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Corporate social responsibility in an inequitable society: the role of the private sector in bridging the South African health care divide.

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Abstract

Corporate social responsibility (CSR) is becoming more central to the success of corporations, and its importance within South Africa is pertinent given that the transition from apartheid has yet to be followed by an equalling of society, with social and economic divisions persisting. As one of the most emotive basic human rights, health care provision remains unequal, with the private sector still serving an historically advantaged minority and the public sector carrying the burden of the populist majority. This study explored the role the of the private health care sector in light of the growing importance of CSR, against the backdrop of the national health insurance debate and the understanding of the role the private sector can play in achieving the national health care objectives.

Exploratory research and qualitative analysis methodology were carried out for this research, utilising in-depth semi-structured, face-to-face interviews with ten private health care sector executives.

Whilst the private sector executives intellectually understood their specific context and a growing expectation of society from business, in practice the actions of CSR were still grounded in philanthropic activities. Most respondents acknowledged that more should and could be done, with the primarily obstacle being identified as a lack of teamwork and coordination across businesses in the private sector. The public sector is seen as failing, and the private sector sees itself playing a more active role in service delivery and aiding government with the training of the much needed skills within the public sector.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

_____ Date: 11 November 2009

Riedwaan Jabaar

Dedication

To my manager and mentor, Dr. Brian Ruff, who always looked beyond my inhibitions and saw what I failed to see in myself. I will always be grateful for his vision, honesty, integrity and values-driven leadership.

Thank you, Brian!

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To my awesome wife, Nadia. Your understanding and patience through this process has meant the world to me. I love you dearly!

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To my supervisor, Dr. Mandla Adonisi. Thank you for the frankness, guidance and support.

To syndicate 11: you guys rock!

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Abbreviations

ANC	African National Congress
BEE	Black Economic Empowerment
CC	Corporate Citizenship
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
DOH	Department of Health
GDP	Gross Domestic Product
NHI	National Health Insurance
WHO	World Health Organisation

Chapter 1 – Introduction to Research Problem

"*Of all the forms of inequality, injustice in health is the most shocking and the most inhumane*." Martin Luther King Jr.

Research Title

Corporate social responsibility in an inequitable society: the role of the private sector in bridging the South African health care divide.

Research Problem

South Africa and its inequitable realities

Despite South Africa's peaceful transition to a democratic society, deepening economic and social divisions persist, with an ever increasing gap between the have and have-nots in society. Despite the many economic and policy strategies adopted by the post apartheid government, South Africa remains a profoundly divided society (Babarinde, 2009). While many social challenges such as poverty and unemployment widen, one of the most emotive of social needs is the equitable provision of health care.

Health care inequities

In international law, health care is regarded as one of the basic human rights, and its inequitable distribution in South Africa persists between private and public provision: according to Benatar (2004), over the past 30 years private healthcare expenditure has grown to consume a much larger proportion of total national expenditure than the public sector. In 2004, nine percent of the nation's GDP was spent on health care, with approximately 60 percent of these funds caring for the 18 percent of citizens who had private insurance. Ataguba and McIntyre (2009) emphasised the fact that it is undisputed that benefit incidence in South Africa remains inequitable, as the benefits from health care are not distributed according to the need. Ataguba and McIntyre (2009) concluded that the need to move to a health system where contribution is based on ability to pay and benefit is according to need for health care, is overdue.

Benatar (2004) cautioned that the evolution of improved health care in South Africa is crucial not only because it is an important aspect of development, but because it too is an indicator of whether the country's political transition can be followed by a successful social transition. Babarinde (2009) reinforced the view that these socioeconomic conditions are untenable for any government and, further than that, for any business environment, and may potentially destabilise the polity. This is echoed with a revived sense of urgency from government through its resurgence of the National Health Insurance (NHI) debate, as tabled at the ANC Polokwane national conference in 2007, with government seeking to find a solution to the two-tier health system and how best to structure it to be both equitable and fair (Ncayiyana, 2008).

Corporate social responsibility - growing importance

The private health care sector has long been subject to rigorous debates when it comes to the health care agenda, with the financing and provision of private health care being dominated by corporate entities that are lamented for their profiteering in a market that provides health care predominately to the middle and upper-income segment of the population.

Against this backdrop, these corporate entities have to be cognisant of the growing importance of corporate social responsibility (CSR) that, according to Nelson (2004), is becoming a central factor in determining corporate success and legitimacy, being important to all stakeholders, including public policy makers. Nelson (2004) further states that this has implications not only for corporate governance and corporate strategy, but also for national and global governance.

The private sector is a substantive part of the South African health sector, dominated by corporate entities. These corporate entities find themselves operating in an environment wherein government is driving a national agenda of equitable health care distribution. Does the private sector have a growing awareness of its corporate identity? If so, how can they embrace social responsibility to play a meaningful role in meeting the national health care objectives?

Research Aim

This study explored the role of the private health care sector in light of CSR being more central to success for corporations, and its importance within South Africa. This was explored against the backdrop of the national health insurance debate and the clarification of the private sector's role in achieving the national health care objectives.

This research

- determined whether there is a changing sense of importance of CSR and the role played by the private sector within the health care environment; and
- established what role the private sector views itself playing in dealing with the national health care objectives.

Research Motivation

Health care debate

Whilst the private sector has played a very dominant role in South Africa for many years, the government consensus is that it has not benefited the majority of citizens in the country and has demonstrated huge inefficiency in care delivery (Department of Health, 2005). The health care system in South Africa is

a pertinent topic of debate, specifically with regards to the role the private sector can assume in contributing toward national health care objectives.

Corporate social investment initiatives

Whilst the private sector is dominated by large corporate entities involved in the financing and provision of services, and there are currently many corporate social investment (CSI) initiatives undertaken in the sector, these are not necessarily appropriate given the societal challenges facing South Africa at the moment, as CSI is viewed as a subset of CSR and does not equal good corporate citizenship (Freemantle and Rockey, 2004). Exploring what the private sector role could be from a health care system citizenship perspective would, therefore, be both societally and academically relevant.

Private sector role

From a health care perspective, there has been great focus on public sector health care provisions in the academic literature, whilst surprisingly little focus on the private sector. The private sector plays a very important role in the South African environment and a threat to its existence does warrant careful thought and proactive responses. Mills, Brugha, Hanson and McPake (2002) insisted that the dominance of private provision in low-income countries makes it vital to conduct more research into understanding and influencing its behaviour.

Research Scope

The scope of this report was limited to the South African health care sector and to corporate entities within the private health care sector. These include

- medical scheme administrators
- pharmaceutical companies
- private hospital groups, and
- corporate providers of health care services.

As the research only conceptually explored the role of the private sector, issues relating to implementation were not addressed directly.

The exploratory research was limited to Discovery Health Limited, Life Health Care Limited and Netcare Limited, and the members of their respective executive committee's views only.

Chapter 2 – Literature Review

Introduction

The literature reviewed in this section starts with establishing the conceptual relevance and background of CSR, and defines the approach required from a developing world perspective. The South African context and historical perspective of CSR is explored with a concluding view of CSR and an understanding of the changing business/societal relationship and increasing prominence of CSR.

The literature review then proceeds to provide an overview of health care and its universal objectives, leading to a review of the state of health provisioning in the developing world, with specific reference to South Africa. The tension between public and private provisions is highlighted, with a demonstration of the unresolved role of the private sector in meeting national health care objectives.

The literature review concludes with the linkage between the increasing prominence of CSR and how it relates to the private sector role; and the achievement of national health care objectives was tabled, motivating the need for this specific study.

Corporate Social Responsibility

Conceptual relevance and background

Opposing views on CSR

According to Godfrey and Hatch (2007), CSR literature is anchored by two major academic disciplines: economics and moral philosophy, with debate as to whether they are opposing or complimentary forces. Juxtaposing these views sets the basis for defining the background and conceptual relevance of the CSR literature in this research.

On the economic side of the debate, the most noticeable referenced view is economist Milton Friedman. Friedman's (1970) neo-classical view emphatically stated that the responsibility of business is only to increase the wealth of its shareholders, its only social responsibility. Senser (2007) further enforced Friedman's view, stating that the proper guardians of public interests are governments and the proper business of business is business, with no apology required. This viewpoint enforces the thinking that social issues are peripheral to the challenges of corporate management and social issues distract business from their core competence.

From a moral perspective, this argument has proven unconvincing to many scholars as it ignores the fact that an organisation's potential social contribution is every bit as great as their potential for harm (Marsden and Andriof, 1998).

Most ethics scholars believe that CSR is in the best interest of business (Steurer, 2009), as it seeks to limit the negative impacts of business on society while optimising its social performance (Woods, 1991 in Husted and de Jesus Salazar, 2006). These opposing views of CSR have set off a plethora of attempts in defining CSR, which continues to this day.

CSR definitional ambiguity

In attempting to define CSR for this research, it soon became clear that in both academic and corporate worlds there is still uncertainty as to how CSR should be defined (Dahlsrud, 2006), and many authors speak of CSR in disparaging terms. CSR is labelled as a tortured concept (Godfrey and Hatch, 2007) that is very complex and encompassing an ever-widening range of issues (Prieto-Carron, Lund-Thomsen, Chan, Muro and Bhushan, 2006), to a dangerous concept threatening the foundations of market economies (Friedman, 1970; Henderson 2001, 2004 in Wan-Jan, 2006), as well as a slippery concept to approach from a research perspective (Hamann, 2006). The lack of a widely agreed or acceptable definition is one of the key challenges in studying CSR (Nelson, 2004), leading to misunderstanding and confusion (Wan-Jan, 2006) and contributing to the lack of solid empirical findings around the impact of CSR (Godfrey and Hatch, 2007; Nelson, 2004).

For the purpose of this research, CSR promotes the central idea that corporations have obligations to society which extend beyond their profit making activities (Godfrey and Hatch, 2007), with the common thread being the goal of

integrating the public interest into the corporation's mission (Senser, 2007), thereby representing actions that further social good, extending beyond explicit economic interest of the organisation not required by law (Godfrey and Hatch, 2007).

