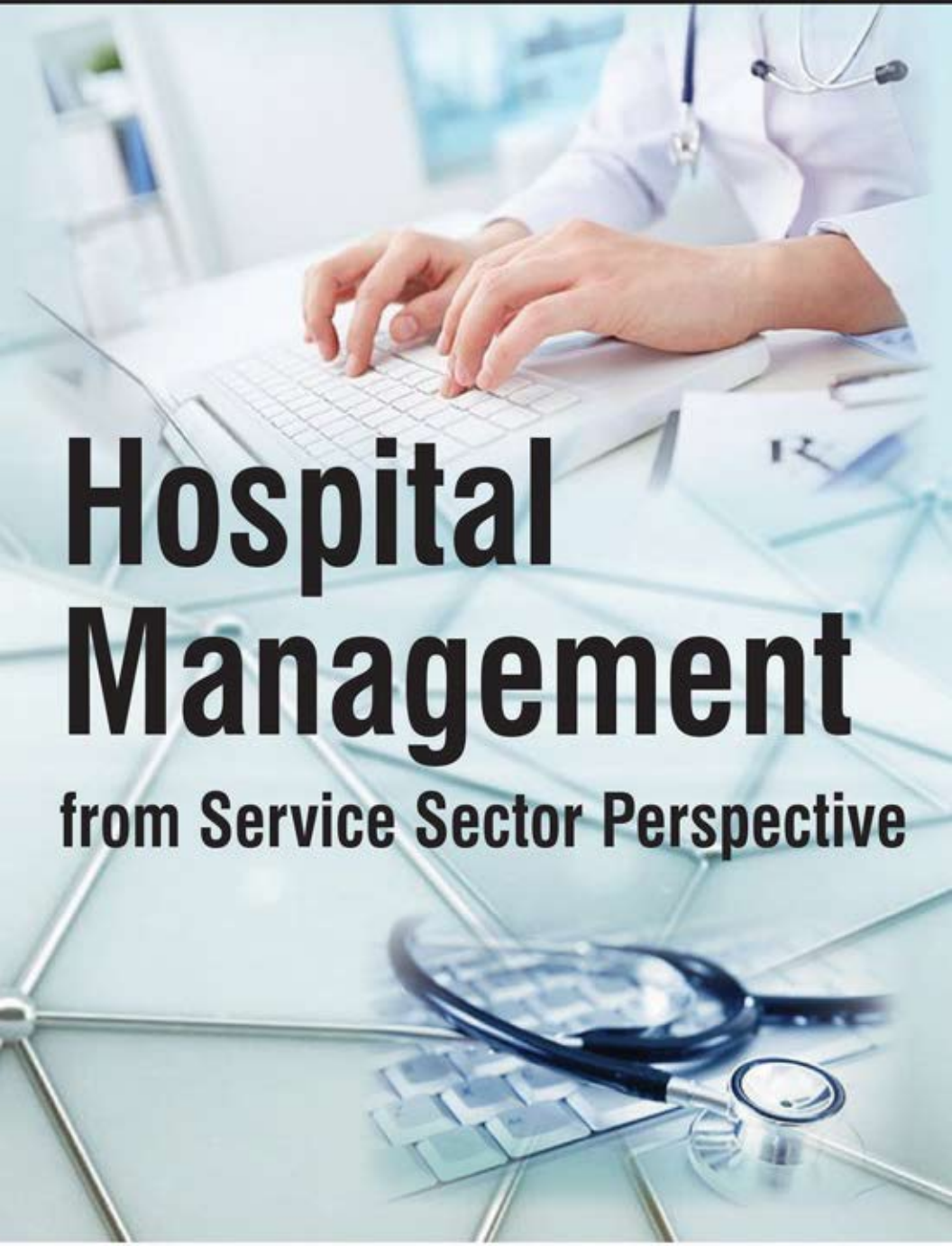
visit our website www.jaypeebrothers.com, for detailed information on hospital administration books, visit our website www.jaypeebrothers.com



