The Interplay of Profitability and Social Responsibility in Achieving Institutional Excellence: An Exploratory Study in Government and Private Hospitals in Jeddah, Kingdom of Saudi Arabia

By Waleed Ahmed Dirbas & Heba Mohammed Al Haddad

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The study reveals that while financial viability remains a crucial aspect for the sustenance and growth of hospitals, social responsibility has emerged as a key determinant in building trust and establishing long-term credibility within the community.

Index Terms: healthcare management, social responsibility, financial viability, patient satisfaction, institutional excellence.

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The study reveals that while financial viability remains a crucial aspect for the sustenance and growth of hospitals, social responsibility has emerged as a key determinant in building trust and establishing long-term credibility within the community. Through a review of existing literature, combined with in-depth interviews and surveys with healthcare professionals, administrators, and patients, this research underscores the delicate balance required for hospitals to navigate the complex terrain of societal expectations while maintaining financial stability.

Furthermore, this study examines the strategies and mechanisms adopted by hospitals to harmonize profitability and social responsibility, shedding light on the pivotal role of effective governance, ethical practices, and community engagement in fostering institutional excellence. The findings underscore the significance of a holistic approach that integrates financial prudence with community-centric initiatives, thereby contributing to the overall well-being of society.

The implications of this research extend to policy formulation, strategic planning, and operational decision-making in the healthcare sector, emphasizing the need for a nuanced understanding of the interdependencies between financial performance and social obligations. By highlighting the nuanced dynamics at play, this study provides a comprehensive framework for stakeholders and policymakers to cultivate sustainable healthcare systems that prioritize both financial viability and societal welfare, ultimately fostering institutional excellence in hospitals across the Kingdom of Saudi Arabia.

Index Terms: healthcare management, social responsibility, financial viability, patient satisfaction, institutional excellence.

Introduction

The healthcare industry is always changing, so finding ways to make money has been seen as a key part of institutional success for a long time. Unfortunately, in today’s complex society, success means more than just making a lot of money. It also means that institutions are taking their ethical, moral, and social duties more seriously (Beil-Hildebrand, 2002; Kitsios et al., 2023).

This shift in thinking has become very important in the Kingdom of Saudi Arabia, where it has changed the way people talk about the roles of healthcare institutions in improving the health of the communities they serve (Rajeshkumar et al., 2023; Zaman et al., 2023).

This research looks into the complicated relationship between making money and doing the right thing by society. It aims to find the significant factors that support institutional excellence in both public and private hospitals across the Kingdom.

Taking into account that healthcare in Saudi Arabia is always changing, our study takes a close look at the methods hospitals use to keep their finances stable while also being deeply committed to helping people and doing the right thing. This study focuses on the deliberate balance hospitals need to find in order to meet the needs of a society that is changing quickly. It aims to find out how important good governance, community involvement, and ethical behaviour are in building institutional credibility and long-term trust.

Our study aims to give a full picture of the complicated relationship between social responsibility and financial sustainability in Saudi Arabian healthcare institutions by using a wide range of qualitative and quantitative data, such as feedback from healthcare professionals, administrators, and patients themselves.

One of the main goals of this study is to find the most important factors that lead to trust, credibility, and community involvement in Saudi Arabia’s healthcare system. By looking closely at the part that ethical practices, good governance structures, and community-centered initiatives play, the study aims to find the most important things that affect how people in Saudi Arabia...
think about hospitals and how well they do in the long
run (Pallathadka et al., 2023).

Using what was learned from the analysis, this
study aims to come up with a complete framework that
balances social welfare with sound financial
management in the way healthcare institutions work.
The study's main goal is to help stakeholders,
policymakers, and healthcare professionals build long-
lasting healthcare systems that put both financial
success and the well-being of society first. This will lead
to higher standards of institutional excellence across the
Kingdom of Saudi Arabia.

By pursuing these goals, the study hopes to
add to the larger conversation about how healthcare
management is changing, highlighting the urgent need
for a balanced approach that not only ensures financial
success but also upholds the ethical and social duties
of healthcare institutions in Saudi Arabia.

