

**SERVICE QUALITY AND PERFORMANCE OF PRIVATE HOSPITALS IN  
NAIROBI COUNTY**

**BY**

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OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
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## DECLARATION

I declare that the work contained in this project is my original work and has not been presented for a degree in any other university or institution.

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**D61/79308/2015**

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This project has been submitted for examination with my approval as University Supervisor.

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## **DEDICATION**

To my mother Naomi Wambui

## **ACKNOWLEDGEMENT**

The research project would not have been possible without the support of supervisor Dr. Raymond Musyoka who provided excellent supervision towards throughout the writing of the project and has offered support and assistance.

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## **ABSTRACT**

This study was geared towards investigating the relationship between service quality and performance of Private Hospitals in Nairobi County. To achieve the objective of the study, the study used descriptive cross-sectional design to determine the relationship between service quality and performance of Private Hospitals. The target population of the study included all the 25 private hospitals in Nairobi County. The study used primary data which was collected by a semi-structured questionnaire. The data was collected from middle management that includes operations managers, finance managers and procurement managers using a drop and pick- later method. Data was analyzed using descriptive statistics, correlation and regression analysis. The study found that there is a strong significant positive correlation between service quality and Performance of Private hospitals. It further established that a unit increase in service quality (tangibility, Responsiveness, assurance and Empathy) leads to an increase in the performance of Private hospitals in Kenya. The study also established that employees of private hospitals in Kenya; are always willing to help customers, give prompt and efficient service, tell exactly when services will be performed and they are never too busy to respond to customers' requests. The study therefore recommended more training for employees and more branches to be added across the country. The study suggests that further research to be conducted on the relationship between service quality and performance of Private Hospitals in the whole country Kenya, including variables or factors that were not covered in this study.

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## **ABBREVIATIONS**

<b>SERVQUAL</b>	Service Quality Model
<b>MOH</b>	Ministry of Health
<b>GOK</b>	Government of Kenya
<b>ES</b>	Expected Service
<b>PS</b>	Perceived Service
<b>KAPH</b>	Kenya Association of Private Hospitals

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Chang (2008), advances that service quality concept can be approached from the customer's point of view because their values, assessment grounds and circumstances might be different. Service quality is an externally perceived attribute that is based on the customers' experiences and their encounters in getting a service. According to the work of Kumra (2008), the quality of the service is not only seen in the final products but it is seen throughout the process of production and the delivery of the goods and this makes it important to redesign the commitment in the production of the services and products.

Performance is considered an aspect of service industries. According to Zeithaml (2009), there are errors that occur in offering quality service that are they lead to the harming of the reputation of the firm. Ha and Jang (2009), argue that disappointment in service is experienced when the perception of the customers fail to meet the expectations. Failure in service leads to destruction of relationships among the organization and customers. Grönroos (2013), advance that when there is contact between the consumers and the givers of services there are certain considerations that influence levels of satisfaction. In production of services, many people are involved in the creation of levels of non-uniformity that is non-existence in the production of service. An example is the security investment firms where it becomes difficult to maintain the same service level as the players in the industry are many.

The study uses the theory of service quality developed by Gronroos (1982) and Expectancy disconfirmation theory by Richard L. Oliver (1980). The formulation of quality service as seen in literature focuses on SERVQUAL model that argues that service quality is dependent on the differences that exist between the Expected Service (ES) and Perceived Service (PS). Expectancy disconfirmation theory focuses on the service quality and satisfaction within organizations. The major factor that influences expectation formation is the frequency of accessing the service. The increase in frequency leads to a decrease in the gap that exists among the expectations and the actual service (Gaster, 2005).

The private hospitals sector in Kenya consists of hospitals whose purpose is making profit and those that are non- profit making. They are responsible for the generation of taxes and income as they continue to operate in the market. The government of Kenya has continued to make reforms in the Health sector but a trend is seen where people are continuing to prefer the Private hospitals for the provision of the different services. Private hospitals are then mandated to improve their services to ensure that they continue to provide services that are of quality in comparison to the Public Hospitals. There is the willingness of the Patients to pay for the costs of the services that they receive in the Private Hospitals in Kenya when assured that they will receive quality services. Hence the desired expectation of high service quality is required (Mokaya & Kanyagia, 2012).

### **1.1.1 Service Quality**

Lewis and Mitchell (2010), define quality service as the length where the needs of the customers are met. Service quality is again defined as the difference between the customers' expectations on a service and their perception. Where the expectations of the

service are high compared to performance, perception on service quality is less satisfying and this leads to dissatisfaction. Quality service is seen to be a comparison of the performance of the particular service with the expectations of the customers. Businesses that perform well make sure that they meet the expectations of the customers and at the same time remain competitive in the environment of operation. Where the services of the company are improved, then the business is seen to be competitive in the economy (Gole, 2015). Competitiveness is achieved through the improvement of the processes of operation and the identification of the systematic problems that affect the satisfaction levels of the customers. According to Cummings & Worley (2012), customers' expectations are dependent on factors such as the image of the business, communication, and the needs of the customer and learning. Experiences are dependent on the quality of the technicality of the services and their functions whose filtration is done through image. The experiences and expectations leads to the creation of a gap in perception.

There are a couple of elements that constitute quality service delivery and they vary according to nature of business and products being offered by an organization (Lim, 2010). Some of the key elements include empathy, tangibility, responsiveness and assurance. A firm should ensure that there is consistent and good customer service with established communication channels. Quality customer service delivery should be flexible to evolving user needs, and ensure sustainability, availability, timeliness, dependability and reliability. Generally, this can be summed up to identification of customers' needs and specifications and in response the firm develops services and products that satisfy and meet the needs of the customers (Kueng, 2007).

### **1.1.2 Organizational Performance**

According to Richard (2009), performance of the organization consists of the output of the organization compared to its objectives and goals. The major areas that performance of the organization is measured against are the performance in terms of finances, returns of the shareholders and the performance in the market. The people that are concerned with the performance of the organization in market include the planners in strategy, legal, finance and developers of the organization. Performance of the organization is considered as an important concept in the measuring of the processes and the procedure and their modification in the improvement of the outputs and the efficiencies of the processes of the hospitals. The concept can either be applied on the performances of individuals or the organization as a whole in the determination of the achievement of the objectives.

The analysis and the measurement of the performance are popular and they play a role in enhancing the organization success. The evaluation of performance is done through the calculation of the quantitative and qualitative values and the indicators that are used include costs, profits and clients. The determination of the indicators of performance is important in ensuring that a relation is identified between their dependence to the goals of the organization. Managers are in recognition of the importance of measuring the performance of the organization and more efforts are put to ensure that they meet the objectives and the goals of the institution. Timothy (2012) noted that the analysis of the performance of the organization is beneficial when it is done in an approach that is systemic. It is important then to avail the information that is related to the indicators of the organization and their relation to performance.

The dimensions that make up performance of the organization include products, profitability and the image of the organization. Rust (2010), contends that high levels performance and increased commitment are outcomes that are expected in organizations whose involvement is high but are impossible where the environment of operation is hostile. Torrington (2008), argues that the performance effects of human resource policies and practices are multiplicative rather than additive. In other words, a particular set of mutually reinforcing practices is likely to have more impact on performance than applying one or just some of these in isolation. There is an assumption that before an organization is able to plan and manage individual performance, it will have made significant steps in identifying the performance required of the organization as a whole.

