



# **Social Responsibility and Marketing Impact on Hospital Business Sustainability: Lesson from Indonesia**

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### **Authors' contributions**

*This work was carried out in collaboration among all authors. Author FS designed the study and wrote the first draft of the manuscript. Author FJ managed the analyses of the study and managed the literature searches. Author HH performed the statistical analysis and find variable employee social responsibility. Author RK contributed find a measurement model gap of variable employee social responsibility to get a novelty from employee engagement, and employee care for human resources management. All authors read and approved the final manuscript.*

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## **ABSTRACT**

This research empirically examines the influence of corporate and employee social responsibility, customer satisfaction, trust, and loyalty, and sustainable business variables. The methods of this study using Partial Least Square-Structural Equation Modelling with hypothesis testing. Hospitals listed on the Indonesia Stock Exchange that carry out corporate social responsibility (CSR) were used as study objects. The number of samples collected was 96 respondents. The result showed although employee social responsibility (ESR) has a positive effect on customer satisfaction and trust, it has no significant impact on business sustainability. Likewise, patient satisfaction has a positive effect on loyalty, yet it has no significant impact on business sustainability. Trust has a positive effect on patient loyalty and business sustainability. The research novelty is corporate social responsibility as a determinant of business sustainability, as both an independent and mediating variable, including the employee social responsibility. Patient trust plays a vital role as a mediator between patient satisfaction and loyalty. Ethics has the highest contribution to CSR, furthermore, employee social responsibility and measurement are valid for marketing studies.

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## 1. INTRODUCTION

Corporate Social Responsibility (CSR) should be considered in the company's strategic planning to improve performance. Specifically, it helps improve the company's image and reputation [1]. CSR is expected to provide breakthrough alternatives in empowering poor society. Also called corporate conscience, citizenship, social performance, or sustainable, responsible business, CSR is a form of corporate Self-Regulation integrated into the business model [2].

Sustainability business goals are essential for the company and its stakeholders. They often focus on strengthening fair relations with stakeholders [3]. The CSR strategy is a key factor in sustainable businesses at the social, ecological, and environmental levels, supply/ distribution and supplier chains, corporate image, and position concerning competitors and financial performance. Sustainability in business depends on the implementation of CSR strategies.

Consumer satisfaction is an overall customer evaluation of the experience of buying and consuming a product in the long term. Overall satisfaction relates to the company, its facilities, reputation, or its CSR policies, including why it leads to greater satisfaction [4].

The development of CSR implementation in Indonesia tended to carry out CSR programs as part of the company's operational strategy and personal concern of the company owner over a social obstacle to be addressed [5].

Developing a customer-oriented management system that increases customer trust, commitment to the company, and loyalty is critical for sustainable competitive advantage [6].

CSR's impact on several factors, including spoken words, loyalty, attitudes, intentions, emotional attachments, and brand identification of the customer, has been widely examined. However, there has been little research on the relationship between customer satisfaction and CSR. According to Luo X et al. [7], customer satisfaction is mediated by CSR's relationship and the company's market value. This means incorporating the customer satisfaction construct is reduced non-significantly due to the effect of CSR on market value. Generally, customer satisfaction is vital in marketing [8]–[10].

Customer loyalty is a long-term impact on customer satisfaction. At a certain level, satisfaction can build loyalty. These two results from the performance perceptions on the product value or service. The higher the product performance value, the more the customer is satisfied and become loyal [11]. Several studies show a positive and significant effect between satisfaction and loyalty [12,13]. Consumer satisfaction influences customer retention and increases loyalty [14,15]. Satisfaction has a positive and significant effect on loyalty [14,16]–[18].

According to Ninawe A [19] various companies worldwide agreed on the need for clarity and guidance in CSR practices. This research drew attention to CSR practice issues related to the health sector. The findings highlighted new insights from CSR practices in the health sector from a stakeholder perspective. In India, private hospital CSR is more than traditional philanthropy.

Based on data from companies contributing to physical and social development through CSR programs, community development activities, charity and philanthropy are drills devoted to community or environment not far from the location where the business operates without involving the consumer/community. The companies do not explicitly focus on social responsibility and giving attention to the community and the environment. Moreover, many companies do not involve customer or community participation. [20] conceptualized customer participation as a behavior construct that measures how customers share information, suggest, and engage in making decisions during service co-creation and delivery processes.

Based on a study related to the CSR impact on large companies, it is vital to examine business cases and attitudes and awareness and practices. It is also essential to understand stakeholder habits and efforts to clarify the impact on relationships between humans. Therefore, there are trends toward interests that are more than the company and its stakeholders to measure results and understand how CSR provides value both for the company and the community. Verily, the business practices by many companies in Indonesia cannot be considered adequate.