The Kingdom of Saudi Arabia’s healthcare
system has changed a lot over the past few years. There
have been big investments, improvements to infrastructure, and a greater focus on giving its citizens access to all kinds of healthcare services (Mororó et al., 2020).

The government has been very dedicated to
improving healthcare infrastructure over the past few
decades. As a result, there are now more hospitals, clinics, and specialized healthcare facilities across the
country (Gerard, 2021). At the same time, societal expectations have changed significantly, with a greater
focus on ethical awareness, community involvement, and social responsibility in the healthcare field (da Costa
et al., 2022).

People in modern-day Saudi Arabia are more
aware of the moral obligations and social duties
of healthcare institutions. As a result, they expect hospitals and healthcare providers to take a more community-centered and holistic approach (De Foo et al., 2021).

From the other hand, the healthcare industry
around the world has gone through a paradigm shift, with more people realizing how closely connected social responsibility and financial sustainability are (Lieneck et al., 2021). International best practices have shown how important ethical leadership, community involvement, and long-term healthcare models are for improving institutions and making sure everyone is happy in the long run.

This worldwide trend emphasizes how crucial it
is for Saudi Arabia's healthcare system to strike a
balance between social obligations and financial
considerations in order to deliver medical services that
adhere to international standards (Welch, 2022).

Previous research in the field of healthcare
management has provided valuable insights into the
mutual influences between financial success and social
responsibility, both domestically and globally. Nonetheless, there is a significant absence of
investigation the challenges face the public and private hospitals in achieving such equilibrium.

In addition, there is shortage regarding
exploring strategies Saudi Arabian healthcare
institutions employ to maintain balancing between
generating revenue and providing high quality
healthcare services (Khuntia et al., 2017).

This discrepancy indicates that further research
is needed to fully understand the complex interaction
and challenges that exists in Saudi Arabian healthcare
between generating profits and upholding social
responsibility (Wu et al., 2022). The way healthcare is
managed in Saudi Arabia is changing, so the country
needs strong rules that take into account how important
social responsibility is becoming along with financial
stability.

This study looks into the history of healthcare
management in order to help come up with policies and
programs that are based on facts and help create long-
lasting, socially responsible healthcare systems. This will
improve the quality of care in the Kingdom and make
society healthier (Veennhuizen et al., 2021).

II. Study Problem

The healthcare industry in the Kingdom of Saudi
Arabia has grown and changed a lot, driven by a strong
desire to stay profitable. However, there is an urgent
need to investigate the balance between being
profitable and maintaining socially responsible(Pereira et
al., 2023).

Although it is clear that making money is
important, recent changes in society have made it even
more important for healthcare institutions to do more
than just meet their financial goals. They also need to do
things that are good for society and are morally
responsible(Huang & Yuan, 2024).

The most important problem right now is the
conflict between hospitals' need to make money and
people's growing expectations of ethical, caring, and
community-focused healthcare services. Finding the
right balance between these often-opposing priorities is
very hard for healthcare institutions. They need to rethink
their operational frameworks in order to include both
financial stability and societal welfare(Kim et al., 2023).

Because people's expectations are always
changing, we need to learn more about how important
trust and credibility are to the survival and success of
healthcare institutions. As Saudi Arabian society
continues to show signs of greater social and moral
awareness, the study’s main goal is to find the things
that help or hurt the growth of long-term trust and
credibility in the community, which will ultimately have an
effect on the quality of healthcare providers(Pushpa

At the heart of the study problem is the problem
of balancing the needs of different groups, such as the
community, private investors, government agencies, and healthcare professionals. Understanding how ethical practices, good governance, and meaningful community involvement can be seamlessly integrated into the way hospitals work is essential for coming up with a long-lasting and effective plan to achieve institutional excellence (Bogiatzidis & Pervou, 2023).

In light of these important issues, the purpose of this study is to delve deeply into the tricky issues of balancing fiscal responsibility with social duties, in order to come up with strategic insights and suggestions that will help the Kingdom of Saudi Arabia create a healthcare system that not only does well financially but also meets its moral and social goals.

