CUSTOMER'S SATISFACTION TOWARDS SERVICE QUALITY OF PRIVATE HOSPITALS IN KUCHING

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ABSTRACT

Today, the modern age can be called as the “Age of Consumers”. As in the present business scenario of intense competition, customer satisfaction has become the prime concern of each and every kind of industry. High level of customer satisfaction is very important in order to win customers and surge ahead of competitors. In order to assess the quality and effectiveness of services provided by the private hospitals in Kuching, a cross-sectional descriptive study was conducted among the in-patients to find out the patients’ expectations and perceptions of the hospital services of the doctors, nurses/ medical assistant, administration and infrastructure. Data were collected through a self-administered questionnaire distributed to in-patients in the three private hospitals. There were a total of 300 in-patients recruited using convenience sampling with 155 (51.7%) were male and 145 (48.3%) were female respondents. To analyse the data, Statistical Package of Social Science (SPSS) version 17 for windows and Paired-Sample T-test were performed. From the result findings, there was a significantly difference between expectations and perceptions for all the four factors in hospital services quality ($P=0.00$). The highest difference between expectations and perceptions was found in the nurses/ medical assistant’s service quality and the lowest difference was in doctor’s service quality. This study demonstrated that patients’ expectations were higher than their perceptions in all the four factors in the hospital services quality and it implied that patients were not satisfy with the services provided by the three private hospitals in Kuching.
ABSTRAK

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Healthcare system in Malaysia is divided into government and private sectors. There are total 363 hospitals of varying bed capacity in the country and 62 percent were privately owned (Frost & Sullivan, 2009) and due to the availability of information and a better-educated population, the need to measure up is no longer a choice but a necessity in meeting rising expectations from better informed customers. The world’s rising population and increasing standards of living had driven significant growth within the global healthcare service sectors, as consumers have demanded better medical care to support their improving lifestyles (Padma et al 2010). Besides, service providers of today are increasingly have to deal with a wide range of social, financial, political, regulatory and cultural challenges, which of the impact, is the demand for greater efficiency and better quality. Thus the need for the private hospitals to increase their competitive edge is becoming more intense in meeting the rising needs. Hence, quality management has emerged not only as the most significant and enduring strategy in ensuring the very survival of the private hospitals, but also a fundamental route to business excellence.

In this study, researcher intended to study the quality of services provided by the private hospitals in Kuching and seek to identify the basic constructs underlying patients’ expectations, perceptions and satisfaction of quality services. The survey of 155 males and 145 female in-patients was conducted in three private hospitals in Kuching, Sarawak. In the study, respondents were randomly sampled using convenience sampling and they were invited to complete the questionnaire before they were discharged from the hospitals. All the questionnaires were conducted in English. Translation into Malay and Mandarin was done for those patients having
difficulty in understanding English. The name of the patients of the study was not disclosed in order to ensure patients' privacy.

**Customer expectation and perception**

Customer expectation is defined as what the customer wants from the product or service they have purchased, and perceived quality is explained as the customer's judgment about a product/service's overall excellence or superiority, based on perceptions of what is received and what is given (Zeithaml, 1988). The evaluation is done by comparing the expectation with the perceived performance of the product/service. Therefore, a thorough understanding of the customer's needs and expectations is vital to achieve total customer satisfaction in order to retain the customers for future re-purchase.

**Customer satisfaction**

Customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product or service's perceived performance or outcome in relation to her or his expectations (Nair, 2004). In a sum, satisfaction is a function of perceived performance and expectations. Whether the buyer is satisfied after purchase depends on the product's performance in relation to the buyer's expectation. If the performance falls short of expectations, the customer is dissatisfied but if the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. This is in conjunction with Kano Model (1984) which a theory of product development in business that build their strategies around customer satisfaction.
Therefore, on applying this concept to the hospital sector, customer satisfaction in a hospital is basically a state of mind of the patient. It is the ability of the hospital service to meet the expectation of its patient. Customer's delight is all about exceeding the expectation of the patients to make him or her highly satisfied with the hospital. Since customer retention is a vital issue, hospital should aims for customer’s high satisfaction or delight because customers have no qualms in shifting when a better offer comes along from a different hospital. What a customer thinks about the product or services offered by a hospital can have a marked effect on the purchase of its services. Those who are highly satisfied or delighted with the hospital are much less ready to shift. High satisfaction creates an emotional bond in the mind of the patient with the hospital, and this result in high patient loyalty, which is what every hospital is looking for, to win the competition.