Hospital Management

from Service Sector Perspective

Ashvini Arun Vora

JAYPEE

Contents

1. INTRODUCTION TO HEALTHCARE SECTOR **1**

What is a Just and Ideal Healthcare System? 2
Reasons for Healthcare to be a Service Sector 3
History of Hospitals 4
Global Scenario 6

2. THE HEALTHCARE IN INDIA **9**

Is India Witnessing a Revolution in Healthcare Services? 11
Historical Background of Healthcare Management in India 12
Structure of the Healthcare System 14
Characteristics of the Health System in India 17
Issues and Challenges to Healthcare Industry in India 19
Classification of Hospitals 21
Public Healthcare Insurance in India 24

3. HOSPITAL AS A PRODUCT **38**

The Package Concept 40
Hospital Services 41
Difficulty in Maintaining Consistent Service Quality 54
Life Cycle of Hospital Product 56
Various Influences 57
Medical Ethics 60
Hospital Branding 60
Hospital Administration 61

4. ATMOSPHERICS IN HOSPITALS **63**

SOR Model 63
Designing the Physical Space 64
Importance of Esthetic Management 68

5. DELIVERING AND PERFORMING HOSPITAL SERVICES **74**

Strategies for Closing Gap 3 75
Managing Time in Hospitals 78
Need for MBO in Hospitals 80
Role of Information Technology in the Healthcare Sector 83

Telemedicine 88
Digitalizing Healthcare 91
Reducing Errors in Healthcare Delivery by Using Barcode 92
Medical Transcription 94
Medicolegal Issues 96

6. HEALTHCARE PROMOTION 99
Hospital Marketing—Making the Difference 99
Promotion Programming—Making the Difference 101
The Marketing Communication Mix 104
Marketing of Hospitals in the Modern Era 110
Role of Marketing and PR 113
Knowledge-based Marketing: Modern Way of Healthcare Marketing 117

7. MANAGING SERVICE QUALITY 120
Customer Satisfaction versus Quality in Healthcare Sector 121
Service Encounter 122
The Seven Dimensions of E-QUAL 123
Improving Quality Through Balanced Scorecard (BSC) Approach 124
International Certification 131
Quality Circle 136
SERVQUAL Model 140
Six Sigma—The Tool for Assessment of Quality 143

8. HUMAN RESOURCES IN HOSPITAL SECTOR 147
People—The Key to a Hospital Service Business 148
Employees' Role 148
Service Profit Chain 150
Quality/Productivity Trade-offs 151
Strategic HRM—Changing Role of HR 152
People Dealing with People 153
Relationship Between Patients/Relatives and Hospital Authorities 154
Boundary Spanning Roles 156
Employee Development Through Potential Appraisal System 156
Strategies for Closing Gap 3 157

Emotional Labor or Soft Skills 158
Hire the Right People 159
Develop People to Deliver Service Quality 160
Provide Needed Support System 161
Retain the Best People 161
The Role of HR Personnel in a Hospital 162
Human Resource Information System 163
Communication in the Hospital 164
Grapewine 165
Human Resource Requirements in Hospitals 165
Role of a Nurse 167
Bridging the Divide—The Relationship Between the Doctor and the Patient 169
Total Quality Management and Hospital Personnel 172
Principles of Building a Team in Hospitals 177
The Nursing Services 180
Patient's Best Friend—The Role of an MSW 180
Empowering and Educating Lives—A Case Study of Ranbaxy Rural Development Trust 183
Patient Grievance Cell 186
Employee Satisfaction and its Effect on Efficiency 188
Hospital and Media Relations 191

9. STRATEGIC PRICING IN HOSPITAL SECTOR 195
Key Ways of Customer Evaluation of Pricing for Hospital Service 195
Difficulty in Pricing of Hospital Services 196
Price Elasticity 198
Disparities in Pricing 202
Cost-containment Measures 209
Price Mix 211