CSR as a determinant of business sustainability is still being debated, especially whether it is an independent variable, mediation (intermediate), or moderate. This theoretical gap forms the novelty of this research. In management studies (marketing), CSR is generally a predictor or independent variable [19,21]–[23]. However, marketing studies also position it as a mediation variable [24]. Many are still non-marketing (finance and accounting), positioning CSR as mediation and a moderation variable [25,26].

Testing the position of employee social responsibility variables and its relatively new measurement terminology is the second novelty of the study [27]. It is not popular in marketing management (services), and therefore, its use is unclear in various literature studies. Some reveal that it is employee identity [28]. It is mixed with employee engagement and care terminology from the measurement side [29,30]. Therefore, there is an overlap in terms of measurement with human resource management practices.

This study refers to various previous works and questions in this study, especially on whether community development programs, charity, philanthropy, and CSR that focus on participation, satisfaction, trust, and customer loyalty support the company's sustainability.

The research problem focuses on the determinants of Corporate Social Responsibility (CSR), including customer satisfaction, trust, loyalty, and employee social responsibility and its effect on business sustainability in private hospitals listed on the Indonesia Stock Exchange. The research covers variables measurement and descriptive analysis to illustrate each variable's real conditions, testing hypotheses, and improving business sustainability models, especially at hospitals.

The research problems are formulated on whether there is an influence of (1) corporate social responsibility on customer satisfaction, employee social responsibility, customer trust, customer loyalty, and business sustainability, (2) employees social responsibility on satisfaction, trust, loyalty of the customer and business sustainability, (3) satisfaction on customer loyalty and business sustainability, (4) customer trust on customer loyalty and business sustainability, and (5) customer loyalty on business sustainability.

## 2. LITERATURE REVIEW

Trust in service providers is closely related to integrity perceptions, honesty, confidentiality, and ethics [31]. Compliance with ethical standards provides the basis for trust, helps build a reputation, and supports quality service delivery. Similarly, employees' ethical behavior has a positive impact on customer trust in the company [31]. According to Chun K et al., Choi B et al., [32,33], Corporate Social Responsibility has a positive and significant impact on customer trust.

Customers focus on Corporate Social Responsibility [34]. A high ranking in Corporate Social Responsibility activities is also positively related to performance, suitability and ability, and interpersonal trust [35]. Consequently, the relationship is hypothesized as follows:

Customer satisfaction is a pleasure towards the expected product/service, which matches desires [36]. It is the basis for success and long-term business growth. When the level of customer satisfaction rises, repurchases also increase. Furthermore, satisfied customers also recommend and patronize others to choose the company's products/services. Corporate social responsibility (CSR) makes a good reputation in consumers' memories as a positive sign. Corporate social responsibility (CSR) positively affects customer satisfaction [37].

CSR has various effects on consumers, which can only be tested in a diffuse rather than a compact manner [4]. Consumers react to some CSR initiatives but not to others because of their knowledge level, the appropriateness between their profiles, company products, and brand characteristics [38]. Their reactions also vary depending on the relationship between company skills and CSR Initiatives [39], and perceived trust from information sources [40].

Recent studies focused on new CSR effects, including brand equity [41] or behavioral impacts, such as repeated patronage intentions [42,43]. The satisfaction role is as a key metric in evaluating CSR performance.

**H1:** Corporate Social Responsibility positively affects customer satisfaction, trust, loyalty, and Employee Social Responsibility, and sustainable business.

Perceptions of corporate social responsibility (CSR) focusing on ethical and legal questions

related to constructions, including recovery satisfaction, customer trust, and loyalty after a service failure [33]. Empirical tests are carried out based on service failure and recovery. The results indicate that CSR perceptions significantly impact customer trust and loyalty and that customer trust functions as a critical mediating variable in service recovery.

Satisfied customers also recommend and patronize others to choose the company's products/services. Employee social responsibility makes a good reputation in consumers' memories positively [37]. Recent studies focused on ESR's effects, such as repetitive patronage behavior and intentions [42,43].

**H2:** Employee social responsibility positively affect customer trust, loyalty, and business sustainability.

Kim (2007) stated that service recovery strategies (apologies, compensation) impact customer satisfaction. Customer satisfaction affects loyalty with strategic implications for internet shopping center managers to develop successful service recovery strategies.