III. Hypothesis Development

a) First Axis: Social Responsibility

In contemporary healthcare settings, the concept of social responsibility has garnered significant attention due to its implications for community engagement and support for healthcare institutions. Hypothesis 1 posits that the practices of social responsibility within a hospital directly influence the community’s perception and endorsement of the healthcare facility. This suggests that hospitals that actively engage in community-based initiatives, such as health education programs or outreach services, are more likely to be positively regarded and supported by the local populace.

Furthermore, Hypothesis 2 suggests that investing in strategies that prioritize the well-being and satisfaction of employees can yield tangible benefits for the hospital. A higher level of employee satisfaction often translates to increased productivity and, consequently, improved overall performance. By fostering a supportive and conducive work environment, hospitals can potentially enhance employee morale, reduce turnover rates, and ultimately deliver better healthcare services to their communities.

Building on these notions, Hypothesis 3 suggests a positive correlation between the implementation of responsible practices towards customers and the overall excellence of the healthcare institution. Hospitals that prioritize customer-centric initiatives, such as personalized care plans or efficient complaint resolution mechanisms, are likely to cultivate stronger patient loyalty and satisfaction, ultimately contributing to the institution’s long-term success and growth.

b) Second Axis: Institutional Excellence

In the pursuit of excellence, hospitals often focus on both administrative efficiency and service quality. Hypothesis 1 emphasizes the importance of continuous improvement in administrative performance as a key driver for institutional excellence within the healthcare sector. Implementing streamlined administrative processes, optimizing resource allocation, and fostering effective communication channels within the organization can result in improved operational efficiency, reduced costs, and enhanced overall performance. Concurrently, Hypothesis 2 emphasizes the significance of delivering high-quality healthcare services to patients. The provision of superior medical care, along with an emphasis on patient safety and satisfaction, can contribute significantly to the hospital’s reputation for service excellence. Establishing robust quality assessment frameworks and continually monitoring patient feedback and outcomes can aid hospitals in maintaining and further enhancing their service standards, thus solidifying their position as a trusted healthcare provider in the community.

Lastly, Hypothesis 3 underscores the pivotal role of visionary leadership and effective management practices in driving institutional excellence within healthcare organizations. Hospitals led by proactive and strategic leaders who prioritize innovation, staff development, and adaptive decision-making are better positioned to navigate the complexities of the healthcare landscape and maintain a competitive edge in the industry. Effective leadership fosters a culture of continuous learning and improvement, enabling hospitals to adapt to evolving healthcare trends and deliver sustainable value to their stakeholders.

IV. Design and Study Population

The present study aimed to assess The Interplay of Social Responsibility in Achieving Institutional Excellence. This study was approved by the research hospitals and reviewed by the research Ethics. The study was applied to workers in government and private hospitals in Jeddah, Kingdom of Saudi Arabia. The city of Jeddah, the bride of the Red Sea, and the largest city overlooking it, is distinguished by its geographical location as it is the gateway to the holiest places in the world. It is the first stop at which pilgrims arriving from all over the world land on their way to Mecca.

Its distinguished strategic location on the Red Sea coast has given it great importance for the Kingdom’s international trade movement with foreign markets. Jeddah is considered a major commercial center characterized by constant activity, as it has developed greatly in all commercial and service fields, and has witnessed a major industrial renaissance, which has made it one of the most attractive cities in the world for business, and has become an important center for finance and business.

The city of Jeddah, the second largest city in the Kingdom of Saudi Arabia, contains 57 private hospitals and 17 government hospitals. The study population includes all government and private hospitals in the city of Jeddah affiliated with the Ministry of Health,
which have a capacity of more than 200 beds. They are five government hospitals and six private hospitals. These hospitals are as follows:

**First: Private Hospitals**
1. Bagedo Hospital and Dr. Irfan.
2. Dr. Soliman Fakeeh Hospital.
3. International Medical Center.
4. The Saudi-German Hospital.
5. Ghassan Naguib Pharaoh Hospital.
6. Andalusia Hospital.

