

# Chapter 1

## Introduction

### Research Background and Significance

The emergence of private hospitals. With the rapid development of the economy, private enterprises gradually rose in China. Especially in the medical industry, as the economy developed and people's living standards improved, people's requirements for the quality and level of medical services continued to increase, and more private hospitals emerged. Studies have shown that the operational efficiency and service quality of private hospitals were superior to public hospitals (Wang, 2018, pp. 5-8). In the field of stomatology, private hospitals also showed strong competitiveness and gradually became the mainstream of the market (Pspetajaya, et. al, 2020, pp. 69-86). However, if private dental hospitals wanted to achieve long-term development, they also needed to further use the power of good social capital to improve their own operational efficiency. Therefore, how to manage private dental hospitals well and improve their competitiveness and market share became an important research topic in recent years.

Social capital began to show significant influence. Social capital was one of the important factors for enterprises to achieve sustainable development, especially for private service industries such as hospitals. Social capital, including trust, cooperation, reciprocity, and other factors, was the relationship network between enterprises and stakeholders, and had a significant impact on the implementation of corporate strategy and resource orientation. For private dental hospitals, their social capital was mainly concentrated in financial management, human resource management, service management, etc., which also corresponded to many problems (Zhang, et.al, 2021, pp. 137-140). The causes of these problems were very complex, and social capital was mainly reflected in the lack of a management mode, a shortage of funds, a lack of policy support, and market competition pressure, among other factors. Therefore, how to use the concept and principle of social capital to give full play to its role in the management of private dental hospitals and improve the existing management problems related to social capital became the core issue of this study.

A great benefit of the policy was that the rapid development of private hospitals and the chain and group operation of private hospitals effectively alleviated the contradiction between supply and demand in China's medical market, improved the medical and health system in our country, and intensified market competition. Compared with public hospitals, there was still a big gap in brand credibility, talent reserve, discipline construction, and policy support. However, according to relevant surveys, at that time, many private dental hospitals in China paid relatively insufficient attention to management, lacked professional management experience and improvement direction, which seriously restricted the future development of private dental hospitals. By analyzing the empirical impact of social capital on the management of private dental hospitals, that paper was of great significance in helping the healthy and sustainable development of private dental hospitals and provided a certain theoretical basis and practical experience for the development of private dental hospitals.

With the upgrading of consumption, people's needs became more diversified. In recent years, the problems of the hospital management system and the unclear direction of improvement had formed a huge competitive pressure on private dental hospitals, bringing great challenges to hospital management and having a direct impact on the economic benefits and management efficiency of hospitals. In that context, if private dental hospitals wanted to stabilize and develop and obtain more economic benefits, they had to optimize and improve the existing management mode and further analyze the social capital that played an important role in it, making the management mode of private dental hospitals more competitive and targeted to occupy a place in the fierce competition in the medical industry. Therefore, studying the social capital of private dental hospitals and its influence was of great significance to improve the core competitiveness of private dental hospitals and obtain healthy, stable, and sustainable development.

Based on the above understanding, the purpose of this study was to analyze the problems and causes in the management of private dental hospitals and provide feasible solutions for the scientific management of private dental hospitals. Specifically, the development of private hospitals was faced with many challenges, and various problems continued to emerge. Among them, how to achieve scientific management was one of the important factors to ensure the healthy development of private hospitals, especially in the case of increasingly fierce market competition. Private dental hospitals needed to have certain social capital to better cope with market changes and achieve sustainable development. Therefore, this study adopted the method of combining literature review and empirical research and designed research

hypotheses and variables around key factors such as management mode, talent team construction, medical equipment, and information construction. At the same time, combined with empirical data, the management mode of private dental hospitals was analyzed from the perspectives of finance, human resources, and service, and corresponding management measures and suggestions were put forward to improve the management of private dental hospitals and improve the quality of medical services, making a certain contribution. However, the existing knowledge regarding the Determinants of Social Capital in the context of a Private Dental Hospital was unclear. Therefore, this research needed to be conducted.

## Research Objectives

1. To understanding the social capital in dental hospitals in Changzhou City.
2. To study the influencing of social capital on management efficiency, doctor-patient relationship, and political engagement of Changzhou Dental Hospital.

## Research Hypothesis

Hypothesis 1 (H1): A comprehensive understanding of social capital within dental hospitals in Changzhou City will provide insights into the social networks, relationships, and resources that impact hospital operations.