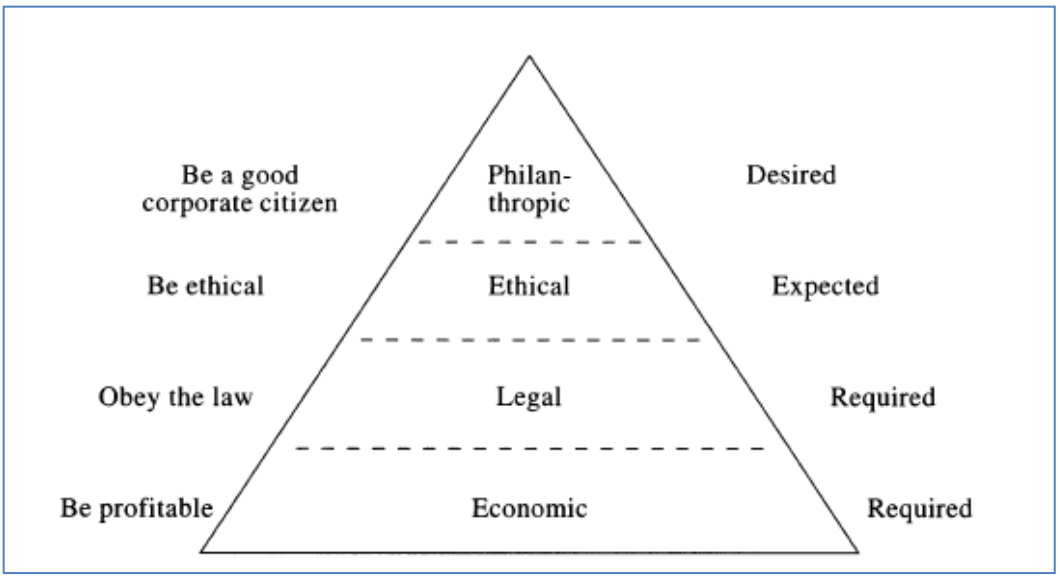
While agreeing with the general definition offered, it is apparent from the literature that CSR is not a homogeneous term, and indeed most appropriate is the metaphor of an umbrella term (Blowfield and Frynas, 2005). This is emphasised by Godfrey and Hatch's (2007) view that CSR activity is not a comprehensive activity, instead a collective name for many different activities. What these sets of activities are we discuss next, highlighting the diversity of activities that are bannered under the CSR term.

CSR dimensions

Between the opposing views on CSR and the definition offered, there are a number of activities that constitute the CSR dialogue, which assists in sketching a richer understanding of the CSR discourse.

In his seminal work, Carroll (1991) in Schwartz and Carroll (2003) proposed a four-part categorisation of CSR, depicted as a 'pyramid of CSR' (figure 2.1 below).

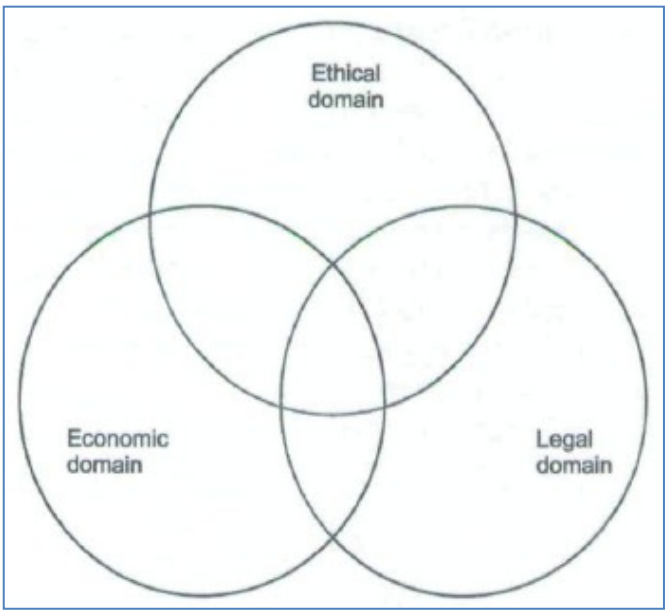
Figure 2.1: Carroll's pyramid of CSR (Schwartz and Carroll, 2003)



Carroll (1991) in Schwartz and Carroll (2003) proposed that CSR is made up of an economic dimension, then legal and ethical dimensions, before a firm then attempts philanthropic activities. Carroll's pyramid emphasised that economic aims are indeed a major part of CSR.

This pyramid was later revised by Schwartz and Carroll (2003) into a three domain model (figure 2.2), encompassing economic, legal and ethical dimensions. Central to the amendment of Carroll's pyramid is the argument that the pyramid structure suggests a hierarchy, and that philanthropic activities are the most valued and the economic domain the least, which could lead to the misunderstanding of the priorities of the four CSR domains. To that extent within the three domain model, the philanthropic domain is subsumed under the economic and ethical responsibilities, as Schwartz and Carroll (2003) argued that it can be seen as an example of an ethically motivated activity.

Figure 2.2: Three domain model of CSR (Schwartz and Carroll, 2003).



Looking at the three domain model of Schwartz and Carroll (2003), the overlapping nature of the Venn diagram results in seven categories in which CSR can be conceptualised, analysed and illustrated. Schwartz and Carroll (2003) argued that the best strategy for a business was to focus on the centre of the model, where all three domains overlap, thereby simultaneously fulfilling economic, legal and ethical responsibilities.

Lantos (2002) further viewed the classification of CSR activities one step differently, as ethical, altruistic and strategic CSR. He asserted that ethical CSR includes a firm's economic, legal and ethical responsibilities, collapsing Schwartz and Carroll's Venn diagram, with altruistic CSR being about the firm's pure philanthropic responsibilities and strategic CSR, including philanthropic responsibilities, that ensures that the firm benefits economically.

While these views give a good sense of the CSR dialogue, Dahlsrud (2006), in a more recent discourse, provided a five dimensional view of CSR based on a content analysis exercise of existing CSR definitions. The five dimensions of CSR identified were environmental; social; economic; stakeholder; and voluntariness. While Dahlsrud's (2006) social, economic, stakeholder and voluntariness dimensions are expected, the environmental dimension is an activity that has received much more prominence of late (Carroll, 1999 in Dahlsrud, 2006).

This was corroborated by Lockett, Moon and Visser (2006), who delineate the CSR dialogue based on CSR definitions in management journals into only four dimensions, namely ethical; environmental; social; and stakeholder. While these dimensions are largely consistent with Dahlsrud's (2006) findings, Lockett *et al.* (2006) view ethics as part of the voluntariness dimension .

Clearly defining CSR in terms of its amorphous activities is useful but, to place these activities into the correct perspective, it is enlightening to think of CSR activities as falling within a range or continuum of engagement. In order to compose this view from the literature, it is necessary to define the concept of corporate citizenship (CC) and its link to CSR.

Corporate citizenship

Whilst the CSR dialogue has a long history, the term CC is a relatively new concept, with many scholars simply viewing CC as the latest catch phrase

(Carroll, 1998; Waddock, 2004 in Meehan, Meehan and Richards, 2006). Matten, Crane and Chapple (2003), however, were of the view that CC is a progression in the conceptualisation of business and societal relations.

Marsden and Andriof (1998) viewed CC as understanding and managing the organisation's relationships and influences with society in a way that maximises the good and minimises the bad, as argued previously from a moral perspective, and that an organisation's potential social contribution is every bit as great as their potential for harm.

The terms CSR and CC are used interchangeably, therefore, by many scholars (Hamann and Acutt, 2003), and were for the purposes of this research. How the activities within CSR are actualised can be viewed as operationalised within a range or continuum of engagement between business and society. This continuum was explored next, concluding the review of the relevance and conceptual background on CSR for this research.

Relationship continuum of CSR

A key feature of citizenship, according to De Jongh (2003), is that it involves a mutually reinforcing relationship between society and corporations, and he further cited Macintosh *et al.* (1998) in suggesting that successful companies of the future will discover the full use of this relationship, and thereby move along the continuum towards what he calls full citizenship. Macintosh *et al.* (1998) in De Jongh (2003) defined this continuum as beginning from a minimalist stance

where companies are only interested in compliance, moving towards discretionary spending, where philanthropy is seen to equal a company's CSR responsibility, and finally arriving at a strategically integrated view of CSR into business.

Mintzberg (1983) in Wan-Jan (2006), on the other hand, spoke of four forms of CSR which can be contrasted with Macintosh's view of the CC continuum. The first form, according to Mintzberg (1983), being CSR performed solely for its own sake, with organisations not expecting any benefit from their actions. The second form of CSR is enlightened self-interest, where organisations believe there will be some payoff for their actions. The third form is sound investment theory, where CSR efforts are rewarded by markets. Finally, the fourth form is avoidance of external political influences, with organisations becoming socially responsible to avoid legislation.

Lantos (2001) also spoke to a continuum of the CSR relationship by tabling a spectrum of views on the appropriate role of business in society, ranging from a pure profit-maximizing view, moving to a constrained profit-maximizing view, then to a socially aware view, and finally, a community service view. The one end being primarily concerned with economic values, the other with social welfare.

Godfrey and Hatch (2007) inadvertently defined the spectrum through a review of the management literature, organised as follows: Shareholder capitalism;

Cause-related marketing; Strategic philanthropy; Stakeholder management; and Business citizenship.

Synthesising these views in Table 1, a continuum of corporate and societal relationship emerges, spanning from a purely economic view to a fully integrated view of that relationship.

Table 2.1: Synthesis of a CC continuum

Authors	*Economic view*	*Philanthropic view*	*Strategic view*	*Stakeholder view*	*Integrated view*
Mintzberg (1983) citied in Wan-Jan (2006)	Selfless	Enlightened self-interest	Sound investment theory	Avoidance of external political influences	
Macintosh *et.al.* (1998) cited in De Jongh (2003)	Minimalist stance (compliance)	Discretionary spending (philanthropy)	Strategically integrated into business		
Lantos (2001)	Pure profit-maximizing view	Constrained profit-maximizing view	Community service view	Socially aware view (stakeholder model)	
Godfrey and Hatch (2007)	Shareholder capitalism	Cause-related marketing	Strategic philanthropy	Stakeholder management	Business citizenship

This continuum of the relationship of corporations speaks to the adoption and acceptance of CSR within the business world and how businesses see their relationship with society. Whilst this study was concerned with the South African, or more abstractly the developing world context, what this relationship should be, given the third world context, was explored.

Developing world - inequitable societies

In reviewing CSR for a developing world perspective, an important facet of the CSR literature was the issue of context; Van Marrewijk (2003) in Dahlsrud (2006) stated that a successful CSR strategy has to be context specific for each individual business; that is, understanding what the specific CSR issues are and how to engage with the stakeholders. This is emphasised by Dahlsrud (2006), who argued that the confusion is not really about how CSR is defined, as we have alluded to earlier, but rather how it is socially constructed within a specific context.