### **1.1.3 Service Quality and Organizational Performance**

In today's global competitive environment delivering quality service is considered as an essential strategy for success and survival. Performance is referred to as a measurement of the goals of an enterprise, while evaluation is referred to as the goal that an enterprise can effectively obtain during a specific period. Performance evaluation tells the company how employees define their own work, and it establishes a decision-making and communication process for improvement. Kaplan and Norton (2012), that this research uses their approach in performance and its evaluation, described performance evaluation as a way to review the achievements of organizations of both their financial and nonfinancial objectives.

According to Kotler (2007), customer service is an important aspect of the whole business process. It creates customer satisfaction, loyalty, high profitability and eventually increases organizational performance. Thus, service quality is the primary

reason that customers differentiate company from its competitors. So, it is clearer to state that business success is due to the good customer service, in other words if the customer service of any organization increases, the performance of the organization also increases in terms of sales growth, profit, and employee's growth. Although delivering superior service quality can generate numerous benefits to service providers, such as time saving, cost reducing, increased market share and Profits consistently delivering good service quality is difficult even when companies can benefit from high quality services (Hooley, 2011). In a competitive environment, service companies have to focus on providing high quality service to maintain customer satisfaction and retain profitable customers. Although satisfying a customer is the main challenge to an enterprise, delighting them with unexpected quality (e.g. attractive service attribute) is also a worthwhile effort.

#### **1.1.4 Private Hospitals in Nairobi**

The private hospitals in Kenya are in the business to make profits and also for social activities. The private sector market is huge and plays an important role in improving people's health in most parts of the country. They ensure that they have the best doctors to offer the services as they are required. The private sector has almost 70% control of the doctors in the market and it limits people as only those who can afford the private fees are in a position to access the facilities. The concentration of the hospitals is mainly in the urban areas with the majority of the hospitals located in Nairobi (Kioi, Cowden, & Karodia, 2015).

The private hospitals in Kenya are considered to be developed and are an important source in the care of patients. According to Burger et al (2012), at least 47% of Kenyans



seek the use of private facility when they are unwell and the importance of their role in the hospitals is seen by the government that has sought to ensure that the private sector is developed as we forge forward to the achievement of Vision 2030. It plays a big role in the provision of services in health care and improvement of efficiency and offering better quality care. The sector helps as it competes with the public sector that makes them improve on delivery of their services. The reforms in the private sector has helped in improving growth that saw it as an alternative in ensuring that provision of services was effective. The growth of the sector is spurred by deteriorating performance in the public hospitals and lack of resources.

There are more than 25 known private hospitals in Kenya where most of them are located in Nairobi. The health system in Kenya is greatly influenced by the private hospitals available although many that have access to the hospital are members of a scheme in their different places of work. The private hospitals are known to be short stay as they do not encourage stay for long periods. It is evident through the pricing of the different services that they offer (Auka, 2012). The review of fiscal year 2015 shows that 4.6% of the GDP is spent on the expenditure in health. There are strategies advanced to ensure that the poor people have proper access to medical services in the private sector but its implementation is far from being effected due to the costs that are involved.

## **1.2 Research Problem**

In today's competitive environment, service quality has become the most important and sustainable driver of competitive environment. Indeed, Payne (2008), concluded that quality has become an important part of business thinking as it affects financial results of

an organization. The best performing service organizations in terms of performance and market share are synonymous for the excellent quality of their services. It is important that quality of service is measured as it ensures that the expectations of the customers are met as it helps in improving on the areas that are below the threshold.

Provision of quality service is important to the management of the private hospitals in Kenya and many organizations are keen on ensuring that they provide excellent care to their patients as it determines their performance. The private health sector are part of improving the access to quality services and this is done through the increase of quantity and quality of the services that they provide and helps in their growth. According to O'Meara et al. (2013), competition is one of the motivator for the private hospitals in Kenya to enhance their provision of quality services. Competition is applied where the pricing of the services is different and as such the patients would prefer to go to hospitals that are cost friendly. It affects the quality of service as the patients form a perception towards the hospital that eventually affects their performance. The viability and sustainability of the private hospitals is important and the factors that are seen to affect the quality of services are the pricing of the services and the hours that the hospital operates. The government has intervened in how the private hospitals operate and this helps in protecting the consumers from any malpractices that may exist in the provision of services (Muthaka et al., 2004). The diversity and nature of the sector has contributed to the fact that there is no proper formulation of policies in the private health sector. The responsibility of licensing the private hospitals is spread across different bodies that may lead to creation of inefficiencies and monitoring gaps.

Different studies are done on service quality and performance of hospitals in Kenya. Tumlinson et al. (2015), measured the satisfaction of clients and the quality of services in family planning in public and private hospitals in Kenya and they concluded that the levels of satisfaction are higher in the private sector as compared to the public hospitals. According to Maina (2015), in a study of service quality in Karen hospital, she concluded that perception of the customers towards the hospital is dependent on the service that they get and this in turn affects the hospital's performance. She found that quality service attributes are associated with the satisfaction of the patients that is measured by the patients' willingness to use the hospital in future as well as refer the hospital to others. A study by the BMC Health Services Research (2011), shows that quality service that the users of contraceptives in Kenya receive helps to increase their levels of satisfaction in use of contraceptives. Barasa et al. (2012), conducted studies on the improvement of service quality in catering the children needs in district hospitals in Kenya and found that the improvement of service will improve performance of the hospitals as volumes would increase due to referrals from both the patients and the physicians.

In Kenya several studies have been done on service quality in other industries. Ombati (2007), in a study on quality service in the Kenyan Banking industry concluded that technology is a key determinant on service quality delivered by Kenyan banks. Manani (2012), in a study on quality service in Kenya airways found that reliability and empathy are important dimensions of service quality that lead to satisfaction of customers in the airline industry. Yator (2012), in a study on service quality in the hospitality industry established that in the case of spa at Lake Bogoria, the rating was high on reliability and tangibility dimensions. Studies shown that little had been done on service quality and

performance of Private Hospitals in Nairobi County; therefore, this study sought to answer the question: What is the relationship between service quality and performance of Private Hospitals in Nairobi County?

### **1.3 Research Objective**

The primary objective of the study was to determine the relationship that exists between service quality and performance of Private Hospitals in Nairobi County. The study was guided by below specific objectives

- i. To determine the perception towards service quality in Private hospital in Nairobi County.
- ii. To determine the expectations towards service quality in Private Hospitals in Nairobi County.

### **1.4 Value of the Study**

The study findings can provide policy makers in the private hospitals in Kenya with insights on different ways that they can enhance service quality to increase satisfaction of customer which contributes to customer loyalty and increased market share thus profitability. The study would be beneficial to the Government of Kenya (GOK) and in particular the Ministry of Health (MoH) in making decisions on policies whose objectives is to increase service quality and efficiency of hospitals in the country. Technological services can accelerate the rate of growth of the health industry sector and hence improved economy.

It is important for proactive managers in the private hospitals to understand the key dimensions of quality that customers use to rate quality and how they perform on each of the dimensions so as to determine what improve on in order to increase a competitive advantage in the health sector. To an extent, the study also is useful to the general private hospitals in Kenya to improve service delivery on the basis of service dimensions. This study fills the knowledge gap occasioned by there being no study investigating on quality service delivery in the Health Sector in Kenya and the importance of the dimensions to the customers.