Hypothesis 2 (H2): Social capital have a positive influence on management efficiency of dental hospitals Changzhou City.

Hypothesis 3 (H3): Social capital have a positive influence on doctor-patient relationships of dental hospitals Changzhou City.

Hypothesis 4 (H4): Social capital have a positive influence on political engagement of dental hospitals Changzhou City.

## Research Scope

This study took several private dental hospitals in mainland China as research objects. We analyzed the determinants of social capital of private dental hospitals. In order to ensure the objectivity and practicability of the research, we used a combination of quantitative and qualitative methods to conduct questionnaires and interviews, and summarized determinants. At the same time, we also collected literature, read a large

number of theoretical studies and empirical articles on social capital, medical management, and hospital operation, combined with the actual situation of this study, and theoretically analyzed the determinants of social capital of private dental hospitals.

The research scope of this study covered 13 different types of hospitals in Changzhou, as well as the heads of these hospitals and related department staff. In the sample group, the person in charge mainly selected the president or vice president in charge of daily work. Meanwhile, the sample survey mainly focused on the operation of the hospital (including the use of funds, outpatient flow, etc.) and the basic information of the staff (including the qualification of the staff and the distribution of the number of people in the department, etc.). In order to obtain data, 13 interviews were prepared for the heads of hospitals to obtain the survey results that could support qualitative research. At the same time, 200 questionnaires were prepared and sent to the staff of relevant departments in various hospitals to obtain questionnaire data that could support quantitative research.

Through the above methods, we explored the key factors for success and provided good management ideas and directions for the subsequent development of private dental hospitals. Finally, we conducted a detailed analysis and interpretation of the survey results, from which we summarized the determinants of social capital in private dental hospitals and put forward relevant practical suggestions. Through this study, we hoped to deepen our understanding of private dental hospitals, improve their understanding and management methods, and make certain contributions to the development of China's private medical industry.

## **Conceptual Framework**

Social capital referred to informal or social relationships between individuals or organizations in the form of mutual trust, networks, obligations, agreements, etc. In private dental hospitals, social capital was essential for scientific management. This study aimed to explore the role of social capital in the scientific management of private dental hospitals, focusing on its impact on hospital governance, patient trust, and doctor-patient relationships. Through field investigations and data analysis, this study proposed specific measures and suggestions to improve the scientific management level of private dental hospitals and patients' medical experiences. This study took a private dental hospital in Changzhou City as the research object and adopted the method of a questionnaire survey and interviews to collect and analyze the data

(Zhang, et al., 2021, pp. 137-140). The research framework of this paper can be summarized as follows:

The first part was the introduction, which mainly summarized the current research background and research purpose.

The second part was the theory and related research summary. This paper mainly summarized the related concepts of social capital and relevant research on social capital and the relationship between social capital and private hospitals at home and abroad.

The third part was the research method. This paper mainly summarized the research design and the selection of variables, and discussed how to conduct in-depth research on the selected research objects through a questionnaire survey, obtain and analyze the empirical data of variables in this paper.

Considering that the formation of social capital was related to various practical factors of the hospital itself, this paper initially selected the investment of private dental hospitals in medical equipment, medical technology research and development, staff salary, and hospital infrastructure as variables that their own factors affected the formation of social capital and the overall economic benefit. Meanwhile, in order to investigate the impact of institutional factors on the formation of social capital, in this paper, the proportion of financial funds in medical investment was added as an independent variable. Correspondingly, this paper took the on-and-off ratio of hospital staff and the proportion of cases as the dependent variables to measure the formation of social capital and the efficiency of operation and management, and considered that the economic benefits of private dental hospitals were also one of the important factors to consider. This paper also added the economic income of hospitals as the dependent variable, thus forming the following variable setting framework:

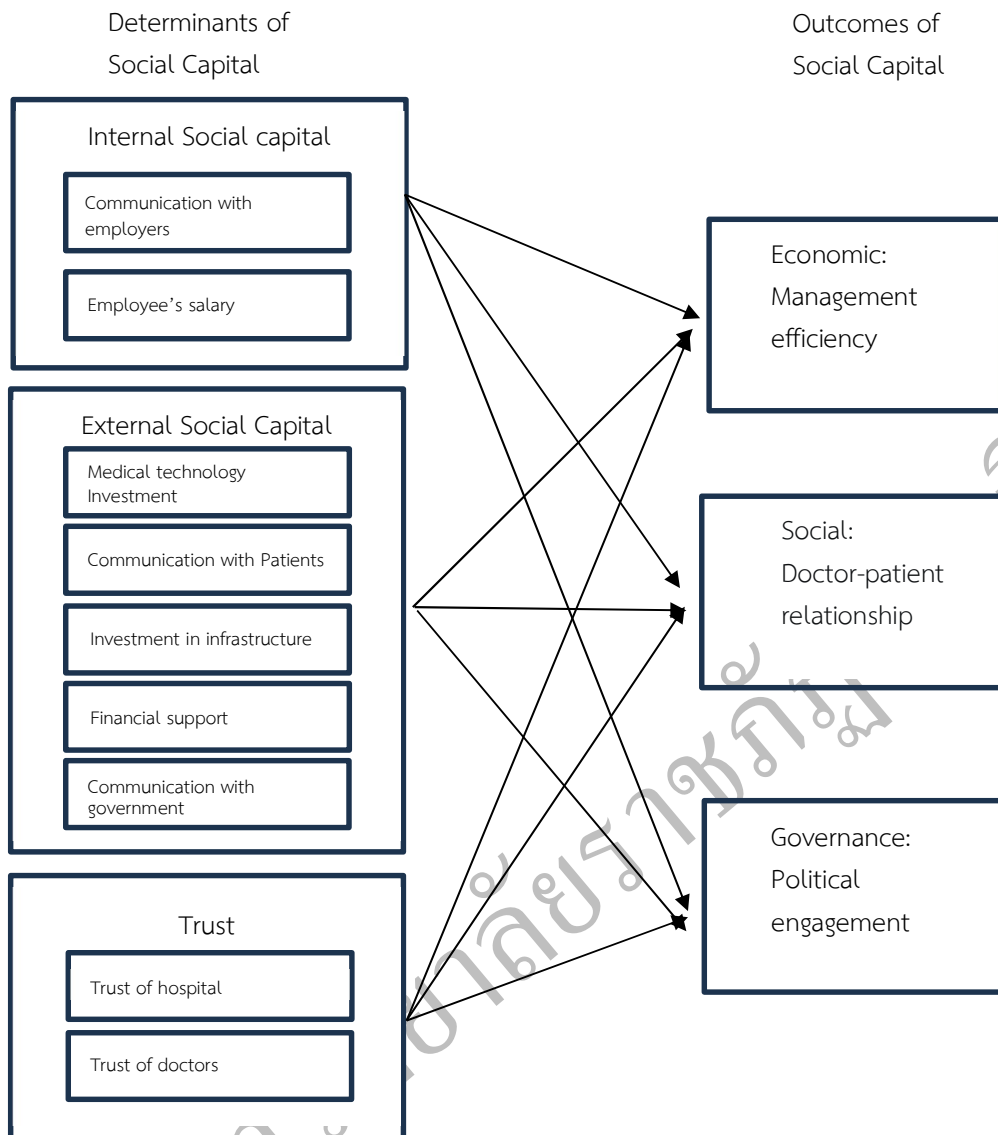


Figure 1.1 Conceptual framework

## Definition of Terms

According to the above variable selection, this paper selected the hospital's investment in medical equipment, medical technology research and development, and hospital infrastructure to measure the capital investment in forming its own social capital. At the same time, in order to measure the human resources in the social capital that could be formed in the staff management of the hospital, the average salary of the staff was chosen as the measure. At the same time, in order to measure the influence of the local political system on the formation of hospital social capital, this paper also selected the proportion of financial funds invested in medical care.

At that time, there was no clear and unified measurement of social capital in the academic community, but it was mainly based on Putnam's definition and dimension division of social capital, namely, social network, social trust, and social norms. Social network referred to the interpersonal network formed by the mutual connections among members of an organization (Shi, et al., 2018, p. 31), which promoted the flow of information among individuals and effectively restrained the opportunism and "free-rider" tendency in collective behavior (Ostrom, 1990, p. 115). Social trust meant that within a certain range, an individual evaluated the probability of a certain action taken by other actors, and the result affected the actor's own action (Gambetta, 2000, pp. 213-237). Social trust was the lubricant of collective action, and residents enhanced their willingness to cooperate autonomously through continuous self-reinforcement (Gachter, et al., 2004, pp. 505-531). Social norms referred to the code of conduct that members of a certain group established to order and abide by, including external mandatory norms such as laws and institutions and internal non-mandatory norms such as morality and commitment (Cialdini & Goldstein, 2004, pp. 591-621). As the foundation of social capital, social norms constrained individual behavior and contributed to the predictability of collective action outcomes (Coleman, 2000, pp. 17-41).

