

A Study on Effectiveness of Service Quality of Private Hospitals at Bengaluru for Sustainability and Competitive Advantage

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Abstract

The modern Indian economy is dominated by Service Sector. Among the various service sectors, healthcare sector has grown in a fast pace. Privatization has embraced health sector on an extensive scale and there are many Private Hospitals in Bangalore. The private health care players are facing intense competition. Sustainability and gaining Competitive advantage are the major Challenges faced by Private health care sector. They can enhance the effectiveness of their Service and gain competitive advantage for attaining Sustainability by offering a good quality of service. This research paper makes an attempt to identify the determinants of Service quality and assess the effectiveness of services provided by Private healthcare sector at Bangalore. The Study also offers suggestions for improving the service quality of Private hospitals.

Key words: Sustainability, Competitive advantage, Service quality, Private health care sector.

1. Introduction

Service sector has made a significant progress in Indian economy. Among various dimensions of service sector, health care industry occupies a significant position. Since two decades health care Industry has witnessed extensive privatization. With the increase in population, the number of patients visiting the hospitals also have increased. The modern life style with a high level of mental stress and less physical exercise has resulted in a number of health issues which compels people to visit hospitals frequently. In addition to this, the spread of education has made people more aware of health hazards. Health conscious people tend to visit hospitals for prevention of health hazards.

Privatization of health sector

India has witnessed privatization on an extensive scale. Since three decades. The policies of successive governments are in favour of Privatization. In addition to the policy of the Government, there are other reasons which have contributed to the growth of Private hospitals. Such reasons are discussed in this context:

Inadequate number of Government hospital in comparison with the growing Population of the country

Lack of adequate infrastructure in Government Hospitals

Corruption among the staff

Administrative Problems of Government Hospitals

Positive perception of People towards Private Hospitals

Emphasis on service by private hospitals

The number of private hospitals in the country has increased significantly over the years. But the private hospitals are facing intense competition and maintaining a favourable customer opinion is a major problem faced by Private Sector Hospitals In a mega city like Bengaluru, sustainability and survival in the market is a greatest challenge before the Private Sector hospitals. Private hospitals can gain competitive advantage and maintain sustainability by providing a high quality of service.

Determinants of quality at Health care sector

Many factors determine quality aspect at private health care sector. Such factors are highlighted in this context.

- Infra structure
- Availability of Qualified and Competent medical practitioners
- Nursing Care
- Affordable price
- Availability of required medical facilities
- Timely Service
- Recovery rate of Patients

Private health care sectors have to focus on all the above stated quality dimensions for gaining competitive advantage.

2. Review of Literature

1. Kotler Philip Sholowitz Joel and Steven J. Robert, 2008 in their article titled "Strategic organizations for Building a customer driven Health system published by Jobssey-Bass, have stated that Service sector has various dimensions such as education, banking tourism and health care. Increasing importance of service sector has created a need for marketing. Health care marketing has helped the private health care players to focus on Customer needs and operate as a customer oriented sector

2. Anjali Patwardhan (2009) in her article **A retrospective on access to health care** published in International Journal of Health Care Quality Assurance Vol. 20 No. 6, 2007 pp. 494-505 Emerald Group Publishing Limited has stated that consumerism has dominated all sectors. The private health care sectors have been more responsive in identifying customer needs and preferences by conducting Customer surveys. Such surveys help the private health care sectors to implement strategic planning for improvement of quality.

3. Nesreen A. Alaloola (2008), in the article titled Patient satisfaction in a Riyadh Tertiary Care Centre published in International Journal of Health Care Quality Assurance Vol. 21 No. 7, 2008 pp. 630-637 has stated that there are various factors which influence customer perception towards private health care centres. They include the cleanliness of treatment room, emergency care staff, explanation about medication and counselling for patients.

4. Koichiro Otani & Fort Wayne (2009), in his article titled Patient Satisfaction: Focusing on "Excellent"; Journal Of Healthcare Management 54:2 March/April has stated that attributes like staff care, nursing care, Physician care, admission process help in determining the quality of service rendered by Private health care centres

3. Design of the study

The study is empirical in nature with a descriptive approach. In the present study, the following variables have been considered:

Independent variables: Qualified & competent doctors, Medical facilities, Infrastructure and physical ambience.

