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# Mapping the Social Responsibility in Public-Private Hospitals of Portugal

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## Abstract

The paper aims to show how Social Responsibility (SR) is fundamental to consolidate, reformulate and implement the changes of social rules of hospitals in the period of social contestation. The study applies methods and techniques of qualitative kinds. During the process identification of data, is applied the documental analyze while in the process of treatment of data, the technique of thematic and structural analyzes. In the paper the visibility of the hospitals in the national press is analyzed. We treated press notices published about public-private hospitals between 2002–2015 in two daily newspapers ‘Jornal Diário de Notícias & Jornal Público and another one weekly newspaper ‘Jornal Expresso’. The research shows that SR practices grew up when healthcare sector was crossing a strong phase of criticisms by the public-private partnerships consolidated with Portuguese State.

Keywords: social responsibility, hospitals, public-private partnerships, governance

JEL Code: M14, Q01

## 1. Introduction

### 1.1. Hospital Social Responsibility

Actually, Social Responsibility (SR) is one of the themes most discussed among academicians and politicians. At the beginning SR was considered as a management tool developed by enterprises in 50th decade with the objective to silence the social pressure generated by the social movements (Almeida 2010). Bowen (1953) defines CSR as the obligations of organizations to make their policies and decisions compatible with the values of society. Some authors consider SR a managerial model adjustable to every sector, because its values and practices create efficiency gain to organizations, as so as contributes to resolution of social and environmental problems of societies and to legitimation of Capitalism System (Blowfield and Murray 2008; Battistini and Gazzola, 2015). Whatever,

this model is contested among the economists. According to (Friedman 1970) the main social responsibility of enterprises is creating jobs and paying taxes to governments. The social assistance is a government's duty, not a duty of enterprises. Carroll's (1991) considers SR a combination of economic, legal, ethical, and philanthropic characteristics. Vogel (2006) argues that this managerial model is not supported by a strong system of regulation of practices inclusively in developed, what barriers its evolution

The foundation of SR actually refers to the role of organizations in society, and to management practices that have a positive impact on society and environment. The European Union, through its European Commission on CSR, in 2011 defines SR like "the responsibility of enterprises for their impacts on society" (European Commission, 25/10/2011). This definition considers all the impacts of the organizations on society that integrates social, environmental, ethical and human rights in their activities and strategy (Gazzola and Colombo, 2014), in close collaboration with its stakeholders, with a double aim: on one hand to maximize the creation of value for its shareholders and other stakeholders and the community, through a long-term strategic approach to CSR and development of products, services and innovative business models; on the other hand to identify, prevent and mitigate its possible negative impact (Gazzola & Mella, 2015; Garriga & Melé, 2004). In general, social responsible organizations has to live up to certain public expectations and pursue public welfare (Brandao, C., Rego, G., Duarte, I., & Nunes, R. 2013).

With the transition from the "social goods" model to the "economic goods" model for public services, in many countries, the privatization of public services may unintentionally weaken SR (Brandao, C., Rego, G., Duarte, I., & Nunes, R. 2013, Cerny, 1990). The healthcare system is a typical example. Many hospitals, that before delivered the essential health services, now has to manage the scarce resources under conditions of financial constraints (Silvestre & Araújo, 2009; Liu, W., Shi, L., Pong, R. W., & Chen, Y., 2016). As a result, many hospitals have progressively perceived the importance of SR (Abreu R, David F, Crowther D. 2005). More and more hospitals have realized that they should have a SR strategy to deal with various stakeholders.

In Portugal, two political agendas concurrencies to establishment of guidelines of social responsibility goals to healthcare sector: ENDS (2005–2010) – *Estratégia Nacional do Desenvolvimento Sustentável* and PNS (2012–2016) *Plano Nacional de Saúde*.

