and loyalty to the social performance of the hospital. Employees who continually witness violation of ethical norms in the hospital would not want to be involved with that hospital (Tehemar, 2012).

Having a vigorous CSR program can help HCOs attract and maintain key talent. Companies and hospitals will have better social perception and community engagement. Surveys indicate that people not only desire to work for socially responsible firms, but may essentially give up a proportion of salary to do so. For instance: A 2009 Kelly Services Survey questioned around 100,000 people in 34 countries around the world. They found 88 % of respondents are more probable to want to work for a company that is considered ethically and socially responsible. 56% say that in deciding where to work, an organization's ethical status for ethical conduct is very significant (Brewer, 2014).

Almost every other industry has figured out a way to give back while still making a profit. But health-care providers, insurance companies, and big pharma still are trying to squeeze every last dollar out of patients, with bad results. Of all the industries in the world, you might expect that the health care industry would be taking the lead in corporate social responsibility. After all, every healthcare-related corporation, whether hospital or manufacturer or Services Company, markets itself as promoting health and well- being. Yet because the health care sector has lagged compared to other sectors in terms of being responsible corporate citizens, the long-term viability of many health care entities is at risk (Brian & Sarah, 2011).

Nonetheless, it is important to consider organizations like hospitals in a distinct way from the typical for-profit organization for 2 reasons. First, in most cases, hospitals already exist for a social mission. Excluding some for-profit hospitals, most hospitals were founded with a primary goal of helping the sick. Many also have some charitable sources of revenue. From this perspective, hospitals may be more likely to be the partners of corporations with a CSR agenda than to initiate CSR activities themselves. Second, hospitals typically function in a highly regulated environment, where governments often direct hospital activities towards societal goals. Strategic CSR thus may be indistinguishable from aspects of the overall strategy of the hospital (Takahashi, Ellen & Brown, 2013).

In health care, CSR means that there is an ethical obligation that requires hospitals and other organizations to do something beneficial to health- related issues such as delivering quality health care to everyone who is titled to it. Integrating social responsibility strategic planning and daily activities require time and effort by the management professionals of HCOs (Brandão et al., 2013).

CSR in the health care sector is different from CSR in other businesses because medicine and medical care are vital for the good being of humanity. Poor individuals cannot afford expensive medications due to the market and patent requirements, the absence of generics, or affordable changes to patented medicines. This truth has become intolerable in the society's eyes. In numerous US consumers rate the pharmaceutical industry as one of the most unethical businesses (Brewer, 2014). Many leading stakeholders in health care hold the research-based pharmaceutical companies accountable for the deaths of millions of people living in poverty because such companies retain their prices for life-saving medicines high. These companies consider financial profits more important than human life. It is noteworthy to note that many actors are responsible for social problems, and they all share a duty to contribute to society prospering (Siniora, 2017.

2.2.Corporate Social Responsibility and Health

The Report of the International Bioethics Committee of UNESCO (2010) on Social Responsibility and Health has addressed the concept of social responsibility in the context of health care, thus proposing a standard in hospital governance which is a new paradigm. The scope of this responsible behavior necessitates hospitals and other healthcare organizations to accomplish its social and market goals, based on law and general ethical standards. The report proposes that social responsibility should be considered a moral obligation to create organizational value (Brewer, 2014).

Julian Huxley, the first Director-General of UNESCO, stated that in order to make science play a part in creating peace, security and human wellbeing, it was obligatory to correlate the uses of science to values. This highlights the principle of social responsibility and health, which aims at re-arranging bioethical decision-making in the direction of crucial concerns of several countries (such as access to quality health care and critical medicines). Governments aim to promote health and social development for their people (Henk & Michèle, 2009). Progress in science and technology should also increase the access level to quality health care and essential drugs, nutrition, and water as well as should be associated with a progress of living conditions and the environment and reduction of poverty and illiteracy rates. Despite the increase of new medicines and technologies, there are many global health concerns.

Thus, social responsibility actions will contribute meaningfully to a decrease of inequities in health, promote human rights, and construct social capital. However, accountability and commitment and the consistent performance of professional responsibilities in the chase of social goods are always major concerns (Siniora, 2017).

Development organizations have confronted the pharmaceutical industry to increase its efforts to tackle the health disaster affecting developing countries. They reflect that a socially responsible company should design, plan, and implement policies on access to treatment for developing countries which include the five significances of pricing, patent, joint public-private initiatives, research and development, and the appropriate use of drugs. They state that critical challenges continue chiefly the issue of pricing. Recently, new projects of pharmaceutical companies have a purely charitable characteristic that will not generate profits (the new Institute for Tropical Diseases in Singapore for the discovery of drugs for HIV and AIDS and other prevalent diseases). These companies should make alliances with public, private, NGOs, international organizations and civil society to address the elements of health in a globalized world through health research and progress (Henk & Michèle, 2009).

2.3. Theoretical Framework of the Variables

Corporate Social Responsibility (CSR), defined as corporate social or environmental behavior that goes beyond the legal or regulatory requirements that a company faces (Kitzmueller & Shimshack, 2012), has become a common business practice around the world. For instance, consulting firm EPG (2015) reports that Global 500 companies spent an average of US$20 billion per year on CSR over the period 2011 to 2013, and KPMG (2013) shows that the percentage of Fortune Global 250 firms that issue stand-alone CSR reports has increased from 52% in 2005 to 93% in 2013. These figures raise the question of why companies engage in costly CSR activities. A recent McKinsey survey reveals that a large majority of CFOs and investment professionals around the world believe that CSR programs add shareholder value.

Indeed, the survey results suggest that maintaining a good corporate reputation is perceived by CFOs to be the most important driver of value creation. In a January 17, 2008 article, however, The Economist reports that while “Most of the rhetoric on CSR may be about doing the right thing and trumping competitors, … much of the reality … involves limiting the damage to the brand and the bottom line that can be inflicted by a bad press and consumer boycotts, as well as dealing with the threat of legal action”.

Stakeholder theory can be used to identify different stakeholders inside and outside a firm that influence the firm and to explain the types of influence that the different stakeholders exercise over the firm's sustainability practices (Freeman, 1984; Frooman, 1999). Stakeholders are generally classified either as primary stakeholders, who are engaged in a formal relationship with the firm (e.g., shareholders, employees, suppliers, customers, and government bodies) or secondary stakeholders, who have no formal relationship with the firm (e.g., media, NGOs, citizens, and the local community) (Clarkson,1995). Even though the latter (often nonfinancial stakeholders) have largely been considered as secondary by managers in the past, these groups are now becoming more salient in terms of assessing the social and ecological impacts of business (Sharma & Henriques, 2005).

Incorporating the broad range of stakeholder's demands is considered essential in improving industry practices and supporting the legal and moral interests of stakeholders. The influence strategies that stakeholders use depend on the resource relationship they have with a firm and can therefore either be direct or indirect (Frooman, 1999). Stakeholders can be either dependent on or independent of the firm; similarly, a firm can be dependent on or independent of the stakeholders. Therefore, four scenarios of resource interdependence exist between firms and stakeholders: high resource interdependence, low resource interdependence, firm power, and stakeholder power (Frooman, 1999).

High interdependence: - When there is high interdependence between the focal firm and its stakeholders, the most likely strategy for the stakeholders is to directly influence the firm's use of resources and to redefine the common goals. Direct strategies refer to stakeholders themselves manipulating the flow of resources to the firm. Usage strategies refer to strategies where stakeholders continue to supply a resource, but with strings attached, for example, demanding a change in industry practices (Frooman, 1999). The cost of changing industry practices tends to be shared between the stakeholders and the firm. One example of high interdependence is the formation of strategic alliances and international networks between the industry players themselves, or competitors in order to address environmental problems (Buysse & Verbeke 2003). In fact, there is a tendency for individual managers and firms not to improve their practices before their industry acts collectively (Albareda et al., 2007).

The dominant key players forming alliances also have an important role in disseminating and diffusing CSR practices within industries (Delmas & Toffel, 2004), whereas companies resisting the adoption of sustainability practices are in danger of negative corporate reputation which has an impact on firm survival and profitability (Sharma & Henriques, 2005; Clarkson, 1995).

Stakeholder power: - If stakeholders control critical resources, but are not dependent on the firm, they can withhold the resources from a focal firm unless it follows certain rules. Withholding strategies are defined as those where stakeholders discontinue or threaten to discontinue providing a resource to a firm if the firm is not willing to change its behavior. With withholding strategies, the firm would be expected to pay the costs of new practices. Withholding strategies include consumer pressure, where consumers exert negative pressure and boycott companies with poor environmental records (Aguilera, Rupp, Williams, & Ganapathi, 2007; Buysse & Verbeke, 2003; Sharma & Henriques, 2005). For example, Greenpeace led a boycott campaign against Nestlé, as the company used unsustainable palm oil sourced from Indonesia the campaign resulted in Nestlé adopting new sustainability practices and working towards ending the use of unsustainable palm oil (Greenpeace, 2010; Ionescu-Somers & Enders , 2012).

Firm power: - the firm and its stakeholders are considered to have no interdependence. Examples include firms or companies operating in a highly competitive environment with lax regulations. Here, indirect and usage strategies are likely to be used by stakeholders, such as easily replaceable employees (versus managers) or minor suppliers. Since the firm has no resource dependence on the stakeholder groups, the firm's sustainability practices are unlikely to be influenced by stakeholder pressure (Frooman, 1999). However, failing to support stakeholder participation and management strategies can erode relationships or alienate stakeholders altogether (Hosmer & Kiewitz, 2005), or lead to the increased use of confrontational strategies by stakeholders such as strikes (Mitchell, Agle & Wood, 1997; Sharma & Henriques, 2005).

Low interdependence:- When focal firms and stakeholders have no interdependence, indirect strategies via other stakeholders are likely. Indirect strategies refer to stakeholders working in alliances or via other stakeholders to influence industry practices. Environmental groups can pressure governmental agencies or large buyers/customers to only operate with companies that

adopt sustainable practices. For example, environmental groups targeted large buyers such as Home Depot and Lowe's in the USA so that they would only buy wood products from Canadian companies that had adopted sustainable practices (Sharma & Henriques, 2005). Similarly, stakeholder alliances can pressure banks and financers to divest from companies or projects that are not considered responsible.

Stakeholder groups are not static: even if stakeholders, such as easily replaceable employees, initially have little power, they can acquire more by working in alliances or influence industry via other stakeholders (Frooman, 1999; Mitchell et al., 1997). In fact, multi-stakeholder dialogue and action have been found effective in pressuring corporations to move towards incorporating greater social and environmental responsibility in their actions (Byster & Smith, 2006; Connor, 2004; Kong et al., 2002; Raphael & Smith, 2006). This is illustrated, for example, the Silicon Valley Toxic Coalition (SVTC) created in response to the use of hazardous chemicals by the electronics industry in the Silicon Valley: the combined pressure of the industry worker's safety advocates, local community activists, community residents, high-tech workers, union members, fire fighters, policymakers, and later on primary stakeholders such as different technology companies, resulted in a change in practices in the electronics industry.

Finally, the pressure led to the adoption of new legislation, such as Extended Producer Responsibility (EPR) requiring the recycling of electronic waste (Raphael & Smith, 2006; Byster & Smith, 2006). Similarly, Sharma and Henriques (2005) found that in the forest industry, the more advanced sustainability practices, such as eco-design or ecosystem stewardship, were based on pressures from both withholding influence strategies from secondary, nonfinancial, stakeholders (such as consumers, media, local communities, activist shareholders, environmental and social NGOs, special interest groups, and indigenous people), and usage influence strategies applied by primary financial stakeholders, such as customers.

