Sustainability issues of health tourism Non-Profit-Organisations

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Abstract

Health tourism occurs when people around the world travel across international borders to access various health and wellness treatment and at the same time touring the country they are visiting. It is one of the growing industries in South Africa, as people are constantly coming to South Africa in search of health care services. Health tourism is imperative for economic growth and development and has recently assumed the status of one of the most important contributors to employment, infrastructural and services development, and generating an economic return. Due to these significant contributions, it is vital to have sustainable health care services in countries attracting health tourists. Making use of the traditional literature method, this paper presents an overview of health tourism, the importance of healthcare in South Africa, discussing the sustainability issues faced by health care providers and the impact thereof to health tourism. More importantly, we drew lessons from the three overlapping circle model as well as the four capital model. to further the discussion on sustaionable strategies for health tourism NPOs.

Keywords: Sustainability, Healthcare, Health tourism, Tourism, NPOs.
Introduction

Health tourism is amongst the highest growing tourism industries globally, higher than the oil and gold industry, with some countries like Spain living through this industry (Taleghani et al., 2011). Many countries in Asia, Africa and Eastern Europe have now become active in health tourism (Taleghani et al., 2011). Health tourism brings a number of benefits to the host country. It brings in income from the healthcare services and treatments provided to foreign patients. This revenue can be utilised for the further improvement of the healthcare infrastructure in the destination country. As a result, many countries are competing for market share and inbound tourism by creating attractive opportunities in their medical services (Ucak, 2016; Mattoo & Rathindran, 2006; Ucak, 2016). Interestingly, health tourism can cause imbalances in the country, for example, prioritising foreign patients over domestic patients as foreign patients pay higher fees compared to locals. Regardless of the risks, health tourism is inevitable.

Poverty gaps and poor living conditions in developing countries have led to an increasing need to seek medical services from other countries. Additionally, the long waiting list and the expensive medical bills in developed countries have forced people to travel to other countries in search of affordable medical services (Singh, 2015). The travel is usually accompanied by vacations and people touring and enjoying the attractions of that particular country they are visiting (Singh, 2015). Health care has, therefore, become a significant contributor to health tourism.

Realising the importance of health care to tourism, it vital to ensure that the health services that attract people remain functional and also sustainable to continuously deliver the benefits. This paper explores and discusses the necessity of having sustainable healthcare tourism non-profit organisations (NPOs).

Methodology

We made use of secondary sources in this paper in order for us to describe the necessity for increased sustainability of healthcare tourism NPOs, analyse the challenges they face, and finally interpret or draw conclusions that (1) should spur investment of research interests in the subject matter, (2) a re-evaluation of the way healthcare tourism NPOs are funded. Primarily, this paper has benefitted from a traditional literature review.

Health tourism

Health tourism occurs when people travel across international borders seeking any type of medical attention whilst simultaneously vacationing and touring the country they are visiting (Ross, 2001; Carrera & Lunt, 2010; Taleghani, Largani & Mousavian, 2011; Singh, 2015). It can also be described as travelling with the intention to get affordable medical treatment (Stojanović, Stojanović, & Randelović, 2010) in collaboration with the
tourism industry (Singh, 2015). It is a form of tourism aimed at preserving, enhancing and retrieving physical and mental health of individuals that takes over 24 hours and less than a year in another country (Ye, Qiu, Yuen, 2010). Some of the medical services that people seek in other countries include prosthesis surgery, heart surgery, dental treatment, organ transplants, medical check-ups, cancer treatment, health screening, neurosurgery, cosmetic surgery and any other operations that require qualified medical attention (Ministry of Health, 2012; Padilla-Meléndez & Del-Águila-Obra, 2016).

The need for health tourism has been amplified by people seeking cheaper alternatives for health services (Padilla-Meléndez & Del-Águila-Obra, 2016), avoiding long waiting lists in the host country, the relative affordability of international air travel and the favourable economic exchange rates (Connell, 2006). Many foreign nationals from Western countries travel significant distances to developing countries in search of affordable health care services (Connell, 2006; Crush, Chikanda & Maswikwa, 2012; Eissler & Casken, 2013).

According to Rawat (2016), people are drawn to seek medical treatment in other countries due to the following factors, better and higher quality medical treatment, access to affordable and cheaper places to undergo medical surgery and searching for countries where certain medical procedures are considered legal as in some countries some procedures are considered not legal for example abortion, fertility procedures. In addition to the prior identified factors, proximity of destination, quick access to healthcare, ability to combine vacation with treatment, availability of higher expertise, political and economic stability, cultural distances, regulations and technology for certain procedures also attract people to travel to other countries for treatment (Kumar, Breuing, & Chahal, 2012; The International Healthcare Research Center, 2014; Aydin & Karamehmet, 2017).