To the academic realm the study contributed to the existing literature in the field of service quality and performance. The study will act as stimuli for advancement in research to ensure that there is refinement of the studies in Kenya. The scholars and researchers find this study valuable as they gain knowledge and carry out further studies on service quality and performance with regards to health industry in Kenya.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The chapter looks at a review of the related studies on service quality and performance as researched by analysts, scholars and different authors. The chapter also provides the theories underpinning the study.

#### **2.2 Theoretical Foundation**

The section looks at different theories are used to inform the study on the service quality and performance. The study was guided by service quality theory and Expectancy disconfirmation theory

##### **2.2.1 Service Quality Theory**

The study is based on the theory of service quality forwarded by Gronroos (1982), and advanced by Parasuraman (1985). The background of the theory is based on the work of Juran (1991), who gave a foundation on the importance of measuring the quality of the services that offered in the manufacturing industry and this created an importance in the assessment of service quality in other industries. The measurement of the quality services that are offered is based on the SERVQUAL model that advances that quality service is dependent on the differences that occur between the expectations of the service and its perception. Where the expectation is higher than the perception then it is said that the quality service is not satisfactory and where the expectation is less than the perception

then the quality of the service more satisfying and where the expectation is equal to the perception quality of the service is equal to satisfaction.

Private hospitals are responsive when the delivery of their services is prompt and where the staff shows the willingness of assisting the customers by listening to the various requests that they might have. Smith, Smith & Clarke (2007), advance that assurance is the courtesy and the knowledge that the employees show and their capacity to show confidence and trust to the patients. It the duty of the hospitals to ensure that they make the customers feel appreciated and safe in the environment that they operate in and they convey the right information on the processes that they are to go through. Robledo (2001), advanced that it is important that the hospitals show empathy to the customers where they understand the needs of the customers and the approach is not difficult. There should be personalized care when it comes to handling the claims of the patients and in emergencies. Tangibility is defined as the service evidence and this implies the facilities of the hospitals, personnel appearance, and the equipment's or tools that they use in the provision of the services (Sureshchandar et al., 2002).

### **2.2.2 Expectancy Disconfirmation Theory**

The theory is structured in two series that were formulated by Richard L. Oliver (1980). The theory is categorized as a cognition theory that aims to explain the satisfaction that occurs post-adoption of the service and this is a function of what the customers expect the service quality to be and beliefs disconfirmation (Lyons & Oppler, 2009). According to the theory, the performance perceptions of the customers are influenced by the expectation that they have before the adoption of the service and this influences belief

disconfirmation and the satisfaction that is achieved after the purchase. The perception of the performance is seen to affect the satisfaction after post-purchase as there is a relationship that exists through the constructs

Expectancy disconfirmation theory focuses on service quality and satisfaction within organizations. The frequency of the access of the service is known to affect influence the expectations that are formed. The regularity in the use of the service enhances the reduction of the gap that exists between the expectations and the actual service that is received (Gaster, 2005). When there is familiarity of the service by the consumers' expectations that are realistic are likely to be formed and this plays a role in the reduction of the gap of disconfirmation. It is noted that the reduction of the gap does not imply that the increased satisfaction or quality service. Service expectations require that the involvement of the customer is high and this is likely to be influenced by their self-esteem and the perception of their capabilities.

The theory is relevant to the study because in disconfirmation of the patterns that exist, there is the formation of expectations before people can access the service and once there is the reception of the service, the expectations are seen to be the base of the analysis quality of service on which they measure the satisfaction levels. The expectations in private hospitals are judged according to the experience or knowledge that customers have on a certain service and the various factors that influence the decision. Wong (2004), advances that the factors that influence the expectations of the customers is their needs, experiences, referrals and the communication from the organization.



## **2.3 Determinants of Service Quality**

The measurement of the services offered to customers is dependent on the expectations that are formed and the results that they get. It is then dependent on the expectations of the customers in reference to the services that they receive and the abilities of the provider of the service to deliver on the services that they expect (Leung, 2006). There are several determinants of service quality which includes; tangibility, responsiveness, assurance and empathy.

### **2.3.1 Tangibility**

Tangible refers to the external appearance of the facilities, personnel, equipment's and the materials used in communication (Tanomsakyut, 2011). Tangibility dimension is considered to be less important but it is seen that appearance is important in the determination of quality service. The providers of service are aware of the importance of ensuring that the appearance of the employees, equipment, uniforms and the working area are presentable. A service provider articulate in excellent service is known for tangibility. Physical evidence refers to the environment in which the service is delivered and where the firm and the customer interact and also any tangible commodities that facilitate performance or communication of the service.

Tanomsakyut (2011), argued that Intangibility implies that a consumer's perception of quality is often based on physical evidence and price rather than the core service. This demonstrates that the physical evidence of a health care service production process can influence the service experience. Drucker (2007), describe tangibility in SERVQUAL as the "solid" dimension used to assess service quality, while Arlen (2008), refers to

tangibles as the tangible elements of a service and includes aspects such as the appearance of physical facilities, tools and equipment, personnel, and communication material.

### **2.3.2 Responsiveness**

Responsiveness refers to willingness to help customers and provide prompt service (Gole, 2015). Responsiveness is important since customers feel providers are responsive to their requests not just emergencies, but everyday responses to dimensions. This dimension is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. A firm is known to be responsive when it communicates to its customers how long it would take to get answers or have their problems dealt with. To be successful, companies need to look at responsiveness from the view point of the customer rather than the company's perspective (Zeithaml et al., 2006). Furthermore, Kang and James (2004) define responsiveness as speed and timeliness of service delivery. More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. It contains the timeliness of service. It also contains understanding the needs and requirements of the customer, easy operation time, individual attention provided by the staff, attention to the problem and customers' safety in their dealings.

### **2.3.3 Assurance**

Assurance refers to knowledge and courtesy of employees and their ability to convey trust and confidence (Tanomsakyut, 2011). Service providers are expected to be the experts of service they are delivering. SERVQUAL research showed it is important to communicate their expertise to customers. The assurance dimension refers to the

knowledge and courtesy of employees and their ability to inspire trust and confidence. It implies that the people providing the service play a significant role and therefore the perceptions of the assurance dimension will influence the overall perceived service quality. If a service provider is highly skilled, but customers perceive them differently, their confidence in that provider will be lower and their assessment of that provider's service quality will be lower. Drucker (2007) suggests that assurance can be achieved by raising customer awareness of organization's competencies. He notes that service providers must communicate their expertise and competencies to the customers.