2.3.1. Adoption/level of CSR

Stakeholders influence the adoption of CSR practices. Most researchers of the adoption of CSR practices take an explicit stakeholder approach. The number of stakeholder groups considered by these authors ranges from one, e.g. NGOs (Frank, Longhofer & Schofer , 2007), communities (e.g. Russo & Tencati, 2008) or (international) customers (e.g. Massoud, Fayad, El-Fadel & Kamleh, 2010; Wu, 2013), to many, usually some combination of employees, shareholders/investors, customers, suppliers, industrial organizations, governments,

communities, and interest groups (e.g. Clarkson, 1995; Henriques & Sadorsky, 1996, 1999; Campbell, 2007; Russo & Tencati, 2008; Foerstl , Reuter, Hartmann & Blome , 2010; Ervin et al., 2013). All these authors consider environmental issues; some (Clarkson, 1995; Campbell, 2007; Russo & Tencati, 2008; 2009; Foerstl et al., 2010) consider social issues in addition.

Osemene (2012) discovered that demands for corporate social responsibility come from competitors, customers, pressure group, service quality and legal requirements. According to Feldman and Vasquez-Parraga (2013) organizations may have 6 reasons for CSR. First, CSR actions influence consumers' reactions to that company and its products. Second, specific company strategies are found to include CSR actions in order to attract and retain customers. Third, consumers use trade-off criteria between CSR product features and traditional product features such as price, quality, convenience and lack of information, corporate brand dominance or product quality. Fourth, consumers' evaluations of company CSR may be linked to their perspectives of how responsible a company is in relevant areas such as economic, legal, ethical, and philanthropic. Fifth, consumers' evaluations of the fit between companies' CSR activities and consumers' characteristics or interests positively affect consumers' perceptions of companies' CSR activities. Sixth, consumers who receive communication about company CSR activities increase their CSR awareness, which in turn, generates positive attitudes towards buying products from CSR companies.

An interest in CSR and corporate reputation is greatly influenced by tougher competitive conditions in the market and economic pressure to organizations from various stakeholder groups. Sprinkle and Maines (2010) claim that organizations may engage in CSR activities for 4 reasons: organizations may have altruistic intentions; they may use CSR activities as "window dressing" to appease various stakeholder groups; for potential benefits of recruitment, motivation and retainment of employees; for customer related motivations as CSR may entice consumers to buy organization's products and services. Weber (2008) indicates five key reasons for CSR: positive effect on organization's image and reputation; positive effect on employee motivation, retention and recruitment; cost savings; revenue increases from higher sales and market share; and CSR related risk reduction or management. Polonsky and Jevons (2009) found that possible reasons to organizations of being socially responsible include: improved financial performance; contribution to market value; a more general positive impact on societal stakeholders; a connection with consumers; and improved product quality.

2.3.2. CSR and Government Policy

Business practices that were explicitly referred to as CSR emerged in the US in the 1950s. Back then, legislators intentionally left policy gaps to be filled by non-governmental forms of social provision and promoted CSR practices, for example by introducing tax incentives for employers to provide employment and health insurance (Carroll, 1999; Moon, 2005). Parallel to the history of CSR in the US, Moon (2005) also relates the emergence of CSR in the UK to the fact that the Thatcher governments downsized the role of the state, both as a regulator and provider of social goods and services. Nevertheless, CSR in the UK "was a pale reflection of the American counterpart" (Moon, 2005). This has changed only in recent years, both in the now Labour-governed UK (which appointed a Minister of CSR and adopted a CSR strategy) and throughout the EU.

From the turn of the millennium onwards, CSR began to spread across Western Europe; not least due to the active role that the European Commission played, which was based on a mandate from the Lisbon European Council (2000). It framed CSR in the context of sustainable development in a Green Paper (European Commission, 2001), and in 2002, the European Commission released a communication on CSR that explored ambitious policy options to increase the transparency and convergence of CSR across Europe. With the transition of the Com-mission in 2004, however, the EU CSR policy changed from a pro-active to passive approach that re-emphasizes businesses self-regulation (European Commission 2006).

Richard Howitt, British Labor Member of the European Parliament pointedly commented on the new course: "The Commission wants Europe to be 'a pole of excellence' in business, but instead has dumped five years of debate and consultation into a black hole. The Commission says that public authorities should create an enabling environment for CSR yet opts out from any proposals for concrete action for itself, simply repeating generalization which we have all read before". What the change of course at the EU level shows already at this point is that CSR policies are obviously subject to serious political controversies, despite their soft-law character. At the Member State level, several Western European countries have become quite active in promoting and shaping CSR in recent years.

There is a common perception that new challenges created by corporate practices all over the world have to be solved through a multi-stakeholder approach (European Commission, 2001).

In recent years, we have seen the appearance of multi-stakeholder dialogue proposals. Among others, these have included the UN Global Compact, the Global Reporting Initiative, and the European Multi-Stakeholder Forum on CSR, which propose dialogue among the different agents involved as a working methodology aimed at making headway in multilateral consensus proposals. Third, other elements suggest that CSR is not a new and isolated topic among the new challenges facing governments in a globalized context (Crane & Matten, 2004; Moon, 2002). Responsible and sustainable business practices form part of the current debate on the role of companies within society in a globalized world (Frederick, 2006). This enables us to understand why governments have adopted measures to promote CSR in their relationship with the new social governance challenges (Albareda, Lozano & Ysa, 2007).

According to the United Nations industrial development organization (UNIDO), sustainable and equitable development emphasizes the importance of gaining a better savvy of the role of public policy in CSR. In the last few decades (Moon, 2004), governments have joined other relevant stakeholders as drivers of CSR. However, whether the soft, hard or both ways of CSR public policies should be adopted remain a point of contest. The most common public policy options in CSR development, according to Fox (2002), are mandating, facilitating, partnering and endorsing. Most writers and institutions advocate softer forms of government CSR intervention than mandating for sustainable outcomes (Joseph, 2003; European Commission, 2002).

More specifically, governments deploy instruments of intervention to promote CSR practices in business enterprises. These are informational, economic and legal forms (Steurer, 2010). With the rational of moral persuasion, the informational role involves creating CSR awareness to businesses via different modalities such as campaigns and trainings. Economic instruments work with financial incentives and market forces to nurture responsible behavior which include awards, tax abatements, subsides etc. Third option is enforcing legal instruments (sticks) in state institutions towards businesses however in soft manner such as directives. Partnerships are another ways to foster CSR engagements too where firms and state entities work jointly on responsible practices. Stakeholder forums or negotiated agreements and public private partnerships are of pivotal CSR policy instruments (Fox et al., 2002). Besides all those possible ways, hybrid application of instruments can also be used.

2.3.3. CSR and Organizational Culture

One set of dimensions that help to characterize a certain culture is task-orientation and relationship-orientation. Task-orientation shows the employees' desire to accept the goals and tasks of their organization. This orientation focuses on achievement, rewards and competition thus reflecting a concern for accomplishment of the organizational goal. Relationship-orientation reflects employees' support and promotion of the feeling of togetherness by emphasizing cohesion, participation, and cooperation (Vadi, Allik & Realo, 2002) thus focusing on relationships between the members of the organization. Schein (1992) believes that both orientations are equally important and shape the organizational culture. Resulting from the definition of CSR, the final aim of being engaged with CSR activities is to create value for both internal and external stakeholders.

Although one of the most important tasks for a corporate executive is managing for all stakeholders, including corporate shareholders (Donaldson & Preston, 1995), nowadays an increasing value is attached to take care of the natural environment and local community development, not discarding employees and customers at the same time. These issues are in the core of responsible business at present. The implementation of CSR depends on the combination of organizational and societal factors. In the context of transition economies, organizations with stronger culture are found to better be able to pursue changes (Alas & Vadi, 2006).

Becoming socially more responsible would be an example of those changes. Only a few studies are available that offer insight into the relationship between organizational culture (OC) and CSR. For example, when Maignan and Ferrell (2004) introduce how CSR may play role in the marketing discipline, they avoid mentioning OC, but discuss the relevance of culture under an ‘‘organizational norms’’ section. Hillman and Keim (2001) point out that there has to be congruence between OC and the societal, environmental and stakeholder expectations. Empirically, the same has been concluded in the recent ethnographic study by Thornton and Jaeger (2008). By examining two public universities in the USA, they depict tight links between the universities' cultural tools and their support for different dimensions of civic responsibility. Yet, the extent of practiced responsibility imposed by culture remains a future challenge (Thornton et al., 2008).

Rooney (2007) and Wieland (2005) claim that CSR and ethical corporate governance in general should be seen as an embodiment of the organization's culture and values. They propose that organizations with high ethical standards and concern for stakeholders have adopted value-sets that include interdependence, empathy, equity, personal responsibility, intergenerational justice, cooperation and partnership, communication and dialogue. Following Schein's (1992) idea that values are central to OC, such values best characterize the communal-type of OC, which is high both in solidarity and in sociability (Goffee & Jones, 1996). Here, solidarity can be viewed as task-orientation and sociability as relationship-orientation.

Organizational culture reflects the personality or the feel of the company through entrenched values, beliefs and assumptions (Galbreath, 2010). These are espoused and manifested through employee behaviors and decision-making, in addition, they define the proclivity and ability of a company to conduct business operations either responsibly or irresponsibly (Kalyar , Rafi & Kalyar, 2013; Melo, 2012; Galbreath, 2010). CSR is reflected in the organization's strategy, decision-making process such as presence of social responsibility issues in the mission/vision statement, principles for responsible entrepreneurship, participation of different stakeholder groups in organizational decisions and considering the effect on different stakeholders and natural environment before making certain decisions; and management related activities such as concern for local community , natural environment, market stakeholders and working conditions in its every-day practices (Jaakson, Vad & Tamm , 2009).

Along with the rising popularity of the concept, studies on what determines the extent of CSR have also emerged. To date, these studies imply that CSR policies are dependent on national culture. Also, the instrumental role of management in formulating an organization's CSR policy has presented CSR as an expression of the values of individual managers and an outcome of the managerial decision-making process (Carroll, 1991& Wood, 1991). Both phenomena are determinants of organizational culture, but the latter may also become an independent factor of CSR behavior. On the other hand, it has been claimed that strong organizational culture is a key factor for achieving excellent (financial) performance (Collins & Porras, 1994). This theory may especially hold for transition countries, where CSR has little or no tradition and startup companies typically do not have CSR strategy in place. Nor have young companies yet developed strong organizational culture, but as the organizations mature, culture proliferates together with initiatives undertaken for the benefit of stakeholders. In this case organizational

performance mediates the relationship between organizational culture and CSR and there is no direct linkage (Jaakson et al., 2009).

2.3.4. CSR and Competition

The development of CSR practices has a positive influence on competitive performance both directly and indirectly. Therefore, according to Zhao, Lynch and Quimei (2010), there is a complementary mediation. Certain previous researchers have pointed out that social responsibility policies contribute to achieve competitive advantages (Porter & Kramer, 2006; Moneva, Rivera & Mu˜noz, 2007). This work verifies Porter and Kramer's suggestions (2006), since it shows how the integration of CSR within enterprises strategy benefits stakeholders and how, in turn, these internal and external agents react in favor of each company, offering new competitive opportunities. Regardless of their size, those SMEs that develop socially responsible practices favor positive stakeholder reactions and improve its competitiveness (Lepoutre & Heene, 2006).