**H3:** Customer satisfaction positively affect loyalty and business sustainability

Ribbink et al., (2004) investigated customer evaluations on electronic services and e-trust in explaining customer loyalty to online retailers. This research collects data from actual customers of online book and CD stores. The electronic questionnaire is designed and distributed via the internet. Invitations to participate were sent via email to 350 students, recent graduates, and academics in Europe. The results showed a significant positive effect of electronic trust on loyalty. Guarantees were proven to affect loyalty positively through customer satisfaction and electronic trust. From a managerial perspective, e-trust is very difficult to influence or control directly, since it results from various interactions with several online service providers, brand effects, and personality attributes such as technological readiness.

**H4:** Customer trust positively affects loyalty and business sustainability.

Lam et al., (2004) proposed and empirically analyzed a conceptual framework that considers perceived customer value and satisfaction and switching costs as antecedents of loyalty in a

business-to-business context. The result showed that customer loyalty supports and increases loyalty.

**H5:** Customer loyalty has a positive effect on business sustainability.

### 3. METHODOLOGY

The methods of this study using Partial Least Square-Structural Equation Modelling with hypothesis testing. Table 1. Shows the results of processing validity and reliability test. Validity test using loading factor values, based on the sample adequacy criteria are presented in Table 2, which is in the range of 0.60 with a total sample of 96 (79 hospital patients and 17 hospital management).

The third indicator of Reliable dimension and the first indicator of the trustworthy dimension has <0.60 loading value, which means they do not fulfill criteria. Contrastingly, other indicators fulfill the criteria and can be declared valid. For the reliability construct, the three dimensions fulfill the requirements with > 0.70  $\alpha$  Cronbach value.

Patient satisfaction has four dimensions, including Comfort, Reliable relationships, competence, and responsiveness, though there are 13 indicators in total. For loading factor values, all dimensions fulfill the criteria, because they have >0.60 loading value, and are declared valid. In the reliability construct, the four dimensions fulfill the requirements with > 0.70  $\alpha$  Cronbach value.

Patient loyalty has five aspects: trust, emotional commitment, transition costs, WOM, and cooperation, totaling eleven (11) indicators. In the loading factor value, the third indicator of trust and emotional ties does not fulfill the criteria, having <0.60 loading factor value, the rest fulfill the criteria and are declared valid. There are two aspects with marginal value in reliability construct, specifically emotional ties and transition costs with > 0.70  $\alpha$  Cronbach value.

Research instruments of hospital management are also measured by three variables, including Corporate Social Responsibility (CSR), Employee Social Responsibility (ESR), and Business Sustainability (BST), with a total of thirteen (13) indicators. Corporate Social Responsibility (CSR) has four aspects, economic, legal, ethical, and philanthropic, and thirteen (13) indicators. All aspects fulfill the

**Table 1. Results of instrument validity and reliability test**

Variables	Dimension	Loading Factor	Reliability
Customer Trust	Meet Expectations	0.900	0.702
	Reliable	0.856	
Customer Loyalty (CLY)	Trustworthy	0.926	0.731
	Patient Trust	0.871	
	Emotional Commitment	0.853	
	Switching Cost	0.856	
	WOM	0.869	
Satisfaction (CSF)	Cooperation	0.805	0.825
	Comfort	0.852	
	Relation	0.859	
	Competency	0.854	
Corporate Social Responsibility (CSR)	Responsiveness	0.852	0.870
	Economics	0.761	
	Legal	0.833	
	Ethics	0.817	
Employee Social Responsibility (ESR)	Philanthropy	0.771	0.939
	Orientation	0.814	
	Fair Wage	0.796	
	Perceived Level of Discrimination	0.786	
	Work-related Benefits	0.701	
	Work Environment Relations	0.727	
	Sense of Information and Remuneration	0.814	
Business Sustainability (BST)	Commitment	0.993	0.800
	Transparency	0.557	
	Management Policy	0.573	
	Performance	0.516	

Source: data processed

**Table 2. Respondent characteristics**

Characteristics	Patients		Hospital Management	
	Frequency	%	Frequency	%
<b>Gender</b>				
1. Male	29	36.7	6	35.3
2. Female	50	63.3	11	64.7
<b>Age</b>				
1. < 21 years	2	2.5	1	5.9
2. 22 -29 years	11	13.9	4	23.5
3. 30 -37 years	8	10.1	4	23.5
4. 38 -45 years	22	27.8	7	41.2
5. 46 - 53 years	12	15.2	1	5.9
6. 54 - 61 years	17	21.5		
7. > 62 years	7	8.9		
<b>Hospital</b>				
1. PT Medialoka Hermina Tbk	29	36.7	12	70.6
2. PT Siloam International Hospitals Tbk	32	40.5	5	29.4
3. PT Mitra Keluarga Karyasehat Tbk	18	22.8		

Source: data processed

criteria for loading factor values value, hence declared valid. The four because they have >0.60, loading dimensions fulfill the requirements for the

reliability construct because it has  $> 0.70$   $\alpha$  Cronbach value Employee Social Responsibility (ESR) constitutes Orientation, Fair Wage, Perceived Level of Discrimination, Work-related Benefits, Work Environment Relations, and Sense of Information and Remuneration, with fourteen (14) indicators. All indicators fulfill the criteria with  $> 0.60$  loading value for loading factor values, hence declared valid. Likewise, the reliability construct fulfills the requirements because it has  $> 0.70$   $\alpha$  Cronbach value.

