Original Article

Service Quality Standards and Organisation Performance of Private Hospitals in Eldoret City, Kenya

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ABSTRACT

The private health sector has received much attention in recent times and is crucial in the expansion of access to quality healthcare. The majority of private hospitals in the country are undergoing performance challenges due to the inability to retain and satisfy their customers. Because of the improvements in health provision by county governments, private hospitals are facing increasing performance challenges due shortage of human resource personnel, shortage of medical services and inadequate medical infrastructure. Therefore, this study sought to find how the level of implementation of service quality standards affected the organisation performance of private hospitals. This study is supported by the Service Quality (SERVQUAL) model. The study is quantitative in nature guided by correlational research design. The study was conducted in Eldoret town covering major hospitals classified from Level 3B and above. The target population involved 1875 employees from 25 private hospitals in Eldoret town. A sample size of 319 respondents was chosen through the Cochran sample size formula to be representative of the whole population. The respondents (319) out of 1875 were selected using stratified and random sampling techniques. The research instrument used in data collection was a questionnaire. Data analysis was undertaken through the use of descriptive statistics; frequencies, percentages, means and standard deviation inferential statistics; correlation and linear regression with the help of Statistical Product and Service Solutions computer software. Findings showed service quality standards ($\beta=0.240$) had a significant positive effect on the performance of private hospitals in Eldoret town. It is concluded that the performance of hospitals is dependent on the extent to which service quality standards were implemented by the management of private hospitals in Eldoret. The study recommends that private hospitals regularly collect customers' feedback to improve the standards of services/ The study findings provide solutions to private hospitals on the way to improve their performance through the adoption of quality healthcare service strategies in the delivery of services to patients.

INTRODUCTION

The healthcare sector has received much attention in recent times as it is considered to be one of the fastest growing service industries around the world especially the private sector (Swathi et al., 2023). Private healthcare institutions are crucial in the expansion of access to quality healthcare in areas where public health facilities are inadequate and overstretched (Montagu et al. 2020). As countries across the world aim to attain Universal Health Coverage (UHC), private healthcare facilities are essential in bridging the gaps in the provision of service quality to the members of the public. World Health Organisation (WHO) identifies the role that the private sector plays in increasing the scope, scale and geographical coverage of health services in the country including the attainment of UHC goals (WHO, 2020).

Health services provided by the health sector need to be undertaken with extraordinary professionalism because the level of competence shown by medics can make a difference between a person's life and death. Hence, the quality of services provided in health facilities has become a critical issue due to its significant association with the health of patients, cost savings, customer retention and profitability of private healthcare institutions. (Mensah et al., 2014). Kalaja et al. (2023) suggest that quality shows the extent of the superiority of health services and it is a dynamic procedure which motivates incessant innovation and improvements in health results, quality of health services can be determined through the usage of Service Quality (SERVQUAL) model which was created by Parasuraman et al. (1983). SERVQUAL model utilises five gaps calculated from variations between expectancies and views from SERVQUAL elements. SERVQUAL model utilises five elements of service quality reliability, tangibility, assurance, responsiveness, and empathy, to explain service quality experienced received by patients and other customers visiting health facilities.

Tangibility refers to the availability and usage of various physical infrastructure facilities like medical equipment, physical infrastructure facilities and personnel available in health institutions. Reliability encompasses the capacity of health institutions to fulfil what they promise their clients. Responsiveness involves the capacity of health facilities to attend to and change the needs of the patients seeking services in their institution. Assurance involves the competency level of the personnel working in the health facility, their courtesy and credibility standards in serving the patients. The last element is empathy which involves health facilities having personnel who are key to detail (provide attention) with respect to patients' concerns and understanding

what they are going through. If these SERVQUAL model practices are implemented in health facilities, they would result in performance improvement, growth and patient satisfaction. Research conducted using the SERVQUAL model normally produces mixed outcomes. Some studies have reported SERVQUAL to be critical in the provision of healthcare services while others indicate that other aspects of healthcare services are not captured in the SERVQUAL scale (Markovic et al., 2014).