10. PLACE PARAMETER IN HOSPITAL SECTOR 216
Access to Service 216
Importance of Location 217
Recent Trends—Medical Tourism 219
Medical Transcription 219
A Clinic on Wheels 221

Life Brigades on Wheels—Ambulances 223
Intelligence System for Ambulances 224
Emergency Medical Services: A Silver Lining 227
Phelophea Health Care Train: A Case Study of Bringing Good Health to Masses 229
Life Line Express: A Case Study 230

INDEX 233

CHAPTER

4

Atmospherics in Hospitals

Hospitals are dominated by experience attributes. It helps in enhancing customer's perceptions of quality, because services are intangible. Customers often rely on tangible cues or physical evidence to evaluate the service before its purchase and to assess their satisfaction with service during and after consumption. General elements of physical elements include all the aspects of the organization's physical facility as well as other forms of tangible communication. Hospitals communicate heavily through physical evidence. Kotler called the physical evidence as 'atmospherics.'

The physical evidence that a hospital presents is not limited to building but to the appearance of staff, their uniforms, stationery, landscape, visiting cards, brochures, interior design, parking and any tangible evidence that may result in an impression being formed about the hospital as a brand. The physical evidence can create a definite impact on various stages of customer's involvement with the service provider. The design of work environment can affect employees' productivity, motivation and satisfaction.

SOR MODEL

Environmental psychology can help in the use of physical evidence to create service environments and influence patients relative's perceptions and behavior. The SOR Model shown in the **Figure 4.1** helps in explaining the effects of service environment of hospital on consumer behavior as well as staff. SOR model has three components:

1. Stimuli
2. Organism
3. Responses

JAYPEE BROTHERS

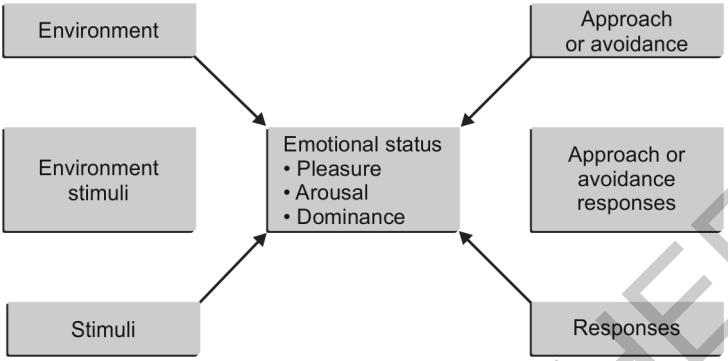


Fig. 4.1 SOR model

The various elements of service provider's physical evidence, such as exterior and interior design, lighting, layout, color scheme, etc. form the stimuli. The organism refers to recipients within the service encounter which can include both the employees and customer. The response to the set of stimuli is influenced by the emotional states of pleasure-displeasure, arousal-nonarousal and dominance-submissiveness.

Pleasure-displeasure reflects the extent to which employees and consumers feel satisfied with the service experience. The arousal-nonarousal refers whether they feel excited and stimulated about the service. The dominance-submissiveness reflects the degree to which employees and consumers feel in control and are able to act freely within the service environment.

Thus, SOR Model represents a comprehensive stimulus–organism-response model that recognizes complex dimensions of the environment, impacts on multiple parties and their multiple types of internal responses, i.e. cognitive, emotional and psychological. These three interactions can result in a variety of individual and social behaviors. Behavior leads to attitude formation.

DESIGNING THE PHYSICAL SPACE

The challenge in the hospital setting is to design the physical space and evidence so that it can support the needs of both the patients and employees simultaneously. The physical setting may be more important in achieving marketing goal. It can enhance the efficient flow of activities making it easier for customers and employees to accomplish their goals.

JAYPEE BROTHERS

The design of the physical facility can differentiate a hospital from its competitors and signal the market segment the service intended for. It acts as a form of nonverbal communication imparting meaning through what is called "Object Language".