From a developing world context, Hamann's (2006) view was that despite the importance of universal principles of CSR for both company management and other stakeholder groups, there is a recurring tension between universal expectations and local challenges and opportunities. Whilst most of the CSR literature is rooted in a developed world mindset, the developing world deals with issues ranging from combating child labour, improving labour rights, reducing pollution and poverty, and improving working conditions (Prieto-Carron *et al.*, 2006). Blowfield and Frynas (2005) stated that these unique aspects, such as poverty and sustainability in the developing world, demand different solutions from those implemented in developed economies.

This argument was furthered by Newell (2005) in Newell (2008), who cautioned the need to be wary of assuming that the western world model of CSR can simply be applied in large parts to the majority of the world, where in fact, the conditions it assumes simply do not exist. Therefore, we cannot merely assume

that a common set of CSR drivers operate in different parts of the world in the same way; an assumption in many 'one size fits all' approaches to CSR (Newell and Frynas, 2007 in Newell, 2008).

This is echoed from a local perspective by Hamann (2006), who stated that in South Africa and indeed Africa, the implication is CSR cannot only be about voluntary business initiatives, as is common in definitions emerging from developed countries, but CSR must be seen to express a new relationship between the public interest and private capital (Hamann and Acutt, 2003).

Therefore, understanding the continuum of CSR as defined, and how the relationship between business and society is expressed in a developing world context, and indeed in South Africa, is very pertinent.

South African relevance and historical perspective

In South Africa, economics and politics have always been inextricably entwined, and the imperative of the ANC government has been to transform the socioeconomic divide (Babarinde, 2009). Despite varied successive government policies and more than a dozen years into the transformation, South Arica remains as economically divided as ever, and the reality is the state cannot do it alone and needs the help of non-state actors (Babarinde, 2009).

South Africa's development challenges include deepening poverty; a high level of unemployment; a high level of urbanisation; severe housing backlogs;

environmental degradation; and the spread of HIV/AIDS and other diseases (Hamann, 2006), and as we alluded to, international definitions of CSR are not always relevant to such challenges.

In addition, South Africa's racially divided past adds to the complexity of businesses, and it is widely believed that the business community contributed to and benefited from apartheid rule, as well as playing an active role behind-the-scenes in its eventual demise (Crus & Tshitereke, 2001; Lewis, 1990 in Babarinde, 2009). It is fitting that business would be expected to assist in righting the wrongs of the past (Adam, 2000 in Babarinde, 2009).

CSR, though, is not new to the post apartheid era, with many large companies playing significant roles, such as Anglo American and De Beers with its Chairman's Fund, which was aimed at poverty alleviation and improving the welfare of society (Babarinde, 2009). Other examples include the Urban Foundation, set up primarily to ameliorate dreadful working conditions in townships across the country, and the Sullivan Principles, aimed at U.S. businesses in South Africa to develop and enforce a policy of non-discrimination and non-segregation in the workplace (Babarinde, 2009).

Post apartheid, there has been much progress on the CSR front as well, both voluntarily as well as negotiated through government initiation. According to Hamann (2006), black economic empowerment (BEE) is arguably a negotiated definition of what CSR means in South Africa, and has been the most scrutinised and criticised from across the racial divide (Babarinde, 2009). In

addition to ownership issues of BEE, a pertinent example in the banking industry - a response to sustained pressure by the state – was that all major banks in South Africa initiated the 'Mzansi' bank account in an attempt to serve the poorest of society (Hamann, 2006).

CSR interpretation in South Africa

Firms in South Africa generally prefer the label of CSI opposed to CSR (Fig, 2005; Babarinde, 2009), with a contrasting view that this is because CSI asks no questions about legacies, or moral and ethical responsibility (Fig, 2005), versus the argument that a healthier business environment and society bodes well for long-term business interests, therefore the connotation of investment as opposed to responsibility (Babarinde, 2009).

Nonetheless, CSI is seen as largely philanthropic donations and contributions (Babarinde, 2009; Fig, 2005; Hamann, 2006; Visser, 2005), and Freemantle and Rockey (2004) cautioned that CSI is a subset of CSR and does not equal CSR. Fig (2005) goes one step further, attacking South African businesses, believing that current CSI initiatives are simply used to manufacture amnesia for past indiscretions, for which they have not fully atoned.

Progressive role of corporations

The CSR debate in its historical context, according to Newell (2008), should be seen as a continually unfolding challenge about the appropriate relationship

between business and society; part of an evolving social contract whose values and expectations shift with time. Society continually focuses its gaze on the question of the boundaries of social and moral responsibilities of private actors.

Nelson (2004) corroborated this viewpoint, stating that a trend underway for a number of years is the concept of CSR moving beyond the boundaries of compliance and philanthropy, starting to occupy a more central role alongside governance, strategy and risk management. This is evident in evolving global business norms, moving CSR towards the mainstream of business practice (Godfrey and Hatch, 2007).

The debate on CSR has shifted in that it no longer focuses on whether or not to be socially responsible, and what CSR is, but instead *how* to be socially responsible (Smith 2003 in Schwartz and Carroll, 2003).

Whilst states remain the primary actors in development (Newell, 2008; Utting, 2007) and corporations are given legal license to operate on the basis of their ability to meet public need (Newell, 2008), the responsiveness of firms to state regulations and civil society pressures differ hugely by size of firm, sector and region in which the business is operating (Newell and Frynas, 2007 in Newell, 2008). Therefore, businesses should understand their specific context and develop their strategies in the social context that their businesses exist (Dahlsrud, 2006), and not wait for the markets or states to change the social contract for them. The assessment of the terms on which that contribution should be made and the limits within which it should operate have to be made

by actors bearing broader public responsibilities, and not on the basis of the pursuit of profit alone (Newell, 2008).

Bonini, Mendonca and Oppenheim (2006) argued that the social contract is by its very nature a fluid one, and often issues that lead to regulations by governments start out as semiformal expectations of business. They further state that the boundaries are blurring between responsibility and laws, and it is increasingly unclear who should provide basic social services and be accountable. Nonetheless, many socio-political issues are intractable and cannot be resolved by a single company or even an industry; most successful companies see beyond competitive rivalries and look for ways to collaborate to both meet social concerns and find new ways for industries to create value (Bonini *et al.*, 2006).

In conclusion, ultimately how businesses will respond within a developing world context with pressing social needs and an ever changing social contract will ultimately determine not only their success, but the progress of society.

Having provided the background to CSR and positioned it within the developing world context, with recognition of the progressive nature of change in the relationship between corporations and society, the question is how this relates to the health care sector. The next section looks briefly at the objectives of the national health care system, thereafter focusing on the public and private provision of health care, with particular focus of the role of the private sector.

Health Care

Health care universal objectives

Health care is seen as a basic human need in international law, and its provision is prefaced by stated universal objectives.

The World Health Organization (2000) defined the objectives of health care systems as two-fold: attaining the best average level (*goodness*) and the smallest reasonable difference amongst individuals (*fairness*). Farrell, Henke and Mango (2007) corroborated this view, stating that all health care systems around the world struggle to reconcile equitable access (equity) with high quality and low cost (efficiency). All health systems worldwide, therefore, attempt to balance the dual objectives of equity and efficiency.

These objectives are not easily balanced though, and Cutler (2002) argued that they are fundamentally conflicting goals, as solidarity in health care dictates no rationing of cost, which is central to the classic economic trade-off between equity and efficiency.

Whilst developed countries with high GDP per capita have largely moved to universal health care systems, the developing world has not, and it struggles immensely with attaining these universal objectives (Cutler, 2002).

Health care in the developing world

The universal objectives of health are not easily met and governments in developing world countries with large structural inequalities contend with difficult trade-offs in developing equitable health policies (Bloom and McIntyre, 1998). The sad reality is that health systems in most developing countries suffer from grossly inefficient and inequitable allocation of resources (Berman and Bossert, 2000), due largely to the enormous gap between available and required resources.

Coupled with this, there are limits to the extent that health care can be made more equitable in countries that have substantive socio-economic inequalities, without denying affluent parts of society the right to spend on health care (Bloom and McIntyre, 1998). This is particularly true in the case of South Africa and its health care sector.

South African health care challenges

The health care system in South Africa has huge structural inequalities that were inherited from the apartheid government, as it mostly acted in the interest of the minority (Bloom and McIntyre, 1998). As mentioned, the private sector consumes a disproportionate amount of the resources serving a small percentage of the population (Benatar, 2004).

The debate within government is focussed on how to structure and fund an alternate health care system that is both feasible and equitable (Ncayiyana,

2008). According to Shisana (2008) in Ncayiyana (2008), NHI presents itself as an ideal mechanism for achieving equitable access, as it promotes redistribution and sharing of health services between the private and public sector.

The tension between public and private roles in the South African context is not an isolated occurrence though, as this plagues health care systems throughout the world, although it is more pronounced within developing states.

Health care roles

In few areas are the relations as complex between the public and private sector as in health care, with market failure providing reasons for greater public involvement whilst, at the same time, giving rise to increased government failure (Preker and Harding, 2000). World health care systems are complex, heterogeneous and present a broad spectrum of private sector financing and health care services (Uplekar, 2000).

The private health sector is typically defined as all providers that exist outside of the public sector whose aim is to treat illness or prevent disease (Mills *et al.*, 2002)

Empirical evidence indicates that a free market for health care cannot achieve social equity, and that market failure leaves the most vulnerable people uninsured (Hsiao, 2007). However, according to Hanson, Gilson, Goodman, Mills, Smith, Feachem, Feachem, Koehlmoos and Kinlaw (2008), in low-income

countries today the private sector is a significant actor in health care, while both public and private sectors have different strengths and weaknesses, and a blending of both can produce optimal results.

Identifying appropriate roles for public and private sectors is challenging, and many questions remain as to how this can be best achieved (Hanson *et al.*, 2008). Many debates have been polarised between the two extremes of total public provision and financing, or total private provision and financing of health care (Bennett, Ngalande-Banda and Teglgaard, 1994).

What the appropriate role of the private sector is remains a highly debatable subject.

Private Sector Role

Hanson *et al.*'s (2008) article, 'Is Private Health Care the Answer to the Health Problems of the World's Poor?' highlighted the fact that the debate on the private sector's role in delivering health is still largely unresolved, particularly in developing countries where universal coverage is nonexistent.

