CHAPTER 1
INTRODUCTION

This chapter gives an overview of the basic concept of quality, service quality and the SERVQUAL model developed by Parasuraman et al. (1985). It also gives an introductory background which includes the importance of measuring service quality and customer satisfaction.

It’s often said that “Health is Wealth” as the wealth of a nation depends largely on the health state of its population [1]. The World Health Organization (WHO) defined health as “the state of complete physical, mental and social well-being and not merely the absence of disease” [2].

The World Health Organization [3] and The International Council of Nurses [4] state that the overall goal is highest possible health for all people, and providing high quality care is one approach for reaching this goal [5]. ‘Quality of care’ is a concept that can be given different meanings, depending on different cultures, whether it is on an individual level or at social level, which aspects are looked at; process, structure or outcome, whether it is the patients, the relatives, the healthcare personnel, the administrators or the politicians who define the term and the time at which it is defined [6, 7, 8, 9]. Donabedian was among the first to make a link between quality of medical care and patient satisfaction [10], and to view quality of care from the patient’s perspective [11]. Based on a literature review, Donabedian (1980), found that quality of care from a patient’s perspective is a combination of the quality of three aspects: technical ward, interpersonal ward and organizational ward environment [12]. Over the years health care managers have utilized various methods, from complaint boxes to satisfaction survey, to gather information that can be used to improve patient satisfaction [13]. Quality of care is considered by researchers to be a multidimensional concept [14].

Generally, the study of service sector, its quality and customer satisfaction is both important and challenging. In the era of competition, knowing how customers
perceive the service quality and being able to measure service quality is a challenge. But the industry can be benefitted by it in both quantitative and qualitative ways. Identifying the strengths and weaknesses pertaining to the dimensions of service quality organizations can better allocate resources and provide better service, ultimately better service to external customers.

1.1 BASIC CONCEPTS OF QUALITY

Unlike products, service quality is an elusive and indistinct concept that is difficult to assess and measure [15]. Many attempts have been made towards defining service quality with Gronroos (1983), attempting to qualify service quality into “What is done” and “How it is done” [16]. Every attempt which is taken to improve quality and outcomes in health systems is deeply rooted in to answer the question: ‘What is meant by Quality?’ The focus should be laid on health care systems as a whole, and on the outcome of quality delivered. For this reason, definitions needs to take a whole-system perspective, and reflect the outcomes achieved with respect to both individual service users and the communities as a whole.

There are many definitions of quality used both in relation to health care and health systems, and in related spheres of the concept called health. Avedis Donabedian (1980), the leading thinker in modern medical quality assurance, states that “it is useful to begin with the obvious by saying that quality is a property that medical service can have in varying degrees” [17]. It follows that an assessment of quality is a judgment whether a specified instance of medical service has this property, and if so, to what extent [18].

It is suggested that a health care system should seek to make improvements in six areas of quality care, which are named and described by World Health Organization. The following working definition is generally accepted and followed for all quality criterions [19]:
1. Effectiveness - delivering health care that is adherent to an evidence base and results in improved health outcomes for individuals and communities, based on need [20];

2. Efficiency - delivering health care in a manner, which maximizes resource use and avoids waste [21];

3. Accessibility - delivering health care services that are timely, geographically reasonable, and provided in a milieu where skills and resources are appropriate to medical needs [22];

4. Acceptable / patient-centered - delivering health care which takes into account the preferences and aspirations of individual service users and the cultures of their communities [23];

5. Equitability - delivering health care that does not alter in its quality and performance indices generally attributed to personal characteristics such as gender, race, ethnicity, geographical location, or socioeconomic status [24] and

6. Safety - delivering health care which minimizes risks and harm to customers and users [25].

1.2 SERVICE QUALITY

Quality is the keyword for survival of organizations in the global economy. Organizations are undergoing a shift from a production-led philosophy to a customer-focused approach. Competitiveness of a firm in the post-liberalized era is determined by the way it delivers customer service [26]. Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either [27]. There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers’ needs or expectations [28, 29]. Service
quality can thus be defined as the difference between customer expectations of
service and perceived service.

1.2.1 Service Quality Definition

According to Parasuraman et al. (1988), service quality can be defined as an
overall judgment similar to attitude towards the service and generally accepted as an
antecedent of overall customer satisfaction [30, 31]. Parasuraman et al. (1988) have
defined service quality as the ability of the organization to meet or exceed customer
expectations [32]. It is the difference between customer expectations of service and
perceived service [33]. Service quality has been defined by Peterhernon A. Nitecki
and Danuta (2001) in four perspectives [34]:

1. Excellence: Excellence is often defined externally by service benchmarks set
as a result of perception by the service provider as well as the person who
avails the service [35].