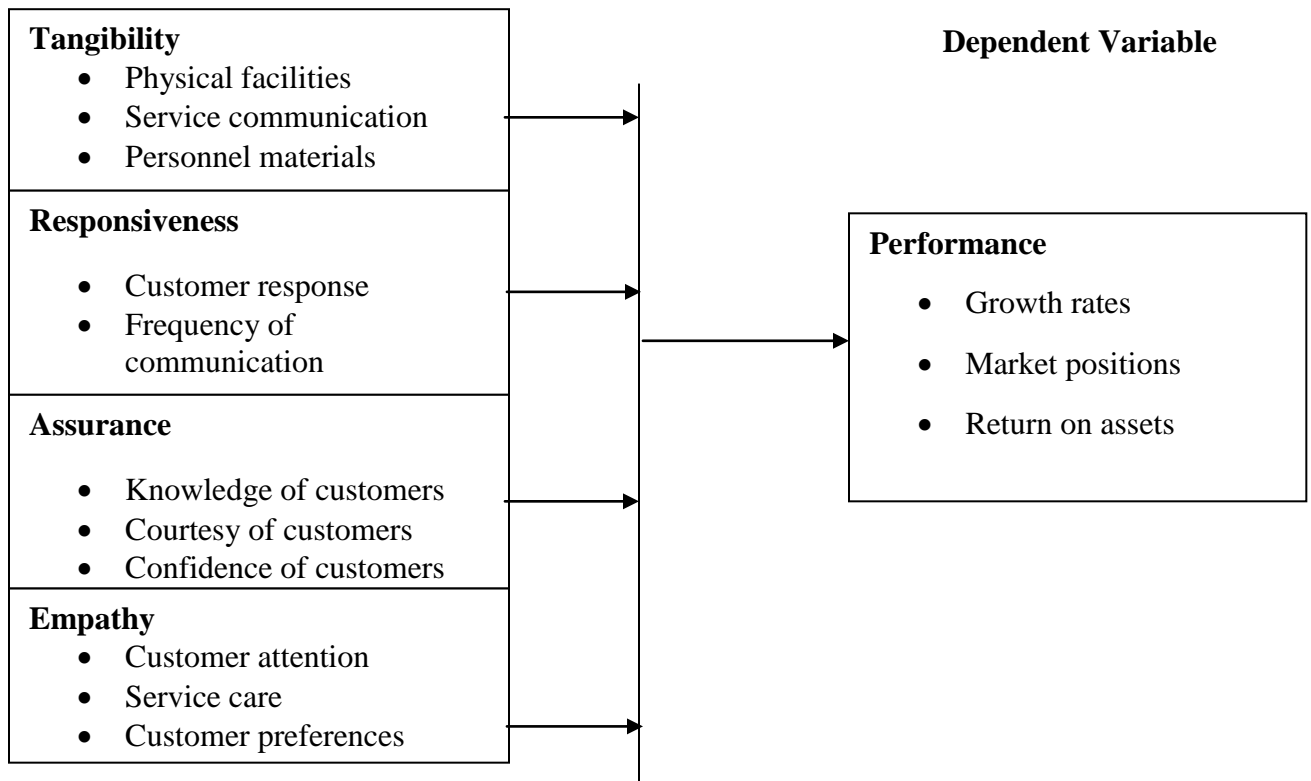
#### **2.3.4 Empathy**

Empathy refers to caring and individualized attention an organization provides to its customers (Tanomsakyut, 2011). Services can be performed completely to specifications yet customers may not feel hospital employees care about them during delivery of services and it affects customers' assessments of providers' service quality (Arlen, 2008). Empathy is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations. It has significant positive relationship with customer loyalty. This evidence is supported by the findings by Gronoos, (2008). Friendship between customers and particular service employees has a major influence on the development of customer loyalty. According to Kang and James (2004), customer satisfaction can be achieved by offering personalized, flexible and adjustable services to suit the needs of customers. This is in line with the findings of this research that empathy has positive impact on customer satisfaction.

## 2.4 Conceptual Framework

The conceptual framework is a diagrammatical presentation of variables in the study. The framework illustrates the interrelationship between dependent and independent variables. The independent variables for the study are determinants of service quality. The independent variables include: Tangibility, Responsiveness, Assurance, and Assurance while the dependent variable is the performance of Private Hospitals.

**Figure2. 1: Conceptual Framework**



## 2.5 Summary of Empirical Studies and Knowledge Gap

The literature review has provided clarity into the nature of services and service quality dimensions which are the components of service quality. The literature has explained the quality dimensions and their importance to customers and has reviewed that in the private

health sector, service quality is a dimension salient in determining performance of hospitals. Further the literature reviewed affirms that service quality is a significant source of competitive advantage. Gole (2015), noted that responsiveness is important since customers feel providers are responsive to their requests and not just to emergencies, but everyday responses to dimensions.

Richard (2009), noted that the final dimension is empathy, which represents the individualized attention that firms provide to its customers. Employees who show understanding of customer needs and are knowledgeable to solve customer problems are success factors for the service industry. Expectancy disconfirmation theory focuses on the service quality and satisfaction within organizations. One of the factors influencing the formation of expectations is the frequency of use. The more often or the longer a service is used, the smaller was the gap between what people expect and what they actually get.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the outline of the research methodology that was used in this study. The focus is on the research design, target population, sample design, data collection and data analysis.

#### **3.2 Research Design**

The study used a descriptive cross-sectional research design that was used to show the relationships that exist among the variables of the study, namely, tangibility, assurance, empathy and responsiveness and their effect to the performance of the Private Hospitals.

The descriptive cross-sectional design is considered to be concrete in relationship studies and helps in the analysis of the situation, problem or the issues that relate to the cross-section population at a given time. It gave a better understanding of service quality and how it affects the performance of Private Hospitals in Kenya.

#### **3.3 Population of the Study**

According to the Kenya Association of Private Hospitals (KAPH) (2015), there are 25 private hospitals in Nairobi (Appendix III). The study focused on all the 25 private hospitals in Nairobi. This was a census study.

### **3.4 Data Collection**

Primary data was collected using semi- structured questionnaire. The questionnaires was administered using drop and pick later method to the middle management that includes operations managers, finance managers and procurement managers or equivalent of various hospitals. The questionnaires were preferred in this study because respondents are assumed to be literate and quite able to answer questions asked adequately. The questionnaire is the most appropriate instrument due to its ability to collect a large amount of information in a reasonably quick span of time. It guarantees confidentiality of the source of information through anonymity while ensuring standardization.

### **3.6 Data Analysis**

The research yielded both quantitative and qualitative data. Quantitative data collected by using a questionnaire was analyzed by the use of descriptive statistics using the Statistical Package for Social Sciences (SPSS). The qualitative data collected by the questionnaires was analyzed through content analysis where thematic framework was developed. Content analysis is the best method of analyzing the open-ended questions because of its flexibility and allows for objective, systematic and quantitative description of the content of communication. The study used multiple regression and correlation as statistical tools. The data was presented through means, standard deviations and frequencies.

Simple regression method was used to measure the quantitative data which was analyzed using SPSS. Regression was used in determining the relationship between service quality and performance variables of Private Hospitals.

The study applied the following regression model

$$Y = a + b_i X_i + e \quad \text{Where } i=1, 2, 3, 4$$

Where Y = Performance

a= constant, value of Y when the value of X=0

$b_i$  = Co-efficient of X when Y changes

$X_i$  = Independent Variable- Service quality

$e$  is the random error term accounting for all other variables that relate to performance but not captured in the model.



## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION OF RESULTS**

#### **4.1 Introduction**

This chapter discusses the presentation and interpretation of the study findings. The purpose of the study was to determine the relationship between service quality and performance of Private Hospitals in Nairobi County. Primary data was collected using structured questionnaires which were administered to 25 middle management employees of the various hospitals. The data was thereafter analyzed based on the objective of the study and the findings were presented as per the different classes underlined below.

##### **4.1.1 Response Rate**

The study targeted 25 respondents from which 22 filled in and returned the questionnaires making a response rate of 88.0%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent.

#### **4.2 Demographic Information**

This section analyzes the demographic information of the individual respondents and background Information of the Hospital. The aim of doing this was to enhance understanding of the background information of the respondents and their personal ability to provide relevant data sought for under this study.