South Africa is one of the developing countries identified by foreign patients as a medical hub (Crush et al, 2012, Medical Tourism South Africa, 2019). More so, neighbouring countries are in a state of crisis and under-resourced, making South Africa a more desirable health care destination. Some of the medical services provided in South Africa have impacted positively on tourism and economic development. According to Crush et al. (2012), there has been an increase in medical travel from East and West Africa and these travellers spend more in South Africa as compared to any other traveller.

According to the Medical Tourism South Africa (2019), South Africa has become a popular health tourism destination due to having the best doctors, good healthcare facilities, affordable healthcare and its capability to offer vacation options that are incomparable anywhere else in the world. It is the leader of the African market for health tourism and a medical hub worldwide together with nations like India, Singapore, and Thailand (Medical Tourism South Africa, 2019).
The importance of the healthcare sector NPOs in South Africa

Healthcare sector NPOs play a significant role in any economy they are part of. In South Africa, they provide free or discounted healthcare services, education to communities they are established in, reducing the burden of diseases, as well as contributing towards community empowerment and economic development.

In South Africa, the majority of the population cannot afford private healthcare, while at the same time the government cannot provide for everyone who seeks medical services in public health care facilities. NPOs, therefore, play a vital role in supporting the population that remains unserved by both the government and private healthcare. NPOs deliver services for free or at a discounted rate in order to reach these unserved, low-income earners, needy patients and those without health insurance (Sobolewski, 2010). This role also extends to foreign nationals who travel to South Africa; they are able to access healthcare at an affordable rate.

NPOs are also recognised as providers of community health education programmes (Mazibuko, 2000). Through NPOs, communities are provided with useful information about how to live healthy lives and how to manage particular diseases or conditions. Healthcare sector NPOs also participate in community health planning which helps in identifying community needs and devise a solution to help the community. Apart from that, NPOs in the healthcare sector also provide medical and research education (for example, Health Systems Trust), and environment, child and adolescent education (for example Childline and Soul City).

The provision of health education, in turn, leads to the effective management of health conditions, offering preventative measures to communities, which in turn results in a reduced burden of diseases. More so, some NPOs specialise in a particular focus area, for instance, HIV/AIDS, drug or alcohol abuse, and youth or children, which are the main contributors to the high burden of disease in South Africa. NPOs to date have largely played an important role in fighting and addressing the HIV epidemic, rehab for drugs addicts, joint surgery. They assist by relieving the burden of public healthcare facilities through the provision of home-based support, counselling, promoting wellness, training and support to local communities (Friedman, 2002; DSD, 2012, 2015).

Furthermore, NPOs are closely embedded in the communities and can closely monitor and respond to community health needs. Through this local establishment, many opportunities are also brought into the communities they operate in. Apart from that, NPOs also support the local community projects, which necessitate community empowerment and economic development.

However, with the growing number of new players, the healthcare NPOs now have to compete for funding in order to continue fulfilling their obligations. Therefore, NPOs have
to adopt strategies aimed at sustainability (Chetkovich & Frumkin, 2003; Dart, 2014; Bryson, Gibbons & Shaye, 2001). The need for sustainability stems from spiralling of competition in the non-profit sector, accompanied by growing numbers of new players in the sector. More significantly, it was the global crisis of 2008 that caused shrinkage and uncertainty around funding and a reduction in traditional charitable income sources (Phillips, 2012; Chew & Osborne 2009; Bingham & Walters, 2012; McAlexander & Koenig, 2012; Gayle, Harrison & Thornton, 2017). According to Weerawardena, McDonald and Mort (2010), the environment in which NPOs operate is no longer favourable especially considering the intense competition for donations. Thus, sustainability has emerged to be a critical issue for these organisations (Omura & Foster, 2014). More so, considering their contribution to health tourism, the sustainability of these organisations has become of paramount importance.

Sustainability issues and healthcare NPOs

Sustainability is a complex and open-ended concept that is interpreted differently based on the context it is used. Constanza and Patten (1995) strongly believe that the best approach to comprehend the concept is to consider its linkage to a system or hierarchy. Sustainability can refer to financial strength and uniqueness of an organisation (economic prosperity), environmental protection (environmental integrity), and processes to ensure social health and well-being (social sustainability) (Florea, Cheung & Herndon, 2013; Soto-Acosta, Cismaru, Vatamanescu & Ciochina, 2016; Tur-Porcar, Roig-Tierno & Mestre, 2018; Giannetti et al., 2019). In general terms, sustainability is the ability to survive or persist (Costanza & Patten, 1995).