The public health service has often been subjected to scrutiny, but very little is known about private health sector in low and middle-income countries (Bennet *et al.,*1997 in Uplekar, 2000)

The public sector, according to Uplekar (2000), has a lot to learn from the private sector, but the private sector has a long way to go in applying its skills to a public good, such as health care.

Conclusion

The changing nature of the CSR discourse and the imperatives of corporations to define their strategies with an understanding of the social context in which businesses exists are essential. The private sector providing a public good - health care - with established universal objectives of equity and efficiency, needs to understand what its role is and how its business models should change if survival and meeting national healthcare objectives are to be met.

This research aimed to get a deeper understanding of this role within the health care sector.

Chapter 3 – Research Questions

This study will attempt to get a deeper understanding of the role of the private health care sector in achieving the national health care objectives in light of the context specific nature and changing impetus of CSR. Based on the literature review, the following research questions have been formulated.

Research question 1

Is the private sector role in delivering health care in South Africa sufficiently based on the social context and changing CSR relationship between business and society?

Research question 2

What role should the private sector play to contribute optimally in meeting the national health care objectives of equity and efficiency?

Chapter 4 – Research Methodology

Research Method Applied

This research aimed to understand CSR within a real world situation unfolding within the health care sector in South Africa. The research design utilised was qualitative, exploratory research. According to Blanche, Durrheim and Painter (2006), when studying a phenomena as it unfolds in a real-world situation, an inductive, qualitative approach is required.

In-depth interviews were conducted with ten executives from the private health care sector, representing the largest administrator and private hospital groups. The purpose of the interviews was to solicit a deeper understanding of the role of the private sector based on their views of CSR in the health sector, and the relationship between business and society against the backdrop of the progressive NHI debate.

Definition of the Population

The population of relevance for this study consists of all corporate stakeholders within the private health care sector, including

- medical scheme administrators
- private hospital groups

- pharmaceutical companies, and
- corporate providers of health care services.

The sample was limited to senior executives within these stakeholders groups, as they are responsible for the strategic direction and role of the private sector within the health sector. The executives were chosen based on the following criteria:

- Serving on the executive committee of the company; and
- Being part of day-to-day decisions in the private health sector.

Unit of Analysis

The unit of analysis is the individual executive within the private health care sector.

Sampling Method

The method of sampling used was non-probability, purposive, judgemental sampling (Zikmund, 2003). Senior executives serving on the executive committees from the medical scheme and hospital group stakeholder groups were selected based on their experience, expertise and decision-making ability within the private health care sector. The researcher was fortunate that many of these executives were accessible due to previous interactions, or having access

to individuals from interacting with them on a regular basis.

Sample Size

While the concept of theoretical saturation, when new data no longer adds anything new to the unfolding analysis, is useful to consider for a qualitative study of this kind, it is not always practical from a resource and time perspective (Blanche *et al.*, 2006). The adequate sample size for qualitative research, according to Marshall (1996), is that which adequately answers the question; for simple or detailed studies this might be single digits. Blanche *et al.* (2006) further viewed that if a strong body of existing literature does exist, as in the case of CSR, and the research question is fairly specific, a few cases may suffice.

The sample size for this study was ten individuals, selected from the executive committees of Discovery Health, Life Health Care and Netcare Holdings. These companies represent the largest corporations in the private health care sector.

Data Gathering Process

Due to the exploratory nature of the research, semi-structured, in-depth, face-to-face interviews were utilised (Zikmund, 2003) with ten executives from the private health sector.

The researcher interviewed each of the respondents personally and the interviews lasted half an hour, on average. An interview guide (appendix 1) was utilised to give structure to the interviews and ensure that the appropriate information was gathered, although respondents answered the questions in no particular order. Leedy and Ormrod (2005) recommend that a researcher often has better success by preparing a few questions in advance and ensuring that they are addressed during the interview.

The questions posed were open-ended questions, with the researcher probing the interviewee with additional questions when clarity was required. The researcher ensured that the probing was neutral, to eliminate leading the respondents' responses (Zikmund, 2003). The interviews addressed the following key area:

- Respondents' views of CSR in the private sector;
- Respondents' perceptions of the relationship between business and society;
- The challenges facing the South African health care sector; and
- Respondents' views on the role of the private sector.

On conclusion of all the interviews, respondents were given the opportunity to provide any additional information that had not been raised during the interviews (Henning, Van Rensburg and Smit, 2004).

All interviews were recorded with the permission of the respondents, so as to accurately capture the information, and were transcribed within a few days of

conducting the interviews. In addition, notes were taken by the researcher to highlight salient aspects of the interviews, as well as taking note of any changes in demeanour of the respondents, such as visible body language changes (Blanche *et al.*, 2006). This was done whilst being cognisant of being adequately engaged in the interviews.

Following the transcription, the data was analysed and categorised according to the themes that emerged. These were collated per research question per respondent.

Data Analysis

Blanche *et al.* (2006) states that by the time data collection has been completed in qualitative research, analysis should be well underway; and by the time a researcher starts the data analysis phase, a preliminary understanding of the data is essential. Leedy and Ormrod (2005) further affirm that data analysis and interpretation are closely interwoven, and both are enmeshed with data collection.

Content analysis was performed to extract the main ideas and opinions of the in-depth interviews (Blanche *et al.*, 2006). Leedy and Ormrod (2005) describe content analysis as a detailed and systematic examination of content of material with the specific purpose of identifying themes and patterns. Leedy and Ormrod

(2005) recommend that measures should be taken to ensure that the process is as objective as possible, as content analysis is quite systematic.

In order to enable more thorough analysis, the interview guide was structured around the research questions and literature review (Leedy and Ormrod, 2005). Henning *et al.* (2004) proposed a three phase approach to qualitative content analysis:

1. Phase 1 – Orientation to data: Reading the data sets to form the overview and to apprehend the text.
2. Phase 2 – Working with the data: Coding segments of meaning, categorising related codes and seeking relationships between categories to form the thematic patterns.
3. Phase 3 – Final composition: Writing the final themes for the set of data and presenting pattern of related themes.

Content analysis is not a standalone design (Leedy and Ormrod, 2005), therefore, in addition to content analysis, constant comparative analysis was used to compare data gathered from a new interview to the data from previous interviews.

Research Limitations

Due to the nature of research being exploratory in the area of the researcher's work, there is potential for the researcher's own opinion being expressed in the

research. In order to safeguard against this as far as possible, no leading questions were posed, allowing the interviewees to express their own opinions.

The research focussed on the South African private health care sector and, therefore, may not be directly applicable to other countries.

Only views from the medical scheme administrator and private hospital stakeholder groups were elicited, therefore it does not represent a complete view of the private sector. A multi-stakeholder view would add more value given the added ability to verify conclusions reached based on a more representative view.

Chapter 5 – Results

Introduction

The purpose of the research was to explore the role of the private sector, given the changing importance of CSR against the backdrop of the NHI debates, with government seeking to achieve their national health care objectives.

This chapter presents the results from the semi-structured, in-depth, face-to-face interviews held with each of the respondents. The duration of the interviews was approximately half an hour in length. Permission was sought from each of the respondents to make digital recordings of the interviews. In addition, notes were taken by the researcher during the interviews, primarily to record certain behaviours, as well as noting of salient points.

An interview guide comprising four major open-ended questions, with nine additional probing questions to elicit more detail, was used. The interview guide was structured around the research questions defined to extract maximum value from the research (appendix 1).

Henning *et al.*'s (2004) views are that the better the researcher knows the data, the more competent they will be at labelling units of meaning, and therefore suggests that a researcher be responsible for their own transcription. Due to the time constraints on the side of the researcher, as well as the need to obtain a

precise copy of the interviews conducted, this was not possible. Transcription of the interview data took place within a week of conducting each interview, utilising a professional transcription house. The transcriptions were preceded by a summarisation of the main points immediately after each interview, so as to ensure that salient issues where captured by the researcher whilst the discussion was still fresh in his mind.

Once the interviews were transcribed, the researcher performed a quality audit on all transcriptions to ensure that context and industry specific issues were correctly transcribed (Henning *et al.*, 2004). This was a very time consuming task, taking at least two days, but proved to be very useful as many salient edits were made, as well as aiding in acquainting the researcher more thoroughly with the data.

The recordings were transcribed into over 100 pages and were labelled based on the respondent and date of the interview; in addition, backup copies of the transcription were made.

Constant comparative analysis was used to glean insights for each of the research questions defined in Chapter 3 by comparing each additional data set to the previous interview data transcribed.

Research Results

This section presents the results for each of the research questions. The results are clustered into the following extracted themes, as per the content analysis procedure:

- **Research question 1**
    - CSR: definition and focus.
    - Continuum: relationship between business and society.
    - The developing world and the changing business social context.
- **Research question 2**
    - Universal objectives of health care.
    - South African health care challenges.
    - Private sector role.

Research question 1:

Is the private sector role in delivering health care in South Africa sufficiently based on the social context and changing CSR relationship between business and society?

CSR: Definition and Focus

Firstly, to discuss the topic of CSR, the respondents were asked what their views of CSR were in South Africa generally. One of the first points raised by

various health care executives was the issue relating to there being no agreed definition of CSR and how it should be practiced within the private sector.

One executive responded: *"I think there isn't probably a single, carefully thought through or discussed definition: it may go from people simply saying 'we have to be perceived in a particular way so let's put aside a couple of percentage of the budget and then give it away."*

Other views were as follows:

"It is a difficult one because, in the current environment, the CSR is very much undefined. These projects come along, people can fund them, but there is no coordinated view of working with government to deliver, either through skills or infrastructure or whatever the case is. That is not defined at all."

"I have never thought about it in terms of defining what CSR does, but I think a lot of the problems are because there isn't a clear definition."

"I think it is quite a loose term and people throw so many things into their CSR. For example, people categorise if you come to hospitals and people can't afford to pay the bill and they get written off as a bad debt, I think it is put under CSR, which I don't think it really is - it is a bad debt!"

The results show that CSR is very loosely defined and companies largely make it up as they go along.

Some respondents, however, were dismissive of the need for a clear definition and believed that corporations in the private health care sector understood what is required of them and do so understanding the needs of society.