#### 4.2.1 Gender

The study sought to establish the gender category of the respondents. This was done in view of ensuring fair engagement of respondents in terms of their gender.

**Table4.1 gender of the respondent**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage Frequency</b>
<b>Male</b>	12	54.55
<b>Female</b>	10	45.45
<b>Total</b>	22	100.00

Source: Primary Data (2016).

Table 4.1 shows the gender of the respondent where the study noted that majority of the respondents as shown by 54.55% were males whereas 45.45% were females. This shows that the respondents of this study were mainly dominated by male gender.

#### 4.2.2 Educational Level of Respondents

The respondents were asked to indicate their level of education.

**Table4.2 Level of Education**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
College Diploma	3	13.6
Undergraduate level	9	40.9
Master	10	45.5
Total	22	100.0

Source: Primary Data (2016).

The table 4.2 summarizes the responses of respondents' level of education attained, the study revealed that majority of the respondents as shown by 45.5% had attained a master's degree whereas, 40.9% of the respondents had attained undergraduate degrees and 13.6 % of the respondents had attained college's diplomas. This implies that

respondents were well educated and therefore they were in position to respond to the research questions with ease.

#### **4.2.3 Period of Service in the Hospital**

This study sought to find out the duration of time that an individual had worked in the Hospital.

**Table4.3 Period of Service in the Hospital**

<b>Period of Service</b>	<b>Frequency</b>	<b>Percentage</b>
Below 2 Years	1	4.6
3 – 5 Years	3	13.6
6 – 8 Years	7	31.8
9 years and above	11	50.0
Total	22	100.0

Source: Primary Data (2016).

Table 4.3 presents the findings on period of service, the study revealed that majority of the respondents as shown by 50.0% had served in the hospital for nine years and above, 31.8% of the respondents had served in the hospital for 6 to 8 years, 13.6% of the respondents had served in the hospital for a period of 3 to 5 years while 4.6% of the respondents indicated to have served in the hospital for a period of less than 2 years. This implied that majority of the respondents had served for a good considerable period of time in the hospital which implied that they were in a position to give credible information relating to this study.

#### **4.2.4 Age Distribution**

Different age groups are perceived to hold diverse opinions on different issues. In this essence the study requested the respondents to indicate their age category.

**Table4.4 Age Distribution**

<b>Age Distribution</b>	<b>Frequency</b>	<b>Percentage</b>
Below 30years	2	9.1
31 to 40 years	7	31.8
41 to 50 years	8	36.4
51 years and above	5	22.7
Total	22	100.0

Source: Primary Data (2016).

Table 4.4 presents the distribution of ages of the respondents where from the research, most of the respondents as shown by 36.4% indicated that they were aged between 41 to 50 years, 31.8% of the respondents indicated that they were aged between 31-40 years, 22.7% were 51years and above whereas 9.1% of the respondents indicated that they were below 30 years. This implies that respondents were fairly distributed in terms of their age.

#### **4.2.5 Years of operation of the hospital.**

The research sought to determine the years of operation of the firm.

**Table4.5 Years of operation**

<b>Years of operation</b>	<b>Frequency</b>	<b>% Frequency</b>
Below 2 years	1	4.5
3 to 5 years	2	9.1
6 to 8 years	5	22.7
9 years and above	14	63.6
Total	22	100.0

Source: Primary Data (2016).

Table 4.5 presents the number of year the hospital has being in operation and from the findings majority (63.6%) of the respondents indicated that most of hospitals had

operated for 9 years and above, 22.7% indicated 6 to 8 years and 9.1% indicated 3 to 5 years while 4.5% indicated below two years. This implies that most of the hospital had operated for an ample time thus they were well established to provide the information that the study sought.

#### 4.2.6 Bed Capacity

The study sought to establish the bed capacity in private hospitals. The respondents were asked to indicate the number of beds they have in their hospital.

**Table4.6 Bed Capacity**

Number of Beds	Frequency	% Frequency
50-100	2	9.1
100-150	4	18.2
150-200	9	40.9
Over 200	7	31.8
Total	22	100.0

Source: Primary Data (2016)

Table 4.6 indicates that most of private hospitals in Kenya have 150 to 200 beds as shown by 40.9%, 31.8% of the private hospitals have over 200 beds, 18.2% have 100 to 150 beds while 9.1% have 50-100 beds. This implies that most of private hospital in Kenya can hold a considerably good number of patients.

#### 4.2.7 Hospital branches

The study further sought to establish the number of branches each private hospital has managed to establish. The respondents were requested to indicate the number of branches their hospital have.

**Table4.7 Hospital branches**

Number of Branches	Frequency	% Frequency
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Below 5	4	18.2
5 to 10	8	36.4
Above 10	10	45.5
Total	22	100.0

Source: Primary Data (2016).

The findings in Table 4.7 indicate that 45.5% of the private hospitals have more than ten branches, 36.4% have 5 to 10 branches whereas 18.2 have less than five branches. This indicates that most of the private hospitals have spread all over the county and therefore they are in a position to offer better service to the people at their convenient places.

#### 4.2.8 Number of Employees

**Table4.8 Number of Employees**

Number of Employees	Frequency	Percentage
< 50	4	18.3
50-100	9	40.9
100-150	5	22.7
150-200	3	13.6
Over 200	1	4.5
Total	22	100.0

Source: Primary Data (2016).

Table 4.8 shows the number of people employed in private hospitals in Kenya. The study established that majority (40.9%) of the private hospitals have 50 to 100 employees, 22.7% of the private hospitals have 100 to 150 employees and 18.3% of the private hospitals have less than 50 employees. 13.6% of the private hospitals have 150 to 200 employees whereas 4.5% have more than 200 employees. This implies that most of the private hospitals are large enough and therefore they are in a position to give the required service to the patients.

#### 4.2.9 The ownership of the hospital

**Table4.9 Ownership of the Hospital**

<b>Ownership</b>	<b>Frequency</b>	<b>Percentage</b>
Foreign	17	77.27
Local	5	22.73
Total	22	100.00

Source: Primary Data (2016).

Table 4.9 presents the results of the ownership of the Private Hospitals. The study revealed that most of private hospitals in Kenya are owned by foreign people as shown as by 77.27% whereas only 22.73% are locally owned.

### **4.3 Tangibility**

The respondents were asked to rate the statement in table 4.10 about tangibility using a scale of 1-5, where 5= strongly agree; 4=Agree; 3= moderately agree; 2= Disagree; 1=strongly Disagree.

**Table4.10 Tangibility**

<b>Tangibility</b>	<b>Mean</b>	<b>Std. deviation</b>
Equipment associated with the medical service are visually appealing	4.01	0.89
The premises of the hospital are generally appealing and organized	4.21	0.58
Employees are well dressed and neat in Appearance	3.87	0.82
Equipment associated with the hospital are easy to use	3.96	0.72
The hospital flyers are visually appealing	4.15	0.75
The hospital offers excellent services	4.03	0.69

Source: Primary Data (2016).

Table 4.10 presents the findings where most of the respondents agreed that; Equipment associated with the medical service are visually appealing (M=4.01, SD=0.89), the premises of the hospital are generally appealing and organized (M=4.21, SD=0.58) and Employees are well dressed and neat in Appearance (M=3.87, SD=0.82). Further majority of the respondents agreed that; Equipment associated with the hospital are easy to use (M=3.96, SD=0.72), the hospital flyers are visually appealing (M=4.15, SD=0.75)

and the hospital offers excellent services (M=4.03, SD=0.69). This study is in line (Tanomsakyut, 2011) who argued that intangibility implies that a consumer's perception of quality is often based on physical evidence and price rather than the core service.