## **1.2. The Contributions of Private Sector and NGOs to Promotion of SR in Portugal**

The implementation of SR in Portugal was promoted essentially by large enterprises and Non Governmental Organizations (NGOs). In general way, public sector does not influence the process of SR. While large companies led the majority of the initiatives, the contribution of NGOs respected a lot to the creation of normative guidelines to implementation, certification and professional training. The public sector in Portugal, characterizes by weak adherence to SR management models as well as by weak participation in SR initiatives, likewise those are promoted by governmental institutions. In sum, private companies and NGO led the implementation of SR in Portugal, as promoters or merely partners of another one. Still 2005, World Health Organization is coming to promote values and practices of SR. One of its main efforts is the publication of the first international orientations in 2005. Portugal adopted these guidelines only in 2012 through National Plan for Health, "Plano Nacional de Saúde" (PNS). The PNS 2012 defined SR as the compromise of all organizations to participate in the process of creation of positive indi-

cators of health, empowering people to take good decisions likewise eat healthy and practice physical activities.

SR has, in general ways, promoted the diffusion and the changing of ethical values and practices in many sectors, including, in the healthcare. In many countries, the performance of private sector and NGOs have been decisive to implementation process of SR. The main contribution of NGOs has been the lobbying upon government institutions to approve friendlier environment and social laws while, the contributions of private sector, are specially related to the diffusion of new ethical values and managerial practices through implementation of social responsibility programs. Kinderman (2011) identified that Business in the Community (BITC) was the NGO responsible for the high adhesion of enterprises to SR programs in United Kingdom during the Margaret Thatcher's government.

In Portugal, the role of NGOs was also very important, principally to the creation of guidelines and training programs in social responsibility area. The Portuguese NGO "Sair da Casca" leaded an advisement program on SR in Portugal in 2005 as also leaded the creation of first "National Ranking on Social Responsible of Enterprises" in 2010. The role of private sector was very important also to the development of SR in Portugal. One of the most important contributions of this sector were undoubtedly the personal endorsements by managers to adhesion to values and practices of social responsibility.

The large companies are responsible for the majority of social responsibility/ sustainability reports published in Portugal. In our view, the fact of them occupy top places in international rankings like as the Dow Jones Sustainability Index are leading them to adopt this practice.

During 2008–2015, public-private hospitals were responsible for implementation of 331 programs of social responsibility in Portugal, while entrepreneurial public hospitals, are not implementing social responsibility management models. Two of three public-private hospitals in Portugal implemented management models for Social Responsibility in a couple of years. The programs were implemented in areas as: preventive health, efficiency energy, innovation of managerial practices, volunteering and philanthropy. Majority of these programs were supported by internal and external network of partnerships but few of them became themselves in clusters of health.

## **2. Methodology and Data**

The study applies methods and techniques of qualitative kinds. During the process identification of data, was applied the documental analyze while in the process of treatment of data, the technique of thematic and structural analyzes. Our research is developed under a comprehensive model of analyze using qualitative techniques of identification and treatment of data (e.g. documental analyze). The theory framework adopted in this study integrates principles typical of Institutionalism, Pragmatism and Social Rule Regime. The treatment of data was executed supported on authors from Sociology and Economy Sciences.

The documents analyzed were political agendas, press notices and notices of websites. We treated around 298 press notices published about public-private hospitals between 2002–2015 in two daily newspapers 'Jornal Diário de Notícias and Jornal Público and another one weekly newspaper 'Jornal Expresso'. In some figures we consider only the notices between the periods 2008–2015 for the low increasing on the number of the notices divulgated about the hospitals during 2002 e 2007.

We choose to access notices through newspapers' websites because its access is quickly and relatively cheaper. But, we met various difficulties in this phase, like as the notices were dispersed through different places within websites, the access was suppressed after 50 notices visualized and notices were not ranked through keyword inserted.

The research shows, through data, how social responsibility programs contributed to criticisms' avoiding produced by public-private partnerships in healthcare. In our view, these theories contribute to understandings about governance systems and SR of healthcare, because allow to identify what are the controversies, the struggles of power and knowledges shared by actor within networks of partnerships.