For example, one executive asserted, *"I don't think it is that unclear; I think people understand that CSR is what you do for the community, without profit motive. You basically just do it, you give out some of your products for free or you build something or educate someone."*

Another respondent said, "In a CSI form it is well-defined in terms of what the expectations are on business, but at a very low level. I mean, it is minimums, which I think many businesses take as absolute, whereas I think that they are minimums!" This was the minority view though, and the majority of the respondents saw this has a major hurdle.

In term of the concepts of CSR and CSI, most of the respondents used these concepts interchangeably, but some raised the issue of definition and the perceptions of CSI versus CSR as a pertinent issue. Where respondents spoke about the difference between CSI and CSR, CSI was preferred, speaking to the adoption of the CSI brand in South Africa.

"It has got to a point where I think if companies do it properly it should be seen as CSI - I am a big fan of CSI rather than CSR."

Another executive's view was more explicit: *"I have never sat down and read an academic piece on a classical definition of CSR or CSI because, for me, CSR is more charitable work; CSI is about investing and things, where you can achieve some level of return, and that gets re-invested again and you get some level of sustenance from it. And CSR is easy to do because, or easier to do because you are giving money, or time or something, but CSI is harder, because to try and find an enterprise or a person or an organization that you can invest in that will give you a return and that in return allows you to do more – that is quite a lot harder."* The adoption of the CSI brand in South Africa does speak to these views, although many of the respondents made no real reference to CSI.

Respondents were all lucid about the fact that the focus of CSR activities in the private sector should be based on the imperatives in the health sector and should be aligned to the industry. The respondents were virtually unanimous on this point and there existed an obvious sense of clarity around this issue.

In expressing this view, one executive said, *"Well, obviously I think it should be focused on health; it doesn't make sense for me for a private healthcare company to be spending their money on teacher education or on nursery schools and primary schools – although that is critically important."*

Other views were:

"We focus on the health care sector in all of our activities, which makes sense, but it is also time and cash that is being provided."

"I think most companies tend to focus in areas that are somehow aligned to the core business, so in healthcare I think that tends to be the case as well, so in private healthcare you find CSR focus is usually in the healthcare space."

The results showed that the definition of CSR does pose an issue for the private sector, and whilst some of the respondents discounted this issue, it was the majority view. The brand CSI, when alluded to by respondents, was preferred over CSR, but many of the respondents used the terms interchangeably. Finally, all respondents were very clear that all CSR activities in the sector should be focused on the health sector, with most of the programmes largely focused on the dire needs for skills in the sector.

Continuum: relationship between business and society

Delving deeper into the form that CSR takes in the private health care sector, and understanding how businesses perceive the place CSR occupies relative to the core business of corporates, the theme of charity and philanthropic activities appeared to be the dominant logic. This aspect of CSR was raised by all respondents, firmly asserting that most CSR programmes' roots were founded based on this paradigm. Some of the views expressed were as follows:

"So I think it is complicated and obviously the CSR stuff, I mean a cynical view of it is that it is just kind of charity to keep the masses quiet, so it is businesses doing the minimum possible to be allowed to continue making profit and paying dividends to shareholders."

"Well, I think it is defined narrowly in terms of benefits to communities, like are you giving a sponsorship or giving assistance to a particular person for studies, in a very, very narrow sense. It is not a very broad approach towards social responsibility."

Whilst most of the respondents spoke of charity as being the dominant practice, the majority of the executives shared the view that CSR should be more than a collection of philanthropic activities.

"I think it is; I think certainly the previous history created that willingness, in a sense, to give. But I think it stopped there, at the giving. I think it should be more than just giving."

"You know, the easiest thing is giving money. It is more difficult to actually get involved in making a difference on the ground and actually managing that and creating a legacy for people to actually manage it themselves."

"It is not necessarily a money thing; people always think of CSI in terms of money, and often it is people, time, and effort."

"I hate the cheque book approach, where we give people money. Rather give them tools to look after their own health and their well-being going forward."

"CSR I think is still seen as a charity; this isn't a charity, this is a business fundamental to actually build society."

The result confirmed that the executives believed that CSR should be more than charity and should be more interlinked with business. The respondents further expressed various views, stating the relationship with society should move beyond pure giving, and gave views on a role business should play that was more active and more engaged in the activities surrounding CSR.

One of the executives viewed it as follows: *"Real impact or real change takes a lot more than just having a CSI department that does some nice stuff and you get a couple of pictures and put them into posters and the company feels good. I am not demeaning it, I am just saying it is not dealing with the big issues; it has a place but don't think that should substitute the real bold vision of what we need to do."*

This view was emphasised by another executive, speaking to the reason companies exist: *"So, my sense is it is moving away from nice to have, or just some block you have to tick, to becoming not for all companies but for many, I think a sense that actually it is part of your raison d'être, it is part of the reason you exist. It is not just to make money for shareholders but to be a responsible citizen. It is almost a development of a corporate conscience in a real way, not just an 'okay we are doing this because we want to look good' or 'it is good for marketing."*

'Sustainability', 'real impact', 'a sense of corporate citizenship'; respondents used these terms loosely, illustrating that the private sector's views of the business and societal relationship has progressed and transcends the silo

approach that exists between business and society. This is evident in the following statements made by some of the respondents.

"But I think the responsibility of business is broader than that, it is the whole thing of doing business with integrity and fairness and all of that. In other words, if people think of it as, 'I give 200 million rand and now that is done and I don't have to do anything else socially responsible', then that is wrong."

"CSR was seen as nice to have, or just sort of part of what companies do, to a perception we are not leading we are following, but a perception which has now become very clear, which is actually that there is a much deeper notion of corporate citizenship, global corporate citizenship and the need for corporates to play their part in a sense in ensuring sustainability of societies, of economies, of environment, of whatever."

"I think good businesses have always had a strong sense that there is more than one community who has an interest in it, in other words, it is not just about shareholders, it is about employees and the community in which they operate in."

"You can't just be acting in self-interest and I think most companies today accept and acknowledge that as part of their sustainability focus is around managing this change that is taking place."

"I think it is a fundamental part of doing business today, is that you can't just be in it for a narrow shareholder focus in the short term and I think most businesses today acknowledge that."

Respondents were very clear in their thoughts and certainly viewed the role of business as being much more invested in the long-term, serving different stakeholders with a good understanding that an increasing relationship with society was required.

Whilst the dominant practice in the industry is philanthropy, the results have shown that there is a clear sense from the respondents that CSR should definitely be broader, forming a more fundamental part of conducting business.

The developing world and the changing business social context

After respondents gave their sense of CSR and views of the relationship between business and society, the researcher started probing further in order to understand what actually took place on the ground, and whether the CSR activities in the private sector were based sufficiently on being cognisant of the South African history and the developing world context.

All respondents articulated an understanding of the context that businesses in South Africa have to be cognisant of, and spoke of the challenges at hand.

"As I said, I do think South African history has a very specific impact. To me, it has given many businesses and business leaders a very deep sense that they have an even greater responsibility to address issues of poverty and inequality and sustainability than their equivalents in other countries, where I think that history kind of doesn't exist and you just are a corporate citizen."

"History has resulted in a situation of haves and have-nots – in an ideological gap and an economical gap; and so our history has created an imperative for every corporate in SA to be responsible about it."

"It is, therefore, in that sense no different, it is just that the social needs are bigger in SA so your context or milieu is tougher or more needy, but I do think there is a quantitative difference, I don't think there is a qualitative difference."

"I think that coming from where we have come from we have more of a moral obligation, particularly white-owned business who have benefited from years of preferential opportunity, we have more of a moral obligation than probably anybody else to come on board and within the social context to be more exaggerated in terms of our focus on corporate social initiatives."

Respondents clearly articulated the impact the South African challenges and history has created for businesses.

Whilst most of the respondents spoke to the issue of context in which they were operating, similarly, there was also a discussion on the fluid nature of the

business/societal relationship. There was views that this relationship was dynamic and changing. Some respondents had the following to say:

"I think the one thing you can observe is that actually the ratio between business and society is ever-changing, it is not settled, it is always in flux and I think it is quite a complicated symbiotic relationship because politicians know that the business is essential to their economies and to their own political careers and employment – everything."

"So, we are doing the right things but whether we are doing enough or bold enough things I think is a different question. I think we are starting to see now that society expects, certainly very populist society in quite a simplistic way, expects a lot more before they will be satisfied."

"So, I think there is more of a distrust of business by society and I think businesses are becoming more wary of how they treat society."

"I think it is quite a good thing because we have to become more proactive in terms of how we rate what society wants and what the country wants."

Many of the respondents iterated that society has a say as to whether businesses are serving the needs of society, and that in the case of health care this view is more pronounced, as alluded to by the following views.

"That is an interesting point. I think business cannot operate without society's input and you can't ignore what is happening around you in business, because that would be a very short term vision."

"So, I think businesses that literally prioritise profits over their impact on society, I don't think society should tolerate that."

"Business can't flourish if it does so at the expense of broader society."

"But you talk about business in relation to society, and healthcare is a little different because it is one of these things that is seen as a right by people."

"I think idealistically we should have a consciousness that society allows us to operate as businesses, and to make profit for shareholders, but the choice that society makes, many societies choose to not allow healthcare businesses to exist."

Ultimately though, when posed with the question whether corporates in the health care sector have done enough given their understanding of the social context they operated in and appreciation of the changing relationship between business and society, respondents were fairly candid in their responses, as shown by the following statements.

"I think business has not done enough in giving back to society over the period we have been in democracy."

"Business, I think, has just stood by and continued to do what it does best, which is grow and make money, and the net effect of that has been mainly jobless growth and, therefore, rising inequality and rising dissatisfaction, and you see now a pretty populous left-leaning government as a result of that."

"I think that there is certainly a lot more that could have been done and can be done to uplift and healthcare in general, and in particular the expertise, the resources, I think they can add a huge amount of value in a public setting."

"But in terms of the South African context, you think of all the issues we have got in this country, all the challenges - not like the UK where you have quite minor challenges in comparison - we probably don't do nearly enough in terms of CSR or CSI. So we should be doing more of it, that is my view."

"If you talk to business they will tell you they are embracing transformation and understanding the country much better, as part of the solution. They are making the right noises and they think they have done a lot, but if you talk to an ordinary South African they still say they don't see the changes yet."

"The white middle class live even now, 15/16 years post-liberation, in a bubble, with very little exposure to the reality of inequality and of dire poverty, and I think fail to understand the anger on the ground."

One of the respondents summed it up as follows: *"Maybe it does in terms of perception, but in reality I don't think it comes through."*

The perception definitely exists amongst all the respondents, but certainly there was a clear sense that this was not followed through in terms of action or progress.