Dependent variable: Quality of service.

3.1 Significance of the study

The study is highly Contemporary in nature. In the light of extensive scale of Privatization of health care sector, the study occupies significance from social and economic Point of View, The Study aims at understanding the quality concern of Private health sector and the effectiveness of such a concern shown by Private Health care sector. The suggestions made may provide some guidelines to the Private Hospitals to focus more on quality in order to gain Competitive advantage and build sustainability. From the view of Society, the study may be helpful in assigning a sense of social responsibility on the part of the Private health care Sector. From the economic point of view, the contribution made by the study is likely to enhance the performance of private healthcare sectors and generate revenue and contribute to the growth of the economy.

3.2 Statement of Problem

Increase in the number of private hospitals have created an intense Competition among the Private Players. The Health care service providers are finding it difficult to face the Competition and sustain in the market in the long run. Providing quality service is a greatest challenge faced by Private health care sector. Quality is ultimately decided by the Consumers. The private sector hospitals claim that they are providing excellent quality of service, but the Customer perception towards quality may differ. Hence there is a pressing need for private health care sector players to define and implement effective quality services on the basis of Customer expectations. In this regard the study taken up aims at assessing the effectiveness of service quality of private sector hospitals for sustainability.

3.3 Objectives of the Study

- * To Study the factors influencing Service quality at private health care sector.
- *To Understand the Service quality policies adopted by Private health care sector for ensuring sustainability
- *To assess the effectiveness of Service quality policies adopted by Private health care sector
- * To suggest measures for improving the quality of services in order to ensure sustainability

3.4 Scope of the Study

The study covers the patients visiting Private Hospitals at Bengaluru. Geographical territory of Bengaluru is selected for study as it is a mega city with more number of Private health care providers.

3.5 Limitations

- * The study is confined to a small sample of thirty respondents
- * Element of time constraint may have an impact on the study
- * Findings of the study are based on the responses gathered from the respondents which may not be totally accurate.

In spite of the above limitations, sincere efforts have been made to carry out the study in an effective manner.

3.6 Sources of data

The sources of data include both primary and secondary data. Primary data is gathered by the researcher himself by circulating the questionnaire to respondents and secondary data is gathered by review of literature.

3.7 Techniques of data analysis

The data is analysed by using appropriate statistical tools.

3.8 Sample size and type

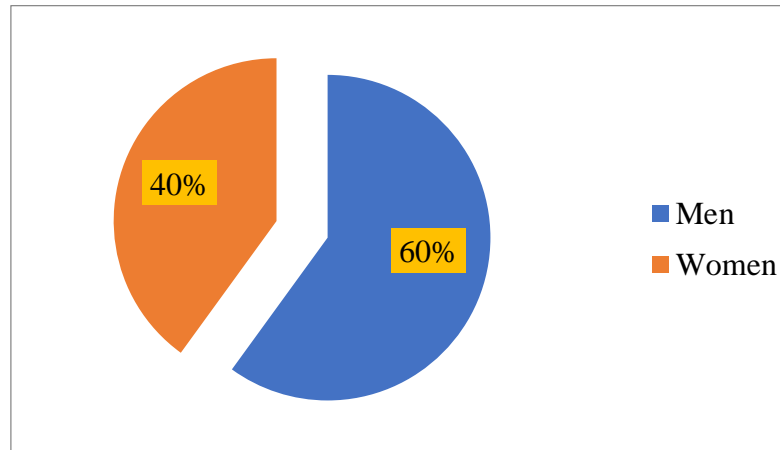
The sample size is restricted to thirty. Random sample is considered for the study.

4. Data analysis and interpretation

Table-1: Gender of respondents

Gender	No of respondents	%
Men	18	60
Women	12	40
Total	30	100

The Pie chart of the above data is depicted in Graph-1.



