

# SERVICE QUALITY AND ITS EFFECT ON CUSTOMER SATISFACTION IN HEALTHCARE INDUSTRY

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## **ABSTRACT:**

Service quality has established a pivotal role in achieving patient satisfaction in healthcare industry. It is well known fact that achieving and maintaining patient satisfaction is important to retain their faith and loyalty towards the organization.

With the changing healthcare scenario, the prime focus has slightly shifted from only treatment to value added treatment. This value is added by the supplementary services and facilities provided by the hospital. All healthcare institutes have started putting more and more efforts towards giving these additional value added services to the patients. These may be in form of monetary and non monetary facilities. The current study focuses on the various dimensions of service quality and also attempts to find the gap between perceived and expected level of services quality.

The result achieved at the end of the study also help in identifying the role of most prominent and least important parameters. Various studies have been done in the past where attempts have been made to identify various dimensions of service quality also known as **SERVQUAL**. These dimensions may slightly vary from industry to industry.

**Keywords:** Service Quality (Servqual) Dimensions, Customer Satisfaction

## **INTRODUCTION**

Service quality is usually considered as the outcome of the service delivery system, especially in the service centric system. It is largely associated to consumer satisfaction. Often service quality is defined how a customer perceives the service provided. Customers generally form opinion about service quality not just from a single experience but from array of contributing factors. Service quality is a combination of two words, Service and Quality. Here Service is the interaction between provider

and consumer and quality is the level of conformance with the benchmark r deal way of providing service. The term quality focuses on standard or specification that a service providing organization commits. Innovations in the way services are being delivered have a significant effect over how patients perceive it. With the intent of improving, the levels of the quality of services the organizations must identify the reasons entailed behind escalating dissatisfaction amongst the patients and to

implement appropriate measures (technical, operational or functional) to minimize them. The effect of quality service on profit and financial factors of business performance is an inevitable aspect to understand in services marketing. Service quality is a strategic tool Service quality must be viewed as a strategic tool, in improving patient satisfaction and retaining their loyalty. Service quality affects the constant improvement of service performance by increasing market share and profit growth, keep in mind that service quality is a

### LITERATURE REVIEW

1. **Parasuraman (1985)** state that service quality is the gap between customer expectations and perceptions; expectation refer to service provider's performance during delivery of services whereas perception is measurement of service delivery by the provider.
2. **Berry (1988)** opined that service quality is the verdict and consequences of consumers after making comparison of expectation with the perception of actual services delivered to them by the service organization and any deficient between them is represented as a gap.
3. **Dawkins & Reichheld (1990)** concluded in their study that delivering higher quality services to the customers are the key strategies adopted by most of the organizations to uphold their existence in this competitive environment. Therefore, survival of any organizations in this exceedingly competitive environment is depending upon the delivery of superior quality of services to their customers.
4. According to **Zeithaml (1990)** Service quality is conceptualized as the consumer's discernment about the level

significant source of sustainable competitive advantage. This will yield an increase in financial results and will achieve sustainable competitive advantage. Quality-based service strategy is sustainable, as not all organizations can achieve the same level of service quality. Hence those service companies that lay the foundation of their strategies on the quality have an outstanding reputation, and this feature of their quality poses a barrier to developing competition in the market.

- of services either. It is either of high quality or of low quality.
5. **Cronin and Taylor (1992)** mentioned that expectations for the high quality of services has increased in the lives of the people due to increase of economic share of service sector in almost all the phases of the world. Customers played an important role in the success or failure of a service or product as their perceptions about the product or services played a significant role while assessing the quality of that particular services or products.
6. According to **Asubonteng (1996)** defined service quality as "the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received".
7. **Grönroos (2001)** stated that service quality is assumed to be the difference between customer expectations and perceptions either it is received or being received by the customer.
8. **Gefan (2002)** mentioned that service quality is an association made by the customers between the quality of

services they want to receive and what they actually received from the service provider.

9. **Riadh (2009), Wisniewski (2001), Nimit and Monika (2007)** have stated that “Service quality got significant attention and interest of both professionals and researchers during the last couple of decades in the literature of service quality.”