Few studies tried to understand how network of partnerships work, which goods are exchanged and how are negotiated the personal and collective values among the members (Zadeck 2003; Uzzi, 2004). The author Santos (2011) and Porter (2006) believe people and organizations prefer the strategic motivations of SR, contrarily to what was defended by Almeida (2010). According to this author, actors are most motivated to act when are moved by the altruistic principles of Social Responsibility.

### 3. Results: The Visibility of the Hospitals in the Portugal Press

The *Diário de Notícias* Press (Figure 1) was responsible for the publication of the majority of notices involving the public-private hospitals during 2014. In our opinion, some facts contributed to it likewise the increasing of strikes' occurrences and the various collective demission of employees from the hospitals.

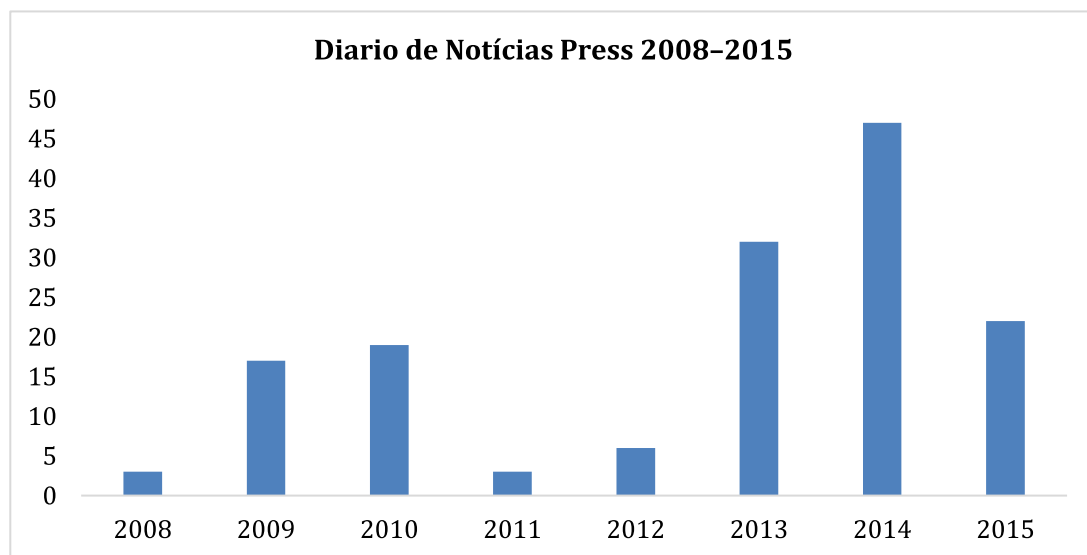


Figure 1: *Diario de Notícias* Press notices

From 149 notices published at this press, 104 were centralized on hospital organizations while 45 on other institutions than as Medical Association. This indicates that the exigencies of legitimation are falling much more on the privatized hospital than on other ones (Figure 2).