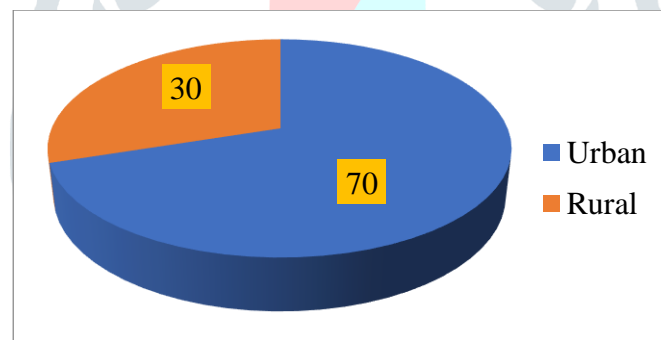
Graph-1: Gender of respondents

Interpretation: It can be seen from Graph-1 that among the respondents, 60% are men and 40% are women.

Table-2: Geographical habitation of respondents

Location	No of respondents	%
Urban	21	70
Rural	09	30
Total	30	100

The Pie chart corresponding to data of Table-2 is represented in Graph-2.



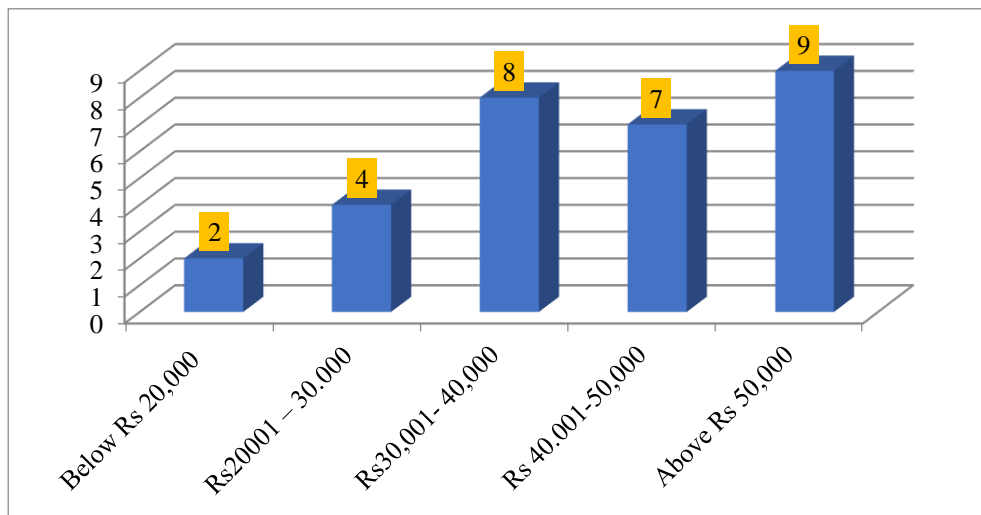
Graph-2: Geographical habitation of respondents

Interpretation: It can be observed from Graph-2 that 70% of the respondents are from Urban areas, while 30% are from Rural areas.

Table-3: Income level of respondents visiting Private hospitals

Monthly income	No of respondents
Below Rs 20,000	02
Rs20001 – 30,000	04
Rs30,001- 40,000	08
Rs 40,001-50,000	07
Above Rs 50,000	09
Total	30

The bar graph representing the data of Table-3 is shown in Graph-3.