#### 4.4 Responsiveness

The study sought to establish the willingness of employees in private hospitals to help patients and provide prompt service. The respondents were requested to rate the statement below using a scale of 1-5, where 5= strongly agree; 4=Agree; 3= moderately agree; 2= Disagree; 1=strongly Disagree.

**Table4.11 Responsiveness**

<b>Responsiveness</b>	<b>Mean</b>	<b>Std. deviation</b>
Employees are always willing to help customers in the hospital	4.02	0.21
Employees give prompt and efficient service in the hospital	4.08	0.28
Employees are never too busy to respond to your requests in the hospital	3.88	0.25
Employees tell you exactly when services will be performed.	3.77	0.20
The hospital improves the service according to your opinion/complaint	3.65	0.24
The hospital handles complaints/ opinions seriously and promptly	3.96	0.28

Source: Primary Data (2016).

The Table 4.11 presents that results where the findings show that majority of the respondents agreed that; Employees are always willing to help customers in the hospital (M=4.02, SD=0.21), Employees give prompt and efficient service in the hospital (M=4.08, SD=0.5928), Employees are never too busy to respond to ones requests in the hospital (M=3.88, SD=0.25) and Employees tell you exactly when services will be performed (M=3.77, SD=0.20). Further the respondent agreed that; the hospital improves



the service according to one's opinion/complaint (M=3.65, SD=0.24) and the hospital handles complaints/ opinions seriously and promptly (M=3.96, SD=0.28). This finding is in line with (Gole, 2015) who states that responsiveness is important since customers feel providers are responsive to their requests not just emergencies, but everyday responses to dimensions.

#### 4.5 Assurance

The study also sought to determine how the knowledge and courtesy of employees and their ability to convey trust and confidence affect the performance of private Hospitals in Kenya.

**Table4.12 Assurance**

<b>Assurance</b>	<b>Mean</b>	<b>Std. deviation</b>
Our employees have the knowledge to answer all customer's questions in the hospital	3.95	0.35
Our employees are consistently polite to the customers	4.12	0.29
The hospital employees are highly skilled	4.10	0.32
The hospital employees are trustworthy	3.89	0.39
The hospital plays a significant role in the perceptions of customers	4.06	0.31
Employees in the hospital communicate their expertise to customers	3.97	0.33

Source: Primary Data (2016).

The results in Table 4.12 show that most of the respondents indicated that, employees have the knowledge to answer all customer's questions in the hospital (M=3.95, SD=0.35); employees are consistently polite to the customers (M=4.12, SD=0.29); the hospital employees are highly skilled (M=4.10, SD=0.32); The hospital employees are trustworthy (M=3.89, SD=0.39) and the hospital plays a significant role in the

perceptions of customers (M=4.06, SD=0.31). Employees in the hospital communicate their expertise to customers (M=3.97, SD=0.33). Table 4.12 summarizes the results.

#### 4.6 Empathy

Further the respondents were asked to rate the statement below using a scale of 1-5, where 5= strongly agree; 4=Agree; 3= moderately agree; 2= Disagree; 1=strongly Disagree. The average mean and standard deviations are shown in Table 4.13 below.

**Table4.13 Empathy**

<b>Empathy</b>	<b>Mean</b>	<b>Std. deviation</b>
The hospital has employees who give customers personal attention	4.11	0.39
The hospital has many branches that customers can always find one easily	3.87	0.41
The branches have operating hours convenient to clients	3.97	0.36
The hospital gives customers individual attention	4.06	0.46
The payment methods provided by the hospital are convenient to customers	4.19	0.37
Employees in the hospital always understand client specific need	4.31	0.42

Source: Primary Data (2016).

Table 4.13 indicates that most of the respondents agreed that; the hospital has employees who give customers personal attention (M=4.11, SD=0.39); the hospital has many branches that customers can always find one easily (M=3.87, SD=0.41); the branches have operating hours convenient to clients (M=3.97, SD=0.36) and the hospital gives customers individual attention (M=4.06, SD=0.46). Further the respondents agreed that the payment methods provided by the hospital are convenient to customers (M=4.06, SD=0.46) and Employees in the hospital always understand client specific need (M=4.31, SD=0.42). This finding concur to that of Kang and James (2004) that customer

satisfaction can be achieved by offering personalized, flexible and adjustable services to suit the needs of customers.

#### 4.7 Performance of Private Hospitals

**Table 4.14 Performance of Private Hospitals**

<b>Performance</b>	<b>Mean</b>	<b>Std. deviation</b>
High employee professionalism increases performance	4.05	0.11
Quality of services determine product market performance	3.96	0.19
Employees enjoy shareholder return by offering quality services in the hospital	4.15	0.14
Employees trust increase customer retention hence high returns	4.12	0.18
Increased customer confidence increases hospital growth rate	4.21	0.10

Source: Primary Data (2016).

From the finding in the Table 4.14, majority of the respondents agreed that; High employee professionalism increases performance of the hospital (M=4.05, SD=0.11), Quality of services determine product market performance of the hospital (M=3.96, SD=0.19) and Employees enjoy shareholder return by offering quality services in the hospital (M=4.15, SD=0.14). Majority of the respondents also agreed that Employees trust increase customer retention hence high returns (M=4.12, SD=0.18) and Increased customer confidence increases hospital growth rates (M=4.21, SD=0.10).

#### 4.8 Regression Analysis

A regression analysis was applied to find out the relationship between service quality and performance of Private Hospitals in Nairobi County. The study adopted the following regression equation to establish the relationship between variables  $Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \varepsilon$ ; where Y= performance of Private Hospitals,  $\beta_0$ =the constant of regression,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  = are the regression coefficients/weights of the following

respective independent variables; x1= Tangibility, x2= Responsiveness, x3= Assurance, x4= Empathy and  $\varepsilon$  = error term. All the four independent variables were measured using the responses on each of the variables obtained from the respondents. The results are discussed below.

**Table4.15 Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.869 <sup>a</sup>	0.755	0.749	0.021

Source: Primary Data (2016).

The results in Table 4.15 show that the four independent variables that were studied explain 75.5% of relationship between service quality and performance of Private Hospitals in Nairobi County as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 24.5%. The results of this study concur with Gole (2015) who noted that responsiveness is important for better performance of hospitals.

**Table4.16 Anova <sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	89.842	4	22.460	10.36	.018 <sup>a</sup>
Residual	36.856	17	2.168		
Total	126.698	21			

Source: Primary Data (2016).

The study used ANOVA to establish the significance of the regression model from which an f-significance value of p less than 0.05 was established ( $p=0.018 < 0.05$ ). The model is statistically significant in predicting how service quality (Tangibility, Responsiveness, Assurance and Empathy) affect performance of Private Hospitals in Kenya. This shows that the regression model has a less than 0.05 likelihood (probability) of giving a wrong prediction. This therefore means that the regression model has a confidence level of above 95% hence high reliability of the results. Using the F-test statistic, the sample F

value had a value of 10.36, this implies that the regression model is statistically significant since  $10.36 > 4.13$ . According to Cooper and Schindler (2006) this model can be used for estimating purposes.