As with R&D and advertising, CSR affords firms with a competitive advantage that is referred to as a strategic effect. McWilliams and Siegel (2001), McWilliams, Siegel and Wright (2006) and Gallego-Alvarez, Prado-Lorenzo and Circia-Sancez (2011) examined the relationship between CSR and advertising and R&D. Interestingly, Hsu (2012) showed that CSR has the same effect as advertising. However, in contrast Kopel (2011) study assumes that CSR has negative spillover effects on competitors. CSR engagement serves as a rational way for firms to maximum profits (Becchetti, Palestini, Solferino & Tessitore, 2014). On the one hand, CSR investments enhance a firm's reputation, as high quality producers are more motivated to engage in CSR. On the other hand, CSR investments lower the reputations of non-CSR competitors, and this competition effect is called a CSR spillover. A second-mover advantage benefits the CSR follower and that CSR stimulates consumer willingness to pay for a firm's products but inhibits consumer willingness to pay for competitor products (Chen, Wen & Luo , 2016).

According to Flammer(2013) companies react to tariff reductions by increasing their engagement in CSR, consistent with the view of "CSR as a competitive strategy". Evidence suggested that companies increase their CSR in order to credibly signal product quality,

differentiate themselves from their competitors, and improve employees' productivity. In other words, companies can "do well by doing good" (Hart, 1995; Jones, 1995; Porter & Kramer, 2006, 2011; Russo & Fouts, 1997). In the spirit of this literature, higher competition fosters CSR since companies are eager to leverage the "triple bottom line" to remain competitive and ideally outperform their competitor. Along similar lines, the declared objective of General Electric's environmental CSR program "ecomagination" was to improve GE's competitiveness. As GE's CEO Jeffrey Immelt emphasizes: "We did it from a business standpoint from Day 1, it was never about corporate social responsibility" (New York Times, 2011). More generally, recent surveys indicated that in the face of rising global competition, over 90% of CEOs see sustainability as critical for their company's competitiveness and future success (Accenture & UNGC, 2010; MIT Sloan Management Review, 2012).

2.3.5. CSR and Customers Demand

Societal marketing is explained as conducting business in a manner that maintains and improves both the society's and the customer's well-being in the form of minimizing any harmful effects and maximizing the company's long-term beneficial impact on the society (Kotler, 1991; Mohr, Webb & Harris, 2001). According to Bhattacharya and Sen (2004), CSR activities generate more immediate outcomes such as word-of-mouth; resilience to negative company information; and consumers' awareness, attitudes and attributions about why companies are engaging in CSR initiatives.

Taking CSR considerations into account in corporate decision making becomes as natural as taking customer perspectives into account (Government of Canada, 2006). Activities such as caring for the environment, employees, and any kind of help toward the community are becoming important criteria for customers' decision making (Marin, Ruiz, & Rubio, 2009). Research has shown that customers prefer products from companies involved in social causes. Customers have more trust, purchase more, and prefer to recommend socially responsible companies (Vlachos, Tsamakos, Vrechopoulos, & Avramidis, 2009). Numerous studies have shown a positive relationship between perceptions of CSR and customer loyalty (Ailawadi, Neslin, Luan, & Taylor, 2014; Chung,Yu, Choi & Shin, 2015; He & Li, 2011; Srbljinović, 2012). Customers appreciate companies' participation in humanitarian events, programs devoted to energy conservation, sponsorship of local events, etc. These activities can influence creation of higher customer loyalty (García de los Salmones et al., 2005).

A research result shows a majority of surveyed consumers already do or would consider rewarding companies working actively with charitable giving's and philanthropy. Improving a company's image through the communication of its CSR activities is now utilized by a company's mean of gaining reputational value and attracting customers (Peloza, Loock, Cerruti, & Muyot, 2012). As stakeholders' awareness of CSR increases it is important for companies to handle its environmental responsibilities to prevent negative criticism that could be avoided (Heikkurinen & Ketola, 2011). Stakeholders often react positively to company's eco-friendly initiatives and negatively towards those that in some form affects the environment in a destructive way. It has also been indicated that environmentally well-performing firms are rewarded by customers as the perceived value of such companies is higher than that of companies which are less environmentally friendly (Flammer, 2013).

Buyers unanimously stress that they expect enterprises to be socially responsible and inform their stakeholders thereof (Pomering & Dolnicar, 2009). On the survey conducted in USA and UK 86% of Americans indicated that they would wish to know in what way enterprises are socially responsible, and so would people in the UK. Moreover, 74% of the British stated that information about social and ethical behavior of enterprises would influence their buying decisions (Pomering & Dolnicar, 2009; Boulstridge & Carrigan, 2000). Studies have shown that awareness of a firm's CSR will positively affect stakeholders associations of the company (Sen, 2006). Luo & Bhattacharya (2006) found that customer satisfaction can also be increased through CSR. Furthermore, consumers who perceive a company as more socially responsible are more likely to trust the company's products (Pivato, Misani, & Tencati, 2007). And consumer groups which consider CSR activities beneficial to their in-group increase their patronage of the company (Russell & Russell, 2009).

Financial benefits of being a socially responsible company have also been noticed. Both, Lee and Shin (2010); Sen (2006) studies found a positive relationship between consumers' awareness of CSR activities and intention to consume company's products. Latter research has also showed that awareness of a company's CSR will be associated with a greater intention to seek employment with the company and also with a greater intention to invest in the company. While another study stated that CSR increases a firm's long-term financial performance through customer satisfaction (Luo & Bhattacharya, 2006). The same researchers calculated that a one unit CSR ratings increase for a typical company with an average market value of approximately

$48 billion would result in approximately $17 million more profit on average in subsequent years.

However, CSR concept has been seen mostly as a company's initiative to be environmentally friendly. And while the general definition of CSR allows for many various operationalization's, the corporate record on the environment is one of the most frequently used manifestations of the construct (Klein & Dawar, 2004; Russell & Russell, 2009). Perhaps the reason being that interest in environmental issues has become increasingly mainstream (Lassaad, 2012) and it is relatively easy for companies to do environmental harm, especially in some industries. Such industries are viewed as environmentally sensitive, for example, mining, metallurgy, brewery, textile, pharmacy, hospitals etc. Studies have showed that companies which represent these sensitive industries are more likely to disclose information about their responsible behavior (Liu & Anbumozhi, 2009; Patten, 2002).

2.3.6. CSR and Employees Demand

Some of corporate social responsibility (CSR) demands come from internal stakeholders, such as moral and relational needs of employees (Aguilera, Williams, Conley & Rupp, 2006). In today business notion of corporate social responsibility imply that companies willingly incorporate social concerns in their operations with their stakeholders. Employees as a primary part of stakeholder the notion of corporate social responsibility is one of ethical issues surrounding corporate decision making and behavior, therefore if a firm should carry out certain activities or from doing so because they are beneficial or hurtful to society is an essential question. Social issues toward the employees merit ethical concern of their own and should lead managers to consider the social impacts of corporate activities in decision making. Based on the survey of 3637 employees in Estonia, Latvia and Lithuania, measures of internal and external social responsibility are found to be positively associated with job satisfaction. Findings of the study indicate that employees' assessments on various aspects of their job are noticeably higher in firms that are perceived as more engaged in CSR activities both towards their internal and external stakeholders (Tamm, Eamets & Mõtsmees, 2010).

The findings of Gavin and Maynard (1975) have already indicated that a significant associations between the degree to which an organization fulfills its societal obligations and the extent to

which employees are satisfied with their job. Working for an organization whose employees positively view corporate responsibility efforts has a significant, favorable impact on how they rate their pride in the organization, their overall satisfaction, their willingness to recommend it as a place to work and their intention to stay. They also tend to have more positive attitudes in other areas that correlate with better performance, such as customer service and leadership from management (Kenexa Research Institute, 2007)

CSR is also a way to attract and retain talent. In a global workforce study by Towers Perrin, the professional services firm, CSR is the third most important driver of employee engagement overall. For companies in the U.S., an organization's stature in the community is the second most important driver of employee engagement, and a company's reputation for social responsibility is also among the top 10. According to a Deloitte survey conducted last year, 70% of young Millennials, those ages 18 to 26, say a company's commitment to the community has an influence on their decision to work there(Knowledge@Wharton).

Employees are "natural" whistleblowers because they often witness corporate misconduct before anyone else does. When employees discover that their employer is engaging in unethical practices, they weigh the costs and benefits of blowing the whistle. The costs may be substantial, including possible employment termination or other negative career implications, testifying at a trial, and the accusation of disloyalty by colleagues. The main benefit of whistleblowing is self-protection against potential legal liability associated with the wrongdoing (Dyck et al., 2010). Thus, if corporate wrongdoing is unethical but legal, the net benefits for employee-whistleblowers may be very small.8 Consistent with the idea that employee whistleblowers bear substantial costs, Dyck et al. (2010) find that 45% of employee-whistleblowers hide their identities, and when they do disclose their identities, 82% claim that they eventually left their jobs, either because they were fired or forced to step down or because they became victims of retaliation. When asked, many employee-whistleblowers further said that if they had the opportunity to do it over again, they would not blow the whistle (Dyck et al., 2010).

2.3.7. CSR and Pressure Groups

Demands for corporate social responsibility (CSR) come from external stakeholders, such as communities and societies with general expectations or governments with explicit requirements of social legitimacy (Wood, 1991). Existing external and internal institutional pressures in the environment where firms operate such as politics, public, or cultural pressures force organizations to adopt a particular structural form and therefore behave in certain ways in order to survive (Meyer & Rowan, 1977). Scholars have agreed that certainly there are increasing internal and external pressures exerted on firms to fulfill broader social goals and consequently engage in CSR initiatives (Matten & Crane, 2005; Logsdon & Wood, 2002).

Campaigns and public scandals involving issues ranging from environmental pollution to child labour and racial discrimination resulted in unwanted media attention. This raises the question of whether reputation damage is a main motivation behind the adoption of CSR policies by a multinational. Two Dutch researchers, Alex van de Zwart and Professor Rob van Tulder, of Rotterdam Erasmus University, conducted a study into civil society campaigns. Their research shows that companies that have been 'on thin ice' usually become leaders in the business sector concerning CSR issues. The multinationals Apple, Coca-Cola and Walmart have been involved in environmental and social conflicts. Coca-Cola was boycotted in India because the local communities were suffering from droughts. In 1992 Walmart was caught using child labour in factories in Bangladesh. In May 2010 newspapers reported on the suicides at Apple's manufacturer for iPhones and iPads,Foxconn. Overall Canon has a detailed and clear CSR report and has not faced any major scandals (Torres,French, Hordijk , Nguyen & Olup, 2012).

On the other hand, NGOs played great role in pushing firms and public policies for sustainable alternatives at the international level. Among others, campaigning groups have been key drivers of negotiations ranging from the regulation of hazardous wastes to a global ban on land mines and the abolition of slavery. It is repeatedly discussed in the literature that NGOs, in the increasing period of deregulation and retreat of the state from a number of public functions, begun to repair limitations in recent decade investments. As a result firms moved from the classic profit oriented shareholder view towards stakeholder perspectives. One aspect of NGO role is in the advocacy of responsible investment. As the state retreat from a number of public functions and regulatory activities, NGOs begun to fix their sights on corporations (IISD, 2015).