**Second: Government Hospitals**
1. King Abdullah Medical Complex.
2. Maternity and Children’s Specialized Hospital.
3. King Fahad General Hospital.
4. King Abdulaziz Hospital.
5. East Jeddah Hospital.

V. The Study Sample

Based on the study population, this study will use a multiple random sample, as according to the data of the Ministry of Health, the number of workers in private and government health agencies in the city of Jeddah is 3,512 doctors, and as for nursing, it is 26,601 nurses, in addition to about 10,000 employees for administrative assistance services and miscellaneous. Therefore, the total number of employees or individuals is about 20 thousand, and accordingly the sample size will be obtained through the Herbert Arkan equation.

\[ n = \frac{(1 - p)}{(E^2 + z^2) + [p(1 - p) + N]} \]

Therefore, the sample equals 178 individuals.

The units will be enlarged to reach 200 items in order to increase the level of confidence in the data collected, especially since the 200 items will be divided into several specializations as follows based on the importance of each category:

There are 100 questionnaire for private hospitals, and they are divided as follows:
- 15 Medical Administration
- 15 Nursing Administration
- 15 Maintenance Administration
- 20 Quality and excellence Administration
- 15 Support Services Administration

Government hospitals are 100 questionnaire and are divided just like private hospitals.

VI. Measurement

Data was obtained by administering a structured questionnaire consisting of two main parts. The first part consists of the demographic data of the study and the second part consists of two main axes. The first axis is social responsibility and includes 15 paragraphs under which three main dimensions fall. The second axis is Institutional excellence and includes 10 paragraphs under which two main dimensions fall.

To answer these items, a five-point Likert scale was used, where the answer “1” expresses the degree of agreement (strongly disagree), the answer “2” (disagree), the answer “3” (neutral), the answer “4” (agree), and the answer “5” (strongly agree).

VII. Data Analysis

After the scanning process, questionnaires which are eligible to be included in the analysis, were computerized. A statistical program was used for data analysis. Exploratory factor analysis (Principal Axes Factoring) was applied in the study to measure construct validity. The reliability (Cronbach's alpha) of the data.

Finally, stepwise regression analysis was conducted to determine the effects of independent variables on the dependent variable. Statistically, p value which was equal or less than 0.05 was accepted to be significant.

VIII. Analysis

Respondents’ demographic characteristics are stated in Table (1) where 200 respondents have participated in the research.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>84</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>116</td>
<td>58</td>
</tr>
<tr>
<td>Experience</td>
<td>From 1 to 5 years</td>
<td>39</td>
<td>19.5</td>
</tr>
<tr>
<td></td>
<td>From 6 to 10 years</td>
<td>52</td>
<td>26.0</td>
</tr>
<tr>
<td></td>
<td>From 11 to 15 years</td>
<td>65</td>
<td>32.5</td>
</tr>
<tr>
<td></td>
<td>More than 15 years</td>
<td>44</td>
<td>22.0</td>
</tr>
<tr>
<td>Educational level</td>
<td>Diploma</td>
<td>32</td>
<td>16.0</td>
</tr>
<tr>
<td></td>
<td>bachelor’s degree</td>
<td>114</td>
<td>57.0</td>
</tr>
<tr>
<td></td>
<td>Master/PhD</td>
<td>54</td>
<td>27.0</td>
</tr>
<tr>
<td>Workplace</td>
<td>Government hospital</td>
<td>100</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td>Private hospital</td>
<td>100</td>
<td>50.0</td>
</tr>
</tbody>
</table>
According to the frequency distribution, 58% of the respondents were females and 42% were males.

From the table we conclude that 32.5% of the respondents have from 11 to 15 years of experience, 26% of the respondents have from 6 to 10 years of experience.

We conclude that 57% of the respondents with bachelor’s degree, 27% of the respondents with Master/PhD degree.

And we also conclude that 50% of the respondents working in private hospital, and 50% of the respondents working in government hospital.

In order to identify the number of dimensions in exploratory factor analysis, Horn’s parallel analysis and Velicer’s minimum average partial test were carried out on the social responsibility and Institutional excellence data sets. The results of the tests showed that for the social responsibility three-factor solution and for Institutional excellence two-factor solution should be accepted for extractions.