Servicescape

The 'Servicescape' is a word popularized by Zeithaml and Bitner, two American researchers in the field of service marketing. It acts as a set of Stimuli, which include ambient conditions, space design for smooth activities flow, signs, symbols and artifacts. Hospital's servicescape is very complicated with many elements and many forms. They are termed "elaborative environments". These elements and forms consist of an hospital's different floors, rooms, sophisticated equipment and complex variability in functions performed within the physical facility. In such an elaborate environment, the full range of marketing and organizational objectives theoretically can be approached through careful management of the servicescape. For example, a patient's hospital room can be designed to enhance patient's comfort and satisfaction while simultaneously facilitating employees' productivity. When Mayo clinic, the best known name in US healthcare, opened 15 hospitals in Scottsdale, Arizona in 1998, the organization painstakingly considered the interrelated goals, needs and feelings of its employees, doctors, patients and visitors in designing its distinctive servicescape.

Hospitals are placed in interpersonal services where both the customer and the employee must be present in the servicescape. Environmental Psychologists have researched that servicescape affects the nature and quality of social interaction between and among the patients, their relatives, staff and doctors. Servicescape is the outward appearance of an organization and thus can be critical in forming initial impression or setting up customer's expectations. It is a visual metaphor for the intangible service. Servicescape is like to dress for success. It provides the customers with "service packaging" that conveys the brand positioning.

In Mayo hospital lobby, Piano music serves to reduce stress. Mayo clinic took into consideration various dimensions in designing its hospital to accommodate patients, doctors, employees and visitors. At BM Birla Research Center, the frost glass door at the entry of reception holds out this promise with simple words: We care. The potential elements of servicescape are categorized into

JAYPEE BROTHERS

three composite dimensions: ambient conditions, spatial layout and functionality of signs, symbols and artifacts. Thus, the servicescape of the hospital must be planned and designed to attract, satisfy and facilitate the activities of both the patients and employees simultaneously.

The physical evidence plays six specific roles which are shown in **Figure 4.2**.

The primary role of evidence management is to support the organization's marketing program by making it possible to manage both intended and unintended clues which can give adequate evidences to a consumer and thereby influence their perceptions.

Thus, the servicescape and other elements of physical evidence essentially wrap the service and convey an external image of what is inside for consumers. It also serves as a facilitator in aiding the performance of persons in the environment. The physical facility can differentiate a service provider from its competitors and signal the market segment about its intended service. It helps in enhancing