Statement of the Problem

The private sector health institutions have taken over in areas where the government health facilities lack adequate infrastructure, are understaffed, lack medicine and the standard of services is lower hence making people opt to go for private hospitals. Wandie and Muathe (2022) observed high migration of healthcare workers from public to private healthcare facilities due to better compensation packages, clearer communication channels, better working conditions, effective conflict resolution strategies and enhanced decision making. In Kenya, Mbaabu (2022) established that there have been performance challenges in some of the country's private hospitals due to their inability to retain and satisfy their customers. This has led to a reduction in patients' admission rate a concern for this study. Therefore, the study looked at quality service standards provision and organisation performance with a specific focus on private hospitals in Eldoret town.

Objectives of the Paper

The aim of this paper is to examine the level of implementation of service quality standards and organisation performance of private hospitals in Eldoret City, Kenya.

Hypothesis

H_{01} There is no significant relationship between the level of service quality standards and organisation performance of private hospitals in Eldoret town

LITERATURE REVIEW

Zeithaml *et al.* (1990) cited by Twahir (2016) defined service quality standards as customer ratings of how well a service meets or surpasses their expectancy. This implies that the customers are the ones who would provide accurate information on quality standards and not the management or the employees of the organisation. Clapton (2013) mentioned that the service quality standards of the service industry like the healthcare organisations are of great importance. Patients visiting private hospitals would show their satisfaction through their rating of service quality standards which ultimately influence the performance of the organisation (Zarei et al., 2015). In contrast, if the hospital's performance is accompanied by low quality and failure to satisfy the client's expectations, the patient's trust in the capabilities and competencies of the hospital would be reduced which ultimately impacts their performance (Zarei et al., 2015). Clapton (2013) suggests that service-oriented firms need to acknowledge the significance of establishing customer expectations and create services which meet or surpass their expectations. Henceforth, service quality standards are of much benefit to hospitals since patients assess service quality directly after receiving the services. High service quality standards level could be utilised to distinguish services from the competitors and make it tough for them to imitate, this would act as a source of competitive advantage technique.

Theoretical Framework

The study is anchored on the service quality model which was developed by Parasuraman, Berry and Zeithaml (1988). This model was developed to measure service quality standards and their impact on customer expectations. Through their research, they established five dimensions of service quality standards: reliability of conducting health care services accurately and consistently, tangibility which implies members of staff appearance and facilities availability, responsiveness of members of staff to demands by customers, assurance which can result in client's confidence on services provided in addition to empathy on how the healthcare

institution would offer attention and care to patients (Koech, 2021). SERVQUAL consisted of expected quality and perceived quality. Whereas perceived quality refers to the client's judgement concerning the general situation and effectiveness of the services they are offered, expected quality refers to the anticipations concerning the services that customers have received (Johnson, & Karlay, 2018). On the gap analysis scale, SERVQUAL is described as a measurement of the extent to which service quality provided allows meeting the expectations of customers (Baki et al., 2009). There are five dimensions of SERVQUAL as reflected in Table 1 which can be customised in a healthcare setting.

Table 1: SERVQUAL Dimensions

	Dimension	Feature
1	Tangibles	Physical infrastructure, equipment, external appearance of facilities and members of staff appearance
2	Reliability	organisation's ability to meet the promised service accurately and dependably
3	Responsiveness	Organisation's willingness to assist clients and offer timely service
4	Assurance	Worker's knowledge and courtesy levels and their capacity to stimulate trust and confidence. It also involves credibility, competence, security and courtesy of workers.
5	Empathy	The caring and personalised attention that the company offers to its clients. It also consists of access, communication and understanding the clients

Source: Adopted from Parasuraman et al. (1988)

The SERVQUAL model has been widely utilised in research on service quality standards and it is the scale that is used to determine customers' input on quality standards offered by organisations including this study on private hospitals.

MATERIALS AND METHODS

The research design for this study was correlational research design. The target population for this study involved private hospitals in Eldoret town with inpatient and outpatient services. The hospitals targeted were those that are accredited by the National Health Insurance Fund (NHIF) and are classified from level 3B and above numbering 25. Data shows that there are over 1875 employees on contract working in these hospitals and they formed the target population for the study. Considering the target population is high, a sample size was selected to act as the representative of the whole population using the Cochran formula. According to the formula, the sample size was 319 respondents at a 95.0% confidence level with a margin of error equal to 0.05. The distribution of respondents based on the sampling category (department is provided in Table 2.