This was reinforced by another respondent's view, underscoring the gulf that had to be overcome between business and society. *"I think the day business becomes like any other part of SA, it is in line with the demographics and even the values that you hold, that the values held by corporates are the same as those held by the ordinary South African – if we get to that point then we have arrived, yes."*

Why then the gap between perception and reality in the actions of corporates? When probed for the reasons that prevented corporates from playing the role that they should, given the context and societal needs, many of the respondents alluded to a need for a bigger vision than individual company programmes; a need for more coordinated efforts.

One executive's view on this was quite enlightening: *"If there was a bit more coordinated action in the environment and a bit more pressure I think you could suck a lot more out of companies. And without resistance, because I think the goodwill is there; it is almost the inertia."*

Others spoke of the need for more co-ordinated efforts:

"These changes are so big and we are all trying to do our little bit to feel good, but we are just kind of eating away at the problem slowly, instead of looking at

the problems and saying, 'how do we tackle this thing head on.' And it all comes back to coordination again."

"And I guess the question is you need to be able to have companies within the same industry working together on certain things, that will be more impactful than everybody just on a sort of ad hoc type of basis."

"There is no real initiative to say if we take a big pot of money, we go and collect it from the administrators, from the suppliers, and say 'right, here is R100 million.' You have a 100 million a year for the next five years, and from that how can we use that as an industry to get more doctors, more nurses, etc?"

One of the respondents concluded with the following point, really summarising the state of play in the private health care sector: *"I mean, it is just really that point that there is that need for bold vision. We have messed around for long enough and I think a lot of the stuff we discussed is do-able."*

The results show that while the South African context and the fluid relationship between business and society is well appreciated by all respondents, respondents were very candid that not nearly enough has been done in term of CSR. This is largely attributed to a lack of coordination and collaboration of businesses within the sector, leading to sub-optimal results.

Research question 2:

What role should the private sector play to contribute optimally in meeting the national health care objectives of equity and efficiency?

Universal objectives of health care

In response to research question 2, the respondents were posed with a number of questions regarding their view on the current state of health care in South Africa.

In terms of the universal objectives of health care, the respondents were asked if they believed that the objectives of equity and efficiency were attainable goals for a country's health care, with specific reference to South Africa. The responses were very mixed on this issue, with respondents either dismissing it out of hand; believing that it is only attainable at a certain level; or believing that it is an attainable goal.

"So, I mean no-one can dispute the desire for equity in health care, but one has got to be realistic and I would ask the same question: why is there not the same pressure on basic foods, to have equity there?"

"Well, I think they are noble goals, I don't think no country has attained equity but I think it is something we all work towards, no system has got that. In the UK or the US you can't find equity, but the system in SA is less equitable than in the UK, but there is no equity yet."

"I don't think you can attain equity within the health sector overnight, and you certainly can't obtain it in isolation from the rest of society."

"If equity means everybody having the same level of health care, it is easily achievable if you drop to the lowest common denominator. Sure. I mean you can. If you are saying is it achievable at the highest level, then no, not in the short term. It is very difficult."

"If by equity you mean that everybody must get the same quality of care, that's not a good goal to go for because we can't afford to have what Canada has. So, if the state sector quality of care is on 2 and we are on 8, for everyone to get the same level of care we would have to go down to 3."

"I think most developed countries in the world in the circumstances have done incredibly well (in terms of equity), and when you are at that point you get other issues, you have issues of rationing and cost containment and all kinds of other things – waiting lists, etc."

"So, healthcare for the rest of your and my lifetime is going to be one of the hot social issues. But can you get to a system where everyone in society has a fair shot at decent healthcare? Definitely."

The responses on this issue were very varied and do speak to the complex nature of this conundrum as faced by many health economists the world over.

South African health care challenges

When posing to the respondents what the health care challenges in South Africa were, all ten respondents unanimously spoke about two overriding constraints in the environment: they mentioned firstly the failure of the public sector and its inability to serve the population; and secondly emphasised that South Africa's biggest health care challenge was the shortage of medical personnel at every level.

In terms of the public failure, one respondent had the following view: *"We have two poles: on the one pole we have a huge dysfunctional public sector that denies access for needy people and gives access based on influence and corruption (there is some evidence to suggest that), and that access itself doesn't guarantee quality of care."*

Other views were of a degenerating public and the issues of delivery:

"The issue is the public sector unfortunately has degenerated over the 15 years, and I think there was a conscious decision to focus much more on primary care and, as a result, tertiary care and education seem to fall off the radar."

"I think the heart of the story is a public health system that is failing very badly, and it is to some extent a result of under-funding but that is really a very minor part of the story; the major part is appalling mismanagement and lack of planning and those things."

"Public sector I would say it is a delivery challenge. I think it is entirely incapable of delivering and therefore this focus on NHI is in many ways to me a diversion

away from the real issues, such as government's inability to run a health care system."

"It is the current state of the public sector. So, even when they have got resources their management skills are poor, managing is poor, systems are poor."

"So, the public sector is not coping and things are not getting better, they are getting worse."

Coupled with the issue of public sector failure, the issue of skills seems to be top of mind for every executive in the health care sector, a critical problem that plagues private and public sectors alike. *"There are obviously major supply constraints on doctors, nurses, specialists. That is a serious challenge because no matter what you do on the funding side you can't just have more doctors overnight. And that has to be fixed."*

The majority of respondents were very explicit on their views with regards to the skills shortage in the sector:

"Skills? We don't have enough skills in this country and the health sector, right across the board – whether it is a physiotherapist, a speech therapist, a registered nurse, an enrolled nurse, a GP, a cardiologist, a radiologist, a radiographer – we need them all."

"I mean to me one of them is undoubtedly human resource gaps. There are just massive deficits in nurses, doctors, specialists, as you know."

"So, I would say those I think would be the priorities. If I had to literally name one I would say it is health worker gaps, skills. It is not infrastructure, it is not equipment, it is management and health professionals."

"Severe skills shortages, human resource gaps, poor quality of care, poor access and, as you know if you look at our metrics (matrix), compared to countries that spend the same or less than we do on healthcare, our results are just abysmal."

"Human resources on every level - medical expertise, as well as management, administrative. I think it is probably less infrastructure, and more human resources that is where the need is."

"*And in terms of healthcare we have such a shortage of professional people that is where our key focus should be aimed in terms of getting more doctors, more nurses, more pharmacists, more physios, etc."*

The general response from respondents showed that the challenges facing the health care sector from the view of private sector executives are the failure of the public sector and the gross undersupply of medical personnel. All respondents viewed these in a very critical light.

Private sector role

Finally, when asking respondents what role the private sector could play in aiding the attainment of the national health objectives as expressed by government, there was a clear sense that the NHI debate had brought lots of focus to this question. One of the respondents viewed it as a good thing: *"I mean that is the one good thing I can see coming out of NHI is these open discussions of how a health system should be and what is required from all players."* This was taken one step further by another respondent, emphasising the need for greater involvement from the private sector: *"We must come up with solutions, we haven't in the past. So we are going to have to help the government come up with solutions."*

The respondents saw the private sector role in two high level categories, namely management and service delivery; and training of critical skills. These roles identified were largely aligned to the challenges raised by the various executives.

In terms of management, the respondents viewed the private sector playing a significant role in management and service delivery, as expressed in the following statements.

"So, you could certainly allow private companies to play a kind of fundamental role in the management of public facilities and it might address all of those kinds of issues, but I would argue on a similar vein that you need a whole new cadre of managers with clinical management information systems to promote team

work in both sectors, with a concentration on giving the patients access to the right kind of care at the right kind of time by the right kind of professionals, and denying access to people who don't need it – in both sectors."

"I think the state has to withdraw from the service side and let independent organisations do that."

"But to me it is the management – the management of resources, skilling up the skills shortage, and making sure that private sector can help in the running of these facilities. Ultimately, at the end of the day to get more people through these facilities. So, I think there is a huge amount that the private sector can contribute to this."

"On the delivery side there is no doubt in my mind that private hospital groups and doctors could both run public hospitals better than they are now, and they could run private hospitals much, much, much more efficiently, and they could expand the coverage and access by doing that."

"I think the private sector has a huge amount in terms of resources, expertise, financial, that can fill massive voids that currently exist in the public sector, transfer knowledge, and I think that there is no reason to re-invent a lot of what has been learnt in the private sector; it can be transferred to the public and that must be good for both."

When talking about the critical shortage of skills in the health sector, the respondents believed that the private sector should play a bigger role in this, in addition to the activities that currently took place in the sector. "*If we do nothing else, let's train nurses, pharmacists, therapists and doctors – that is the most important.*"

This was echoed by a number of executives, stating: *"I envisage a time when we sit down in the private sector, and certainly in health, and say, 'Okay, how many doctors do we need in the next 30 years? How many nurses do we need in the next 30 years? How many case managers do we need?"*

"Medical training I think is important, provision of primary health care facilities, primary healthcare delivery is important, and partnering government where possible in terms of healthcare delivery."

"So, if we did nothing else for the next five or ten years but fix the number of resources, I think that would be a good effort."

The respondents all believed that the private sector should be responsible for service delivery at a high level, and that there was a huge role to play in training people in the much needed skills in the health care sector.

Conclusion

The results discussed cover the key findings and themes extracted from the interviews held with the private health care executives. The following chapter covers the analysis of these findings.

Chapter 6 – Discussion of Results

Introduction

The results reported in the previous chapter have answered the questions in the research and provided insight into the role of the private sector, given the increasing importance of CSR and the national health care objectives.

The discussion of results follows the same structure utilised in Chapter 5, with each section corresponding directly to the data presented in the preceding chapter, integrating the theory and findings. This chapter seeks to synthesis and align the findings gathered from executives in the health care sector with the literature reviewed in Chapter 2, focussing on answering the research questions proposed in Chapter 3 and the results presented in Chapter 5.

Research question 1:

Is the private sector role in delivering health care in South Africa sufficiently based on the social context and changing CSR relationship between business and society?

Whilst the debates in the literature are anchored between the two opposing philosophies of economics and moral philosophy (Godfrey and Hatch, 2007), it was very clear from all the respondents interviewed that no one held the view

that corporates in South Africa should only be about shareholders' interests, certainly not as the only consideration. All respondents were in total agreement that business had a valid place in society and needed to contribute to its development.