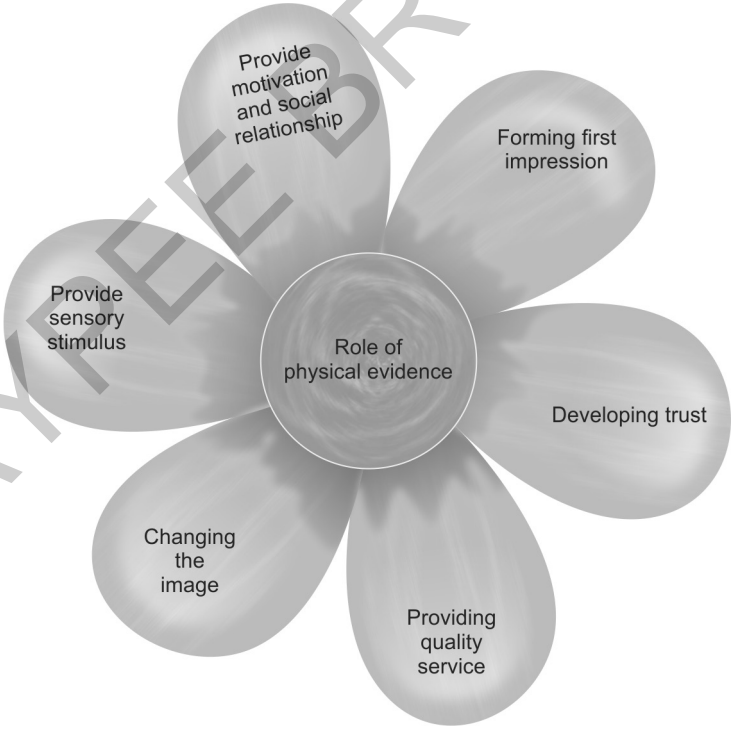


Fig. 4.2 Role of physical evidence

JAYPEE BROTHERS

patients perception of quality. The design of environment can affect employees productivity, motivation and satisfaction. In spite of being the form of nonverbal communication, it makes consumers happy by soothing their anxieties. Environmental psychologists have researched so much about emotional responses of physical setting.

A corporate hospital's common layout should be as follows **(Fig. 4.3)**:

"A" wing (North)	Floor	"B" wing (South)	
Nursing quarters	11th <A B>	Nursing quarters	
Board room, library, corporate office, marketing officers	10th <A B>	Resident doctors quarters	
Suite ward	9th <A B>	Suit ward	
Deluxe ward	8th <A B>	AC-special	
Ac and non-AC special	7th <A B>	Semi special non ac special	
General wards	6th <A B>	General wards	
Paed wards and rooms	5th <A B>	NICU, PICU waiting foyer	
ICCU	4th <A B>	Surgical ICU	
Cathlab, TCU, MICU	3rd <A B>	Operation theaters, changing rooms, surgeion's lounge, recovery rooms	
Endoscopy, lithotripsy, urodynamics, bronchoscopy	2nd <A B>	Dialysis ward and TMT room, daycare ward	
Consulting rooms deitician, counseling room, procedure room, admin block	1st <A B>	Health checkup area	
Reception, billing, cashier, PRO, TPA desk, chemist, waiting foyer	Ground <A B>	Emergency ward radiology, pathology lab	Energency OT
1st basement cafeteria, oxygen manifold, central suction, housekeeping, stores, accounts, maintenance, admin,			
2nd basement parking			

Fig. 4.3 Location of various services in the corporate hospital

JAYPEE BROTHERS

IMPORTANCE OF ESTHETIC MANAGEMENT

The elements—color, music, nature, art come under aesthetic management along with design, light, food and sign and symbols. Aesthetic is a branch of philosophy dealing with the nature of beauty, art and taste. This idea is used in revealing its influences on wellness of patients. It is based on four principals—Body (physical), mind (logic), heart (emotion, feeling) and aesthetic.

Effect of Different Colors on Emotions

Hospital's interior designers are now experimenting with innovative use of color in different patient areas. They believe that appropriate use of color helps in healing process. Patients are always fearful and are under pain. Traditionally built hospitals do little to alleviate these negative emotions. Now everything has changed. Healthcare providers are putting greater emphasis on creating the perfect healing environment. This includes color, lighting, aroma, views, art, sound, texture and materials. All these have therapeutic effect on patients. So healthcare facilities are now making every effort to incorporate these elements in hospital design to ensure that the patients' stay is as unthreatening, comfortable and stress free as possible.

Color is considered to be an extremely powerful and potentially expressive medium in terms of its impact on patients' overall well-being and recovery period. So hospitals are realizing that the use of color should be more deliberate than accidental. Interior designers are now trying to move away from old traditional space called "hospital" where to a place that is now more comfortable, friendly and less intimidating.

Introduction of soothing color tones are infused with degree of liveliness. They have replaced white traditional color. The use of white color gives the feeling or sense of seriousness but new school of thought believes that a hospital should not be as serious as they are made to be. There is room for the use of vibrant colors which add the element of life and cheer in the space. The ultimate aim is to create colorful positive environment that lifts up the spirits of patients, staff and visitors.