1.2 Problem Statement

The need to achieve patient satisfaction has made private hospitals realized the importance of healthcare marketing. The hospitals are therefore making efforts to determine what healthcare customers need, tailoring their services to meet those needs and then attracting patients to continue use their services. There were many studies done on service quality and customer satisfaction, however, there was unclear of what dimension do customers of private hospital in Kuching used to rate the quality of services rendered to its customers, its ranking, and which dimension is more important from the customer’s point of view.
Gap in the Literature

Quality of service and patient satisfaction had been extensively studied and considerable effort has gone into developing survey instrument to measure it. However, most reviews have been critical of its use since there is rarely any theoretical or conceptual development of the patient satisfaction concept. Therefore, this study points out that there is an urgent need to measure the differences between the expected and perceived health care service quality, and evaluate its satisfaction level in order to better understand patients’ needs and improve the service quality.

1.3 Objective of the Study

1.3.1 General objective

The objective of this study is to evaluate the expectation, perception and satisfaction of private hospital services by the customers for quality improvement.

1.3.2 Specific objective

The specific objective of this research is to assess the quality of services provided by private hospitals in Kuching, and to identify the basic constructs underlying patients’ expectations, perceptions and satisfaction of quality of services provided by the hospitals. Hence, to improve its service performance to be more customers oriented approach. The current study is focused on examining the various factors related to patient satisfaction with the following specific objectives:

- To study the customer expectations of private hospital services in Kuching.
• To study the customer perception of private hospital services in Kuching.

• To study the customer satisfaction of private hospital services in Kuching

1.4 Theoretical Framework

Many theories have been proposed to explain customer satisfaction. Duggirala et al (2008), in their study on Indian hospitals, revealed that there were seven dimensions of healthcare service quality, namely infrastructure, personnel quality, process of clinical care, administrative processes, safety indicators, overall experience of medical care and social responsibility. These dimensions were quite similar to Padma et al (2010) study, in terms of constructs and the constituent items. In their study, the authors also had developed eight dimensions, namely infrastructure, personnel quality, process of clinical care, administrative procedures, safety indicators, hospital image, social responsibility, and trustworthiness of the hospital to obtain the perspectives of both patients and attendants.

Based on an extensive review of the literature on service quality, the critical dimensions of patient-perceived healthcare quality dimensions have been identified and used as an instrument in measuring the patient’s viewpoint of health care quality in the current study. The following are the dimensions of patient-perceived quality service in healthcare in this study:

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
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<tr>
<td>Doctor’s Service Quality</td>
<td>Customer’s Satisfaction</td>
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<tr>
<td>Nurses/ Medical Assistant’s Service Quality</td>
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<td>Quality of Administration of hospital</td>
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<td>Hospital Infrastructure</td>
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This theoretical framework presents the description of four constructs used in the study. All the dimensions and its sub-dimensions have been measured from the perspectives of patients in private hospitals in Kuching.

1.4.1 Doctor’s Service Quality

This dimension measures the patient’s experience in respect of the quality of care delivered by the doctors. The personnel involved in delivering service, are expected to be responsive, reliable, friendly, sincere and competent by the customers (Padma et al, 2010). This in-line with O’Connor et al (1994) as cited by Duggirala et al (2008), that the medical encounter between a doctor and a patient requires an intensive level of interaction where it had shown to have a significant impact on patient satisfaction. The sub-dimensions i.e. the availability, knowledge and experience of doctor, the thoroughness check-up and examination comfort by the doctor, the empathy and politeness of the doctor are the measures in this study.

1.4.2 Nurses/ Medical Assistant’s Service Quality

This dimension on nurse/ medical assistant’s care quality assesses the perception of the patient with respect to the quality of nursing care provided during her/ his stay in the hospital. In Needleman and Buerhaus (2003) study, have made an important discovery about the relationship between nursing and patient outcome and also have highlighted the vital contribution of nurses to the quality of patient care. Parasuraman et al (1985) have made use of assurance, empathy and responsiveness dimensions to indicate the quality of personnel. Andaleeb (1998) had found that three out of the five dimensions, “communication of hospital staff with patients”, “competence
of staff”, and “staff demeanour” related to patient-staff interaction, which reinstates the importance of patient’s relationship with hospital employees leading to customer satisfaction with hospitals. In this current study, the availability, knowledge and experience of the nurse/medical assistant, politeness, maintenance of record and privacy by the nurse/medical assistant, handling of queries and staff’s appearance are the sub-dimensions being measured.

1.4.3 Quality of Administration of hospital

Administrative processes of hospital includes the processes during admission, procedures during stay in the hospital, and the procedures involved in the exit and discharge stage of the patient’s stay in hospital, any delay in these stages will results patients are not happy and dissatisfy with the hospital (Padma et al, 2010). Therefore, during the whole hospitalization, all staff should demonstrate they care to the patients, and do everything to gain the patient’s confidence in the hospital and ensure they feel safe during their hospitalization experience. The convenient of office hour, check-up and out procedure, billing procedure, grievances handling system, behaviour of clerical and security staff and the sub-dimension measures in the current study. This entire dimension will make the patients feel less inconvenienced by their treatment and further satisfy the patient with the services provided to them.