**Table 4.17 Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.277	.088		3.14	.016
Tangibility	.531	.071	.519	7.48	.000
Responsiveness	.416	.094	.399	4.43	.001
Assurance	.396	.067	.356	5.91	.009
Empathy	.311	.073	.298	4.26	.002

Source: Primary Data (2016).

- a) Predictors: (Constant), Tangibility, Responsiveness, Assurance, Empathy.
- b) Dependent Variable: performance of Private Hospitals.

The established regression equation was

$$Y = 0.277 + 0.531X_1 + 0.416X_2 + 0.396X_3 + 0.311X_4$$

The regression equation above has established that holding all the independent variable (Tangibility, Responsiveness, Assurance and Empathy) constant, other factors influencing performance of Private Hospitals will be 0.277 ( $p = 0.016 < 0.05$ ). The findings also shows that taking all other independent variables at zero, a unit increase in Tangibility will lead to a 0.531 ( $p = 0.000 < 0.05$ ) increase in the performance of Private hospitals in Kenya. A unit increase in Responsiveness will lead to a 0.416 ( $p = 0.001 < 0.05$ ) increase in performance of Private Hospitals in Kenya. On the other hand, a unit increase in assurance will lead to a 0.396 ( $p = 0.009 < 0.05$ ) increase in performance of Private Hospitals in Kenya and unit increase in Empathy will lead to a 0.311 ( $p = 0.002 < 0.05$ ) increase in performance of Private Hospitals in Kenya. This infers that Tangibility

influences the performance of Private Hospitals most followed by Responsiveness, Assurance and Empathy.

The study also established a significant relationship between the performance of Private Hospitals and the independent variables; Tangibility ( $p=0.000<0.05$ ), Responsiveness ( $p=0.001<0.05$ ), Assurance ( $p=0.009<0.05$ ) and Empathy ( $p=0.002<0.05$ ). The regression coefficients were tested for significance at  $\alpha = 0.05$ . Significance occurs at p-values less than 0.05. From the above results, all the predictors are good predictors for the performance of Private Hospitals. These findings were consistent with that of Richard (2009) who noted that the final dimension is empathy, which represents the individualized attention that firms provide to its customers.

#### 4.9 Correlation

On the correlation of the study variable, Pearson moment correlation was used.

**Table 4.18 Correlations**

		performance of Private Hospitals	service quality
Performance of Private Hospitals	Correlation Coefficient	1.00	.788
	Sig. (1-tailed)	.	.003
	N	22	22
Service quality	Correlation Coefficient	.788	1.00
	Sig. (1-tailed)	.003	.
	N	22	22

Source: Primary Data (2016).

From the finding in the table 4.18 below, the study found that there was strong positive correlation coefficient between service quality and Performance of Private hospitals as

shown by correlation factor of 0.788, this strong relationship was found to be statistically significant as the significant value was 0.003 which is less than 0.05, The findings concur with Richard (2009) who found that service quality has an effect on performance of an organisation.

#### **4.8 Discussion of the findings**

On background information the study established that most of the private hospitals have spread all over the county and therefore they are in a position to offer better services to people at their convenient places. They are also large to accommodate a good number of patients as most of them have more than 100 beds. The study also found that most of private hospitals in Kenya are owned by foreign people and employs good number of people more than 50 employees. This concurs to a study by Burger et al (2012) that private sector market is huge and plays an important role in improving people's health in most parts of the country.

On the correlation result the study established a strong significant positive correlation coefficient between service quality and Performance of Private hospitals (Corr = 0.788). The prediction by regression model indicated that; a unit increase in tangibility, responsiveness, assurance and empathy leads to increase in the performance of Private hospitals in Kenya, as shown by factors (B) of 0.531, 0.416, 0.396 and 0.311 respectively. These findings is consistent with that of Richard (2009) who noted that the final dimension is empathy, which represents the individualized attention that firms provide to its customers.

Further the study established that premises of the hospital and equipment associated with the medical service are visually appealing ( $M=4.01$ ,  $SD=0.89$ ) and are easy to use. Study also revealed that employees are well dressed and neat in appearance, hospital flyers are visually appealing and hospital offers excellent services ( $M=4.03$ ,  $SD=0.69$ ). The study also established that employees; are always willing to help customers, give prompt and efficient service, tell exactly when services will be performed and they are never too busy to respond to customers' requests. This finding is in line with Barasa et al. (2012), who state that willingness of employees to help patients and provide prompt service is important since customers feel providers are responsive to their requests not just emergencies, but everyday responses to dimensions. Further the study found that the hospital handles complaints/ opinions seriously and promptly.

The study further revealed that employees in the private hospitals have the knowledge to answer all customer's questions ( $M=3.95$ ,  $SD=0.35$ ), they are highly skilled, trustworthy and consistently polite to the customers. The study also established that private hospital plays a significant role in the perceptions of customers. On the empathy, the study noted that private hospitals in Kenya have employees who give customers personal attention and they always understand client specific need ( $M=4.31$ ,  $SD=0.42$ ). Most of the private hospitals also have many branches that customers always find easily and their operating hours are convenient to clients. The payment methods provided by the hospital were found convenient to customers. This finding concur to that of Maina (2015) that customer satisfaction can be achieved by offering personalized, flexible and adjustable services to suit the needs of customers.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the data findings on the analysis of the relationship between service quality and performance of Private Hospitals in Nairobi County, conclusions and recommendations are drawn there to. The chapter is structured into summary of findings, conclusions, recommendations, limitation of the study and areas of further studies.

#### **5.2 Summary of findings**

This section presents the key findings as considered under each objective in the study. The findings on the demographic information of the respondents greatly enhanced the reliability of the research findings. The study findings indicate that majority of the respondents had worked with the private hospitals for more than six years, coupled with the relevant education level needed to enhance the reliability of the information that they provided. The study also established that most of the private hospitals have branches all over the country and to accommodate a good number of patients at a time. Further it was noted that most of private hospitals in Kenya are owned by foreign people and have employed more than 50 employees in each.

The study established that there is a strong significant positive correlation between service quality and Performance of Private hospitals. Further it was noted that a unit increase in service quality (tangibility, Responsiveness, assurance and Empathy) leads to

increase in the performance of Private hospitals in Kenya. The study further established that private hospitals premises and equipment are visually appealing and easy to use. Employees in private hospitals are always well dressed and neat in appearance, hospital flyers are visually appealing and hospital offers excellent services.

The study also established that employees; are always willing to help customers, give prompt and efficient service, tell exactly when services will be performed and they are never too busy to respond to customers' requests. Private hospitals also handle complaints and opinions of customers seriously and promptly. The study further has revealed that employees in the private hospitals have knowledge to answer all customer's questions, they are highly skilled, trustworthy and consistently polite to the customers. Private hospital plays a significant role in the perceptions of customers.

Finally the study establishes that private hospitals in Kenya have employees who give customers personal attention and they always understand client specific need and they have many branches where customers always find services easily and their operating hours are convenient to clients. Their payment methods are also convenient to customers.

### **5.3 Conclusion of the Study**

This study has provided a comprehensive review of the relationship between service quality and performance of Private Hospitals in Nairobi County. Based on the findings of this study, the study concludes that there is a strong significant positive correlation between service quality and Performance of Private hospitals. A unit increase in service quality (tangibility, Responsiveness, assurance and Empathy) leads to increase in the performance of Private hospitals in Kenya. Private hospitals premises and equipment are

visually appealing and easy to use. The employees in private hospitals in Kenya are always well dressed and neat in appearance, hospital flyers are visually appealing and private hospital offers excellent services.