The choice of color primarily, depends on the kind of space in question. The color of pediatric wing, an adult or a geriatric wing can

JAYPEE BROTHERS

not be same. The way a person interprets or feels about color can vary according to experiences, education and cultural association with color. It is very important for interior designers to keep this sensitivity in mind. In general ward, natural colors and soothing hues of green and blue are preferred in healthcare environments. Doctors are now convinced that the environment plays a big role in psychological caring of people. In public spaces, such as lobby, registration and admission areas vibrant colors like yellow and blue should be used to create cheerful atmosphere. Colors should be chosen on the basis of their refractive indices. Green is still a dominant color in OTs.

At SAL Hospital, Ahmedabad, they have used soft yellow and green theme in semi-special wing. For Cardiac ICU, they have used light pink colour. In Pediatric area the whole paradigm is changed. An element of playfulness is incorporated. This provides children an emotionally supportive environment. The vibrant colors are used along with plenty of cartoon characters.

Colors give positive energy and impulses. Dark colors could lead to aggressiveness and irritability. Gray color on ceiling is not advisable. Red should be not used as it relates to danger. Depressive colors should also be avoided. Color scheme should induce hope in patients.

Role of Nature

Contact with nature has a positive effect on patient and leads to better health. Forward looking hospital are incorporating nature, music, color and art into patient care. Art and music along with nature can break the uninteresting space of fear and open it up to the human spirit. The spirit that heals the body. At Manipal Hospital, a beautiful landscaped garden can be seen by patients from their ward windows. Green color induces soothing effect.

Role of Art

Art includes pictures, tapestry, Décor and painting. Different artistic experiences can stimulate the mood of patient. The outside world can be brought to hospital in the form of art. Looking at the esthetically beautiful objects, patients can have diverted their mind. Artistic objects also elevate the spirit of patients.

JAYPEE BROTHERS

Role of Light and Food

Light is of great importance to both the recovery and rehabilitation of patients. There should be enough natural light should be in each ward. It fastens the recovery of the patient.

The serving of the food is important to tempt the patients' appetite. The portion itself must be adjusted for the individual patient. The way the food is cut, arranged on the dish is an art. So that colors are in harmony and of course the freshness of the food and how well it is prepared are all important if a patient has little or no appetite. Food prepared must be tempting, hygienic, served and presented in a stimulating way. In a well-composed meal, colors signal the nutritional value of the product and can in themselves influence the appetite. For instance, yellow/orange can be stimulating and green products give renewed strength.

While designing an hospital, architects should take care of the patients' safety and safeness of the hospital. Architectural elements like safe floor (nonslippery), proper ventilation, air conditioning, proper drainage, electrical infrastructure, accessability for disables, rain water harvesting, proper fire prevention, patient-friendly stairs and ramps, toilets, water closets, etc. should be taken utmost care of. All these parameters should form a part of the design.

Music as a Healer

Hospitals today have started playing relaxing music considering it to be an essential factor in therapeutic solution. It begins with elevators and reach to lobbies and waiting areas. Recently, a few areas of breakthrough have been patient wards, suits and even OTs. Now music is not only treated as a part of the physical facility but it is incorporated as a therapy. Hospital staff also feels relieved and comfortable while listening to music. Soothing background music helps the doctors to reduce their stress level remarkably.

In hospital, selection of music, i.e. which kind of music and which raga has to be played is a big challenge. Different ragas have different effect on various diseases. Different researches have been carried out on this Do Re Medicine.

It is only in recent times, medical science has begun to understand, study and document the effects of music in methodology that music undoubtedly plays a major role in healing. It is the established fact

JAYPEE BROTHERS

that the psychological/mental comfort of a patient has direct relation to the physical recuperation. Music also elevates the spiritual levels along with relaxation and entertainment. Some of the organs remain under stress for instance research has proved that people, who are aggressive and short-tempered, face early heart problems. Under these circumstances, music plays a significant role of a healer. In India, story of incorporating music in hospitals is just 8–9 years old. Very few hospitals have shed light on the concept of music. Sama Veda contains complete knowledge with respect to our body and music. A music therapy research and experiment were carried out in Australia with Sama Veda as the base.