First results of Principal Axis Factoring showed that factor correlations were higher than 0.58 and lower than 0.84.

For the social responsibility data set, Kaiser-Meyer-Olkin illustration value realized as 0.843 more than 0.5 which means that the sample size is sufficient to conduct factor analysis, the value of (Bartlett's Test of Sphericity) was a statistically significant value at a significance level equal to (0.00) less than (0.05).

The social responsibility data set is formed under three factors and explained 74.18% of the common variance. These factors are named as Responsibility to society; Responsibility to employees; Responsibility to customers.

For the Institutional excellence data set, Kaiser-Meyer-Olkin illustration value realized as 0.807 more than 0.5 which means that the sample size is sufficient to conduct factor analysis, the value of (Bartlett's Test of Sphericity) was a statistically significant value at a significance level equal to (0.00) less than (0.05).

The Institutional excellence data set is formed under two factors and explained 70.13% of the common variance. These factors are named as Administrative excellence, Service excellence.

The communalities were all above 0.49 and over the recommended value of 0.30.

Table 2: Factor Analysis Results for the Social Responsibility

<table>
<thead>
<tr>
<th>The Social Responsibility</th>
<th>Factor Loading</th>
<th>Eigen value</th>
<th>Variance Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to Society</td>
<td></td>
<td>16.04</td>
<td>39.16</td>
</tr>
<tr>
<td>The hospital administration is working to implement a social responsibility plan that includes activities and tasks related to multiple axes, such as preserving the environment and raising awareness through a series of awareness programs, education and scientific research.</td>
<td>.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital provides medical aid through a systematic series of charitable medical campaigns, through which the hospital administration is keen to direct the latest medical technologies and services to benefit segments of society at various levels.</td>
<td>.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital contributes to providing job opportunities for qualified people and providing suitable job opportunities for people with special needs</td>
<td>.73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The hospital continuously evaluates its societal role, as the administration is committed to submitting reports that include the social responsibility projects that have been implemented.

The hospital's mission and goals are consistent with societal goals and values.

<table>
<thead>
<tr>
<th>Responsibility to Employees</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hospital provides the appropriate environmental climate for workers while working</td>
<td>.77</td>
</tr>
<tr>
<td>The hospital provides training and rehabilitation programs for all employees in all specialties</td>
<td>.81</td>
</tr>
<tr>
<td>The hospital stimulates and encourages the creative abilities of employees</td>
<td>.79</td>
</tr>
<tr>
<td>The hospital applies the principle of justice and equality in evaluating employees</td>
<td>.68</td>
</tr>
<tr>
<td>The hospital involves employees in the decision-making process</td>
<td>.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Responsibility to Customers</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hospital provides all the medical services that patients need</td>
<td>.83</td>
</tr>
<tr>
<td>The hospital responds to complaints submitted by customers urgently</td>
<td>.78</td>
</tr>
<tr>
<td>The hospital administration is committed to establishing systems that maintain the confidentiality of customer data</td>
<td>.75</td>
</tr>
<tr>
<td>The hospital has all the specialties necessary to treat patients</td>
<td>.69</td>
</tr>
<tr>
<td>The hospital has all the X-ray and medical analysis equipment</td>
<td>.70</td>
</tr>
</tbody>
</table>

Table 3: Factor Analysis Results for the Institutional Excellence

<table>
<thead>
<tr>
<th>Institutional Excellence</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Excellence</td>
<td>8.24</td>
</tr>
<tr>
<td>The hospital follows decentralized systems free of bureaucratic barriers in performing work</td>
<td>.86</td>
</tr>
<tr>
<td>The hospital works to develop the mission, institutional values, and future planning processes according to societal needs</td>
<td>.794</td>
</tr>
<tr>
<td>The hospital is keen to establish a culture of excellence through motivation systems directed at encouraging distinguished people</td>
<td>.881</td>
</tr>
</tbody>
</table>

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The hospital applies all contemporary scientific, technical and administrative practices to achieve excellence .705