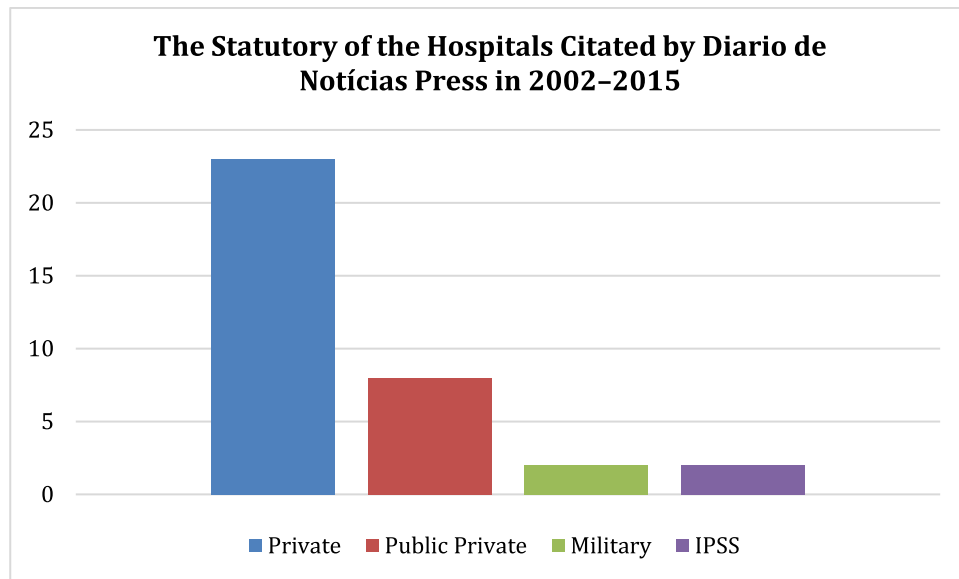


Figure 2: The Statutory of the Hospitals Cited by Diário de Notícias Press in 2002–2015

During the period analyzed, the *Jornal Público* published 128 notices involving organizations from healthcare being that, 61.72% reported to hospitals and 38.28% to another ones that were not referred by methodological reasons. The Figure 3 shows had a low increasing on the number of the notices divulgated about the hospitals during 2002 e 2007. One of the motives was undoubtedly the criticisms produced around the public-private partnerships in healthcare.

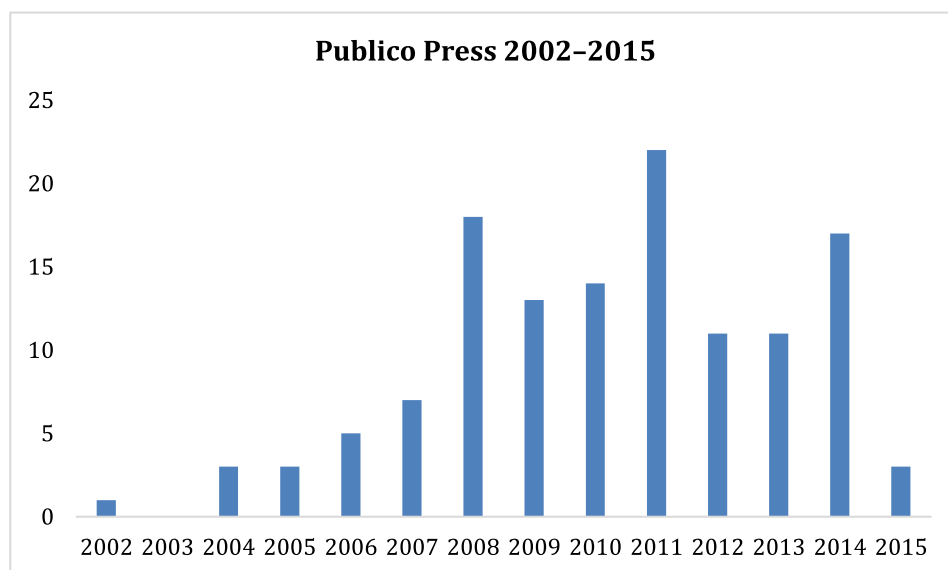


Figure 3: Publico Press 2002–2015

The private hospitals were the most cited in this newspaper 63.29%, following the IPSS 15.19% and for last, EPE 6.3% (Figure 4).