Listening to agonies, pain and sight of patients is a constant scene for hospital staff. Soft and soothing instrumental music helps the staff to keep their positive attitude and cheerful mood and concentration. Spiritual and relaxing instrumental music of santoor, flute, sarangi, etc. should be the kind that hospitals need to play.

Some of the ragas have curing effect on some of the diseases. For instance, Rag Bihag and Rag Madhuvanti are beneficial in depression and other mental disorders. In high blood pressure, Raga Bhupali and Bhairavi are effective. In heart diseases, Raga Darbari and Raga Sarang bring excellent results.

In asthama, Raga Malkaush and Lalit; in sleeplessness, Raga Bhairavi and Raga Sohani; in headache, Raga Des and Bhairav; in anemia and dry skin Raga Piloo; in weakness, Raga Jay Jaywanti and in acidity, Raga Khamaj and Des are very effective if listened or sung. Everyday if patient listens to music only for 20 minutes, it brings wonderful results. So music therapy has its active form. It is also of immense help in neurological problems and problems related to hyperactive children. Research now focus mainly on its role in ailments apart from relaxation and spiritual impact.

Environment-User Relationship

Figure 4.4 shows the relationship between the environment and the user. It represents a comprehensive stimulus–organism–response model that recognizes the complex dimensions of the environment and its impacts on multiple parties (Patients, doctors, staff and their interactions), multiple types of internal responses (cognitive, emotional and psychological) and a variety of individual and social behaviors that can result.

JAYPEE BROTHERS

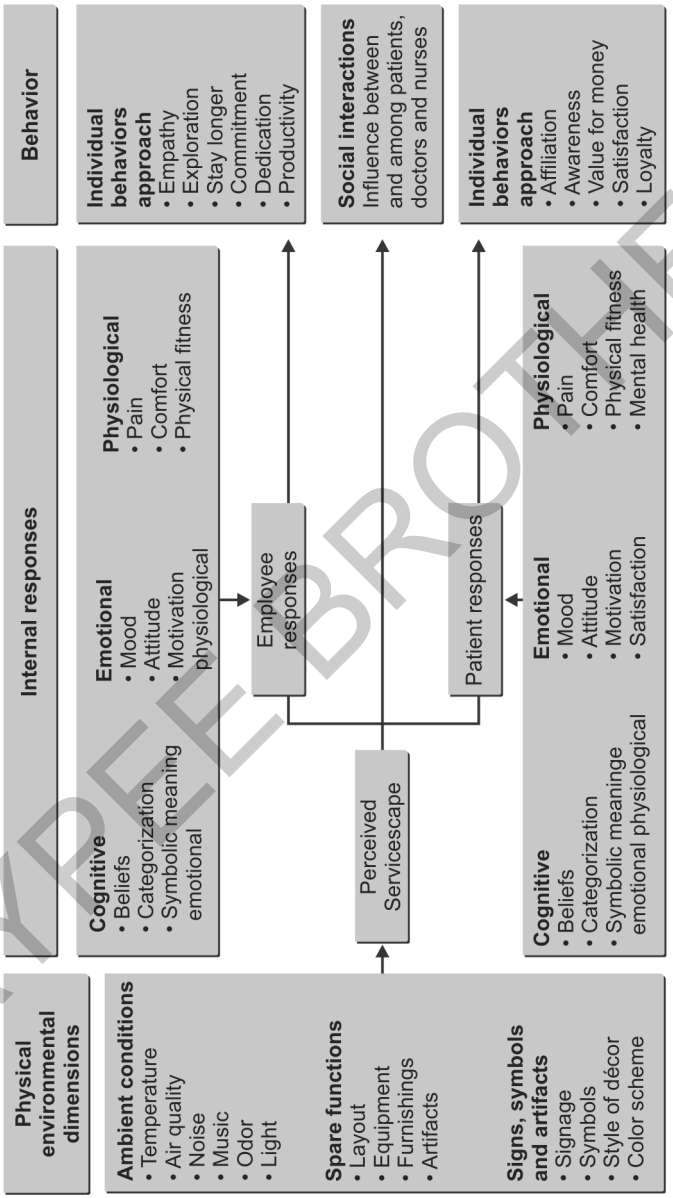


Fig. 4.4 A framework for understanding environment–user relationship in service organizations