2. Value: It incorporates multiple attributes, but quality and value are different
constructs—one the perception of meeting or exceeding expectations and the
other stressing benefit to the recipient [36].

3. Conformance to specifications: It facilitates precise measurement, but users
of a service may not know or care about internal specifications [37].

4. Meeting and/or exceeding expectations: This definition is all encompassing
and applies across service industries, but expectations change and may be
shaped by experiences with other service providers [38].

1.2.2 Gaps Model of Service Quality

In 1985, Parasuraman, Zeithaml and Berry defined service quality as the
difference between predicted or customer expectations and customer perceptions,
stating that the quality of service embraces both the final service outcome and the
delivery process [39]. This also led to the Gap Theory development which is
theorized as the inter-relationships between customer expectations and perceptions
[40]. The Gaps Model of Service Quality by Zeithaml, Parasuraman, & Berry (1990)
reflects the perspective and offers service organizations a framework to identify services in the form of the gaps that exceed customers’ expectations [41].

**Figure 1.1 Gaps model of Service Quality**

**Table 1.1 The model point’s five gaps**

<table>
<thead>
<tr>
<th>GAP</th>
<th>MEANING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gap 1 (the positioning gap)</td>
<td>managers’ perceptions of consumers’ expectations and the relative importance consumers attach to the quality dimensions</td>
</tr>
<tr>
<td>Gap 2 (the specification gap)</td>
<td>the difference between what management believes the consumer wants and what the consumers expect the business to provide</td>
</tr>
<tr>
<td>Gap 3 (the delivery gap)</td>
<td>the difference between the service provided by the employee of the business and the specifications set by management</td>
</tr>
<tr>
<td>Gap 4 (the communication gap)</td>
<td>the promises communicated by the business to the consumer do not match the consumers’ expectations of those external promises</td>
</tr>
<tr>
<td>Gap 5 (the perception gap)</td>
<td>the difference between the consumers internal perception and expectation of the services</td>
</tr>
</tbody>
</table>

Source: Prabha Ramseook, Soolakshna D. Lukea and Perunjodi Naidoo (2010)
The definition of service quality presented in the Gaps Model recognizes that expectations are subjective and are neither static nor predictable [42]. Although all five gaps may hinder an organization in providing high quality service, the fifth gap is the basis of a customer-oriented definition of service quality that examines the discrepancy between customers’ expectations for excellence and their perceptions of the actual service delivered. Expectations are desired wants- the extent to which customers believe a particular attribute is essential for an excellent service provider [43], and perceptions are a judgment of service performance.

While using a service, a customer has certain expectations about it. These expectations become a basis against which to compare actual performance. After having some experience with a service, the customer can compare any expectations with actual performance and his or her perception is confirmed, negative (if expectations exceed perceptions), or positive (if perceptions exceed expectations. Disend J.E. (1991) correlates the Gaps Model with the concept of service quality and indicated that poor service results if the gap, or difference, is large between what is expected and what is been delivered [44]. When what is delivered matches what is expected, customers find the service ‘satisfied’. If the service provided is better than what they expected, the customers becomes a ‘delightful’. If customers are satisfied or delighted, which means perceptions matched or exceeds expectations; the service organization has achieved exceptional delivery of service quality.

1.2.3 SERVQUAL

SERVQUAL designed by Zeithaml, Parasuraman, and Berry in 1990 as a generic instrument used to be the basis for use, in any particular service industry [45]. The SERVQUAL instrument is the most popular method for the measurement of the fifth Gap, which is ‘perceived service delivered’. The fifth Gap identifies the difference between customers ‘perceptions of what a service should deliver and how well that service meets expectations’, which is also the conceptual basis for SERVQUAL.
In first SERVQUAL model that came had 22 pairs of Likert-type items, where one part measured perceived level of service provided by a particular organization and the other part measured expected level of service quality by respondent [46]. Further investigation led to the finding that, among these 10 dimensions, some were correlated. After refinement, the SERVQUAL model proposes that customers evaluate the quality of a service on five distinct dimensions: reliability, responsiveness, assurance, empathy, and tangibles [47].

**Figure 1.2 Block diagram representing Perceived Service Quality**

As per Zeithaml et al. (1990) SERVQUAL encompasses five interrelated dimensions that customers most value when they evaluate service quality in a service industry [48]:

1. **Reliability:** the ability to perform the promised service dependably and accurately
2. **Assurance:** knowledge and courtesy of employees and their ability to inspire trust and confidence
3. **Tangibles:** the appearance of physical facilities, equipment, personnel, and communication material
4. **Empathy:** the caring, individualized attention that a firm provides its customers