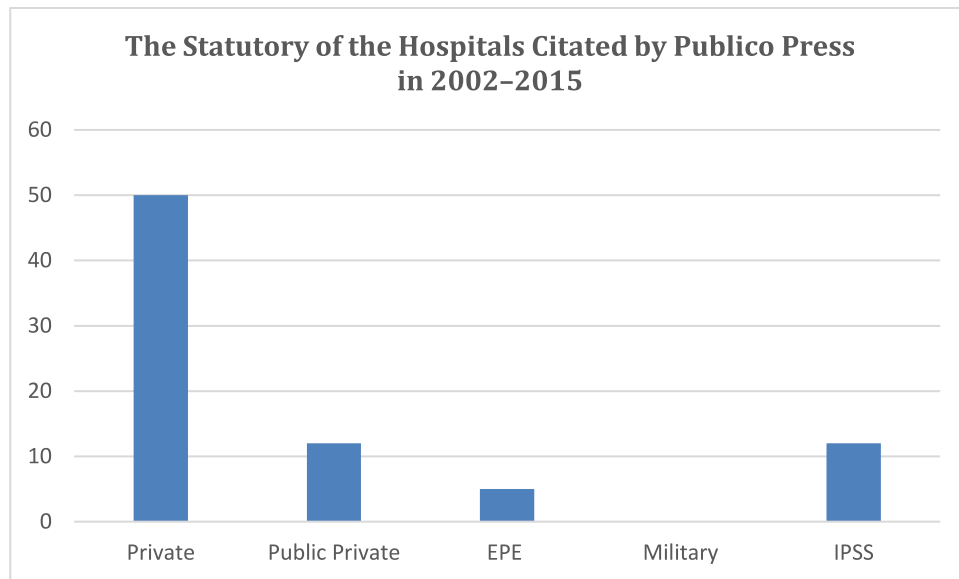


Figure 4: The Statutory of the Hospitals Cited by Publico Press in 2002–2015

The “Jornal Expresso” (Figure 5) wrote the majority of notices about the Hospitais Privados HPP de Portugal. In the second place following the José de Mello Saúde JMS. The criticisms created around these hospital’s groups is based on the high increasing of the private market of the health (Expresso Journal, August 25 of 2008)

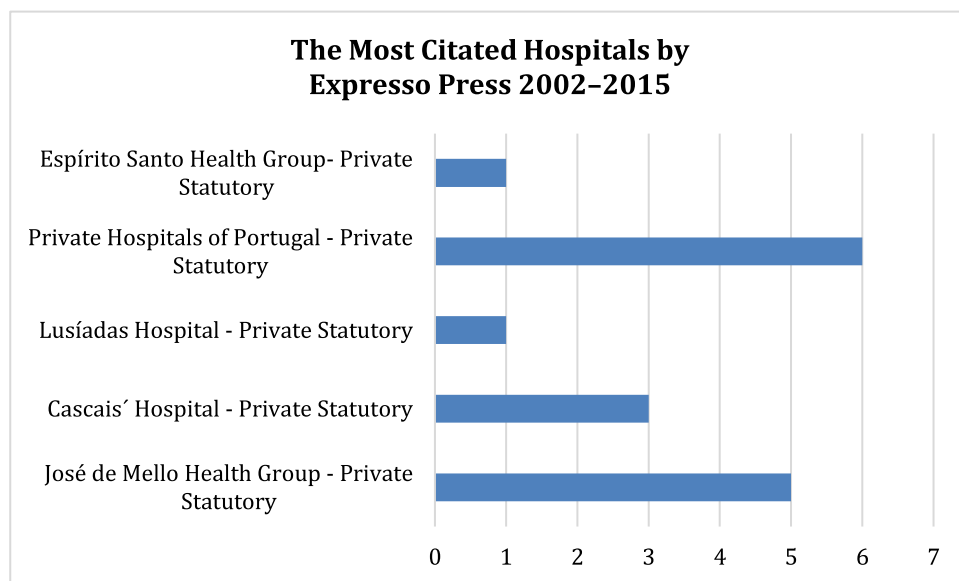


Figure 5: The Most Cited Hospitals by Expresso Press 2002–2015

The Figure 6 shows was a decrease on the number of notices divulgated about the hospitals during the period 2008–2015. Whatever, there was a small increasing in 2014.