There has been and is an increasing pressure from NGOs in exposing firms to adopt sustainability in their business mission.

NGOs follow different strategies to influence the development of CSR in the business world. What Winston (2002) named as engager NGOs try to draw firms into dialogue in order to persuade them by means of ethical and prudential arguments to adopt voluntary codes of conduct. Other types of NGOs use confrontational path through shaming and blaming firms which is a moral stigmatization. However, in both ways it is unlikely to influence companies in the long run unless they are able to mobilize two other important constituencies: consumers and governments (Winston, 2002). Studies reveal that there is an increasing motivation on consumers' side to avoid products with child labor at the back and less green. The differential response from consumers to inform about good and bad conditions shows the intervention of activists in firms for standards. The lobby and advocacy role of NGOs is of high influence for both firms and governments.

Numerous studies indicate that a company's CSR policies increasingly factor into their decisions. For example, a survey by Landor Associates, the branding company, found that 77% of consumers say it is important for companies to be socially responsible. "There's a heightened awareness of the need to be, and to be seen as, a good corporate citizen," says Robert Grosshandler, CEO of iGive.com, which helps consumers direct a percentage of their online purchases to support charities. "In the Information Age, customers have more access to information," says Grosshandler. "They're more educated. They're no longer hidden from how their food is produced or how their iPods are made. And, because of things like social media, like-minded people more easily find each other, have their say and effect change. There's a level of transparency that wasn't there before (Knowledge@Wharton, 2012).

Prior research starting with Zingales (2000) and Dyck & Zingales (2002) emphasizes that the media can play an important informational role by reducing informational asymmetries between firms and their stakeholders. This informational role can be achieved by rebroadcasting publicly available information produced by firms and other information intermediaries (information synthesization role) or by creating new content (investigative role) (Bushee, Core, Guay & Hamm, 2010; Dai, Parwada & Zhang, 2015).1 Consistent with this idea, previous research finds that media coverage reduces the private benefits of control (Dyck & Zingales, 2004), corruption

(Houston, Lin & Ma, 2011), insiders' future trading profits (Dai et al., 2015), bid-ask spreads around earnings announcements (Bushee et al., 2010), and the post-IPO cost of equity (Liu, Sherman & Zhang, 2014). The media may also increase the likelihood that corporate governance violations are reversed and the likelihood that value-reducing acquisitions are abandoned (Liu & McConnell, 2013). There is also evidence that the media blows the whistle on corporate fraud (Dyck, Morse & Zingales, 2010).

CHAPTER THREE

METHODOLOGY

This chapter presents the methodology used to study the factors affecting the practice of CSR in selected three hospitals in Addis Ababa. Moreover, it included the reliability and assumption tests. This chapter is organized in six sections.

3.1. Research Method

The general approach of this research was a case study in which quantitative approach was used to collect the data. A case study is valued as a research method for its ability to examine a phenomenon in its real-life context. A great value of this method comes from its strength for exploiting the 'richness' of the situation. Quantitative method is a means for testing objective theories by examining the relationship among variables. Data collected is number and statistics (Creswell, 2003). The data is based on precise measurements and the final report is statistical report with correlations, comparisons of means and statistical significance of the findings. The purpose of survey research is to generalize from the sample to the population so that inferences can be made about some characteristic, attitude or behavior of the population.

1.3.1. Sample Design

This study used two sampling stages. The first one is to sample out the hospitals and secondly respondents within the selected hospitals. Currently there are three type of hospitals available in Addis Ababa, based on their ownership type: for profit/private, non- profit/charitable and government owned. From the existing hospitals randomly one hospital from each category was selected, namely St Paul's Millennium Medical College: government owned, the biggest referral hospital and pioneer in a new procedure like kidney transplant; Myungsung Christian Medical Center (MCM/Korean): privately owned, the biggest and multi-specialty hospital and Hamlin Fistula: charitable Hospital, the biggest and multi-disciplinary.

The target populations selected were all management team, namely medical directors/provosts, managers/administrators, department/unit heads, officers, coordinators and case team leaders in each selected hospital. Based on the information taken from Human Resource Department of

each hospital, in St. Paul there are around 60, in MCM 34 and in Hamelin fistula 25 management team members are available and a total of 119 questionnaire were distributed for all management team members; from which a total of 89 responses were obtained (i.e. 48 from St. Paul, 27 from MCM and 14 from Hamline fistula hospital).

3.2. Survey Instrument

The study used self-administered standard survey questionnaire that was used by different authors such as Helmig , Spraul & Ingenhof, 2016; Jaakson, Vadi & Tamm , 2009 ; & Haleem,Boer & Farooq, 2014 to collect the primary data. The survey instrument contains closed ended questions with each of the questions on a five-point Likert response scale that ranged from 5 "strongly agree to 1 "strongly disagree". Fowler (1984) noted that the strengths of survey methods that result in their wider use included the value of statistical sampling, consistent measurement, and the ability to obtain information not systematically available elsewhere or in the form needed for analysis.

3.3.Data Analysis and Presentation Method

After the data was collected from St. Paul's, MCM and Hamelin fistula hospitals, it was edited, organized and analyzed using SPSS 20. Statistical tools such as descriptive statistics used to describe the phenomenon that exist at the time of the study in the form of frequency distribution, mean calculation and graphical representation; regression analysis was done to test the hypothesis and correlation analysis was done to establish the nature and degree of relationships between dependent variable (the level of CSR) and independent variables (government, organization culture, competition, customers demand , employees demand and pressure group).

3.4. Reliability Test

Reliability is essentially a synonym for consistency and replicability overtime, over instruments and over groups of respondents (Chohen et. al., 2005).

3.4.1. Factor Analysis

Factor Analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower unobserved variables called factors. Factor loading are part of the outcome from factor analysis which serve as a data reduction method designed to explain the correlations between observed variables using a smaller number of factors (wikipedia.org). The study variables checked for factor loading (Appendices 1) some items were eliminated and the items which are loaded in to one component were included for the analysis.

3.4.2. Cronbach Alpha Coefficients

Cronbach alpha coefficients were computed for each of the variables being assessed by the instrument. Cronbach Alpha Coefficients for each of the CSR adoption variables of this study were 0.89 for CSR adoption/level, 0.847 for government policy, 0.821 for organization culture, 0.881 for competition, 0.621 for customer demand, 0.729 for employees demand and 0.822 for pressure group. Each coefficient was statistically significant and very satisfactory compared to normal standards of reliability (i.e. 0.7).

3.5. Classical Linear Regression Model Assumptions Tests

The model employed in this study is tested for classical linear regression model assumptions such as hetroscedasticity, autocorrelations, multicollinearity, normality and linearity assumptions (Appendices 2) and the model satisfy the classical linear regression model assumptions.

CHAPTER FOUR

RESULT AND DISCUSSION

This chapter explains and discusses the results of findings based on the analysis done on the data collected. The discussion attempts to accomplish the objectives of the study, and answer the research questions.

4.1. Result

The survey was conducted with 89 respondents representing 74.78 percent of the sample size. The purpose of this section is to present the results of the survey on respondents' profile and responses of survey participants on aspects of CSR adoption.

4.1.1. Respondents' Profile

It is necessary to analyze the demographic profile of the respondents to validate reliability of data collected. Accordingly, the respondents were asked to respond to their gender category, year of experience, level of education and field of qualification.

Table 4.1: Gender

Gender	Frequency	Percent
Male	47	52.8
Female	42	47.2
Total	89	100

Source; Survey Results and Own Computation

As indicated in the above table the gender proportion of female respondents is 52.8%, while the male respondents is 47.2%. The ratio of the respondents is almost proportional.

Table 4.2: Age

Age Range	Frequency	Percent
26-35	33	37.1
36-45	45	50.6
46-55	7	7.9
56 years and above	4	4.5
Total	89	100

Source; Survey Results and Own Computation

The age distribution of the respondent who participated in the study is provided in Table 4.2. The sample age categories were divided with a range of 10 years except the age category above 55. Accordingly, the results showed that 37.1% were aged between 26 and 35 years old and 50.6 % were between 36 and 45 years of age while 7.9 % were between 46 and 55 years. Respondents in the group of above 56 years old were 4.5%. This implies that most of the respondents were middle aged followed by young; the smaller proportion of respondents were older than 46 years old.

Table 4.3: Educational Qualifications

Qualification	Frequency	Percent
Doctor	14	15.7
Nurse	25	28.1
Pharmacist	2	2.2
Laboratory Technologist/Anesthesiologist	9	10.1
Others (HO/BA/MA/MSC/MBA)	39	43.8
Total	89	100.0

Source; Survey Results and Own Computation

The educational level of the different respondents is shown in Table 4.3. As summarized in the table, the respondents' educational levels were listed on respondent's specialty doctor, nurse, pharmacist, laboratory technologist/anesthesiologist and others (HO/BA/MA/MSC/MBA) with the respective proportion of 15.7, 28.1, 2.2, 10.1 and 43.8% (Table 4.3). This is an indication that the respondents are also at adequate education level to understand the concept of CSR.

Table 4.4: Position

Position	Frequency	Percent
Medical Director/Provost	5	5.6
Officer /Team Leader	23	25.8
Head/Coordinator/Manager	48	53.9
Administrator	9	10.1
Other	4	4.5
Total	89	100

Source; Survey Results and Own Computation

CSR strategy, policy, ethics, code of conduct, regulations and decisions are primarily the responsibility of management. Obviously the respondents were with required knowledge of

management and medical background to understand the concept of CSR than others. Thus, the survey made to assess the positions of the respondents indicated that 5.6 % of the respondents were directors/provosts, 25.8 % were officers/team leaders, 53.9 % were department heads, coordinators or ward/operation theater managers, 10.1 % were administrators and 4.5% were others. This implies that the respondents were from different academic background and they are in a position to make strategic decisions. Moreover, they are aware of the hospitals policies, code of conducts and guidelines.

Table 4.5: Respondents Working Hospital

Hospital	Frequency	Percent
St. Paul	48	53.9
MCM	27	30.3
Hamline Fistula	14	15.7
Total	89	100.0

Source; Survey Results and Own Computation

The hospital respondents work on is shown in Table 4.5. As summarized in the table, the respondents'53.9% of respondents were from St. Paul's millennium medical college, 30.3% were from MCM hospital and 15.7% were from Hamelin Fistula Hospital. This is an indication that the respondents experience with CSR is different among ownership type and purpose of hospitals establishment as respondents are drawn from different institutions.

4.1.2. Interpretation of Results

This section discusses the results of the survey in respect of CSR adoption/level and government policy, organization culture, pressure group, competition, customer demand and employee demand

Table 4.6: CSR adoption/level

CSR adoption/level	N	Mean	SD
Philanthropic	89	3.32	.90365
Ethical	89	3.364	.71323
Legal	89	3.2397	.91424
Economic	89	3.3596	.7575

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.6 above signposted all CSR dimension overall score, the respondents asked to rate the CSR adoption/level of their hospital based on CSR dimensions, the highest response rate regards to ethical responsibility indicated by the mean of 3.364 (SD 0.7132), followed by economic responsibility with mean value of 3.3596(SD 0.7575), and the respondent rated philanthropic responsibility third with mean value of 3.32 (SD 0.903) then legal responsibilities with mean value of 3.2397 (SD 0.9142) fourth. This implies that the hospitals CSR practice is mainly characterized by ethical responsibilities followed by economic responsibilities.