Therefore, according to Putnam's division method, this paper defined the relevant variables from three perspectives: social network, social trust, and social norms.

### **1. Social networks**

By definition, social network mainly refers to the contact between members of an organization. In the context of the study of dental hospital in this paper, this type of variable refers to the relevant relationship between the hospital and its employees, including the hospital's concern about the treatment of employees and the frequency of communication between the hospital and its employees.

#### **1.1 Employee compensation**

The total expenditure of the hospital to pay staff salaries, bonuses and subsidies. This variable is mainly measured by the improvement degree of employees' investment in the hospital, so as to improve employees' work experience and form a better social capital between the hospital and employees.

#### **1.2 Communication frequency between the hospital and staff**

The frequency of communication in this aspect mainly refers to the number of times the hospital responds to the demands of employees through meetings, feedbacks and complaints.

## **2. Social trust**

By definition, social trust mainly refers to an individual's trust in the behavior of others involved in social activities, and in the context of this study, it refers to the trust of patients and the government in the diagnosis and treatment behavior of dental hospitals. Therefore, this type of variable should refer to the investment made by the hospital to obtain this kind of social capital and the corresponding social trust capital.

### **2.1 Input of medical equipment**

Hospital expenditures for the purchase, maintenance and replacement of medical equipment; This variable is mainly measured by the hospital's investment in medical equipment, which can improve the patient's medical experience, form a better medical relationship, and form the social capital of the doctor-patient relationship.

### **2.2 Investment in medical technology research and development**

Hospital spending on research, innovative medical technologies and physician capacity development; This variable is mainly measured by the hospital's investment in medical technology, which can improve the patient's medical experience, form a better medical relationship, and form the social capital of the doctor-patient relationship.

### **2.3 Investment in hospital infrastructure**

Expenditures related to the maintenance and improvement of hospital hardware infrastructure, such as ward conditions, the medical building environment and the overall hospital environment;

### **2.4 Communication frequency between the hospital and the patient**

This variable mainly includes the frequency of communication with patients (including medical treatment, treatment experience, etc.), so as to measure the social capital that dental hospitals can form in terms of social trust.

## **3. Social norms**

Social norm refers to the code of conduct that members of a certain group establish order and abide by, including the external mandatory norm such as law and system and the internal non-mandatory norm such as morality and commitment. In the context of this study, it refers to the social capital formed by the communication between dental hospitals and the government, as well as the related funds obtained accordingly.

### **3.1 Communication frequency between the hospital and the government**

This variable mainly refers to the frequency of the hospital's contact with the relevant government departments through various channels (including the



frequency of attending various activities and conferences held by the government, the degree of the hospital's implementation of policies, and the frequency of inspections by government management departments, etc.).

### 3.2 Investment of financial funds

Proportion of local fiscal expenditure on health. This variable is mainly measured by the degree of financial support of the hospital, reflecting the social capital formed by the hospital due to the communication with the government.

## 4. Definition of dependent variables

Among the dependent variables, as this paper mainly studies the determinants of social capital in dental hospitals and its influence, this paper measures the impact of social capital on dental hospitals from the perspectives of economy, political relationship and doctor-patient relationship. Therefore, this paper selects the ratio of the number of employees leaving the company each year to the number of employees to measure the management efficiency, and adds the proportion of patients cured to measure the efficiency in this aspect. In addition, the annual economic income of the hospital was selected to measure the impact of social capital. The hospital can obtain economic benefits, so as to better fit the operation mode of private dental hospitals.

### 4.1 Ratio of dismission to entry of hospital staff

The ratio of the number of medical staff leaving their posts to the number of new medical staff recruited each year;

### 4.2 Proportion of patients cured

The ratio of the number of patients admitted to the hospital each year to the cumulative number of patients admitted;

### 4.3 Annual economic income of the hospital

The total annual financial income of the hospital, including treatment fees collected, donations and grants received, and financial allocations to the hospital from local governments.

## Expected Benefits

1. The results of this study can provide reference for private dental hospitals to improve management efficiency and economic benefits.

2. Managers of private dental hospitals can also use the conclusions of this study to develop effective operational management strategies.

3. The results of this study can provide some suggestions for any meaningful managers who are interested in improving the management efficiency and economic efficiency of private dental hospitals.

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