It is the ability to maintain well-being over a long and undefined period (Kuhlman & Farrington, 2010:3441), and the ability of management to sustain an organisation in the long-term (Sontag-Padilla et al., 2012:2), to keep the business going (Colbert & Kurucz, 2007). Boudreau and Ramstad (2005) describe sustainability as the ability of a company to succeed today without compromising the needs of the future. According to Dyllick and Hockerts, (2002:131) sustainability is meeting the needs of an organisation’s primary and secondary stakeholders without bargaining its capability to satisfy the needs of future stakeholders.

Chigwedere (2013) defines sustainability as the continual assessment of the need to pursue a cause, assess if it is still valid and to be able to continuously seek funding opportunities to support such a cause. It is the ability for NPOs to raise and have sufficient funds to keep their programmes running beyond donor funding (Naidoo, 2014). A combination of all the above definitions seems consistent with the definition offered by the World Commission on Environment and Development (1987), which we adopt for its aptness:
“Sustainability is the capability to meet the organisational needs over a long period of time without compromising the ability to meet future needs”.

Omura and Foster (2014) assert that the main challenge of sustainability for most healthcare sector NPOs and philanthropic organisations originates from the fact that they produce non-commercial outputs or offer their services at discounted rates. In order to ensure survival and continuity in an unstable environment, there is a need for, among others, the development of effective strategies to remain sustainable.

Sustainable NPOs are organisations that are able to adjust to the changes in the external environment by reacting strategically, efficiently, adjusting and reviewing their mission accordingly (Hailey & Salway, 2016). The continual assessment of the external and internal environments is vital in supporting, developing and implementing policies, strategies and action plan towards a sustainable future (Giannetti et al., 2019).

**Importance of sustainability**

Eccles, Perkins and Serafeim (2012), in their paper on how organisations can become sustainable, noted a number of qualities that sustainable organisations attain. These, they argue, include: a culture based on innovation and trust, which inspires employees to trust management thereby enabling them to take the necessary risk to support transformation and innovation within the organisation. By so doing, the organisations desire to putperform competition is extended. The achievements of these qualities necessitates a number of management functions: marketing management (stakeholder relations), human resource management (employee involvement) and transformative leadership.

A sustainable business also helps attract and motivate employees, even though it might not be enough of a problem to prevent them from taking a job (Zukin & Szeltner, 2012:21). When employees are looking for employment, they sometimes consider how long the company has been in operation in order to ensure job stability and security. In other words, a sustainable business is likely going to operate for a long time; therefore, offering employment for a considerable period. Furthermore, Zukin and Szeltner (2012) maintain that happy employees are more productive and they stick around the organisation, which in turn helps to increase the company’s retention rate.

Sustainable NPOs help attract donors and investors (Ernst & Young, 2011). It behoves focused management to lead in terms of generating its own resources, and laying down the groundwork that will ensure its survival even during economic downturns (Nidumolu et al., 2009). Eccles, Ioannou and Serafeim (2014) identified the following as the benefits of a sustainable business:
Table 1. Benefits of high sustainability organisations

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<th>Benefits of the high sustainability organisation</th>
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<tr>
<td>• It allocates the responsibility for sustainability to its board of directors</td>
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<tr>
<td>• It engages in the formal stakeholder engagement process</td>
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<tr>
<td>• It is long-term oriented with a large investor base who are long-term oriented investors</td>
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<tr>
<td>• It outperforms non-sustainable or low sustainable organisations</td>
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<tr>
<td>• It values information for strategy execution</td>
</tr>
<tr>
<td>• It is competitive and profitable compared to non-sustainable organisations</td>
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With sustainability in mind, it is vital for a business to continuously absorb activities or opportunities that promote sustainability. According to Llopis (2015), in order for a business to maintain sustainable growth, it requires top talent, searching for the right customers, sound decision-making, great leadership, and operational effectiveness. Operational effectiveness comprehends sensitivity to cost (finances), how the organisation operates (operations), and how it links the dots of opportunities (marketing) (Llopis, 2015). This implies that when all these aspects are integrated they help to ensure that undertakings within the organisation are in alignment with the needs of the business to build and sustain growth.

**Sustainability strategies and NPO sustainability**

Irrespective of the nature of an NPO, it is crucial that they remain sustainable owing to the values they bring to a community. To effectively discuss NPO sustainability, we adopted the three overlapping circle model and the four-capital model.