### RESEARCH METHODOLOGY

- **Research Design-** Exploratory study
- **Universe of study-** Structured industry of healthcare sector viz. hospitals in Indore
- **Sample Size-** 410 patients spread across various hospitals of central India.
- **Sampling Techniques:** Random Sampling
- **Data Collection-** Primary Data - collected through structured questionnaire divided into five sections. Secondary data – from journals, research papers and literature present at various platforms.
- **Statistical Tool-** Bar Graphs, Pie charts and Line Diagrams  
MS Office  
MS Excel

10. Measurement of the service quality is a critical issue and various service quality models have been presented during the last couple of decades but most commonly used is ‘SERVQUAL’ by **Parasuraman, Zeithmal and Berry (1985)**. According to study customer perception about the service quality can be determined by five ‘gaps’.

### SPSS

#### • Research Objectives

1. To describe service quality dimensions in healthcare sector which tend to influence customer satisfaction.
2. To assess servqual dimensions that contribute to customer satisfaction
3. To identify the most and least important service quality dimensions that influence customer satisfaction in the healthcare sector.

### RESEARCH HYPOTHESIS

The statistical hypothesis is:

**H<sub>0</sub>:**  $\rho \leq 0$ , “Service Quality of healthcare sector has significant impact on Patient Satisfaction.

**H<sub>1</sub>:**  $\rho > 0$ , “Service Quality of healthcare sector does not have significant impact on Patient Satisfaction.

**Table 1 : Operational variables implied in the present study**

VARIABLE	CONCEPT	SUB VARIABLE	INDICATOR
	Conceptualized as the comparison of service expectations with actual performance perceptions	Reliability	<ul style="list-style-type: none"> <li>• Promptness of medical staff in providing service</li> <li>• Accuracy in all processes and treatment</li> <li>• Speed in delivering services</li> </ul>

<b>Variable X Service Quality</b>		Responsiveness	<ul style="list-style-type: none"> <li>• Speed in responding to the patient's needs</li> <li>• Staff's willingness to assist and help the patients</li> </ul>
		Assurance	<ul style="list-style-type: none"> <li>• Staff is concerned towards the patients</li> <li>• Attitude of Staff towards patients</li> <li>• Support services such as parking, directions, washroom, drinking water etc.</li> </ul>
		Empathy	<ul style="list-style-type: none"> <li>• Ease of Communication</li> <li>• Alertness and attentiveness of staff</li> </ul>
		Tangibles	<ul style="list-style-type: none"> <li>• Add on services in the hospital, such as cafeteria, play area for patients, garden, in house offers and discounts</li> <li>• Hospital's cleanliness and hygiene</li> <li>• Array of services provided by hospital under one roof</li> <li>• Staff behavior and curtsey</li> </ul>
<b>Variable Y: Patient Satisfaction</b>	Conformance between the expectations of customers with perceived performance		<ul style="list-style-type: none"> <li>• Expectations of Services</li> <li>• Perceived Performance</li> </ul>

## DATA ANALYSIS AND INTERPRETATION

The responses received from 410 patients circulated amongst healthcare sector of Central India. The data collected can be tabulated and presented as:

**Table 2 : Patient's Expectations to the Quality of Healthcare Services**

S. No.	Statement	Average
1	Promptness of medical staff in providing service	4.82
2	Accuracy in all processes and treatment	4.84
3	Speed in delivering services	4.59
4	Speed in responding to the patient's needs	4.7
5	Staff's willingness to assist and help the patients	4.7
6	Staff is concerned towards the patients	4.77
7	Attitude of Staff towards patients	4.8
8	Support services such as parking, directions, washroom, drinking water etc.	4.23
9	Ease of Communication	4.51
10	Alertness and attentiveness of staff	4.72
11	Add on services in the hospital, such as cafeteria, play area for patients, garden, in house offers and discounts	4.54
12	Hospital's cleanliness and hygiene	3.71
13	Array of services provided by hospital under one roof	3.68
14	Staff behavior and curtsey	3.63
	<b>Average</b>	<b>4.45</b>

From the table above, on average, customer expectations are at 4.45 levels where rating 1 is given to least important parameter and 5 given to the most important parameter.