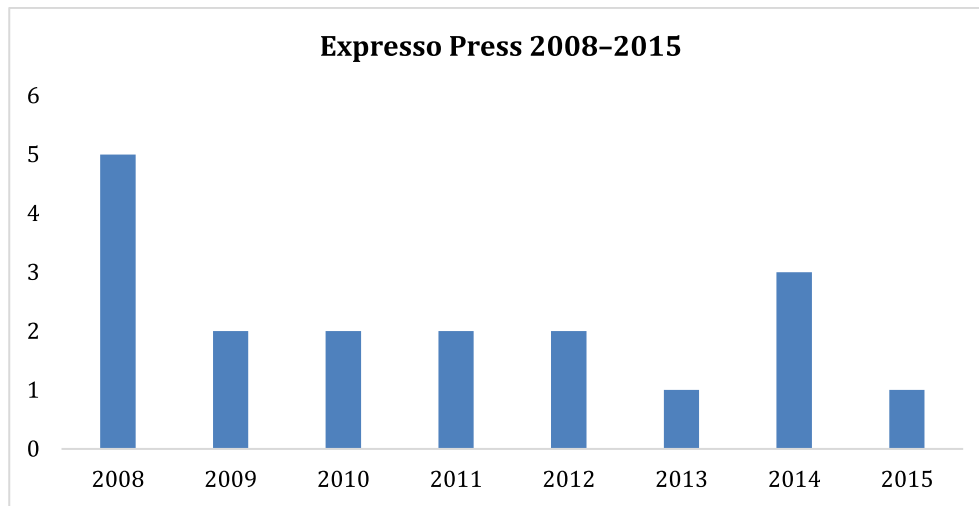


Figure 6: Expresso Press 2008–2015

During 2008, were published the majority of the notices formulated about the healthcare. The privatization of organizations and management models were not accepted by professional orders, associations of patients and autarchy presidents.

The SR started in public-private hospitals in 2008 when Private Hospitals of Portugal (HPP) (actually, Lusiadas Health) inaugurated its first hospital managed under public-private partnership “Hospital of Cascais”. Two years later, the Social Responsibility was incorporated within the management model of the José de Mello Health Group, and three years later, within the Holy House of Mercy of Lisbon. These hospitals defend that the SR can be understood as a strategical tool of management, because, contributes to minimization of social controversies and legitimize new managerial models in health simultaneously.

The criticisms formulated around public–private hospitals always diminished when the programs of Social Responsibility were applied. After their implementation, only 7.69% of all criticisms were directed to them, while to private hospitals 22.12% and to entrepreneurial public hospitals (EPE, Entrepreneurial Public Entities) 66.35% (Figure 7).