*Three overlapping circle model*

Willard (2010) described the overlapping circle model as a model that acknowledges the intersection between the economic, social and environmental elements, the intersection that is adjusted based on what a company considers most important of the three factors. It implies that sustainability is achieved when the three factors work in unison (Thatcher, 2014). In the same line of thinking, this study also proposes that if an NPO balances these three factors and takes consideration of them when designing their marketing strategy, then organisational sustainability is achieved. As identified by Coetzee (2013), a sustainable organisation is one that acts ethically with respect to the environment they operate in (environmental aspect), considers the people around it (social aspect) and takes calculated risks (economy aspect).

*Four-capital model and NPO sustainability*

The four-capital model incorporates the economic, natural, human and social capital and signifies that in order to create and retain sustainability, these four factors must be balanced (Rajabifard, 2011). Similarly, Pulselli et al. (2015) presented sustainability as a
matter of associations among compartments allowing the understanding of human activity and its physical, social, and economic contexts.

Economic capital refers all the resources that are utilised to produce goods and services and the wealth that is created through economic well-being, for example, disposable income, infrastructure, and production activities (Ekins, Dresner & Dahlstrom, 2008). The economic aspect stresses the importance of increasing the growth and efficiency of an organisation when using its resources (Cruz, Gaspar & de Brito, 2019).

Natural capital are elements of nature that are directly or indirectly related to human well-being; it includes pressure factors that can reduce the supply of resources (Ekins et al., 2008). It also focuses on minimising the effects of the external environment, adopting strategies that improve and protect the natural environment (Cruz et al., 2019).

Human capital refers to the health, well-being, and productive potential of individual people, for example, mental and physical health, education, motivation and work skills (Ekins et al., 2008). These elements not only support a happy, strong society but also develop the opportunities for economic development through a productive workforce.

Social capital refers to human well-being on a societal level; it comes from social relationships (Ekins et al., 2008). It refers to a structure of relatively long-lasting relationships between societies that are capable of inspiring collaboration and therefore of generating quantifiable assets (Ekins et al., 2008). A positive balance of social capital includes good connections within the community, access to basic services, support for families, income disparities, and a level of community trust, customs, and relationships that people leverage to solve common problems (Anon, 2012; Cruz et al., 2019). The components of social capital are all good for productivity as well as being desirable in themselves.

The same balance of these capital models should be applicable in NPO operations in order to reach sustainability. The economic aspect of the NPO framework refers to the availability of income and funds to finance the operations of the organisation. Natural capital refers to how the NPOs’ activities affect the environment in which they operate. If the activities of the NPO are positively impacting the environment they operate, the activities of the NPO are likely going to be supported by the society. Human capital, in this case, will refer to the well-being, motivation and work skills of the employees or volunteers of the NPOs. If the employees are happy, it implies that the productive potential and loyalty is improved. NPOs need employees that are dedicated and committed to their cause who will push forward the organisational mission. The social capital in NPOs refers to the health of the NPOs’ social networks (government, donors, political and individual) that the organisation can draw upon.

All these factors if balanced, contribute towards achieving sustainability in an NPO. In other words, the four-capital model implies that there needs to be a balance on the
different organisational units from the financial, production, human resources to the communication or marketing aspects.

**Recommendations**

There is a need to create favourable and easier travel conditions for people travelling into the country for medical purpose. This enables and pulls them into coming to South Africa thereby boosting the income generated from health tourism. More so, there is need to implement policies that encourage and support the operations of health care NPOs in South Africa. The government should also play an active role in opening and sourcing investments that are channelled towards supporting these NPOs. As noted earlier, health tourism is one of the largest revenue contributors in South Africa.

NPOs in the healthcare sector, need to continuously develop the infrastructure of their health care facilities. Given the sustainability challenges that these NPOs face, there is a need to continuously adapt innovative strategies that necessitate sustainability. There is also a need for continuous investment in healthcare NPOs given the vital contribution they bring to the country through health tourism. Lack of support and funding for NPOs threatens their existence and the ability to bring in revenue through health tourism.

**Conclusions and suggestions for further research**

South Africa has great potential to lure and attract many tourists from all over the world through the health care services provided in the country. It has many tourist attractions in all its provinces, for example, Kruger National Park, Tsitsikama, Table Mountain and Robben Island. Besides the amazing attractions, South Africa has high-quality health facilities. In order to ensure maximum income from health tourism there is need for sustainable healthcare services. Further research should consider looking at the types of support available to health care sector NPOs to stimulate health tourism.

**References**