Table 4.7: Government Policy

Government Policy	**N**	**Mean**	**SD**
Government force initiatives to increase transparency in our business.	89	3.26	1.103
Government passes laws to increase transparency in our sector.	89	3.25	1.026
Government tries to initiate CSR activities of the organization.	89	3.03	1.102

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.7 above shows , almost similar response rate respects to government force initiatives to increase transparency in their business and government passes laws to increase transparency in the sector, this indicated by the mean of 3.26(SD 0.103), followed by government tries to initiate CSR activities of the organization with mean value of 3.25(SD 1.026). This infers that the hospitals CSR adoption/level is mainly influenced by government policy, directives and regulation specific to the sector.

Table 4.8: Organization Culture

Organization Culture	**N**	**Mean**	**SD**
Strategic and decision making process	89	3.4382	.76712
Management	89	3.5674	.81251

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.8 above illustrates two categories of questions, 4 questions regards to strategic and decision making process and 2 questions for management. Management related organizations cultures are more influential (Mean of 3.5674, SD 0.8125) than strategic and decision making process (mean of 3.4382, SD 0.76712). This concludes that the hospitals CSR adoption/level is more influenced by management issues like: working conditions and market stakeholders followed by strategic and decision making issues : presence of social responsibility issues in the

mission/vision statement, principles for responsible entrepreneurship , participation of stakeholder in hospitals decisions, considering the effect on different stakeholders and natural environment before making certain decisions.

Table 4.9: Competition

Competition	N	Mean	SD
Our strongest competitors take a leading role in Corporate Social Responsibility.	89	3.39	1.029
Our strongest competitors are known for their transparent communication policies.	89	3.16	.976
Our strongest competitors communicate openly about their CSR activities.	89	3.04	.940
Our strongest competitors invest regularly in social funds and projects.	89	3.24	.905

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.9 above displays the influence of competition on CSR adoption/level. The table shows competitors take a leading role in CSR with the highest mean score of 3.39 (SD 1.029). The respondents rated competitors invest regularly in social funds and projects and competitors are known for their transparent communication policies second and third with mean value of 3.24(SD 0.905) and 3.16(SD 0.976) respectively. The last rated question is competitor communicate openly about their CSR activities with mean score of 3.04 (SD 0.94). This result implies that in the hospital, having the leading role and investing on CSR are important influencer to adopt CSR practice.

Table 4.10: Customer Demand

Customer Demand	N	Mean	SD
Our customers purchasing habit are changing to support responsible corporations.	89	3.19	.752
Our customers are ready to boycott products and services which do not comply with social standards.	89	3.12	.975

Source; Survey Results and Own Computation, SD: Standard Deviation

As illustrated in Table 4.10 above, respondent asked customers demand as influencer to adoption CSR practices on their respected hospitals. customers purchasing habit are changing to support responsible corporations and customers are ready to boycott products and services which do not comply with social standards rated first and second with slight difference on mean value of 3.19 (SD 0.752) and 3.12(SD 0.975) respectively. This result entails customer has less influencing power to adopt CSR practice in their hospital.

Table 4.11: Employee's Demand

Employees Demand	**N**	**Mean**	**SD**
Our employees voluntarily engage in CSR activities of the organization.	89	3.19	1.127
Our employees expect the firm to implement CSR activities.	89	3.35	0.906
Our employee monitor whether the promise concerning CSR are fulfilled.	89	3.10	1.001

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.11 above depicted questions related to employee demand as influencer to CSR adoption/level. The highest response rate is employees expect the firm to implement CSR activities with mean value of 3.35(SD 0.906) followed by employees voluntarily engage in CSR activities of the hospital with mean value 3.19(SD 1.127). Least rated question is employee monitor whether the promises concerning CSR are fulfilled with mean score of 3.1(SD 1.001). This means employees expectation and engagement are important factors that influence CSR adoption/level.

Table 4.12: Pressure Group

Pressure Group	N	Mean	SD
Media Pressure	89	3.1742	.82262
NGO Pressure	89	3.3202	.84021

Source; Survey Results and Own Computation, SD: Standard Deviation

As specified in Table 4.12 the survey questions that asked respondents about the pressure group that influence to adopt CSR practices. The respondents rated NGO pressure the highest mean score of 3.3202 (SD 0.84021). Media pressure is the second dominant with mean score of

3.1742 (SD 0.82262). This implies that CSR adoption level of the hospitals more influenced by NGOs which are more willing to negotiate and want to foster partnership with the hospitals.

Table 4.13: Correlations Matrix

Variables	CSR	GOV	OC	COM	CD	ED	PG
CSR Adoption/level	1						
Government Policy (GOV)	.740**	1					
Organization Culture(OC)	.774**	.696**	1				
Competition (COM)	.647**	.600**	.592**	1			
Customer Demand(CD)	.621**	.518**	.620**	.572**	1		
Employees Demand(ED)	.552**	.585**	.487**	.550**	.603**	1	
Pressure Group (PG)	.752**	.567**	.682**	.537**	.595**	.480**	1

**. Correlation is significant at the 0.01 level (2-tailed)

Source; Survey Results and Own Computation, SD: Standard Deviation

Table 4.13 above table illustrated the correlation between CSR adoption/level and government policy, organization culture, pressure group, competition, employees demand and customer demand. The strongest relationship is with organizational culture(r=0.774), government policy (r=0.740 and pressure group(r=0.752). The weakest correlation is with employees demand (r=0.552) compared to others. Altogether, the relationship between all independent variables and CSR adoption/level was positive and significant at 1% significance level.

4.1. 3. Regression Analysis

Regression analysis is concerned with measuring and explaining the relationship between a given variable (usually called the dependent variable) and one or more other variables (usually known as the independent variable(s)). It is used to understand the relationship between variables and predict the value of one variable based on another variable. This is also indicated in the model summary below where the statistical relationship of the dependent and independent variables is shown, that is between the independent variables: government policy, organization culture, pressure group, competition, employees demand and customer demand on the one hand and dependent variable CSR adoption/level on the other.

4.1.3.1. Demographic Factor Analysis

Table 4.14: Demographic Factors Coefficient Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.497	.384		9.107	.000
	Gender	.223	.140	.157	1.592	.115
	Age	-.038	.096	-.041	-.397	.692
	Hospital	-.399	.094	-.419	-4.228	.000
	Educational Qualifications	.046	.046	.104	.994	.323
	Position	.089	.083	.108	1.080	.283
a. Dependent Variable: CSR						

Table 4.14: indicated that the influence of demographic factors: gender, age, hospitals name, educational qualification and position on the CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. Respondents working hospital (t = -4.228, P <0.000) negative and statistically significant at 1% level of significance, this show that it has an inverse relationship with the level of CSR adoption. Although, the coefficient of respondents gender (t = 1.592, P <0.115), respondents educational qualification (t=0.994, P <0.323), respondents position (t = 1.080, P <0.283) is positive but statistically insignificant. This implies that they have least influence on CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. Respondents age (t = -0.397, P <0.692) has inverse relationship with the hospitals CSR adoption/level but statistically insignificant. Moreover, the t-coefficient of constant is positive that is 3.718 indicating that there is a significant and positive relationship with CSR adoption/level.

4.1.3.2. Variables Analysis

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871[a]	.759	.741	.36236
a. Predictors: (Constant), PG, ED, COM, CD, GOV, OC b. Dependent Variable: CSR				

Source; Survey Results and Own Computation, SD: Standard Deviation

The above table indicates, the independent variables statistically predicted the overall CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. From the table the R value 0.759 indicate that the presence of strong correlation between the independent variables and dependent variable. The value of R2 0.759 which indicate that the independent variables explain 75.9% of the variations on CSR adoption/level with un explained factors of 24.1 %.

Table 4.16: ANOVA of the Variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.830	6	5.638	42.941	.000[b]
	Residual	10.767	82	.131		
	Total	44.596	88			
a. Dependent Variable: CSR						
b. Predictors: (Constant), Pressure Group, Employees Demand, Competition, Customers Demand, Government Policy, Organizations Culture						

Source; Survey Results and Own Computation

Analysis of variance indicated that the variance of the variables that the researcher established, the F ratio, F (6, 82) =42.941, P <0.000) was statistically significant at 1% level of significance. This showed that government policy, organization culture, pressure group, competition, employees demand and customer demand statistically significantly influence CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital.

Table 4.17: Regression Coefficients of the Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.276	.209		1.320	.191
	Government Policy	.201	.063	.271	3.210	.002
	Organization Culture	.249	.089	.254	2.790	.007
	Competition	.103	.064	.123	1.615	.110
	Customer Demand	.049	.075	.053	.655	.514
	Employees Demand	.015	.062	.018	.238	.812
	Pressure Group	.305	.076	.319	4.030	.000

Source; Survey Results and Own Computation

Table 4.17: indicated that the influence of government policy, organization culture, pressure group, competition, employees demand and customer demand on CSR adoption/level of CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital . Pressure group (t = 4.030, P <0.01), government policy (t = 3.210, P <0.01) and organization culture (t = 2.790, P <0.01) found to be the strongest and statistically significant influencer. Although, the coefficient of competition (t=1.615), customer demand (t=0.655) and employee's demand (t=0.238) is positive but statistically insignificant even at 10% level of significance. This implies that they have least influence on CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. Moreover, the t-coefficient of constant is positive that is 1.320 indicating that there is a positive relationship with CSR adoption/level.

4.1.3.4. Overall Factor Analysis

Table 4.18: Overall Factor Model Summary

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.879[a]	.773	.741	.36238
a. Predictors: (Constant), Position, Gender, , Age, Educational Qualifications , Hospital , Pressure Group , Employees Demand, Competition , Customer Demand , Organizations Culture , Government Policy				

Source; Survey Results and Own Computation

Table 4.18: shows that demographic factors and the independent variables statistically predicted the overall CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospitals. From the table the R value 0.879 indicate that the presence of strong correlation between all factors and the dependent variable. The value of R2 0.773 which indicate that the demographic factors and the independent variables explain 77.3 % of the variations on CSR adoption/level with un explained factors of 22.7 %.

Table 4.19: Overall Factor ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	34.485	11	3.135	23.873	.000[b]
	Residual	10.112	77	.131		
	Total	44.596	88			
a. Dependent Variable: CSR22						
b. Predictors: (Constant), Position, Gender, , Age, Educational Qualifications , Hospital , Pressure Group , Employees Demand, Competition , Customer Demand , Organizations Culture , Government Policy						

Source; Survey Results and Own Computation

The analysis of variance indicated in Table 4.19 above confirms the variance of the demographic factors together with variables that the researcher established, the F ratio, F (11, 77) =23.873, P <0.000) was statistically significant at 1% level of significance. This showed that demographic factors (gender, age, educational qualifications, working hospital and position) jointly with independent variables (government policy, organization culture, pressure group, competition, employees demand and customer demand) statistically significantly influence CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospitals.