Table 2: Sample Size Distribution

No	Department	Target	Sample size
1	Clinical	159	27
2	Nursing	302	51
3	Supportive	421	72
4	Technical	286	49
5	Administrative	707	120
	Total	**1875**	319

Source: HR Departments of Private Hospitals (2024)

Stratified and random sampling techniques were used. Stratified random sampling was used to categorise the population based on hospital proportions. Thereafter, the respondents were classified into five; administrative, clinicians, nursing, supportive and technical departments. After grouping the respondents in each hospital into five groups (departments), a simple random

sampling technique using the randomisation method was applied in selecting the final respondents for the study. The study utilised primary data to collect information aimed at answering research objectives. The research instrument was examined for content validity through expert judgement. The reliability of the research instrument was determined through test-retest. The primary data were analysed using descriptive statistics; means and standard deviation inferential statistics; correlations and linear regression. Statistical Product and Service Solutions (SPSS) version 25.0 software package was used as a tool to help determine the effect of the independent variable on the dependent variable.

RESULTS AND DISCUSSIONS

The objective of the study; examine how the implementation of quality standards affected the performance of private hospitals in Eldoret. At first, the study sought to determine the extent to which service quality standards were being implemented in private hospitals on indicators measured on a Likert scale of five. The results of the analysis are provided in Table 3.

Table 3: Implementation of service quality standards

Service Quality	D	U	A	SA	Mean	Std.Dev
The hospital has modern equipment	4 (1.4%)	13 (4.5%)	113 (39.1%)	159 (55.0%)	4.478	0.651
The hospital provides services as promised	1 (0.3%)	19 (6.6%)	86 (29.8%)	183 (63.3%)	4.561	0.632
Doctors and other employees offer prompt services to customers	1 (0.3%)	14 (4.8%)	97 (33.6%)	177 (61.2%)	4.557	0.605
The hospital is able to handle patients' problems	1 (0.3%)	27 (9.3%)	90 (31.1%)	171 (59.2%)	4.491	0.678
All patients visiting our facilities are given individual attention	1 (0.3%)	11 (3.8%)	85 (29.4%)	192 (66.4%)	4.619	0.578
We maintain error-free records	8 (2.8%)	25 (8.7%)	108 (37.4%)	148 (51.2%)	4.370	0.758
All our employees have a professional appearance	1 (0.3%)	11 (3.8%)	80 (27.7%)	197 (68.2%)	4.637	0.574
Composite scores					**4.530**	**0.639**

Source: Field data (2024)

Key: D-Disagree, U-Undecided, A-Agree and SA-Strongly Agree.

Results show that 159 (55.0%) of respondents strongly agreed that their hospitals had modern equipment. This means that most private hospitals have ensured that their equipment is up to the current standards required in the market to remain competitive and offer the best services. Most 183 (63.3%) of respondents also strongly agreed that their hospital provided services as promised. This means that patients are assured of the reliability of service provision once they visit the hospital to seek medical attention. Findings also show that the majority 177 (61.2%) of respondents agreed that doctors and other medical officers provide prompt services to patients seeking services in their establishments. This means that patients have assurance of receiving proper attention from medical personnel if they visit the private hospital, they desire in Eldoret.

In line with the study findings, Maloba (2018) found that as part of addressing quality healthcare issues, private hospitals in Bungoma County employed an adequate number of medical personnel. This enhances good medical delivery to patients. Findings show that 171 (59.2%) of respondents strongly agreed that their institution is able to handle all problems that patients bring. This means that patients have the trust and faith that they will be properly handled once they visit the private hospital of their choice. Results also reveal that 192 (66.4%) of respondents strongly agreed that all patients visiting their facilities are provided with individual attention. This means

that patients are handled individually by a medical health practitioner once they visit any of the private hospitals under study.