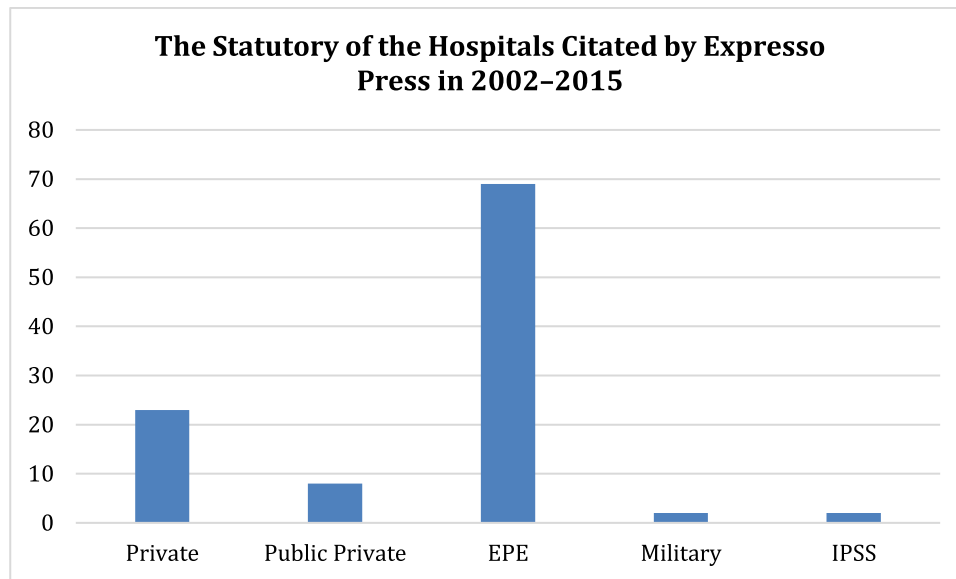


Figure 7: The Statutory of the Hospitals Cited by Expresso Press in 2002–2015

Only one group not advanced with the implementation of the SR programs when the agreement was established with the Portuguese State. One hypothesis is that the statutory of institutions finds connections with the criticisms formulated "around the social protection" in context of society. The Private Institution of Social Solidarity (IPSS) statutory showed generating least prejudices to institutions in terms of reputation and institutional image. The institution considered excusable to take extra responsibilities in social and environment ways. Despite this protection, the public criticisms increased in 2013. Successive accusations of bad managerial practices originated criticisms around the productive activities of the hospitals after only one year, what conducted to develop a strategy for SR and to publish the first "Sustainability Report".

## 4. Discussion and Conclusions

The study showed that controversial times are very fruitful to implementation of SR in healthcare because it generates social immunities and that the hospitals are adopting similar behavior, symbols and languages to legitimate new management models in healthcare.

The Social Responsibility seemed to be a new way through what organizations and professional of the health could to achieve the social license that they need to operate. The public-private hospitals decided to implement it when they were under strong social contestation. The social contestation was appointed by authors as being fundamental to consolidation, reformulation and implementation of changes including social rules (Burns and Nora 2014). According to Boltanski and Thèvenot (1999) actors invoke a limited group of justification logics to justify their actions nonconsensual practices.

Healthcare, private hospitals led and continues to lead the diffusion of values and practices of SR since 2008. One of the motives that contributed to hospital mobilization was the necessity to achieve the equilibrium between the demands of universal access to healthcare and the demands of economic efficiency production within all managerial decisions took by managers and clinicians.

Whatever, Social Responsibility finds institutional and cognitive barriers that difficult its expansion. To win these threats, hospitals are developing network of partnerships and negotiation models in very different modes.

The authors believe controversies lead people to negotiate values and practices between themselves, as well as, to active justification logics socially legitimated. Actors believe that adhesion to common systems of judgment is advantageous to people and organizations because minimize the uncertainties originated by introduction of codices and rules not shared by all members within networks of partnerships (Burns and Nora 2014) (Boltanski and Thèvénot 1999). The necessity of consolidate negotiation models is conducting people to adopt new governance systems, what impose a new social regime. In this new social regime, the frontier that separated what to own to public and private interests disappeared through negotiation of individual values and practices.

Despite the advantages, engagements in network of partnerships create diverse social constraints to its members. One of the motivations to do so, is closed to the fact of orientating individual choices in moral and legal ways, minimizing the uncertainties provoked by non-shared legitimation systems and, allowing people to prosecute with their productive activities without any impediments (Burns and Nora 2014).

The network of partnerships produce reputational gains to members (Burns and Nora 2014) as well as social capital. Social capital can increase or decrease the costs produced by acquirements of supplies dependently of the situation. If a member is saw as trusty people, their partners opt for not increasing the transactions' cost because the possibilities of happening contractual failures are insignificant or null, as so as, activating judicial instances.

In Boltanski and Thèvénot (1999) bad behaviors or failures of conduct occur when actors are moved only by personal interests, while good behaviors occur when actors are moved to find an equilibrium between collective and individual goals, maintaining vulnerable people engaged in networks of partnerships.

Through Social Rule Regime Framework, we can visualize the moral rules that guide the social life within the communities, as well as, the elements that provoked its changing and evolution along the time.

In conclusion, adequate corporate governance and corporate strategy are the gold standard of SR. In a competitive market hospital governance will be optimized if the organization culture is reframed to meet stakeholders' demands for unequivocal assurances on ethical behavior. Health care organizations should abide to this new governance approach that is to create organization value through performance, conformance and responsibility (Brandao, C., Rego, G., Duarte, I., & Nunes, R. 2013).

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