Further the study concludes that employees in private hospitals; are always willing to help customers, give prompt and efficient service, tell exactly when services will be performed and they are never too busy to respond to customers' requests. Private hospitals also handle complaints and opinions of customers seriously and promptly. Employees in the private hospitals have knowledge to answer all customer's questions, they are highly skilled, trustworthy and consistently polite to the customers. Also Private hospitals play a significant role in the perceptions of customers. Study also concludes that private hospitals in Kenya have employees who give customers personal attention and always understand client specific need. Most private hospitals have many branches where customers always find services easily and their operating hours are convenient to clients and their payment methods are convenient to customers.

#### **5.4 Recommendations of the Study**

Based on the results of the study, it is important that Private Hospitals focus on giving quality service to customers. It is through this that they are in a position to increase their performance in terms of market share and profitability. The hospitals should have good facilities as this creates confidence to the patients when they are receiving the service. They should be responsive in how they offer their services and ensure that they empathize with patients.

## **5.5 Policy Recommendations**

Based on the study results, some recommendations can be proposed by the study;

Since there is a strong relationship between Tangibility and private hospital performance, the hospital management should organize more training for employees to be taught how to handle customers and also should purchase more medical equipments which are visually appealing so as to improve services to the customers. The hospital management should improve the way they handle customer's complaints so as to increased customer confidence. The management should add more branches across the country to bring services closer to the customers and improve its competitive.

## **5.6 Limitations of the Study**

One of the major limitations was confidentiality of the private hospital information. There was unwillingness of informants from some private hospitals to give information and fill questionnaire. Some respondents feared that the information obtained would be used against them; this scared away respondents from filling them thus the researcher had to assure them that the information provided would be confidential to reduce the fear. Inadequate time and finances also posed challenges in this study. There was no enough time as well as funding to exhaust all the relationship between service quality and performance of Private Hospitals.

## **5.7 Areas Suggested for Further Research**

This study focused only on relationship between service quality and performance of Private Hospitals in Nairobi County. Therefore another study should be carried out to

establish the relationship between service quality and performance of Private Hospitals in the whole country Kenya, including variables or factors that were not covered in this study. A similar study should also be carried out in the public Hospitals across the whole country.

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## APPENDICES

### APPENDIX 1: LETTER OF INTRODUCTION

Carolle Nderitu  
University of Nairobi,  
P.O BOX 30197-00100,  
Nairobi

Dear Sir/ Madam,

#### **RE: AUTHORIZATION TO COLLECT DATA**

I am Master's student at the University of Nairobi pursuing Master of Business Administration in Marketing. I am writing a research project that is a requirement for the fulfillment of the degree and the aim is to find out the **relationship between service quality and performance in private hospitals**. Attached is a copy of my question that I request you to fill in.

The information provided in the questionnaire is only meant for purposes of academics and will be confidential.

Thank you for your assistance.

Sincerely,

Carolle Nderitu

**APPENDIX II: RESEARCH QUESTIONNAIRE**

**Section: A: Demographic Information**

1. Gender

Male ( ) female ( )

2. Please indicate the highest level of education attained? (Tick as applicable)

College Diploma [ ]

Undergraduate [ ]

Master [ ]

Others (specify)

.....

3. Indicate your period of service in this hospital

Below 2 years ( ) 3 to 5 years ( )

6 to 8 years ( ) 9 years and above ( )

4. Kindly indicate your age bracket

Below 30years ( ) 31 to 40 years ( )

41 to 50 years ( ) 51 years and above ( )

**Section: B. Background Information of the Hospital**

5. How long has this hospital been in operation?

Below 2 years ( ) 3 to 5 years ( )

6 to 8 years ( ) 9 years and above ( )

6. What is the bed capacity of this hospital?

50-100 ( ) 150-200 ( )

100-150 ( ) Over 200 ( )

7. How many branches does this hospital have? .....

8. How many employees does the hospital have?

- < 50 ( )
- 50-100 ( )      150-200 ( )
- 100-150 ( )      Over 200 ( )

9. Indicate the ownership of the hospital

- Foreign ( )
- Local ( )

**Section: C. Determinants of Service Quality**

8. Indicate your level of agreement with the following statements relating to tangibility  
 Key. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

<b>Tangibility</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Equipment associated with the medical service are visually appealing					
The premises of the hospital are generally appealing and organized					
Employees are well dressed and neat in Appearance					
Equipment associated with the hospital are easy to use					
The hospital flyers are visually appealing					
The hospital offers excellent services					

Indicate your level of agreement with the following statements relating to responsiveness.  
 Key Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

<b>Responsiveness</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Employees are always willing to help customers in the					

hospital					
Employees give prompt and efficient service in the hospital					
Employees are never too busy to respond to your requests in the hospital					
Employees tell you exactly when services will be performed					
The hospital improves the service according to your opinion/complaint					
The hospital handles complaints/ opinions seriously and promptly					

Indicate your level of agreement with the following statements relating to assurance. Key Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

<b>Assurance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Our employees have the knowledge to answer all customer's questions in the hospital					
Our employees are consistently polite to the customers					
The hospital employees are highly skilled					
The hospital employees are trustworthy					
The hospital plays a significant role in the perceptions of customers					
Employees in the hospital communicate their expertise to customers					

Indicate your level of agreement with the following statements relating to empathy. Key Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

<b>Empathy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The hospital has employees who give customers personal attention					
The hospital has many branches that customers can always find one easily					
The branches have operating hours convenient to clients					
The hospital gives customers individual attention					
The payment methods provided by the hospital are convenient to customers					
Employees in the hospital always understand client specific need					

Indicate your level of agreement with the following statements relating to performance of private hospital. Key Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

<b>Performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
High employee professionalism increases performance of the hospital					
Quality of services determine product market performance of the hospital					
Employees enjoy shareholder return by offering quality services in the hospital					
Employees trust increase customer retention hence high returns					
Increased customer confidence increases hospital growth rates					

**THANK YOU!!**

### **APPENDIX III: PRIVATE HOSPITALS IN NAIROBI**

1. THE NAIROBI HOSPITAL
2. THE AGA KHAN UNIVERSITY HOSPITAL
3. M P SHAH HOSPITAL
4. THE MATER HOSPITAL
5. METROPOLITAN HOSPITAL, NAIROBI
6. GERTRUDE GARDEN CHILDRENS HOSPITAL
7. GURU NANAK R AMGARHIA SIKH HOSPITAL
8. AVENUE HOSPITAL
9. COPTIC HOSPITAL
10. JAMAA HOSPITAL
11. THE KAREN HOSPITAL
12. THE NAIROBI WOMENS HOSPITAL
13. NAIROBI WEST HOSPITAL
14. NAIROBI EQUATOR HOSPITAL
15. PARKLANDS AMBULATORY SURGICAL CENTRE
16. ST MARYS MISSION HOSPITAL
17. SOUTH B HOSPITAL
18. CHIROMO LANE MEDICAL CENTRE
19. MELCHIZEDEK HOSPITAL
20. LIONS SIGHTFIRST EYE HOSPITAL
21. FAMILYCARE MEDICAL CENTRE
22. NEW LANGATA MEDICAL CENTRE
23. MADINA NURSING HOME
24. MOTHER AND CHILD HOSPITAL
25. MARIAKANI COTTAGE HOSPITAL