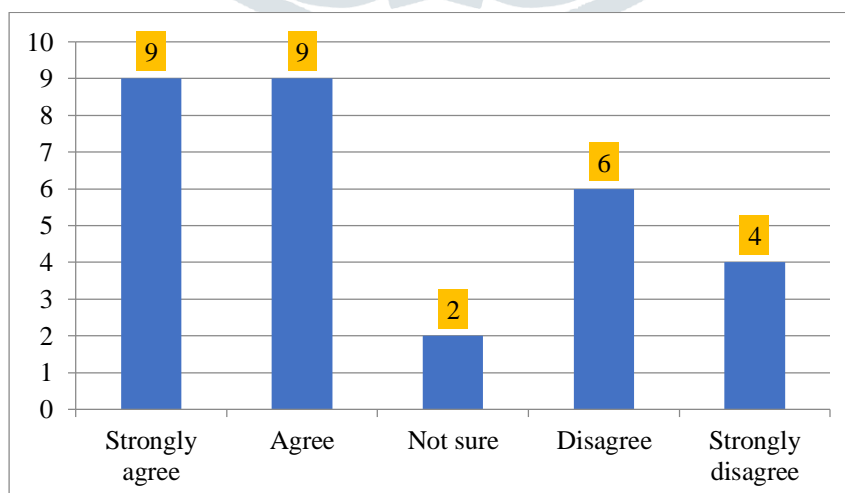
Graph-3: Monthly income of respondents

Interpretation: From Graph-3, it can be observed that maximum number of respondents (9 out of 30) have monthly income of above Rs 50,000, followed by income of Rs 30,001-40,000 (8 out of 30). Only 2 of them have monthly income of below Rs 20,000.

Table-4: Opinion of respondents towards availability of qualified & competent doctors

Likert scale dimension	Frequencies
Strongly agree	09
Agree	09
Not sure	02
Disagree	06
Strongly disagree	04
Total	30

Bar graph showing data of Table-4 is depicted in Graph-4.



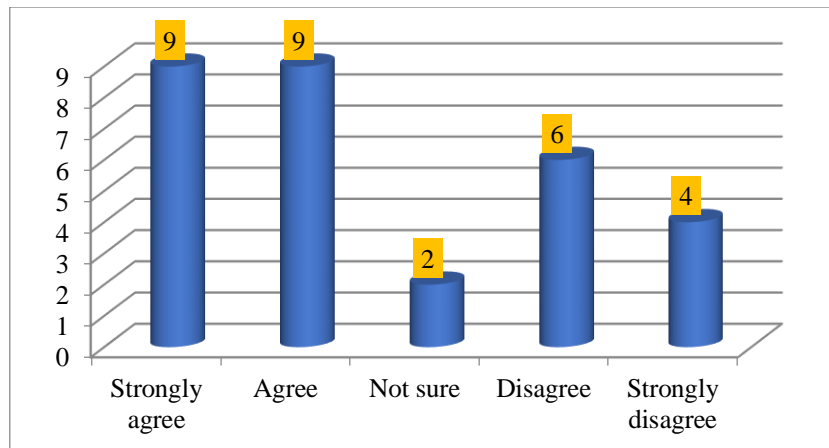
Graph-4: Availability of qualified & competent doctors

Interpretation: It can be seen from Graph-4 that about 60% of the respondents (18 out of 30) felt that qualified and competent doctors are available in private hospitals; while only about 33% (10 out of 30) disagreed to it.

Table-5: Opinion of respondents towards availability of medical facilities

Likert scale dimension	Frequencies
Strongly agree	09
Agree	09
Not sure	02
Disagree	06
Strongly disagree	04
Total	30

The bar graph corresponding to data of Table-5 is shown in Graph-5.

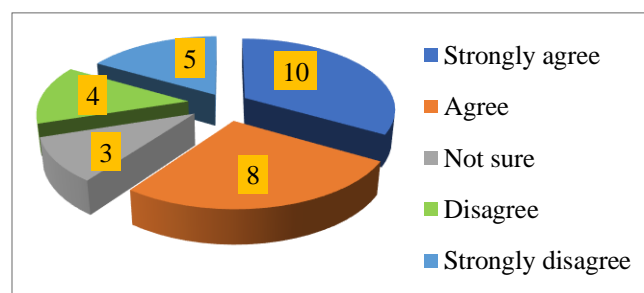
**Graph-5: Availability of medical facilities**

Interpretation: From Graph-5, it can be inferred that about 60% of the respondents (18 out of 30) feel that hospitals have good medical facilities, while only about 33% (10 out of 30) denied it.

Table-6: Opinion of respondents towards timely service

Likert scale dimension	Frequencies
Strongly agree	10
Agree	08
Not sure	03
Disagree	04
Strongly disagree	05
Total	30

The data of Table-6 is represented pictorially in Graph-6.