**Table 3: Patient's Perceived Service Quality in the Healthcare Sector:**

S. No.	Statement	Average
1	Promptness of medical staff in providing service	4.17
2	Accuracy in all processes and treatment	4.16
3	Speed in delivering services	4.06
4	Speed in responding to the patient's needs	4.12
5	Staff's willingness to assist and help the patients	4.05
6	Staff is concerned towards the patients	4.06
7	Attitude of Staff towards patients	4.05
8	Support services such as parking, directions, washroom, drinking water etc.	4.07
9	Ease of Communication	4.08
10	Alertness and attentiveness of staff	4.07
11	Add on services in the hospital, such as cafeteria, play area for patients, garden, in house offers and discounts	4.05
12	Hospital's cleanliness and hygiene	4.06
13	Array of services provided by hospital under one roof	4.12
14	Staff behavior and curtsey	4.14
	<b>Average</b>	<b>4.09</b>

As shown in the table above, the average rating for Service quality as perceived by the patients is 4.09. Where, rating 1 is given to the least important parameter and rating 5 given to the most important parameter. To study the impact of

service quality in Healthcare sector, correlation analysis is performed.

The association between service quality and patient satisfaction indicate that the correlation coefficient (r) is 0.626 or 62.6%. It indicates moderate positive correlation.

#### Correlation Analysis

	X	Y
<b>Pearson Correlation X</b>	1	0.626
<b>Y</b>	0.626	1
<b>Sig. (1-tailed) X</b>		0.22
<b>Y</b>	0.22	
<b>N X</b>	78	78
<b>Y</b>	78	78

Determination Coefficient is implied to measure the impact of independent variable x (service quality) on the dependent variable (customer satisfaction). The result shows

that the service quality has influence of 46.82% on the customer satisfaction, while the rest 53.18% is influenced by other factors.

#### Model Summary

Model	R	RSquare	Adjusted RSquare	Std Error of Estimate
1	.626a	0.468	0.306	0.2219

Regression Linear equation defined from Table is  $Y=1.375+0.23X$

#### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	5% Confidence Interval	
	B	StdError	Beta			Lower Bound	Upper Bound
(Constant)	1.375	0.656		2.012	0.045	-0.056	3.023
X	0.240	0.212	0.546	2.123	0.052	0.022	0.812

Dependent Variable: Y

## CONCLUSIONS

1. Based on the results obtained by researcher the following conclusions are:
  - a. Customers have high expectations regarding the promptness of medical staff in providing service, Accuracy in all processes and treatment, Support services such as parking, directions, washroom, drinking water etc.; the customer's low expectations were on parameters like staff behavior and curtsey, etc. It shall be noted that this rating is a comparative assessment and therefore this dimension of service quality scores lower in comparison to promptness, support services and security issues. The dimension "Staff behavior and curtsey" was reported to be satisfactory by the respondents and therefore did not expect substantial improvements in their performance.
  - b. Customers reported highest satisfaction for Promptness of medical staff in providing service along with Accuracy in all processes and treatment at all service stations. They were also satisfied with the efforts put by the staff and the hospital management made to streamline the process and to expedite the process at service delivery stations. The lowest satisfaction levels were reported at the willingness of staff to assist customers in accessing facilities and various service stations such as OPD,
    - c. Pharmacy, Diagnostics centres etc.
  2. Prioritizing dimensions like attention to details, promptness in addressing complaints; implementing corrective action on faulty transactions. These issues could be prioritized as the most important ones for offering better and improved service quality to customers and to make shopping a pleasurable experience.
  3. Improvisations that can be done by the hospital management are:
    - i. Improving communication amongst staff members, using latest technology to process feedbacks, complaints and ensuring error-free transactions.
    - ii. Organizing staff training to enable them in assisting customers and provide them with relevant information. Courtesy, empathy, etiquette and communication skills could be developed through continuous training of the staff.
    - iii. Improvements in the overall ambience of the hospital, better shelves and space management, clear / bilingual electronic signages, clean hallways and aisles, lighting, promotional pamphlets, etc should improve over all service experience for the patients.
    - iv. Provision for play area, feeding rooms for lactating mothers, cafeteria, adequate parking space, security, and ATM facilities could provide hassle free service experience for the patients.

## LIMITATIONS

1. Customer expectations and Customer Perceptions are industry based. The parameters of satisfaction in healthcare sector are different from that of other service industries.
2. The study was carried out for a short span of time and hence making any generalization regarding the patient behavior and their expectations

regarding services is difficult.

3. The current study is longitudinal in nature.
4. The array of service quality parameters considered for the current study are very limited. There may be a lot of other variables which may give a slightly different result.
5. The study is carried out in the

healthcare sector of central India. It is a well known fact that expectations, behavior and characteristics are dependent on geographical location also. Geo demographic factors influence customer perception and expectations. Hence the study may reveal different results if carried out in some other geographical location.

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