Business Sustainability (BST) has four dimensions and fourteen (14) indicators. All indicators fulfill the criteria with  $>0.60$  loading value in loading factor values, hence declared valid. Likewise, the reliability constructs fulfill the requirements with  $> 0.70$   $\alpha$  Cronbach value.

The population in this study were all hospitals listed on Indonesian Stock Exchange implemented CSR. The sample selection technique uses saturated sampling, where all population members are sampled, or it is census research where all population members are selected as samples.

The respondents totaled 79 patients, 63.3% being women with an age range between 38-45 years (27.8%), and 54-61 years (21.5%). In terms of hospitals, the highest number of respondents was from PT Siloam International Hospitals Tbk (40.5%), as shown in Table 2. Hospital management characteristic is in terms of age, gender, length of work, position, and hospital origin. In terms of gender, female respondents are 64.7%. The ages varying from 36 - 41 years and 42 - 47 years constitute 23.5%, while 48- 53 years are 41.2%.

Most work duration is 10-15 (35.3%) and 16-21 years (41.2%). The position is quite good because it involves the hospital's top position, including the Director (437.1%) and Deputy Director (29.4) that truly understands aspects of CSR, ESR, and Hospital business sustainability. However, the majority came from PT Medialoka Hermina Tbk (70.6%).

## 4. RESULTS AND DISCUSSION

### 4.1 Results

Description of the Corporate Social Responsibility (CSR) variable dimensions are

shown in Table 3, including economic, legal, ethical, and philanthropic. The lowest average value in the economic responsibility is in the goal of seeking profit from the hospital at 4.12. with 0.332 standard deviations. The low perception of profit efforts from the management and patients shows the hospital is carrying out its social functions well.

According to the description of the Employee Social Responsibility (ESR) variable in Table 3 there are 14 indicators with six aspects, including orientation, fair wage, Perceived Level of Discrimination, Work-related Benefits, Work Environment Relations, and Sense of Information and Remuneration.

Customer trust (CTR) has 3 dimensions: meet expectations, reliability, and trustworthiness. The lowest average value in the first indicator of the trustworthiness has a 3.54 average value, with a standard deviation of 0.984. In this case, patients can choose/ replace the doctors treating them with another doctor from the same expertise (by signing a statement to change the doctor). The second indicator is considered better assessed by respondents, showing that the hospital always respects and obeys the patient's rights.

Customer satisfaction (CSF) has four dimensions, comfort, relationships, competence, and responsiveness. The lowest average value is responsiveness, with a 3.80 average value and 0.838 standard deviations. This shows that medical personnel carries out their duties by showing a professional attitude. The fourth indicator is better assessed by respondents, showing that doctors from various specializations work together (teamwork) to deal with patients' problems.

Customer Loyalty (CLY) variable, there are 5 dimensions, including patient trust, emotional commitment, switching costs, WOM, and cooperation. However, cooperation has a low score and is the first indicator of patients using Hospital services because it matches family health services' needs with a 3.87 average value and 0.686 standard deviations. The second indicator of patients' loyalty to the hospital has a better perception score.

The Business Sustainability (BST) variables have 4 dimensions, including commitment, transparency, management policy, and performance. The lowest average value on the second indicator is 4.00, with 0.866 standard

deviations. This shows that the hospital has a liquid waste management installation. The most significant indicator has the largest average value of 4.18 and 0.636 standard deviation, showing that the hospital carries out waste management that pollutes the environment and disturbs the living creature ecosystem.

A measurement model was carried out to assess the validity and reliability of the measurement theory. Measurement Model shows how the observed variable represents the latent variable, specifically Corporate Social Responsibility (CSR), Employee Social Responsibility, Customer Satisfaction, Customer Trust, Customer Loyalty, and Sustainable Business

variables. This research presents six constructs with total indicators of 77 items measured using a 1 to 5 numerical scale. The patient respondents totaled 33 items, while Hospital management has 44. The outer model with reflective indicators is evaluated through the convergent and discriminant validity of Cronbach Alpha for its indicator block.