1.4.4 Hospital Infrastructure

This dimension addresses the patient’s perception and satisfaction of quality with regard to the physical facilities in the hospital. Several studies have attempted to study the importance of the importance of the physical facilities in service delivery. In Lewis’s (1990) study on banks,
retailers and building societies, he found that the respondents rated the physical features and facilities as very importance, in particular, location, privacy and physical safety for bank and building societies. But retail customers rated the appearance of building, interior decoration, atmosphere and layout as important. Grönroos (1982) realized the role of “image” in the conceptualization of service quality, and emphasized it as a filter in the perception of service quality in addition to the technical and functional quality dimensions. Hence, in this current study, attempts to measure the customer’s satisfaction on the cleanliness, sitting and bedding arrangement, natural lighting, parking and eating places, flies and mosquitoes, marking on the wall and well-equipped units in the hospitals.

1.5 Research Scope

This research studied the customer’s expectations, perception and satisfaction level on healthcare services from the private hospitals in Kuching. The fieldwork was conducted from December 15, 2010 through May 30, 2011. Primary data from a designed questionnaire was collected from the in-patients from three private hospitals in Kuching, namely:

- Kuching Specialist Hospital
- Timberland Medical Centre
- Normah Specialist Medical Centre

1.6 Significance of Study

The need to focus on the patient as the customer is the fundamental aim of private hospital in order to grow and gain greater profit as performance makes customers return to the same provider and spread more favourable “word of mouth” recommendations. This study is
significant to obtain feedback and suggestion from the patients themselves, which is using a measurement scales which allows the patients to assess the quality of care that had rendered to them. As today’s consumers are better educated and more aware than in the past, and there were available of data through bulletins, web sources, health magazine and online repositories, therefore there is a need to call for the increases in the effectiveness of the healthcare system by the efficient management of hospitals in focusing onto the customers’ demand on the services provided to them.

Besides, this study makes important theoretical contributions to the understanding of customer satisfaction concept through their expectation and perception level. It also helps researcher to develop a systematic program to examine level of satisfaction among patients and healthcare receivers and conclude the service quality of healthcare providers in the private sectors in Kuching. The information gathered from this study is also important to the private healthcare providers in Kuching to understand what customer expectations are and to develop strategies in fulfilling or satisfying their customers’ needs and wants in order to attract and retain customers.

1.7 Limitation of Study

There were limitations as predicted for conducting this research. First of all, the respondents in this study were limited to in-patient only in private hospitals in Kuching. The largest number of patient which is out-patient was not included in this population and sampling target.

Besides, as any study based on consumer survey through a pre-designed questionnaire, the study faced the basic limitation of the possibility of difference between what is recorded and
what is the truth, no matter how carefully the questionnaire has been designed and field investigation has been conducted. Problems raised in respondents not understanding the difference between expectations and perceptions. The customers may not deliberately report their true preferences and even if they wish to do so, there were bound to be differences owing to problems in filters of communication process.

Furthermore, it was difficult to get feedback from seriously ill patients where they were too sick and unable to cooperate in answering the questionnaire. Taking into consideration also, there were patients with less formal education whom do not understand the content of questionnaire and required translation into their languages. This included patients who were not able to communicate effectively.
CHAPTER 2: LITERATURE REVIEWS

2.1 Introduction

Increasing quality is becoming a more important element in determining the value of a service proposal as it provides a basis for customers to distinguish between competing service organizations (Marshall and Murdoch, 2001). It is therefore important that the service organizations are aware of the customer’s expectations of quality, and then develops an effective and integrated strategy which allows a better chance of surviving and prospering. In order to better understand the customers, many studies have been conducted on customer’s perception and satisfaction. In this study, an attempt has been made to present in brief, a review of literature on customer satisfaction in general as well as on the customer satisfaction from hospital services.