The hospital applies contemporary scientific and technical administrative practices to benefit from them in developing work methods .796

<table>
<thead>
<tr>
<th>Service Excellence</th>
<th>9.13</th>
<th>31.27</th>
</tr>
</thead>
<tbody>
<tr>
<td>The hospital seeks to provide new and innovative services .882</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital conducts periodic surveys to examine complaints and suggestions related to the services provided to patients .701</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital is committed to periodic monitoring of its services provided to improve the mechanisms of service delivery to patients .698</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital’s service delivery procedures are fast and convenient .772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The hospital is distinguished by its medical services that exceed patients' expectations .783</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For internal consistency, reliability tests were conducted on data. The general Cronbach’s alpha is found 0.83 for social responsibility, and 0.866 for Institutional excellence data sets, for reliability analysis, over the 0.70 recommended.

Results of reliability analysis for social responsibility and Institutional excellence variables were also shown in Table 4. In order to analyze the relationship between dimensions of social responsibility and Institutional excellence, correlation coefficient values were calculated.

Descriptive statistics and correlation matrix of continuous variables were presented in Table 4. There is a positive relationship between the dimensions. All correlations were moderately strong to strong, ranging between r = 0.45, and r = 0.89, p < 0.001. The Cronbach’s alpha coefficient was also calculated for each dimension in order to test the internal consistency reliability. According to reliability analysis, Cronbach’s alpha values of dimensions, means and standard deviations are shown in Table 4.

Table 4: Correlation Matrix among the Factors of social responsibility and Institutional excellence

<table>
<thead>
<tr>
<th>Dimension</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to society</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility to employees</td>
<td>0.881 a</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility to customers</td>
<td>0.843 a</td>
<td>0.880</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative excellence</td>
<td>0.798 a</td>
<td>0.809 a</td>
<td>0.822 a</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Service excellence</td>
<td>0.889 a</td>
<td>0.863 a</td>
<td>0.872 a</td>
<td>0.863 a</td>
<td>1</td>
</tr>
<tr>
<td>Mean</td>
<td>4.06</td>
<td>4.12</td>
<td>3.92</td>
<td>4.21</td>
<td>4.15</td>
</tr>
<tr>
<td>S.D.</td>
<td>0.664</td>
<td>0.643</td>
<td>0.702</td>
<td>0.58</td>
<td>0.611</td>
</tr>
<tr>
<td>Cronbach’s Alpha</td>
<td>0.842</td>
<td>0.893</td>
<td>0.902</td>
<td>0.885</td>
<td>0.832</td>
</tr>
</tbody>
</table>

Preliminary analyses were conducted for the assumptions of normality, linearity, and homoscedasticity. Examination of case wise diagnostics with Cook’s distance (Administrative excellence, Min = 0.00; Max = 0.88; Service excellence, Min = 0.00, Max = 0.17) suggested there were no cases exerting undue influence on the models.

The Durbin-Watson statistic was computed to evaluate independence of errors and was 1.89 for administrative excellence and 1.82 for Service excellence, which is considered as acceptable (Cohen et al. 2003).

Tolerance was greater than 0.10 (Administrative excellence, Min = 0.32; Service excellence, Min = 0.40), and the variance inflation factor was less than 10 (Administrative excellence, Max = 3.41; Service excellence, Max = 3.27).
Regression analysis is applied to determine the importance of independent variables on dependent variables. It is found out that R square values in both regression analyses are at a sufficient level for the research made in social sciences. The first regression analysis aims to determine the relative importance of social responsibility dimensions on the “Administrative excellence”. Using the Enter method, it was found that the overall model explains 0.71 of the variation in social responsibility (F = 219.88, p<0.05 with R = 0.84, adjusted R2 = 0.71).

Responsibility to society, Responsibility to employees, Responsibility to customers were statistically significant and positively related to administrative excellence.

The Beta coefficients are presented in Table 5. According to the results of multiple regression.