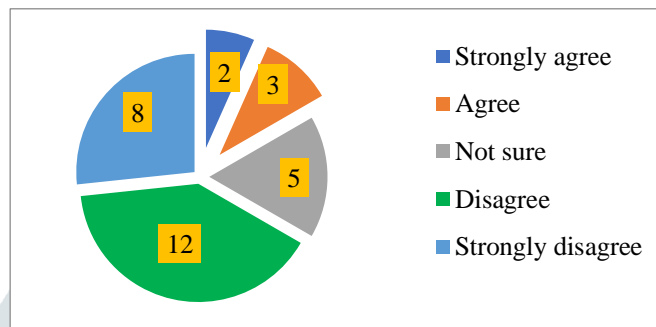
**Graph-6: Timely service**

Interpretation: It can be inferred from Graph-6 that about 60% of the respondents (18 out of 30) agreed that timely service is provided by the hospitals, while only 30% (9 out of 30) denied it.

Table-7: Opinion of respondents towards affordability of service charges

Likert scale dimension	Frequencies
Strongly agree	02
Agree	03
Not sure	05
Disagree	12
Strongly disagree	08
Total	30

Diagrammatic representation of the data of Table-7 is shown in Graph-7.



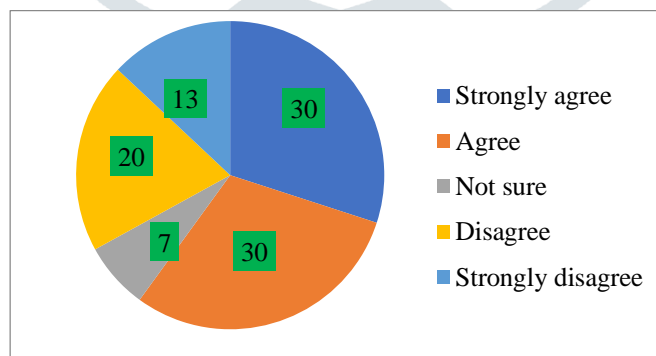
Graph-7: Affordability of service charges

Interpretation: It can be inferred from Graph-7 that more than 66% of the respondents felt that service charges are not affordable, while only 16% felt it is affordable.

Table-8: Opinion of respondents towards personal care

Likert scale dimension	Frequencies	%
Strongly agree	09	30
Agree	09	30
Not sure	02	7
Disagree	06	20
Strongly disagree	04	13
Total	30	100

Data of Table-8 is represented as Pie chart shown in Graph-8.



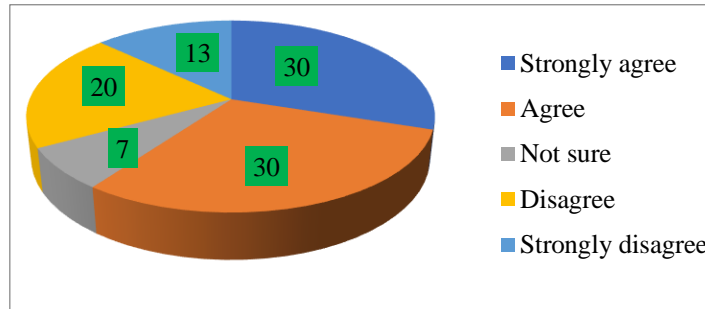
Graph-8: Personal care taken

Interpretation: From Graph-8, it can be observed that 60% of the respondents agree that personal care is taken, while 33% deny it. 7% were unable to comment on this.

Table-9: Opinion of respondents about infrastructure and physical ambience

Likert scale dimension	Frequencies	%
Strongly agree	09	30
Agree	09	30
Not sure	02	7
Disagree	06	20
Strongly disagree	04	13
Total	30	100

Pictorial representation as Pie chart is depicted in Graph-9.