Quality as defined by Sage (1991) as “meeting the needs of the customer in a consistent and coordinated way”. The researcher also mentioned that quality measures were used to identify areas of performance that merit improvement, monitor improvement, and provide comparative information to assess performance so that consumers can make a better choice. In another study, Grönroos (1984) as cited by Parasuraman et al (1985), had categorized quality in service organization into two aspects, namely technical (outcomes) and functional (delivery) quality. Technical quality refers to the competence of staff as they go about performing their routines. Functional quality refers to the manner in which medical care is delivered to the customers. This includes the communication skills of the staff and the empathy shown by them to the patients. At presently, patient questionnaires and customer complaint systems were widely applied for user orientation in health care systems and hospitals respectively. The comments given by the patients should be seriously considered as suggestion to improve the service quality rendered to them.
In a study done by Labarbera and Mazursky (1983) on customer satisfaction, suggested using a cognitive model to assess the dynamic aspect of customer satisfaction and dissatisfaction in consecutive purchase behaviour. From the study, they found that customer satisfaction have a significant role in mediating intentions and actual behaviour for five product classes that were analysed in the context of a three-stages longitudinal field study. They also concluded that repurchases of a given brand is affected by lagged intention whereas switching behaviour is more sensitive to customer’s dissatisfaction with brand consumption.

Kantabutra and Avery (2007) also had studied on customer and staff satisfaction. The authors had examined the relationships between vision attributes (of brevity, clarity, challenge, stability, abstractness, future orientation, and desirability or ability to inspire) and content (relating to customer and staff satisfaction imageries), and customer and staff satisfaction in Australian retail stores. The data of the study was collected from store managers, staff and customers of 101 apparel stores in Sydney and the variables were tested for significant relationship through chi-square and regression analyses. From the study, they found that there was important of espousing vision containing reference to customer and staff satisfaction. The authors concluded that empowerment of staff and staff personal factor were directly predictive of enhanced customer satisfaction, while motivation and empowerment of staff, and staff personal factor were directly predictive of enhanced staff satisfaction.

Voss et al (1998), in an attempt to study the roles of price, performance and expectations to determine satisfaction in a discrete service exchange. In the study, the authors developed a contingency model to examine the issue by using data from a multimedia experimental design. The authors also proposed that the level of price-performance consistency in a service exchange moderated the relationship between performance expectations and subsequent performance and
satisfaction judgments. They found that when price and performance are consistent, expectation have an assimilation effect on the performance and satisfaction judgment; however, when price and performance are inconsistent, expectations have no effect on the performance and satisfaction judgment.

2.2 Service quality in the Western context

In Tomes and Ng (1995) study on service quality in hospital care of National Health Service (NHS) in England, they mentioned that healthcare professionals and managers must address the issue of improving the quality of service they provided. In this study, the authors developed a measurement scale to assess the service quality provided in NHS and NHS trust hospitals and identified the basic constructs underlying patients' perceptions of quality of service provided by these hospitals. There were a total of eight dimensions emerged in the study, six relating to the intangibles of hospital care and two covering the tangible aspects. These namely empathy/understanding, relationship between patients and health care staff, communications, reliability, courtesy, dignity, food and physical environment. The result of the study indicated that patients' expectations were met or exceeded in respect of four of the seven factors, while dissatisfaction with the physical environment was expressed in which can only be remedied by a large injection of cash to improve the factor. The authors also suggested that top hospital management should starts to explore the staff's perceptions of quality initiatives implemented in their hospitals as staffs must be brought on-side if they are to be expected to work even harder to provide quality service to patients in the new era of assessment and accountability.

Chahal et al (2004) had done a study on patient satisfaction in public health care service in India. The authors mentioned that due to the increased awareness among the people, patient's
satisfaction had become a very important concern for the hospitals. In the study, the authors have analysed the factors affecting patient satisfaction in public health care outpatient services. Patient satisfaction was measured with respect to technical and non-technical characteristics of health care service encounters, and was categorized into four basic components: attitude towards doctors, attitude towards medical assistants, quality of administration and quality of atmospherics. Based on their findings, they also suggested strategic actions in necessary for meeting the patient’s need of the government health care sector in developing countries.

Another study by Gotlieb et al (1994) on patient discharge, hospital perceived service quality and satisfaction shown an evidence of a clear distinction between perceived service quality and patient satisfaction. This study applied a theoretical framework to help build a model that attempts to explain the relationships among disconfirmation of expectations, perceived quality, satisfaction, perceived situational control, and behavioural intentions. The result suggested that patient satisfaction mediated the effect of perceived service quality on behavioural intentions, which included adherence to treatment regimens and following provider advice. Additionally, the result also indicated that perceived quality affects satisfaction and a behavioural intention is affected by satisfaction. This in line with Oliver (1999) as cited by Moliner (2009) with respect to causal relationships, that satisfaction with the supplier is an antecedent of the consumer’s commitment to it. Satisfaction is a comparison between the results of the different transactions carried out and prior expectations. When the patient experiences an increase in his/ her satisfaction with the hospital, his/ her commitment also increases; if as a consequence of these experiences the level of satisfaction is low, the level of commitment to the establishment will also be low.