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### A comparative study on service quality of private and government hospitals with special reference to erode

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#### ABSTRACT

Healthcare sector of a country needs special attentions from the government as quality of healthcare provides hope and relief to the patients and their dependents. It also helps to maintain a healthy human capital that contributes in the development of the country. Now quality has become an icon for customers while availing any services or buying a product and it is also a strategic advantage for the organizations to gain success and remain competitive in the market by delivering superior quality of services or products based on customer requirements. The objective of this study is to compare the quality of health care services delivered by the public and private hospitals to gain patient satisfaction in Tamilnadu. For this purpose 'SERVQUAL' instrument was used to measure the patient's perception about service quality delivered by these hospitals. Five service quality dimensions; empathy, tangibles, assurance, timeliness and assurance were used in order to measure the patient's perceptions about the service quality of public and private hospitals located in the city Erode. Due to the nature of this study only those respondents were included in the study having perceptions about both the hospitals. Therefore, 300 questionnaires were selected for this study. Results showed that private hospitals are delivering better quality of services to their patients as compared to public hospitals.

#### 1. INTRODUCTION:

'Health is Wealth' and Good health of population is the 'Wealth of Nation'. Economists often think of available resources in terms of their utilization costs and cost effectiveness. Human resource of a country has to be analysed on the basis of these two concepts. Human resource in India is in abundance. What lacks is Good health. This makes this (human) resource a burden rather than a productive factor contributing to India's growth and development. Each child born in a country is

human resource who will add to the productivity and prosperity of a nation. However, the responsibility of converting this latent resource in to active workforce lies with the Government, private sector and NGOs. A child suffering from poor health lacks attendance in the school. Workers who suffer from childhood malnutrition are less productive than healthy workers. India has one of the youngest populations in the world still it is unable to reap the economic benefits because there are always many more mouths to feed than hands working. India is experiencing high growth since a decade. The sustainability of this high growth rate requires huge investment in education and health care of the population.

Healthcare in India consists of a universal health care system run by the respective State Governments. The Constitution of India charges every State Government with 'raising of the level of nutrition and the standard of living' of its people and 'the improvement of public health' as among primary duties. The National Health Policy was endorsed by the Parliament of India in 1983 and updated in 2002.1 Although, both these policies aimed to achieve "Health for All" within a specified time frame, the reality is different after decades of their implementation. In the absence of a proper policy framework, there is a heavy burden on government sector hospitals which are generally understaffed and underfinanced. Poor services at state-run hospitals force many people to visit private medical practitioners and private clinics and hospitals. Government hospitals, some of which are among the best hospitals in India, provide treatment at taxpayer expense. Most essential drugs are provided free of charge to all patients in these hospitals. Government hospitals provide treatment either free or at minimal charges. *For example*, an outpatient card at AIIMS (one of the best hospitals in India) costs a onetime fee of rupees 10 (around 20 cents US) and thereafter outpatient medical advice is free. In-hospital treatment costs in these hospitals depend on financial condition of the patient and facilities utilised by him but are usually

much less than the private sector. For instance, a patient is waived full treatment costs if he is below poverty line. Another patient may seek for an air conditioned room, if he is willing to pay extra for it. The charges for basic in-hospital treatment and investigations are much less in public hospitals as compared to the private hospitals. The cost for these subsidies comes from annual allocations from the Central and State Governments. In addition to the network of public and private hospitals, there are charitable dispensaries and hospitals, many of which provide treatment and facilities parallel to those provided by private hospitals at highly concessional rates or in some cases free of costs to needy population.

1 Government of India (2002), National Health Policy, Government of India.

2 Primary health care is provided by city and district hospitals and rural primary health centres (PHCs). These hospitals provide treatment free of cost. Primary health care is focused on immunization, prevention of malnutrition, care during pregnancy, child birth, postnatal care, and treatment of common illnesses. Patients who receive specialized care or have complicated illnesses are referred to secondary (often located in district and taluka headquarters) and tertiary care hospitals (located in district and state headquarters or those that are teaching hospitals).

In post-independence period, India has eradicated mass famines, but the country still suffers from high levels of malnutrition and disease especially in rural areas. Water supply and sanitation in India are also major issues in the country and many Indians in rural areas lack access to proper sanitation facilities and safe drinking water. However, at the same time, India's health care system also includes entities that meet or exceed international quality standards.

The medical tourism business in India has been growing in recent years and as such India is a popular destination for medical tourists who receive effective medical treatment at lower costs than in developed countries.

#### **Conceptual Background:**

**Health:** World Health Organization's (WHO) constitution defines health as "*a state of complete physical, mental and social well being and not merely the absence of disease or infirmity*".<sup>2</sup> Necessarily, health has to be defined from a practical point of view and therefore, it has been defined according to life expectancy, infant mortality, and crude death rate, etc.<sup>3</sup>

**Health Economics:** Health economics is the study of how scarce resources are allocated among alternative uses for the care of sickness and the promotion, maintenance and improvement of health, including the study of how health care and health-related services, their costs and benefits, and

health itself are distributed among individuals and groups in society.<sup>4</sup>

**Human Development Index (HDI):** The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education and standards of living for countries worldwide.