Reliability evaluation uses composite reliability value, or internal consistency reliability, compared to 0.7 and Cronbach alpha > 0.6 [44]. The value of composite reliability needs to be higher than 0.7 (in exploratory research, the value 0.6-0.7 is acceptable). PLS Table 4 shows the algorithm test results.

**Table 3. Description of variable dimension data**

Variables	Dimension	Mean	Std. Deviation
CSR	Economic	4.12	0.332
	Legal	4.76	0.437
	Ethical	4.47	0.514
	Philanthropic	4.35	0.493
ESR	Orientation	4.59	0.618
	Fair Wage	4.53	0.514
	Perceived Level of Discrimination	4.25	0.447
	Work-related Benefits	4.35	0.606
	Work Environment Relations	4.35	0.493
CTR	Sense of Information and Remuneration	4.53	0.624
	Meet Expectations	4.13	0.563
	Reliable	3.87	0.790
CSF	Trustworthy	3.54	0.984
	Comfort	4.06	0.606
	Relation	4.01	0.588
	Competency	4.01	0.725
CLY	Responsiveness	3.85	0.769
	Patient Trust	3.99	0.670
	Emotional Commitment	4.08	0.549
	Switching Cost	4.03	0.702
	WOM	3.97	0.577
BST	Cooperation	3.87	0.686
	Commitment	4.53	0.514
	Transparency	4.47	0.514
	Management Policy	4.47	0.624
	Performance	4.12	0.697

Source: data processed

**Table 4. Measurement result of composite reliability and validity**

Construct	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
BSF	0.551	0.586	0.554
CLY	0.905	0.929	0.724
CSF	0.880	0.918	0.736
CSR	0.807	0.874	0.634
CTR	0.875	0.923	0.800
ESR	0.854	0.891	0.578

Source: data processed

The measurement results show that the root value of composite reliability is greater than 0.70, except for sustainable business (BST), which has marginal value. However, all constructs fulfill the composite reliability criteria. Similarly, most have Cronbach Alpha values of more than 0.7. This means the variables (constructs) of this study fulfill the composite reliability requirements.

Individual indicators are considered reliable in case they have a high correlation value, above 0.70. However, in developing the loading factor scale, 0.50 to 0.60 is still acceptable [45]. Indicators with loading factor between 0.4-0.7 are removed suppose they increase the value of composite reliability and AVE above the recommended threshold [44]. Furthermore, individual indicators are considered reliable in case they have a high correlation value above 0.70. In developing the loading factor scale, 0.50 to 0.60, is still acceptable [45].

The measurement results of Convergent Validity (Outer loading) in Table 4 shows all outer loading coefficients >0.5. All indicators fulfill convergent validity. Another criterion for assessing convergent validity is looking at Average Variance Extracted (AVE), where the AVE value needs to be >0.5 [44]. The results of the convergent validity measurement for all AVE values are >0.5. Therefore, the research variables fulfill convergent validity.

Fig. 1 shows the output diagrams from the SMART PLS application. It presents the results of the full model in terms of variables and dimensions. Based on these images, CSR is an endogenous variable, and the rest is exogenous. The diagram shows numbers, including Employee Social Responsibility, Customer Satisfaction, Customer Trust, and Customer Loyalty, also become mediator variables.

Table 5 shows the convergent validity measurement results from Corporate Social Responsibility (CSR), Employee Social Responsibility, Customer Satisfaction, Customer Trust, and Sustainable Business. Only three dimensions from Sustainable Business are not significant because they have probabilities more than 0.05. However, Corporate Social Responsibility (CSR), Employee Social Responsibility, Customer Satisfaction, Customer Trust, and Customer Loyalty variables are significant, with probability values less than 0.05.

The fit model compatibility from the saturated model and estimation of the criteria presented, fulfill the specifications in the estimation model for SRMR values of 0.072,  $d\_ULS = 1.815$ ,  $d\_G = 0.988$ , Chi-Square = 1,714,497, and NFI = 0.746.