### Table 5: Regression Analysis of the social responsibility Dimensions Affecting to Administrative excellence

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to society</td>
<td>0.51</td>
<td>[0.43, 0.57]</td>
</tr>
<tr>
<td>Responsibility to employees</td>
<td>0.37</td>
<td>[0.31, 0.48]</td>
</tr>
<tr>
<td>Responsibility to customers</td>
<td>0.21</td>
<td>[0.19, 0.39]</td>
</tr>
</tbody>
</table>

R2 = 0.71
F = 219.88

The second regression analysis aims to determine the relative importance of social responsibility dimensions on the “Service excellence”. Using the Enter method, it was found that the overall model explains 0.668 of the variation in social responsibility (F = 231.06, p<0.05 with R = 0.788, adjusted R2 = 0.642).

Responsibility to society, Responsibility to employees, Responsibility to customers were statistically significant and positively related to Service excellence.

The Beta coefficients are presented in Table 6. According to the results of multiple regression.

### Table 6: Regression Analysis of the social responsibility Dimensions Affecting to Service excellence

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to society</td>
<td>0.46</td>
<td>[0.40, 0.53]</td>
</tr>
<tr>
<td>Responsibility to employees</td>
<td>0.117</td>
<td>[0.10, 0.22]</td>
</tr>
<tr>
<td>Responsibility to customers</td>
<td>0.24</td>
<td>[0.18, 0.42]</td>
</tr>
</tbody>
</table>

R2 = 0.642
F = 231.06

### IX. Conclusion

The present study provides valuable insights into the complex interplay between financial profitability and social responsibility in the context of hospitals in Saudi Arabia. The findings highlight how crucial it is to achieve institutional excellence by striking a balance between sustainable financial practices and moral, community-focused operations.

The statistical research shows that administrative and service excellence in hospitals are significantly correlated with social responsibility characteristics like employee wellbeing, community participation, and customer service. This highlights the requirement that healthcare organizations integrate socially conscious ideals into their basic business practices and go beyond financial measures.

More particular, the execution of social responsibility initiatives, the offering of equitable opportunities, and the timely resolution of patient complaints can cultivate credibility and trust among stakeholders, ultimately improving hospitals’ standing, capacity to compete, and long-term viability.

Additionally, as demonstrated by the study’s strong emphasis on visionary leadership, innovation adoption, and stakeholder engagement in order to achieve administrative and service delivery excellence, hospitals are able to successfully fulfill their social obligations while maintaining financial stability thanks in large part to effective governance and leadership.

The research highlights the possibility of a mutually reinforcing relationship between profitability and social responsibility by presenting empirical data within the Saudi Arabian setting. By utilizing a strategic approach that strikes a balance between these two...
X. Recommendations

The following suggestions are put out in light of the findings:

1. Comprehensive social responsibility frameworks that outline the goals of the hospital for the community, staff, and patients should be established. To methodically develop and oversee CSR efforts, specialized departments for corporate social responsibility (CSR) might be created.

2. The implementation of leadership development programs may foster an ethical and compassionate leadership culture among healthcare managers, which will improve services and engagement across the board for the organization.

3. Hospitals can increase their social effect by working with community organizations and non-governmental organizations (NGOs) to implement outreach and health education initiatives.

4. To find problems with the engagement and work environment, regular employee satisfaction surveys should be carried out. Programs that assist in enhancing staff welfare and capacity should be reinforced.

5. The identification of any gaps and the ongoing improvement of service standards can be facilitated by utilizing patient feedback channels like surveys and quality assurance committees.

6. Incentives should be provided by policymakers to hospitals that emphasize social responsibility initiatives over financial goals. It is possible to incorporate CSR into hospital accreditation procedures by implementing standards.

7. Future investigations can look into the long-term benefits of CSR activities for hospitals in terms of financial gains and brand equity. It would also be helpful to compare various CSR models.

In summary, the research provides preliminary recommendations to Saudi hospitals on how to realign their management approaches and priorities in order to achieve a sustainable balance between social welfare and profitability. Hospitals may gain credibility, confidence, and a competitive advantage by adopting a strategic CSR approach, which will eventually promote multidimensional excellence.

References