It is a standard means of measuring well-being, especially child welfare. India ranked 134<sup>th</sup> among 187 countries ranked in terms of Human Development Index.<sup>5</sup>

**Health Expenditure per Capita (PPP; International \$):** Health Expenditure Per Capita is the sum of public and private health expenditure (in PPP, International \$) divided by total population. The health expenditure per capita stood at 45 \$ in the year 2009 in India, which lies much below the international standards.<sup>6</sup>

**Out-of-Pocket Expenditure on Health (% of Private Expenditure on Health):** Out-of-Pocket Expenditure on Health is the direct outlays of households, including gratuities and in kind payments made to health practitioners and to suppliers of pharmaceuticals, therapeutic appliances and other goods and services. The out-of-pocket expenditure on health stood at 74.4% as at the end of the year 2009

## **2.LITERATURE REVIEW**

According to Cronin and Taylor (1992), expectations for the high quality of services had increased in the lives of the people due to increase of economic share of service sector in almost all the economies of the world and it has reached to half sum of GNP's. Customers played a vital 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. Therefore, delivering superior quality services to the customers are the key strategies adopted by most of the organizations to sustain in this competitive environment

services are basically the interaction of two parties and it occurs between service provider and the consumers. Mostly, services in healthcare are intangible in nature like expertise of the doctors, hospital environment, caring staff, cleanliness but sometime it is a combination of intangible and tangibles (eyeglasses, a prosthetic device, or prescription drugs, laboratory reports) and this bundle makes up the service products. Patients view services in terms of their whole experience; it includes the successful surgery, hospital environment, cleanliness in rooms and wards, special attentions provided by physicians, nurses, supportive staff, and outstanding follow-up care. In view of the above discussion the healthcare organizations may define services in terms of needs, wants of its patients. Services are

characterized in to four categories: intangibility, inseparability, heterogeneity and perishability.

## 2.1 OBJECTIVE OF THE STUDY

- To analyse the service quality of the private and government hospitals in Erode.

## 3. RESEARCH METHODOLOGY

This study is an descriptive research based on survey method. Data required for this study are both primary and secondary. Primary data relating to patients of the hospital are collected through personal interview with the patients and secondary data relating to the hospitals are collected from the records of the select hospitals. The researcher had personal discussions with the patients of the hospitals, and they were personally contacted and interviewed to elicit relevant information.

### Chi-Square Test

Chi-square techniques at different places are made on the basis of data available and requirements of analysis chi-square test at 5% level of significant.

Chi-square value has been obtained by applying the following formula.

$$\chi^2 = \frac{(O-E)^2}{E}$$

E

Where,

O = observed frequency.

E = expected frequency.

Expected frequency is calculated as follows:

$$E = \frac{\text{row total} \times \text{column total}}{\text{Net total}}$$

Net total

Degree of freedom = (R-1) x(C-1)

Where,

R = number of rows.

C = number of column.

## 4. ANALYZE:

**Gender of the respondents \* Hospital nurses patients carefully of the respondents**

### Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender of the respondents * Hospital nurses patients carefully of the respondents	300	100.0%	0	0.0%	300	100.0%
Age of the respondents * Hospital nurses patients carefully of the respondents	300	100.0%	0	0.0%	300	100.0%

**Crosstab**

	Hospital nurses patients carefully of the respondents			Total
	Government hospital	Private hospital	Both a&b	
Gender of the respondents				
Male	53	77	70	200
Female	20	42	38	100
Total	73	119	108	300

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.530 <sup>a</sup>	2	.465
Likelihood Ratio	1.566	2	.457
Linear-by-Linear Association	1.017	1	.313
N of Valid Cases	300		

**INTERPRETATION**

From the above calculated value is less than table value so, null hypothesis is accepted. There is no significant relationship associated between gender of the respondents and hospital nurses patients care of the respondents.

**Age of the respondents \* Hospital nurses patients carefully of the respondents****Crosstab**

	Hospital nurses patients carefully of the respondents			Total
	Government hospital	Private hospital	Both a&b	
Age of the respondents				
20 - 30	33	67	49	149
30 - 40	24	28	37	89
40 - 50	16	24	22	62
Total	73	119	108	300

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.355 <sup>a</sup>	4	.360
Likelihood Ratio	4.403	4	.354
Linear-by-Linear Association	.000	1	.989
N of Valid Cases	300		

**INTERPRETATION**

From the above calculated value is less than table value so, null hypothesis is accepted. There is no significant relationship associated between age of the respondents and hospital nurses patients carefully of the respondents.

## 5. FINDINGS

There is no significant relationship associated between gender of the respondents and satisfaction of nursing.

There is no significant relationship associated between age of the respondents and satisfaction of nursing.

### 5.1 SUGGESTION

- This study reveals nursing is not a factor for evaluating the service quality of both the private & government hospitals. So the hospitals can ensure their service quality over the patients in other aspects.

### 5.2 CONCLUSION

Hereby the real condition over the service quality and the atmosphere of the government and the private sector hospitals has been distinguished and bring in to our acknowledgement. This study used to improve the various insufficiencies that are faced by the patients over the period of times and bring into the public. The ultimate aim of this study will ensure the futuristic development of hospitals and ensure the patient comfort ability definitely.

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