The study also reveals that most 148 (51.2%) also strongly agreed that they maintained error-free records in their operations. This means that the chances of committing both administrative and medical errors are significantly minimised among private hospitals in Eldoret town. Lastly, 197 (68.2%) respondents strongly agreed that as part

of ensuring corporate image, all of their employees have a professional appearance. The composite score shows that most respondents strongly agreed (mean=4.53, Std.Dev=0.63) that service quality standards implementation is high among private hospitals in Eldoret. To examine the effect of service quality standards on the organisation performance of private hospitals, a Karl Pearson correlation was computed and results are presented in Table 4.

Table 4 Effect of service quality standards and organisation performance of private hospitals

		Service Quality	Organisation Performance
Service Quality	Pearson Correlation	1	.558**
	Sig. (2-tailed)		.000
	N	289	289
Organisation Performance	Pearson Correlation	.558**	1
	Sig. (2-tailed)	.000	
	N	289	289
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Field data (2024)

The result shows that there exists a significant positive effect (r=0.558, p=0.001) between service quality standards implementation performance of private hospitals in Eldoret town. The result suggests that an increase in quality standards services implementation to customers by private hospitals will raise their organisational performance and a decrease in the provision of quality standards services will result into decrease in organization performance.

The study hypothesis was:

H_{01} There is no significant relationship between the level of service quality standards and the performance of private hospitals in Eldoret town

To test the hypotheses, a linear regression analysis was computed at a 95.0% confidence level. The model output results are illustrated in Table 5.

Table 5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.499a	.249	.246	.36313	.249	80.367	1	242	.000
a. Predictors: (Constant), Service Quality									

Source: Field data (2024)

The correlation coefficient (R) for the model is average (R=0.499) with an adjusted R squared of 0.246 which means that 24.6% of the change in the private hospital performance could be explained by the selected healthcare service provision strategies. The remaining 65.4% could be explained by other variables that were not

included in this model. The F-statistics are; (F=80.367, df=1, p=0.001) suggest that the independent variable can explain the relationship with the dependent variable. Table 6 presents the coefficients and significant p-value of the multi-linear regression model.

Table 6: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.488	.249		5.975	.000
Service Quality	.489	.055	.499	8.965	.000
a. Dependent Variable: Organisation Performance					

Source: Field Data (2024)

The study linear regression equation model can be expressed as:

$$y = 1.488 + 0.489x_1$$

The result from the above equation shows that there exists a significant influence on the level of quality service standards provision and performance of private hospitals in Eldoret town, Kenya. The regression beta-coefficient shows that with a unit change in service quality standards, the performance of private hospitals increases by 0.489. The result from Table 6 shows that the regression computed p-value is 0.001 which is below the critical p-value of 0.05. Hence, we reject the null hypothesis (p<0.05) and conclude that there exists a significant positive relationship between the level of service quality standards and the performance of private hospitals in Eldoret town. This means that an increase in service quality standards implementation will result in a subsequent increase in the performance of private hospitals in Eldoret town.

CONCLUSIONS AND RECOMMENDATIONS

The study found that service quality standards were highly implemented (mean=4.53, Std. Dev=0.63) by private hospitals in Eldoret town. Measures of quality service standards; reliability, tangibility, empathy, assurance and responsiveness were highly implemented by private hospitals in the study area. Considering that health services provision requires that high standards be maintained, the study found that private hospitals made efforts to provide individualized medical attention to all patients seeking services from their facilities. The study found out that most private hospitals provided services to customers as promised and therefore many of them went out satisfied. On the employees' side, research findings show that both medical and non-medical workers provided prompt services to all customers seeking services in private hospitals and this enabled them to handle their clients well within the stipulated timelines in the service charter. As a way of ensuring that incidents of malpractice are not present, the study found out that private hospitals recruit professionally qualified employees (medical and non-medical) in addition to training them on the need to have error-free records in service provision. Inferential statistics showed that there existed a significant positive relationship between service quality standards implementation and the performance of private hospitals in Eldoret town. To guarantee quality service standards provision, the study suggests that private hospitals should consider collecting customers' feedback which will help them to identify areas of improvement and therefore use this data to determine baseline standards for patients' outcomes.

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