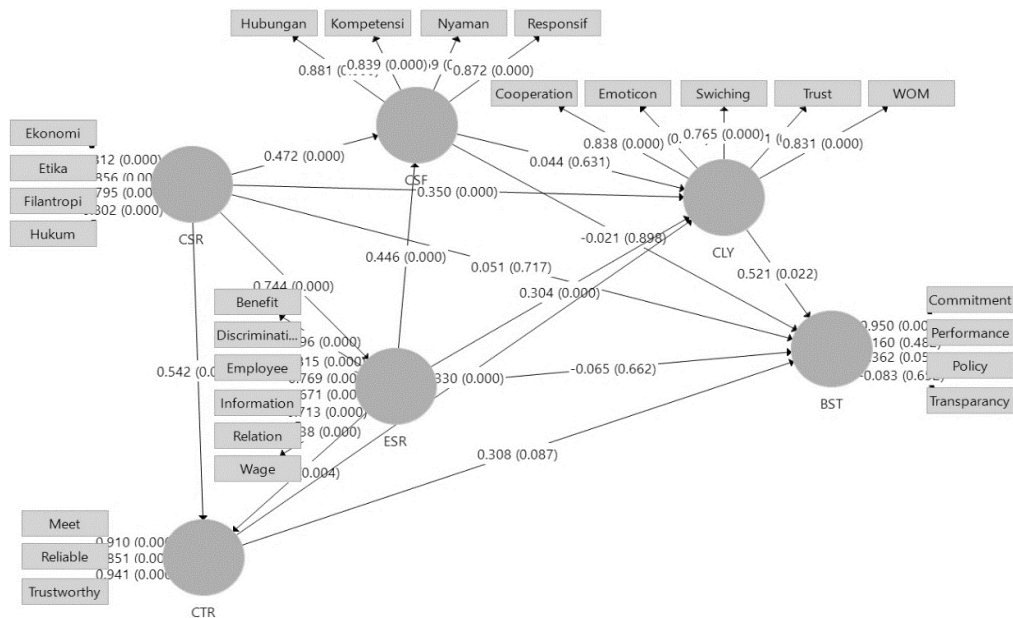


Fig. 1. Outer loading of the algorithm process



**Table 5. Measurement results of convergent validity (Outer Loading) measurement model**

<b>Variables/ Dimensions</b>	<b>Original Samples (O)</b>	<b>Sample Average (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics (  O/STDEV  )</b>	<b>P- Values</b>
<b>CSR</b>					
Economics <- CSR	0.761	0.760	0.031	24.191	0.000
Legal <- CSR	0.771	0.774	0.029	26.372	0.000
Philanthropy <- CSR	0.817	0.818	0.021	38.568	0.000
<b>ESR</b>					
Benefit <- ESR	0.814	0.813	0.024	34.584	0.000
Wage <- ESR	0.727	0.725	0.031	23.824	0.000
Discrimination <- ESR	0.796	0.794	0.022	36.796	0.000
Employee <- ESR	0.786	0.787	0.022	36.365	0.000
Information <- ESR	0.733	0.733	0.029	25.109	0.000
Relation <- ESR	0.701	0.702	0.034	20.716	0.000
<b>BSF</b>					
Commitment <- BSF	0.993	0.985	0.009	115.536	0.000
Performance <- BSF	0.157	0.155	0.126	1.242	0.215
Policy <- BSF	-0.073	-0.063	0.121	0.600	0.548
Transparency <- BSF	0.016	0.021	0.123	0.128	0.898
<b>CSF</b>					
Relation <- CSF	0.852	0.852	0.017	48.826	0.000
Competency <- CSF	0.859	0.858	0.017	49.808	0.000
Comfort <- CSF	0.866	0.866	0.017	50.030	0.000
Responsiveness <- CSF	0.854	0.853	0.017	49.371	0.000
<b>CTR</b>					
Meet <- CTR	0.900	0.900	0.011	78.644	0.000
Reliable <- CTR	0.856	0.854	0.022	39.479	0.000
Trustworthy <- CTR	0.926	0.926	0.008	123.292	0.000
<b>CLY</b>					
Trust <- CLY	0.869	0.867	0.017	50.370	0.000
Emoticon <- CLY	0.853	0.853	0.024	35.712	0.000
Switching <- CLY	0.856	0.856	0.022	38.429	0.000
WOM <- CLY	0.805	0.805	0.023	35.084	0.000
Cooperation <- CLY	0.871	0.869	0.018	49.440	0.000

Source: data processed

To determine how independent variable influence the dependent variable, like in the regression equation, the magnitude of the determination coefficient where the role of the independent or exogenous and the ecogenic variables are analyzed using the Adjusted R Square value for BSF = 0.515, CLY = 0.818, CSF = 0.598, CTR = 0.470, and ESR = 0.711.

The variable's greatest influence in terms of the terminated coefficient is patient loyalty (CLY), which is 82% influenced by CSR, ESR, CSF, and CTR. Contrastingly, the BSF determination coefficient is only 50%, though it is influenced by five variables, including CSR, ESR, CSF, and CTR. The smallest coefficient of determination is on the CTR variable, precisely 47%, though it cannot be denied because it is only influenced in total by two variables, CSR and CLY.