Table 4.20: Overall Factor Coefficients

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.497	.320		1.551	.125
	Government Policy	.182	.065	.246	2.789	.007
	Organizations Culture	.244	.094	.248	2.580	.012
	Competitions	.138	.072	.165	1.913	.059
	Customers Demand	.051	.084	.055	.609	.544
	Employees Demand	.037	.065	.046	.572	.569
	Pressure Group	.278	.079	.290	3.518	.001
	Gender	.148	.086	.104	1.720	.090
	Age	-.058	.054	-.062	-1.066	.290
	Hospital	-.012	.064	-.013	-.190	.850
	Educational Qualifications	-.030	.028	-.069	-1.068	.289
	Position	-.035	.050	-.043	-.709	.481
a. Dependent Variable: CSR						

Source; Survey Results and Own Computation

Table 4.20: indicated that the joint influence of demographic factors and independent variables (government policy, organization culture, pressure group, competition, employees demand and customer demand) on CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospitals . Respondents age (t = -1.066), respondents working hospital (t = -0.90, P <0.850) and respondents position (t = -0.709, P <0.481) is negative and statistically insignificant. This implies that they have inverse relationship with the hospitals CSR adoption/level but statistically insignificant. From demographic factors; respondents gender (t = 1.720, P <0.0900) and competition (t=1.913, P <0.0591) significant at 10% level of significance. Pressure groups (t = 3.518, P <0.001), government policy (t = 2.789, P <0.007) and organization culture (t = 2.580, P <0.012) found to be the strongest and statistically significant influencer. Although, the coefficient of respondents educational qualification (t=0.994), customer demand (t=.609) and employee's demand (t=.572) is positive but statistically insignificant even at 10% level of significance. This implies that they have least influence on CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. Moreover, the t-coefficient of constant is positive that is 1.551 indicating that there is a positive relationship with CSR adoption/level but statistically insignificant.

4.2. Summary of Findings and Discussion

This chapter presents the summary and discussion of the findings of the study. But as a reminder, earlier demographics of the population were presented in the form of frequency analysis. We have also presented the findings of the study regarding influence of organization culture, government policy, pressure group, competition, employees demand and customer demand on CSR adoption/level. Additional inferential statistics such as correlation and multiple regressions were provided to have clear perception to gauge the degree of differences in the relationship between the independent variables (organization culture, government policy, pressure group, competition, employees demand and customer demand) and the dependent variable (CSR adoption/level). So to retreat findings the summary and discussion part accordance of the objective of the study and in light of the study in this filed in order to successfully answer the research questions that this study raised.

The result of the study exhibit that, organization culture, government policy and pressure group significantly influence CSR adoption. First, with respect to hypothesis 1 (H1), which states that the level of CSR practices that the selected Ethiopian hospitals carry out is directly influenced by government policy, is statistically supported, that means. We don't reject H1 because it is significant with t value of 3.21 at 1% level of significance. Thus, the study concludes that pressure from government encourages companies to implement CSR activities. Second, with regard to H2, which states that the level of CSR practices that the selected Ethiopian hospitals carry out is directly influenced by pressure groups; we don't reject H2 because it is significant at 1% significance level with t value of 4.030. This implies that NGO and media pressure influence CSR adoption/level. Third, with respect to H3 which holds that the level of CSR practices that the selected Ethiopian hospitals carry out is directly influenced by customer demand (t=0.655) is found to be very weak and insignificant. This indicated that customer has no bargaining power over the hospitals.

Fourth, regarding H4, it was hypostasized that the level of CSR practices is directly influenced by employees demand (t value of 0.238); however, the direct relationship between employees demand and CSR adoption is not significant. This indicated that in the selected hospitals the employee have no influence on CSR adoption/level. Fifth, in contrast, the influence of organizational culture on CSR adoption/level is statistically supported (t =2.790) at 1% level, hence, we don't reject H5. Six, the direct relationship between competition and CSR adoption/level (t = 1.615) is not significant, which contradicts H6. Finally, study results also show that CSR adoption/level relates positively to organization culture, government policy, customer demand, employee demand, pressure group and competition.

Therefore, the above findings provide answers to the research questions pertaining to why do the hospitals engage in CSR. As stated already, mostly it is because of organization culture, government policy and pressure group influence. This study revealed that, the variable with the strongest influence on CSR adoption is pressure group asserting that pressure from NGOs and media could be the source. The second factors that influence CSR adoption/level is government policy, government regulation, directives and guidelines since hospitals in Ethiopia highly governed by basic rules and guidelines. The assumption of the strong influence of government (Campbell, 2007) holds true in our study; government has strong pressure. As per this study,

the third factor that influences CSR adoption in hospitals is organizations culture. The assumption that CSR adoption/level directly influenced by organizations culture: hospital's purpose, mission, vision, values, procedures, habits and management style holds true. Although this study assumed that employees demand, competition and customer demand directly influence CSR adoption , the study result confirm that employees demand, competition and customer demand has the weakest weight and has no influence on the CSR efforts of the selected hospitals.

The study result showed that organizational culture, government policy, pressure group, employees demand, competition and customer demand are significant joint predictors of CSR adoption/level with R2= 0.759; F (6, 82) =42.941, P <0.01). The variability of the dependent variable jointly 75.9% explained by predictor variables, while the remaining 24.1% could be due to the effect of extraneous variables.

Pressure group (β = 0.319) followed by government policy (β =0. .271) and organization culture (β = 0. .254) has the highest beta and are statistically significant predictors. This implies that hospitals adopt CSR practice mostly because of pressure group, government policy and organization culture. This result agree with Helmig et al.(2016) assumption, they found that in SME government's role on CSR adoption were insignificant but they put in their recommendation that this indicator might be of greater importance in another environment. Hence, the second predictor, government role is higher in Ethiopia especially in a hospitals set up. This result also conforms Osemene (2012) who found that demands for corporate social responsibility come mostly from legal requirements, competitors, customers, pressure group and service quality.

Employees demand (β = 0. .018), competition (β = 0. .123) and customer demand (β = 0. .053) has the smallest beta and statistically not significant even at 10% level of significance but has an influence on CSR adoption/level. This implies that, from the perspective of employees, the level of CSR is defined for the capacity of the hospitals to act in a transparent manner with stakeholders and for having clear rules in hospital administration. In these rules, it should be considered the development of values and ethical behaviors, because this implies that actions are oriented to common good. In this sense, ethics should be present in the behavior toward customers, employees and with the society. Elizaveta (2010) and Diffey (2007) also claimed

that CSR adoption in business organization attracts the best workers and bring more customers to any organization. Adeyemo et al.(2013) found that business organizations adopt CSR mostly because of organizational culture, government policy, competition, employees demand and customer demand. Further the emphasis on consumers and governability that show the results, are consistent with those found by Ramos (2013) who found that health institutions perform actions on behalf of consumers, have monitoring bodies, and have control over decision-making. Regarding the level of CSR, mean value of 3.31 was obtained within a range of 1 to 5, the same average obtained by Keyvanara and Saddat (2015) in their study of 946 hospital staff. This implies that our finding is reliable.

However, Perez and Morales (2011) determined that CSR is nonexistent in hospitals. Our finding indicated that, there are CSR practices which are attached to organization culture, government policy and pressure group influence. These findings have several implications. Apparently, the treatment received by the client is of great importance for assessing responsible behavior, especially because it is a service hospital that involves people's health, and therefore the quality of service is of great importance. This means that organizations must ensure the needs of customers without exposing them to risk, which will be difficult to achieve if not ensured by a code of ethical practice. While the results have shown the importance of the participation of the hospitals in the development of the community, for the employees surveyed, being a public institution automatically grants the distinction of being a hospital that deals with society, but this does not mean that it is involved in educational, cultural and sports activities.

Likewise, this study analyzed the influence of demographic factors: gender, age, working hospital, educational qualification and position on the CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospitals. Respondents working hospital ($t = -4.228$, $P < 0.000$) negative and statistically significant at 1% level of significance, this show that it has an inverse relationship with the level of CSR adoption. Although, the coefficient of respondents gender ($t = 1.592$, $P < 0.115$), respondents educational qualification ($t = 0.994$, $P < 0.323$), respondents position ($t = 1.080$, $P < 0.283$) is positive but statistically insignificant. This implies that they have least influence on CSR adoption/level of St. Paul's, MCM and Hamelin fistula hospital. Respondents age ($t = -0.397$, $P < 0.692$) has inverse relationship with the hospitals CSR adoption/level but statistically insignificant. Moreover, the t-coefficient of constant is positive

that is 3.718 indicating that there is a significant and positive relationship with CSR adoption/level.

Furthermore this study answered the research question "What are the common CSR practices that selected Ethiopian hospitals undertake?" According to St. Paul's, MCM and Hamelin fistula hospitals' management team members response, ethical responsibilities (mean=3. 364) are the most performed CSR activities such as fostering industry collaboration to meet social concerns and stakeholder dialogues on CSR; having a comprehensive code of conduct; having a confidential procedure in place for employees to report any misconduct at work; emphasizing fairness towards coworkers and business. The second most performed activity is economic responsibilities such as strive to lower their operating costs and closely monitor employee productivity. Furthermore, philanthropic responsibilities (mean= 3. 32) ranked third having a program in place to reduce the amount of energy and materials waste and supporting employees who acquire additional education. The respondents rated legal responsibility (mean=3.2397) the least common activities performed such as having programs that encourage diversity in their workforce; internal policies prevent discrimination in their employees' compensation and promotion; defining internal standards/policies for situations and contexts not regulated explicitly by current law (e.g., bribery).

CHAPTER FIVE

CONCLUSION, RECOMMENDATION, LIMITATION & FURTHER RESEARCH

5.1. Conclusion

As a theoretical contribution, this study hypothesized the effects of government policy, organization culture, pressure group, customers demand, employees demand and competition on CSR adoption/level. The study contributes by finding tentative support of the proposed causal chain in which different factors lead to stronger CSR implementation. The empirical findings also suggest some key conclusions. In particular, this study tested the hypothesis and answered the research questions of this study.

The study revealed that hospitals engaged in CSR mostly because of pressure group, government policy and organizations culture. This means that NGO and media; government policy, regulation, guidelines and directives; the hospitals purpose mission vision, value and management style are important factors. Mostly, for the selected two hospitals (Hamline fistula and MCM). Hamline fistula hospital is purely charitable and managed by Australian obstetrics and gynecologist Dr. Catherine Hamlin and MCM hospital is owned by Myungsung Presbyterian Church of South Korea and managed by Koreans. Therefore, both hospitals have strong organizations culture, CSR know how and commitment, the donors control the practice indirectly though media. Even if, government policy is equally important for all, as government is the owner of St. Paul's hospital, its influence expected to be more.

5.2. Recommendation

In line with the above conclusion, the following recommendations are forwarded:

- Although this finding acknowledges the longer-term impacts of GOV participation & its implications for standards of social responsibility; programs that are designed specifically to promote CSR in the sector should be developed.

- To continue in business & for competitive purposes, community support, better brand identity, healthy hazardous waste disposal & better employee working conditions should be in place.

- Like most business, the healthcare is experiencing an increased focus on connecting business activities to public impact. This creates the need for healthcare managers to fully understand the concepts surrounding CSR.

- In developed world, customers and employees have the power to shape the market; in Ethiopia they have low bargaining power over the hospitals. In this regard, fair competition & societal knowledge and awareness towards ethical behaviors should be developed. Moreover, hospitals should give emphasis to customer & employees demand.

- In general, hospitals should see social performance as an enlightened self- interest and should therefore handle it with a great concern.

- Finally, the academic community must also focus on the need to deepen the analysis of CSR in the health sector, for knowledge in the area is still scarce.