CSR: definition and focus

Hamann's (2006) view that CSR is a very slippery concept to approach from a research perspective certainly rang true when discussing the concept of CSR with the various respondents, with many of them speaking to the undefined nature of CSR within the sector. Within the private health sector there is no certainty around how CSR is defined, which is corroborated by Dahlsrud's (2006) assertion that the corporate world still struggles with the uncertainty around the definitional clarity of CSR. One of the respondents put it very succinctly: *"It is a difficult one because, in the current environment, the CSR is very much undefined."*

While the majority of respondents spoke to the undefined nature of CSR, there were some that believed that CSR was not necessarily that unclear and in need of a precise definition, stating that businesses understood what CSR meant. *"I don't think it is that unclear; I think people understand CSR is what you do for the community, without profit motive."* So, while many corporates seek to understand what exactly is required from a CSR perspective, ultimately it is about corporates' obligations that extend beyond their profit making activities

(Godfrey and Hatch, 2007). Whilst a comprehensive definition was lacking for the industry, this did not detract from tacit interpretation of CSR.

Only a couple of the respondents spoke about the difference between the concepts of CSI versus CSR, with the respondents favouring the CSI banner more, as attested by Fig (2005) and Babarinde (2009), stating that firms in South Africa prefer the label of CSI.

None of the respondents spoke to the different dimensions of CSR as defined by Carroll (1991) in Schwartz and Carroll (2003) in terms of ethical, legal, economic and philanthropic activities. Whilst the researcher did not probe for an understanding of these dimensions directly, there was almost an exclusive focus on the philanthropic activities of CSR by the executives. This might be due to the constrained interpretation of the respondents or the researcher's lack of sufficient probing. One of the respondents did, however, touch briefly on the differing dimensional aspects of CSR as it should pertain to corporates. *"Maybe that is an interesting point to dwell on, which is what a business actually does every day is far more important than CSR, so the extent to which a business demonstrates good citizenship in its daily conduct matters much more. Because CSR is always going to be margin, so if you have a business that severely exploits labour or terribly pollutes the environment or is severely anti-competitive and therefore harms consumers or sells dangerous products."*

The respondents were very clear though that all CSR activities in the sector should be focussed on the health care sector: *"We focus on the health care*

sector in all of our activities, which makes sense". Lantos (2002) holds the view that strategic CSR includes the philanthropic responsibilities that ensure that the firm benefits economically. By companies in the health sector focussing largely on issues linked to their core business, it enforces the thinking that, ultimately, business should gain from the philanthropic activities in their sector. *"I think most companies tend to focus on areas that are somehow aligned to the core business, so in healthcare I think that tends to be the case as well, so in private healthcare you find CSR focus is usually in the healthcare space."*

Whilst there is a definitional inadequacy of what CSR should entail in the private sector, there was a good sense amongst all the respondents that businesses have a responsibility beyond their profit motives, and that the private sector largely understood that CSR activities should be aligned to their core business focussing on health related issues.

Continuum: relationship between business and society

As mentioned earlier, none of the respondents indicated that businesses in South Africa should be concerned with their own self interest and only pursue profit maximisation. While the respondents did not take a very extreme view on the role of business, this could have been as a direct result of response bias (Zikmund, 2003), with the respondents giving the researcher a socially and morally acceptable answer.

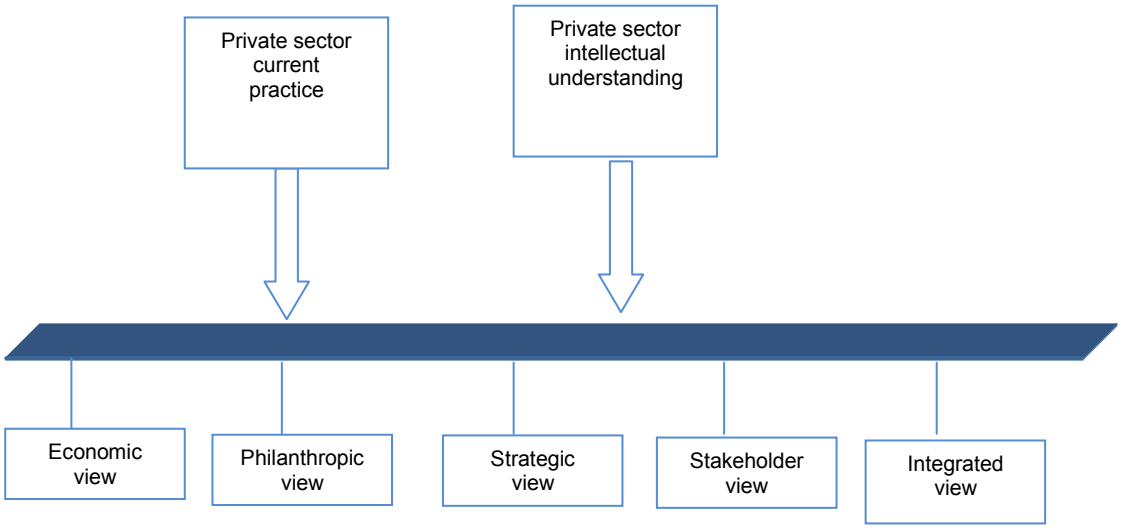
Nonetheless, the selfless, minimalist stance and profit maximising view (De Jongh, 2003; Godfrey and Hatch, 2007; Lantos, 2001; Wan-Jan, 2006) as indicated in Table 2.1, does not seem to exist in the private health care sector. As one of the respondents reiterated, *"I think good businesses have always had a strong sense that there is more than one community who has an interest in it, in other words, it is not just about shareholders, it is about employees and the community in which they operate in."*

What came out very clearly from the respondents was a strong sense that the philanthropic view was the dominant logic in the sector, and that most of the activities within the private sector were concentrated around giving, although most of the respondents believed that CSR should go beyond giving and be a more integrated part of business. As one of the respondents put it, *"CSR, I think, is still seen as a charity; this isn't a charity, this is a business fundamental to actually build society."*

This view is echoed by Macintosh *et.al* (1998) in De Jongh (2003), defining the continuum between business and society as beginning with a minimalist stance to discretionary spending (philanthropy) and finally arriving at a strategically integrated view of CSR into business. The private sector certainly has moved beyond the economic view of CSR, and currently discretionary spend is the default, but with an acute sense that, ultimately, CSR should be integrated into business to be truly effective.

The private sector's current practice and intellectual view of the relationship between business and society is illustrated in Figure 6.1. The figure indicates the current state of CSR in the private sector versus the intellectual view of the respondents as to where CSR within the private sector should be positioned, relating to the CC continuum, as defined in Table 2.1 in Chapter 2.

Figure 6.1: Continuum of CC within the private health sector



Corporate Citizen Continuum

Whilst companies in the private sector understand that business cannot simply act in its own self-interest, and that society has a fundamental stake in its thinking, the philanthropic view is still the current practice. The private sector, whilst intellectually tilted towards a strategic view of business, still finds itself stuck in the dominant practice.

The developing world and the changing business social context

There is no doubt that the developing world context and the specific South African history has a profound effect on the notion of CSR within South Africa. All respondents detailed a finely tuned understanding of this context and demonstrated an appreciation for the responsibility businesses had within the private sector: *"And so our history has created an imperative for every corporate in SA to be responsible about it."*

Hamann and Acutt's (2003) view that CSR must be seen to express a new relationship between public interest and private capital seems to ring true within the private sector, at least intellectually.

According to Newell (2008), society continually focuses it gaze on the question of the boundaries of social and moral responsibilities of private actors. This was expressed by a number of respondents: *"I think it is quite a good thing because we have to become more proactive in terms of how we rate what society wants and what the country wants."* Most respondents understood that society, especially in South Africa, expected more from corporates, and that business really could not prosper at the expense of society in general.

This intellectual understanding alone, however, has not resulted in the kind of activities that are possible by all players. Most respondents, through candid admission, clearly view the actions by the private sector as inadequate, despite the understanding that prevailed within the private sector, which was soberingly told by one of the respondents: *"They are making the right noises and they think*

they have done a lot, but if you talk to an ordinary South African they still say they don't see the changes yet."

Whilst the lack of follow-through on ideals may be as a direct result of an unattainable mandate, the respondents were clear that more could and should be done. Businesses have flourished during the last 15 years, aided by strong economic growth, whilst the CSR activities have not had the impact that they could have had. This was simply put by one of the respondents: *"I think business has not done enough in giving back to society over the period we have been in democracy."*

This lack of impact is clearly backed up by Hamann (2006), whose view is that, in South Africa, the implication is that CSR cannot only be about voluntary business initiatives, as is common in definitions emerging from developed countries. Executives understood this but the lack of real impact is rooted in a practice of predominantly voluntary actions.

The lack of impact really echoes the view from Newell (2008) that business should not wait for markets or states to change the social contract for them, and in the case of the private sector this is evident in the resurgence of the NHI debates around health care, threatening the very existence of private health care businesses in South Africa. All executives in the private sector interviewed understood the imperatives of the sector, yet there seems to be an almost gross under-achievement on the part of all players. So why has there not been sufficient action on the ground?

Bonini *et al.*'s (2006) view is that most successful companies see beyond competitive rivalries and collaborate to both meet social concerns and collectively find new ways to create value. This was portrayed as the single biggest constraint in the private sector, as many respondents spoke to the lack of a coordinated vision for the industry: *"I mean, it is just really that point that there is that need for bold vision. We have messed around for long enough and I think a lot of the stuff we discussed is do-able."* An industry that seems individually astute and conscious, but collectively seemly disempowered.

The private health sector seems devoid of any substantive coordinated action and most companies are simply carrying out their own CSR activities, to the detriment of a coordinated action in the health care sector.

Summary

Based on the views of executives in the industry, the private health care sector certainly sees the relationship between business and society as a vital aspect of understanding one's corporate responsibility. This, coupled with the specific context and disparaging past in South Africa, creates an environment where businesses have a much bigger role to play than their counterparts in developed nations.

Intellectually, most of the respondents understood the issues at hand, and understood the needs of society given the past and today's specific health care

challenges; but despite this, the dominant paradigm in the sector is still that of philanthropy. Business in the private sector has not done enough, by its own admission, given the societal needs and imperatives.

This seems to be largely as a result of a lack of coordination of activities, and individual players in the private sector each defining their own CSR initiatives at the expense of a more holistic approach.

Research question 2:

What role should the private sector play to contribute optimally in meeting the national health care objectives of equity and efficiency?