Effect size is a predictive power assessment of the model ( $f^2$ ). It can be used to determine the strength of exogenous latent variables' influence on endogenous variables in the model. The  $f^2$  value = 0.02 has small effect, 0.15 has medium effect and  $f^2$  = 0.35 has large influence. A formula is used to determine the  $f^2$ . The biggest effect size of BST is obtained from CSR (0.016) and CTR (0.154). In CLY, the best effect is obtained from CSR (0.208) and CTR (0.137). For CSR, the effect size is obtained from CSR (1,494). CTR has a big effect from CTR (0.891) and the effect size of CSF (0.372) on ESR.

Suppose in Table 6. only the overall predictive power can be determined, including the small total effect of CSR, ESR, CSF, and CTR on BSF. Furthermore, the patient's trust influences the BSF, the other four variables have a smaller

predictive effect. For patient loyalty, satisfaction has the least effect, while patient confidence have medium impact. CSR and CTR's small contribution to ESR can be a program whose implementation has not taken long compared to CSR, which has been carried out for more than a decade.

Fig. 1 graphically depicts the relationship between variables explained from the magnitude of the path coefficients obtained after the statistical process of bootstrapping path coefficients based on the inner model's hypothetical test results.

Table 6 shows that hypothesis testing results originate from the inner model that provides information on the influence of bootstrapping processing with SmartPLS results. The fourteen hypotheses testing results show there are four variables not significant with  $p < 0.05$  value.

Patient satisfaction does not have a positive effect on loyalty and business sustainability. Also, employee social responsibility and patient loyalty have no positive effect on business sustainability.

Based on indirect effects testing, trust plays a vital role as a mediator between CSR and BSF, CSR and CLY, CSR, ESR and CLY, and CSR and ESR (Table 7). It is associated with ESR, which also plays a vital role as a mediator between CSF and CLY, CTR, and CLY. Therefore, for the Hospital's business sustainability, the employees' attention (paramedics and doctors) and maintaining patient confidence should be considered by various stakeholders. Patient satisfaction (CSF) also mediates CSR and ESR, CSR, and ESR and CLY. It is also significantly fixed from the magnitude of the parameter coefficient, trust mediation, and more dominant ESR.

**Table 6. Results of inner model hypothesis (Boothstraping) test**

Path	Sample Average (M)	Standard Deviation (STDEV)	T Statistic (  O/STDEV  )	P-Values	Decisions
CSR -> CSF	0.774	0.025	31.361	0.000	Ho rejected
CSR -> ESR	0.158	0.059	2.703	0.007	Ho rejected
CSR -> CTR	0.687	0.026	26.293	0.000	Ho rejected
ESR-> CTR	0.287	0.068	3.073	0.003	Ho rejected
ESR -> CSF	0.336	0.054	6.292	0.000	Ho rejected
CSR -> CLY	0.327	0.052	6.293	0.000	Ho rejected
CSF -> CLY	0.108	0.066	1.578	0.115	Ho accepted
ESR-> CLY	0.546	0.057	9.558	0.000	Ho rejected
CTR -> CLY	0.239	0.049	4.813	0.000	Ho rejected
CSR -> BST	0.170	0.075	2.211	0.027	Ho rejected
CSF -> BST	0.055	0.092	0.591	0.555	Ho accepted
ESR -> BST	0.074	0.098	0.741	0.459	Ho accepted
CTR -> BST	0.439	0.081	5.426	0.000	Ho rejected
CLY -> BST	0.060	0.107	0.610	0.542	Ho accepted

Source: data processed

**Table 7. Specific indirect effects**

	Sample Average (M)	Standard Deviation (STDEV)	T Statistic (  O/STDEV  )	P-Values
CSR -> CTR -> BSF	0.301	0.056	5.368	0.000
CSR -> CTR -> CLY	0.164	0.035	4.641	0.000
CSF -> ESR -> CLY	0.183	0.035	5.293	0.000
CSR -> CSF -> ESR -> CLY	0.142	0.028	5.192	0.000
CTR -> ESR -> CLY	0.073	0.021	3.539	0.000
CSR -> CTR -> ESR -> CLY	0.050	0.014	3.587	0.000
CSR -> CSF -> ESR	0.423	0.045	9.365	0.000
CSR -> CTR -> ESR	0.150	0.038	3.898	0.000

Source: data processed

## 4.2 Discussion

Corporate Social Responsibility has a positive effect on customer satisfaction, Employee Social Responsibility, customer trust, customer loyalty, and sustainable business. It is proven significantly by illustrating the contribution of social responsibility implementation felt by patients, providing a positive perception of satisfaction. It is compared to previous studies on CSR contribution with customer satisfaction [23,32]–[36,46]–[48].