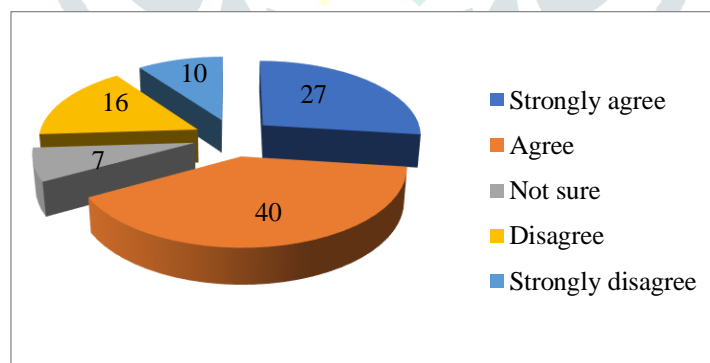
Graph-9: Infrastructure and physical ambience

Interpretation: From Graph-9, it can be observed that 60% of the respondents agree that the hospital has good infrastructure and physical ambience, while 33% deny it.

Table-10: Opinion of respondents about quality of service

Likert scale dimension	Frequencies	%
Strongly agree	08	27
Agree	12	40
Not sure	02	7
Disagree	05	16
Strongly disagree	03	10
Total	30	100

Pictorial representation as Pie chart is depicted in Graph-10.



Graph-10: Quality of service

Interpretation: From Graph-10, it can be observed that 67% of the respondents agree that the hospital provides good service, while 26% deny it.

Testing of hypotheses:

The following hypothesis have been framed and tested in the present study.

Hypothesis 1: Consider testing the null hypothesis

H_0 : Availability of qualified and competent doctors has no impact on quality of service provided by private health care sector

vs the alternative hypothesis

H_1 : Availability of qualified and competent doctors has an impact on quality of service provided by private health care sector.

The t test for correlation test is used in testing this hypothesis. According to this test, the null hypothesis is to be rejected at 5% significance level, if $t > t_{\alpha, (n-2)}$, where t is computed as $t = \frac{r\sqrt{(n-2)}}{\sqrt{(1-r^2)}}$, where r is the

$$r = \frac{\sum_i (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_i (x_i - \bar{x})^2} \sqrt{\sum_i (y_i - \bar{y})^2}}$$

correlation coefficient computed using the formula

n is the sample size. $t_{\alpha, (n-2)}$ is obtained from t distribution table with $(n-2)$ degrees of freedom and significance level $\alpha=0.05$. Using the data of Table-4 and Table 10, the correlation coefficient r is computed as $r = 53.33/\sqrt{((61.367)(51.367))}=0.9553$.

Hence, $t=17.0985$. From t table with 28 degrees of freedom and significance level $\alpha=0.05$, the critical value $t_{\alpha/2, n-2}=1.701$. Since $t > t_{\alpha, (n-2)}$, the null hypothesis is rejected at 5% significance level.

Hence, it can be inferred that availability of qualified and competent doctors has an impact on quality of service provided by private health care sector.

Hypothesis 2: Consider testing the null hypothesis

H_0 : Availability of required medical facilities has no impact on quality of service provided by private health care sector

vs the alternative hypothesis

H_1 : Availability of required medical facilities has an impact on quality of service provided by private health care sector.

The t test for correlation test is used in testing this hypothesis. According to this test, the null hypothesis is to be rejected at 5% significance level, if $t > t_{\alpha, (n-2)}$, where t is computed as $t = \frac{r\sqrt{(n-2)}}{\sqrt{(1-r^2)}}$, where r is the

$$r = \frac{\sum_i (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_i (x_i - \bar{x})^2} \sqrt{\sum_i (y_i - \bar{y})^2}}$$

correlation coefficient computed using the formula

n is the sample size. $t_{\alpha, (n-2)}$ is obtained from t distribution table with $(n-2)$ degrees of freedom and significance level $\alpha=0.05$. Using the data of Table-5 and Table 10, the correlation coefficient r is computed as

$r = 53.633/\sqrt{((61.367)(51.367))}=0.9553$.