Health care equity in South Africa is not a health care problem per se, as eluded to by many respondents, but in fact an economic one. Health care though is seen as one of the fundamental social goods provided by a welfare state to attain a more equitable society.

Universal objectives of health care

Cutler's (2002) assertion that the universal goals of equity and efficiency are fundamentally conflicting goals, probably speaks less to the issue that these goals are largely not attainable in countries where there is a serious lack of economic resources, such as developing countries. South African's two-tier society does pose a unique challenge in that not only is equity very difficult to

attain, for those in the private sector is seems only attainable at a much lower denominator than currently experienced.

The respondents' views were very mixed on this issue, either dismissing the need for equity or viewing it with extreme scepticism. Whilst equity in the health care sector would speak to huge structural adjustments in the sector, attaining equity by moving to the lowest common denominator - as viewed by some respondents - will amount to Bloom and McIntyre's (1998) view that this would deny the affluent parts of our divided society the right to spend on health care.

Nonetheless, whilst respondent thoughts around the realistic expectation of equity is noted, the current ANC government responsible for the populist majority seeks to ensure all citizens have reasonable access to service both in the public and private setting.

South African health care challenges

When raising the question on what the challenges were in the South African health care sector, there were two overriding issues raised by respondents: the ailing government sector; and the severe shortages of skills across the health care spectrum.

According to the literature, Bloom and McIntyre's (1998) view is that structural inequalities were inherited from the apartheid government, as it mostly acted in the interest of the minority. There was some potential bias in the response of

the private sector executives on the issue of public sector failure, as government's direct attack on the private is less effective in the face of an overt failing public sector. There is consensus in the public domain to corroborate this pertinent issue of public failure, corroborated by Preker and Harding's (2000) view that while market failure provides reasons for greater public involvement, at the same time it gives rise to increased government failure.

So, whilst the government inherited structural inequalities brought on by the apartheid era, there was consensus amongst the respondents that the public sector has deteriorated over the last 15 years since democracy. The result being that the deteriorating and dysfunctional public sector exerts more pressure on an already segregated sector, further promoting the gulf between the public and private sector provisions.

The skills shortage on the other hand creates enormous constraints for the public and private sector alike, as raised by the respondents. Not dissimilar to the skills shortage that plagues the economy of South Africa at large, the health care sector has not improved at all. Many of the respondents viewed this as the biggest threat to the industry, and that issues of funding and infrastructure were really secondary to this.

As one of the respondents put it, *"So, I would say those I think would be the priorities. If I had to literally name one I would say it is health worker gaps, skills. It is not infrastructure, it is not equipment, it is management and health professionals."*

Failing service delivery from the public sector and the critical shortage of skills ranked as the most pertinent issues amongst the executives interviewed. These issues were then closely linked to the respondents' view of what role the private sector could play within the health sector to aid in the attaining of the national objectives.

Private sector role

The private sector's role in the health agenda really came through from respondents in two broad areas, corresponding largely to their views of the challenges that face the health care sector. The current NHI debate seems to most respondents to really focus the discussions in the health sector, and most surprisingly saw it in a good light. This is corroborated by Ncayiyana's (2008) view that the NHI presents itself as an ideal mechanism for achieving equitable access, as it promotes redistribution and sharing of health services between the private and public sectors.

The respondents felt strongly that the private has a major role to play in management and running of services (provisioning of services), as most of the managerial and technical expertise resides in the private sector, as well as there being a correctly incentivised environment for this delivery in the private sector. The respondents' views were that there was no need to reinvent the wheel on these issues as the private sector had a proven track record in delivery.

In terms of the skills shortage, the respondents believed that the private sector has a huge role to play in aiding in the training of the much required skills shortages that exist in the country. Most respondents believed that if there was only one task to choose, then the training of much needed skills would be the most important.

Whilst many of the corporates in the private sector were training health professional either directly or through their foundations, the real issue still comes back to the need to collaborate and tackle skills head on as a collective.

One of the respondent's views were very clear on this, *"So, if we did nothing else for the next five or ten years but fix the number of resources, I think that would be a good effort that."*

Summary

There were two overriding issues raised by the respondents in terms of the challenges facing the South African health care sector: a failing and ailing public sector; and a severe shortage of skills at all levels within the health sector.

The private sector has two very important identifiable roles to play in this conundrum. Firstly, it has experience in running effective services, boosting management and technical know-how; and secondly, there is a huge role to play for the public and private players in the training and educating of the much

need skills at all levels. The skills shortage is an accepted constraint in the environment, yet there is very little coordinated effort on this issue of obvious national importance.

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Chapter 7 – Conclusion

Introduction

In this chapter, the main findings of the research are highlighted, closing the loop in terms of questions asked in Chapter 3. In addition, this chapter concludes with recommendations and direction for future research.

Summary of Findings

The research found that generally executives in the private sector were acutely aware of the social context and huge challenges that face the South African health care sector. The respondents viewed the role of business as moving beyond the narrow economic view of profit maximisation, and having an important role in the development of society.

However, the research also showed that this sense of understanding did not translate into the private health care sector's efforts always resulting in substantive gains for society. Whilst intellectually there is an acute understanding around the issue of business and society, in reality the private sector is still wedded to the actions of CSR founded in the practices of voluntary activities, whilst the acknowledgement of moving beyond the realms of philanthropy has not materialised.

The research revealed that most respondents' acknowledged that more should and could be done, and despite the intellectual understanding alluded to by the respondents in terms of businesses having a much more profound and developed impact on society, this did not translate into any meaningful collective actions.

The research further found that the major obstacle in galvanising the efforts from the private sector seem to be a huge lack of teamwork and coordination across businesses in the sector, resulting in individual sub-optimal initiatives that ultimately do not effect systemic change in the environment. Businesses in the sector are individually defining their own CSR initiatives with little regard for what other corporate activities exist.

In terms of the South African health care sector, the research also showed that the major challenges as viewed by private sector executives were the ailing public sector and its lack of delivery; and the massive skills shortage that exists in the health sector.

The resurgence of the NHI debate bears testament to a government that has a mandate from the masses, having to deal with an ailing public sector serving the majority, and a prosperous, inefficient private sector continuing to serve a tax-paying minority.

Finally, the research concluded with the view from the respondents that the private sector should be playing a substantive role in delivery health care in

South Africa, insisting that government should leave the delivery of service provision to the private sector, which has a proven track record of delivery.

In addition, the private sector should and must play a driving role in aiding the alleviation of the much needed skills within the sector. The skills shortage is seen as one of the most important constraints in the environment and, whilst there are currently many individual initiatives on this front, there is a need for a more substantive tackling of this issue.

For this to materialise, a more holistic coordinated effort is required from all players in the sector, putting the interest of the health sector ahead of individual sub-optimal objectives.

Recommendations

This research aimed to explore the role of the private health care sector in light of the growing importance of CSR against the backdrop of the NHI debate. Therefore, both the private sector and national government stand to gain from this research.

Private Sector

It is recommended that the private sector read the research report and take cognisance of the following:

- Whilst there is wide acknowledgement amongst the respondents of the role business can play, the general lack of coordinated efforts in the industry does not bode well.
- The private sector should seek ways to collaborate and ensure that the sector in general tackles the significant social issues more comprehensively.

National government

The research is important for national government in terms of understanding the role the private sector can play, and the willingness to engage on issues of national importance. To this end, the government should be mindful of the following:

- Whilst the private sector's actions are currently not yielding the desired results in term of CSR, there is a sense of inertia that the government can nudge in a constructive way.
- The private sector's ability in management and service delivery are well documented and, given the correct structures, government should harness this for the benefit of the country.

Future Research

Based on the findings in this research study, future research that would be of huge benefit to the private sector should focus on understanding what

mechanisms need to be put in place to enhance the coordination of CSR activities so that there is a bigger structural impact, and that the private sector can be an agent of change for the greater societal benefit. Some respondents alluded to the work done under the Health Charter, and understanding the constraints to the adoption to this charter would shed light on the debate as how to get a coordination process started in the private sector.

Skills shortage is a huge problem in the health care sector, as it is for the economy in general, yet little tangible effort is being coordinated to address this issue constructively. Research aimed at understanding the constraints in achieving the level of skills that is required for this sector, as well as how both the public and private sector can play a meaningful role in its achievement, is sorely needed.

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Appendix 1 – Interview guide

RQ 1: Is the private sector role in delivering health care in South Africa, sufficiently based on the social context and changing CSR relationship between business and society?

Literature area - CSR

1. *CSR – definition and focus*
2. *Continuum – range of relationship between business and society*
3. *Developing world and changing business/social context*

Q1: What are your perceptions of CSR in South Africa?

Probe 1) How is CSR defined / interpreted in the private health sector?

Probe 2) What CSR activities are of importance in the sector?

Probe 3) What impact does South Africa history and developing world context have on the practices of CSR, if any?

Q2: What are your perceptions of the relationship between business and society in general?

Probe 4) Is the relationship between business and society adequately defined?

Probe 5) *Does the social context of a company affect this relationship?*

Probe 6) Is the business and societal relationship static as experience by the private sector? How is this unfolding now?

Probe 7) What does this mean for the private sector currently?

RQ2: What role should the private sector play to contribute optimally in meeting the national health care objectives of equity and efficiency?

Literature area - Health Care

4. *Universal objectives of health care*
5. *South Africa - health care challenge*
6. *Private sector role*

Q3: What are your perceptions of the challengers facing the SA health care sector?

Probe 8) Are the universal objectives of health, equity and efficiency, attainable?

Probe 9) What challenges does the private sector face?

Q4: What role should the private sector play, given the national health care objectives?

Probe 10) Is CSR a mechanism for this?

Appendix 2 – Interview Participants

Name of Respondent	Designation	Company
Dr. Brian Ruff	Head: Clinical Risk Management	Discovery Health
Emile Stipp	Chief Actuary	Discovery Health
Neville Koopowitz	Chief Executive Officer	Discovery Health
Peter Scott	GM: Human Resources	Life Healthcare
Dr. Jonathan Broomberg	Deputy Chief Executive Officer	Discovery Health
Johan van Rooyen	Chief Operating Officer	Discovery Health
Dr. Ryan Noach	Former Chief Operating Officer	Netcare Holdings
Hylton Kallner	Chief Marketing Officer	Discovery Health
Adam Pile	GM: Marketing and Contracting	Life Healthcare
Dr. Victor Litlhakanyane	Executive Director	Netcare Holdings