5.3. Limitations

This study was a multiple case study with selected hospitals in Addis Ababa. Hence, by no means the conclusions are applicable to the healthcare industry or the country in general. The conclusions were made within the boundary of the selected hospitals and accompanying actors involved in the study. This study attempts to illuminate the research gap pertaining to factors influencing CSR adoption/level. Several questions remain unanswered; but this provides avenues for future research to expand and reinforce this study. The generalizability and external validity of our results might be limited by our small sample and focus on three hospitals.

5.4. Implications of the Study

These findings have several implications. During the 1970s, most social issues became public policy matters and legislation was passed to address health and safety at work, environmental protection and consumer protection rights. The public policy approach provided legitimacy for socially responsible actions on behalf of management, as government, acting on behalf of its citizens, had a legitimate right to provide guidelines for managers and shape corporate behavior to correspond with societal expectations (Buchholz, 1993). At health sector level, our hospitals are still following government enforcement to exhibit socially responsible behavior. This implies that, CSR is in the infant stage, as of 1970's. The assumption that being a hospital automatically grants the distinction of being institution that deals with society. This does not mean that the hospitals are socially responsible. Furthermore, customer has low bargaining power over hospitals. As a result competition has low weight. This implies that, customer has no choice.

At hospitals level, Customer & employees demand has unseen aspects. Apparently, the treatment received by the client is of great importance for assessing responsible behavior as service providers. Firm activities are always carefully observed by their employees, and employees are integral part of their business.

5.5. Further Research

- The assessment of CSR adoption is evaluated only from the perception of management team members of the hospitals'. Leaving out the perception of other employees & stakeholders. Therefore, further research should use holistic approach to investigate the positive link between the variables.

- Objective measures of CSR implementation could be employed using surveys of consumers & public stakeholder's or the amount of philanthropic donations.

- Further research could enlarge the range of factors & stakeholders involved; this could add power, legitimacy, and urgency.

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APPENDICES

Factor Analysis

Component Matrix[a]	
CSR Adoption/Level	Component
A program is in place to reduce the amount of energy and materials wasted in our company	.675
The management fosters stakeholder dialogues on Corporate Social Responsibility	.774
Our company has a comprehensive code of conduct	.744
A confidential procedure is in place for our employees to report any misconduct at work	.760
Fairness toward coworkers and business partners is an integral part of the employee evaluation process.	.810
We have programs that encourage diversity in our workforce (e.g., age, sex, handicapped).	.756
Internal policies prevent discrimination in our employees' compensation and promotion.	.759
We defined internal standards/policies for situations and contexts not regulated explicitly by current law (e.g., bribery).	.730
We closely monitor employee productivity.	.750
Our company supports employees who acquire additional education	.781
The management fosters industry collaboration to meet social concerns.	.603
We strive to lower our operating costs.	.717

Component Matrix[a]	
Government Policy	**Component**
Government force initiatives to increase transparency in our business.	.875
Government passes laws to increase transparency in our sector.	.941
Government tries to initiate CSR activities of the organization.	.865

Component Matrix[a]	
Organizations Culture	**Component**
Presence of social responsibility issues in the mission/vision statement of the organization.	.820
Principles for responsible entrepreneurship agreed upon.	.768
Participation of different stakeholder groups in organizational decisions.	.803
Considering the effect on different stakeholders and natural environment before making certain decisions (investments, product development, HR policy, etc.).	.776
Working conditions (consultation practices, health and safety, balancing work and family).	.781
Concern for market stakeholders (concern for clients, co-operation with suppliers and partners).	.821

Component Matrix[a]	
Competition	**Component**
Our strongest competitors take a leading role in Corporate Social Responsibility.	.851
Our strongest competitors are known for their transparent communication policies.	.909
Our strongest competitors communicate openly about their CSR activities.	.900
Our strongest competitors invest regularly in social funds and projects.	.868

Component Matrix[a]	
Customers Demand	**Component**
Our customers purchasing habit are changing to support responsible corporations	.878
Our customers are ready to boycott products and services which do not comply with social standards	.878

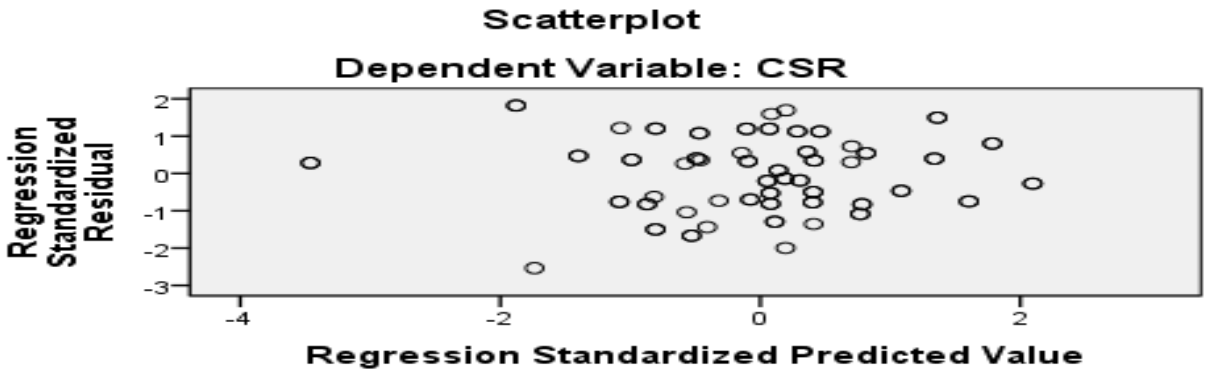
Component Matrix[a]	
Customers Demand	Component
Our employees voluntarily engage in CSR activities of the organization.	.890
Our employees expect the firm to implement CSR activities.	.870
Our employee monitor weather the promise concerning CSR are fulfilled.	.823

Component Matrix[a]	
Pressure Group	**Component**
Our company often appears in the media headline	.871
We are strongly represented in the media	.898
Our company activities are closely monitored by the media	.796
Various media portray our management boards activity	.858
NGOs tend to be more willing to negotiate with our firm.	.746
We foster partnership with NGOs relevant for our company.	.645

Classical Linear Regression Assumptions Tests

Heteroscedasticity Diagnosis

Homoscedasticity Scatterplot



Autocorrelation Diagnosis

Durbin-Watson Test

Model	Durbin-Watson
1	1.308

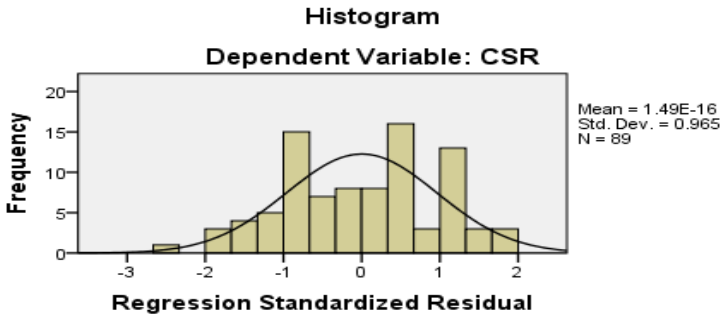
Source; Survey result and own elaboration

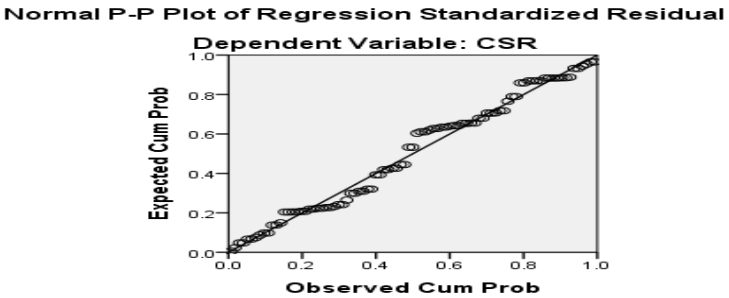
Multicollinearity Diagnosis

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Government Policy	.387	2.586
	Organizations Culture	.325	3.081
	Competition	.478	2.090
	Customer Demand	.471	2.122
	Employees Demand	.510	1.963
	Pressure Group	.392	2.548
a. Dependent Variable: CSR			

Source; Survey result and own elaboration

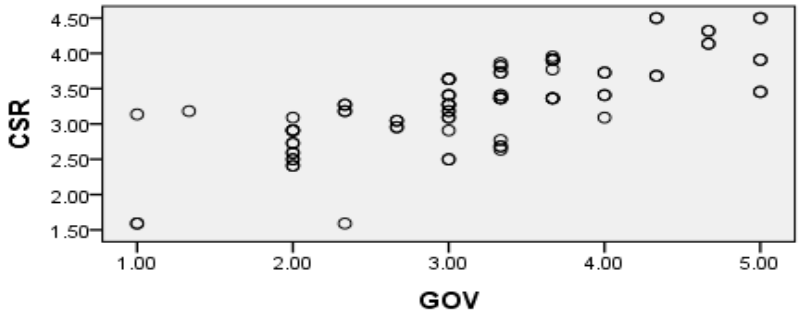
Normality Test



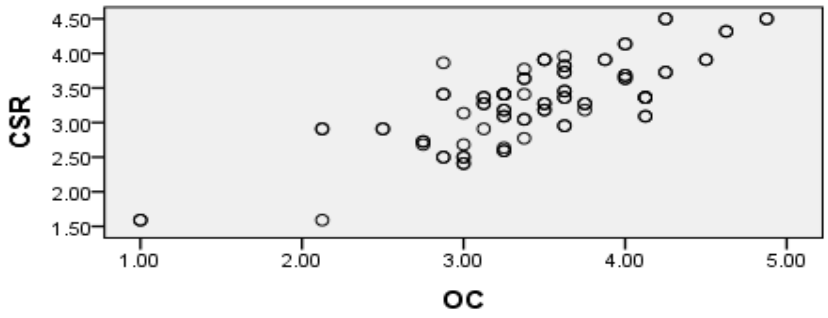


Linearity Test

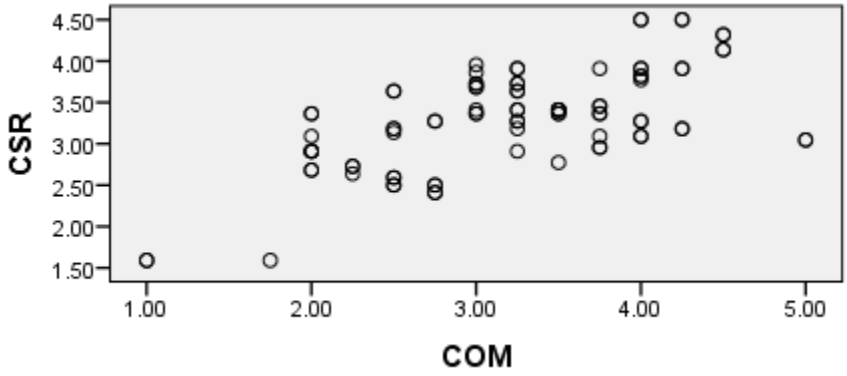
CSR adoption/level vs Government Policy



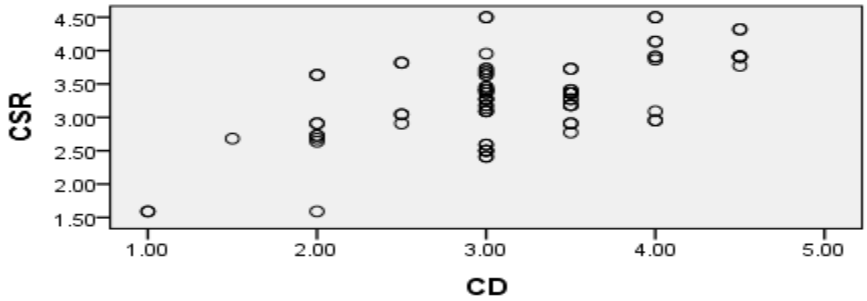
CSR adoption/level vs Organization Culture