JAYPEE BROTHERS

Since services have the distinctive characteristics of inseparability, an organization's environment, according to the servicescape model, affects the consumers and employees alike. In hospital, different types of customers take decisions based on their needs. Perceived servicecape is the composite of mental images. A consumer give different responses based on his/her thought process, emotional level based on their pain or comfort.

EXERCISE

1. Define servicescape and explain its role in hospital sector.
2. Explain role of physical evidence as an agent for changing consumer behavior. As a manager of a corporate hospital which element of physical evidence you will take at most care.
3. Describe the importance of aesthetic management. Explain the role of music as a healer.

BIBLIOGRAPHY

1. Bitner MJ. Evaluating Service Encounters: The Effects of Physical Surroundings and Employee Responses. Journal of Marketing 54 (April 1990).
2. Chittum R. New Concept in Lodging. The Wall Street Journal, October 8, 2003.
3. Mehrabian A, Russell JA. An Approach to Environmental Psychology Cambridge, MA: Massachusetts Institute of Technology, 1974.
4. Russell JA, Snodgrass J. Emotion and Environment in Handbook of Psychology, Volume 1.
5. Russell M. An Approach to Environmental Psychology, Journal of Environmental Psychology. 1984; 4(2):199-235.
6. www.petsmart.com 2004.

JAYPEE BROTHERS

for detailed information on hospital administration books, visit our website www.jaypeebrothers.com, for detailed information on hospital adm

Hospital Management

from Service Sector Perspective

Salient Features

- Written and narrated in very simple practical language. It is easy to understand hospital from service sector perspective
- Latest information about upcoming sector is dealt
- It clearly differentiates between hospital administration and hospital management
- Covers all the areas of customer-friendly management. It takes you from selling concept to marketing concept
- Deals with importance of human assets and shift of focus of top management towards employees
- Latest topics such as telemedicine, E-Health quality tools, balanced score card, etc. are explained
- Profit centric hospitals pricing policies are deeply explained based on customer-defined values
- Deals with all the 7 Ps (Product, Price, Place, Promotion, People, Physical evidence and Process) of marketing mix, so that one can run the hospital as an industry
- It is a ready-reference book for latest hospital management
- Provides in-depth knowledge of quality model—SERVQUAL model.



Ashvini Arun Vora MBBS MBA PhD (Healthcare) is Visiting Faculty, BK School of Business Management, Gujarat University, Ahmedabad, Gujarat, India. She is an alumnus of Indira Gandhi National Open University (First Batch). She has done PhD in Healthcare from Gujarat University. She works as a visiting faculty with various renowned management institutes in Ahmedabad. Service Sector is her core area. She has done lot of research in Hospital Sector. She has projected hospital as profit making and people-centric service sector. For the first time she has tried to connect 7 Ps of marketing mix and new features, such as Location, Ambience, Process, Affordable price area, Productiveness, Professionalism, Leadership trading soft skills role in increasing efficiency and Productivity, etc. are also added. It is her humble effort to put hospital as a service product.

Available at all medical bookstores
or buy online at www.jaypeebrothers.com

JAYPEE BROTHERS
Medical Publishers (P) Ltd.
www.jaypeebrothers.com

Join us on facebook.com/JaypeeMedicalPublishers

Shelving Recommendation
HOSPITAL ADMINISTRATION

ISBN 978-93-85999-90-1