Employee social responsibility has a significant positive effect on patient loyalty. This is in line with what was stated that employee social responsibility makes a good reputation (hospital) in a patient's memory as a positive patient sign [37,42,43].

Patient satisfaction has a significant positive effect on patient loyalty and sustainable business. Customer evaluation on electronic services and e-trust in explaining customer loyalty to online retailers has a significant positive effect on electronic trust on loyalty [49]. Guarantees are proven to positively affect loyalty, both through customer satisfaction and electronic trust. From a managerial perspective, it is difficult to affect or control e-trust directly. This is because it is created from various interactions with several online service providers, brand effects, and personality attributes, such as technological readiness.

Patient satisfaction positively affects business sustainability, though not significantly. This result is certainly different from previous studies, including [3,50].

There are four insignificant hypothesis tests, specifically, patient satisfaction does not positively affect patient loyalty. This result is different from [41], which stated that customer satisfaction impacts customer loyalty, and that apology has a significant effect on customer satisfaction, which significantly influences loyalty. Additionally, corporate social responsibility does not positively affect business sustainability. This result is different from [52] which established that an understanding of sustainability is a key factor in developing a more competitive and market-oriented service industry.

Empirically, patient trust does not have a positive effect on patient loyalty. This is in contrast to [53], which stated that employees' social responsibility at their involvement level in public

and private sector increases with the ESR activities. Employee social responsibility has a positive effect on business sustainability, though not significant. This certainly contradicts [54] in terms of implications for managerial to increase customer loyalty. Sustainability business goals are essential for the company and stakeholders. It focuses on strengthening fair relations with stakeholders.

## 5. MANAGERIAL IMPLICATIONS

As a determinant of business continuity, CSR is an independent and mediating variable, especially for the ESR. CSR is a predictor or an independent variable and, at the same time, can be positioned as a mediating variable for marketing (services). Based on the second theoretical implication, the employee social responsibility and measurement variables can be adopted in marketing studies (services) and are different from employee identity, engagement, and care. Therefore, there is no need to overlap in terms of measurement with human resource management practices.

Some findings provide input for various healthcare industries in Indonesia, especially on the legal and philanthropic dimensions. This includes the Hospital's efforts to improve the surrounding community's living standards and support and respect local values.

The patient's trust in the information conveyed by medical officers and doctors needs to be more trustworthy. The hospital management always establishes and maintains an excellent cooperative relationship with stakeholders. It has a strong basic commitment to governance and an excellent financial aspect based on the regulatory provisions (Financial Services Authority and Indonesia Stock Exchange). In transparency, hospital management should uphold anti-corruption policies and adopt remuneration guidelines for employees based on Labor Ministry regulations. The management should disseminate information regularly to stakeholders and ensure there is a liquid waste management installation.

## 6. CONCLUSIONS AND RECOMMENDATIONS

This research shows that the most influential variables on Customer Loyalty and Business Sustainability are Trust and CSR. The three

variables of patient satisfaction and loyalty were not significant.

The indirect effect testing shows that trust plays a vital role as a mediator between CSR and BSF, CSR and CLY, CSR, ESR and CLY, and CSR and ESR. When related to ESR, trust plays a vital role as a mediator between CSF and CLY and CTR and CLY. Therefore, for the sustainability of the Hospital business, the attention of employees (paramedics and doctors) and maintaining patient confidentiality is critical and should be considered by various stakeholders. Patient satisfaction (CSF) also mediates between CSR and ESR. ESR and CLY are also significantly fixed from the magnitude of the parameter coefficient, trust mediation, and ESR that are more dominant.

Ethics has the highest contribution to CSR. In Employee Social Responsibility, the biggest loading factor value is the benefit dimension. In Customer trust, the meet has the biggest contribution. In Customer Satisfaction, comfort has the biggest contribution to the loading factor. However, in Customer Loyalty, cooperation has the biggest contribution. In Business Sustainability, commitment has the biggest contribution.

This study is limited to the mediation test model, since it does not factor some variables, such as employee identity [28], employee engagement [30], and employee care [29].

The study only took samples from 3 hospitals listed on the Indonesia Stock Exchange. There is still a need for thorough research for an overall description of CSR and ESR for Indonesia's health industry. Likewise, survey techniques should be supplemented with focus group discussions. Future studies should take wider samples with a variety of techniques and methods.

#### CONSENT & ETHICAL APPROVAL

As per international standard or university standard guideline participant consent and ethical approval has been collected and preserved by the authors.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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