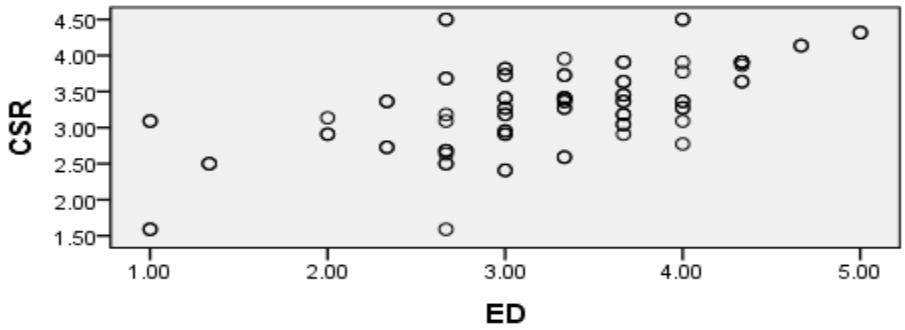
CSR adoption/level vs Competition



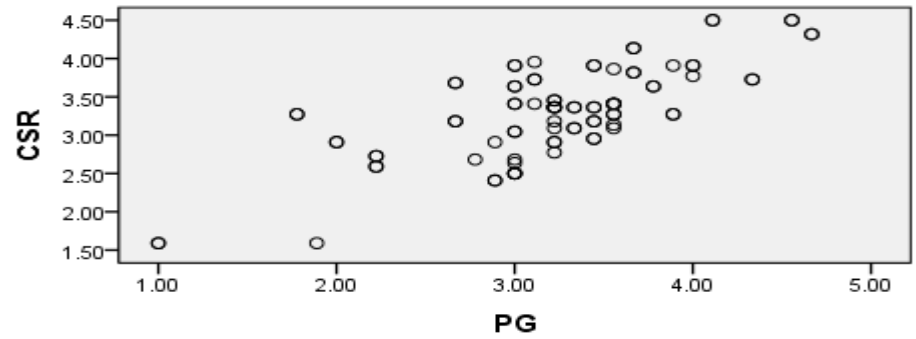
CSR adoption/level vs Customer Demand



CSR adoption/level vs Employees Demand



CSR adoption/level vs Pressure Group



Questionnaire

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS

MBA REGULAR PROGRAM

A questionnaire to be filled by **St. Paul Millennium Medical Collage, MCM Hospital and Hamelin Fistula Hospital** employees. The purpose of this questionnaire is to collect data for a research work on the title of " FACTORS AFFECTING PRACTICES OF CSR IN THE HEALTH SECTOR: EMPIRICAL EVIDENCE FROM LOCAL HOSPITALS IN ETHIOPIA".

Corporate social responsibility can be defined as a process of making business activities towards employees, customers, the community and the environment responsible. It is inherent that the availability of good corporate social responsibility could bring a profound impact on the Hospital's success in business undertakings. Hence, this study intends to describe, assess & evaluate CSR practices & implementation process in selected Public, Private and Charitable Hospitals in Addis Ababa. Moreover, it proposes evidence on further stimulation of CSR Practices. The information you provide will always stay confidential/anonymous and will be used only for this academic research.

General Information Sample No: _____

- Name of the respondent :_____
- Age of respondents: 26-35 [ ] 36-45 [ ] 46-55 [ ] 56 years and above [ ]
- Sex: Male [ ] Female [ ]
- Occupation of Respondent_____
- Educational Qualifications :_____
- Position:_____
- Hospital Name : St. Paul [ ] MCM [ ] Hamlin Fistula [ ]

Please read the questions from Part I-VII thoroughly and tick in the box that best describes your thoughts and perceptions **(1-Strongly disagree, 2–Disagree, 3–Neutral, 4-Agree, 5–Strongly agree).**

Part I. Level/Adoption of Corporate Social Responsibility

Q1-7 is regarding Philanthropic responsibilities

1. Our top management ensures a coherent corporate citizenship approach integrated into the corporate strategy.

   1 □ 2 □ 3□ 4 □ 5 □

2. The top management strongly encourages our employees to actively participate in Corporate Social Responsibility initiatives.

   1 □ 2 □ 3□ 4 □ 5 □

3. We encourage partnerships with local businesses and schools.

   1 □ 2 □ 3□ 4 □ 5 □

4. Our company gives adequate contributions to charities.

   1 □ 2 □ 3□ 4 □ 5 □

5. A program is in place to reduce the amount of energy and materials wasted in our company.

   1 □ 2 □ 3□ 4 □ 5 □

6. Our company supports employees who acquire additional education.

   1 □ 2 □ 3□ 4 □ 5 □

7. Flexible company policies enable our employees to reconcile work and private life.

   1 □ 2 □ 3□ 4 □ 5 □

Q8-14 is regarding Ethical responsibilities

8. Our top management reports in accordance with international reporting standards (e.g., Global Reporting Initiative [GRI]).

   1 □ 2 □ 3□ 4 □ 5 □

9. The management fosters industry collaboration to meet social concerns.

   1 □ 2 □ 3□ 4 □ 5 □

10. The management fosters stakeholder dialogues on Corporate Social Responsibility.

    1 □ 2 □ 3□ 4 □ 5 □

11. Our company has a comprehensive code of conduct.

    1 □ 2 □ 3□ 4 □ 5 □

12. A confidential procedure is in place for our employees to report any misconduct at work.

    1 □ 2 □ 3□ 4 □ 5 □

13. Fairness toward coworkers and business partners is an integral part of the employee evaluation process.

    1 □ 2 □ 3□ 4 □ 5 □

14. We monitor potential negative impacts of our activities on the community.

    1 □ 2 □ 3□ 4 □ 5 □

Q15-20 is regarding Legal responsibilities

15. We have programs that encourage diversity in our workforce (e.g., age, sex, handicapped).

    1 □ 2 □ 3□ 4 □ 5 □

16. Internal policies prevent discrimination in our employees' compensation and promotion.

    1 □ 2 □ 3□ 4 □ 5 □

17. We defined internal standards/policies for situations and contexts not regulated explicitly by current law (e.g., bribery).

    1 □ 2 □ 3□ 4 □ 5 □

18. We provide goods and services that go far beyond minimal legal requirements (e.g., product security).

    1 □ 2 □ 3□ 4 □ 5 □

Q19-22 is regarding Economic responsibilities

19. We continually strive to improve the quality of our products.

    1 □ 2 □ 3□ 4 □ 5 □

20. We strive to lower our operating costs.

    1 □ 2 □ 3□ 4 □ 5 □

21. We have a standardized procedure in place to respond to every customer complaint.

    1 □ 2 □ 3□ 4 □ 5 □

22. We closely monitor employee productivity.

    1 □ 2 □ 3□ 4 □ 5 □

Part II. Corporate Social Responsibility (CSR) & Government

1. Government force initiatives to increase transparency in our business.

   1 □ 2 □ 3□ 4 □ 5 □

2. Government passes laws to increase transparency in our sector.

   1 □ 2 □ 3□ 4 □ 5 □

3. Government tries to initiate CSR activities of the organization.

   1 □ 2 □ 3□ 4 □ 5 □

Part III. Corporate Social Responsibility (CSR) & Organization Culture

Q1-4 is regarding Strategy and decision-making process

1. Presence of social responsibility issues in the mission/vision statement of the organization.

   1 □ 2 □ 3□ 4 □ 5 □

2. Principles for responsible entrepreneurship agreed upon.

   1 □ 2 □ 3□ 4 □ 5 □

3. Participation of different stakeholder groups in organizational decisions.

   1 □ 2 □ 3□ 4 □ 5 □

4. Considering the effect on different stakeholders and natural environment before making certain decisions (investments, product development, HR policy, etc.).

   1 □ 2 □ 3□ 4 □ 5 □

Q5-8 is regarding Management

5. Concern for local community (training/internship policy, being in dialogue with community, etc.). 1 □ 2 □ 3□ 4 □ 5 □
6. Concern for natural environment (policies regarding use of energy, recycling, pollution, transportation, etc.). 1 □ 2 □ 3□ 4 □ 5 □
7. Working conditions (consultation practices, health and safety, balancing work and family).

1□ 2 □ 3□ 4 □ 5 □

8. Concern for market stakeholders (concern for clients, co-operation with suppliers and partners).

1 □ 2 □ 3□ 4 □ 5 □

Part IV. Corporate Social Responsibility (CSR) & Competition

1. Our strongest competitors take a leading role in Corporate Social Responsibility.

1 □ 2 □ 3□ 4 □ 5 □

2. Our strongest competitors are known for their transparent communication policies.

1 □ 2 □ 3□ 4 □ 5 □

3. Our strongest competitors communicate openly about their CSR activities.

1 □ 2 □ 3□ 4 □ 5 □

4. Our strongest competitors invest regularly in social funds and projects.

1 □ 2 □ 3□ 4 □ 5 □

Part V. Corporate Social Responsibility (CSR) & Customer Demand

1. Our customers purchasing habit are changing to support responsible corporations.

1 □ 2 □ 3□ 4 □ 5 □

2. Our customers are ready to boycott products and services which do not comply with social standards.

1 □ 2 □ 3□ 4 □ 5 □

Part VI. Corporate Social Responsibility (CSR) & Employees Demand

1. Our employees voluntarily engage in CSR activities of the organization.

1 □ 2 □ 3□ 4 □ 5 □

2. Our employees expect the firm to implement CSR activities.

1 □ 2 □ 3□ 4 □ 5 □

3. Our employee monitor weather the promise concerning CSR are fulfilled.

1 □ 2 □ 3□ 4 □ 5 □

Part VII. Corporate Social Responsibility (CSR) & Pressure Group

Q1-4 is regarding Media influence

1. Our company often appears in the media headline

   1 □ 2 □ 3□ 4 □ 5 □

2. We are strongly represented in the media

   1 □ 2 □ 3□ 4 □ 5 □

3. Our company activities are closely monitored by the media

   1 □ 2 □ 3□ 4 □ 5 □

4. Various media portray our management boards activity

   1 □ 2 □ 3□ 4 □ 5 □

Q5-7 is regarding NGO influence

5. NGOs tend to be more willing to negotiate with our firm.

   1 □ 2 □ 3□ 4 □ 5 □

6. We have to cope with NGOs campaigning against our firm or our products and services.

   1 □ 2 □ 3□ 4 □ 5 □

7. We foster partnership with NGOs relevant for our company.

   1 □ 2 □ 3□ 4 □ 5 □

Rate the following two questions **(1–Very Weak, 2-Slightly Weak, 3-Nutral, 4-Slightly Strong, 5-Very Strong).**

Q8 is regarding Environmental influence

8. Stakeholders call for environmentally friendly products and processes.

   1 □ 2 □ 3□ 4 □ 5 □

Q9 is regarding Social influence

9. Stakeholders pay attention to companies' commitment to ethical issues, human rights respect and labor conditions 1 □ 2 □ 3□ 4 □ 5 □