Hence, $t=17.0985$. From t table with 28 degrees of freedom and significance level $\alpha=0.05$, the critical value $t_{\alpha/2, n-2}=1.701$. Since $t > t_{\alpha, (n-2)}$, the null hypothesis is rejected at 5% significance level.

Hence, it can be inferred that availability of required medical facilities has an impact on quality of service provided by private health care sector.

Hypothesis 3: Consider testing the null hypothesis

H_0 : Physical ambience and infrastructure has no impact on Service quality of Private health care sector vs the alternative hypothesis

H_1 : Physical ambience and infrastructure has an impact on Service quality of Private health care sector.

The t test for correlation test is used in testing this hypothesis. According to this test, the null hypothesis is to

be rejected at 5% significance level, if $t > t_{\alpha, (n-2)}$, where t is computed as $t = \frac{r\sqrt{(n-2)}}{\sqrt{(1-r^2)}}$, where r is the

$$r = \frac{\sum_i (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_i (x_i - \bar{x})^2} \sqrt{\sum_i (y_i - \bar{y})^2}}$$

correlation coefficient computed using the formula

n is the sample size. $t_{\alpha, (n-2)}$ is obtained from t distribution table with $(n-2)$ degrees of freedom and significance level $\alpha=0.05$. Using the data of Table-9 and Table 10, the correlation coefficient r is computed as $r = 53.633/\sqrt{((61.367)(51.367))}=0.9553$.

Hence, $t=17.0985$. From t table with 28 degrees of freedom and significance level $\alpha=0.05$, the critical value $t_{\alpha/2, n-2}=1.701$. Since $t > t_{\alpha, (n-2)}$, the null hypothesis is rejected at 5% significance level.

Hence, it can be inferred that physical ambience and infrastructure has an impact on service quality of private health care sector.

4. Findings, Suggestions and Conclusion

Findings

1. Majority of the respondents are men (Table-1).
2. Majority of the respondents hail from Urban areas (Table-2).
3. Majority of the respondents have monthly income of above Rs. 30,000/- (Table-3).
4. Majority of the respondents feel that qualified and competent doctors are available in private hospitals (Table-4).
5. Majority of the respondents feel that medical facilities are available in private hospitals (Table-5).
6. Majority of the respondents feel that timely service is provided in private hospitals (Table-6).
7. Majority of the respondents feel that service charges are not affordable in private hospitals (Table-7).
8. Majority of the respondents feel that personal care is taken in private hospitals (Table-8).
9. Majority of the respondents feel that private hospitals have good infrastructure and physical ambience (Table-9).
10. It has been established that availability of qualified and competent doctors has an impact on quality of service provided by private health care sector (result of hypothesis 1).
11. It has been established that availability of required medical facilities has an impact on quality of service provided by private health care sector (result of hypothesis 2).

12. It has been established that physical ambience and infrastructure has an impact on service quality of private health care sector (result of hypothesis 3).

Suggestions

1. Private hospitals should maintain the cost of services at a reasonable level in order to ensure sustainability.
2. Many private hospitals are confronting with medico legal issues. They should ensure a system of transparency in the information given to the patients.
3. The system of governance should be well established at Private hospitals.
4. The staff of the private Hospitals should be well trained in Customer relation practices.
5. The private health care sectors should conduct customer opinion survey from time to time and redefine their quality standards with a focus on customer needs.
6. Private health care sectors should support some of the policies of Government meant for the low income groups. Such a type of Social concern enables them to gain competitive advantage, For instance Recognition of YASHASWINI scheme by Agarwal Eye Hospital

Conclusion

In the present scenario, Private healthcare players are dominating in the urban areas. The general Public has lost faith in the Governance of Government hospitals. Even the middle income groups are exhibiting a tendency to visit Private hospitals In spite of high cost. Thus the opportunities for private health care sectors are very wide. In the light of the above situation, it is highly essential that the Private health care operators focus on Customer needs in order to gain competitive advantage and ensure sustainability. In future, Government may frame policies pertaining to the Pricing of services by private health care players. In the event of such restrictions, gaining Competitive advantage and ensuring sustainability will be the top priority of private health care sector.

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