Quality service in a large metropolitan healthcare facility's cafeteria: A Comparison of customer perceptions and management perceptions as measured by SERVQUAL

James Frederiksen

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Quality Service in a Large Metropolitan Healthcare Facility's Cafeteria: A Comparison of Customer Perceptions and Management Perceptions as Measured by SERVQUAL

by
James Frederiksen

A project submitted to the Faculty of the School of Food, Hotel, and Travel Management at the Rochester Institute of Technology in partial fulfillment of the requirements for the degree of Master of Science

August 1995
FORM K

ROCHESTER INSTITUTE OF TECHNOLOGY
School of Food, Hotel and Travel Management
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M.S. Hospitality-Tourism Management
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ABSTRACT

Quality Service in a Large Metropolitan Healthcare Facility’s Cafeteria: A Comparison of Customer Perceptions and Management Perceptions as Measured by SERVQUAL

by

James Frederiksen

100% Customer Satisfaction is one of the most critical challenges management in large, metropolitan healthcare facilities will face as they move into the next century. To achieve this goal, managers and administrators need to measure the quality of service they provide in their facilities, analyze the data collected to identify areas where improvements are necessary, and finally, develop appropriate actions to implement the necessary improvements.

This study focused on determining what implications does a comparison of customer and management/employee perceptions have on a large, metropolitan healthcare facility’s cafeteria’s quality service level? The project sought to answer this question by investigating potential differences (gaps) between customer and management perceptions of quality service at a healthcare facility in Upstate New York. The researcher used the perception questionnaires offered by the measurement tool, SERVQUAL, which was developed by Zeithaml,
Parasuraman, and Berry. The customers were clientele who frequent this facility and included doctors, nurses, support service staff, administrators, technical personnel, patients’ families, and visitors. The management group included the administrative, managerial, supervisory staff of the Food & Nutrition Services Department at this facility as well as the cafeteria’s hourly employees.
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Chapter I.

INTRODUCTION

A typical mission of a large metropolitan healthcare facility’s cafeteria is to provide a venue where healthcare professionals, employees, and visitors can purchase meals, eat those meals, relax, and converse with friends and colleagues. In essence, a place to "escape to" for a brief moment in time.

At one local facility, in fact, three thousand people converge on the cafeteria daily with the intent of escaping from their routines. All of them have their own ideas about the quality of service they expect to receive. Most have their expectations met. On any given day however, some go away dissatisfied for one reason or another. It is this issue that needs to be addressed.

To keep their existing market share (revenue flow) or better yet improve it, cafeteria management must strive for 100% customer satisfaction. To achieve this goal, they need to measure the quality of service they provide and then develop and implement those programs necessary to elevate their level of service to 100%. This is the challenge managers in large, metropolitan healthcare facilities face as they move into the next century.
PROBLEM STATEMENT

What implications does a comparison of customer perceptions and management perceptions of quality service have on the quality service level of a large metropolitan healthcare facility's cafeteria?

BACKGROUND

Cost reduction measures are always important in any business and healthcare facilities are no exception! With healthcare reform on the docket, now more than ever, healthcare facilities need to explore all facets of their business to "trim the fat" from their organizations. On the other hand, they should also explore revenue generating ideas which can help offset cost reduction interventions. At one local facility in New York State, cost reduction measures are currently being brainstormed and this facility has every intent of implementing several of these measures over the next three years. The task is being undertaken so that the facility can:

- improve its operating margin—currently it has an operating margin of 3.5 but the national average is 5.0. This facility expects to improve its operating margin by reducing the patient's length of stay. A cost reduction occurs because there are less expenses related to shorter lengths of stay.
o fund 100% of its #1 priority capital requests—it can only fund
56% of these requests at its current operating margin.

Since no department is exempt from this process, the Food & Nutrition Services Department at this facility has begun to look at ways of cutting costs. But the department is lean in labor as evidenced by a recent approval allowing the department to increase its full-time equivalent (FTE) compliment from 172 FTE’S to 176 FTE’S. Since labor makes up 64% of its budget, it’s logical that some reductions will occur in this area. This behooves the management group to look closer at revenue generating ideas so cost reduction measures can be offset. Increased revenues from food sales in the cafeteria is a distinct possibility but they must come from additional sales, not from a general price increase.

The management group of this department is convinced that to achieve a goal of increasing revenues it must first improve its quality of service. Karl Albrecht in At America’s Service points out that the top leaders of the excellent service companies begin with QUALITY, not cost in evaluating the effectiveness of their operations. They do this because they believe quality drives profits. As such, a good place for the management group of this department to start its quest to become a leader is to compare customer expectations and management perceptions of quality service. One expects that this would produce a set of differences which would be the foundation for improving the quality of service offered in this cafeteria.
PURPOSE

The purpose of this study is to identify differences (gaps) between perceived quality service by management and perceived quality service by customers. If identified, this study proposes to analyze the differences with the intent of developing and implementing programs and procedures which will enable this cafeteria to improve its customer satisfaction level.

SIGNIFICANCE

This study will provide customer satisfaction information to the management staff which is customer driven, both internal and external. This is a key ingredient in the implementation of a breakthrough quality service program. By using this ingredient effectively, hospital dining facilities' managers can be successful toward improving customer service and ultimately increasing revenues.

HYPOTHESIS

It is believed that this study will reveal that there are definite differences between customer perceptions and management's perceptions of quality service; some significant, others minute. It is expected that this will enlighten the cafeteria's management group such that they are encouraged to develop and implement a 'breakthrough' quality service program, or at least, one that enables management to improve its current level of customer satisfaction.
ASSUMPTIONS

Ideological:
This study assumes that there is a distinct correlation between customer
expectations and management perceptions of quality service but each of
these elements can be personally influenced. Specifically the management
staff at this facility could personally influence the data collection process
by selecting 100 customers they know to answer the SERVQUAL
questionnaire. Further, they could affect the answers their employees give
to the management questions on the survey. While the SERVQUAL tool is
an objective data collection tool, care must be taken to guard against
personal influence during the data collection process.

Procedural:
Since there is a need to guard against personal influence during the data
collection process, a third party group, namely fifteen Syracuse University
students will be utilized to administer the SERVQUAL questionnaire.

DEFINITION OF TERMS

Customers: This group includes any person who uses any of the
services offered in this particular cafeteria.

Management: This group includes the director, assistant directors,
assistant managers, supervisors, and all of the employees who work in the cafeteria under study.
SCOPE AND LIMITATIONS

The set of customer expectations from the 3000 people who frequent
this cafeteria daily could be endless. Even with only a small section of this
population being surveyed, defining a complete list of all the expectations
would not be practical. As such, the scope of the study is being limited to
five dimensions of quality service: tangibility, reliability, responsiveness,
assurance, and empathy.

Another limitation is more obvious. This study is being conducted at
only one facility.

LONG RANGE CONSEQUENCES

If the findings of this study are in accordance with the hypothesis, as
anticipated, the differences which emerge will be significant enough to
enlighten the management staff such that they may want to improve the
current level of customer satisfaction. If the findings are not in accordance
with the hypothesis, a further study should be undertaken.
Chapter II.

LITERATURE REVIEW

This chapter reports the findings from the review of the literature. First it reports findings on the more global nature of quality service by focusing on models and how the champions do it. Then the review turns to two topics more pertinent to the focus of this study: potential causes of service quality shortfalls, and measurement. These four topics give insight to the manager who's interested in improving customer satisfaction.

The healthcare sector of our society underwent a dramatic change in the last twenty years when DRG's (Diagnostic Related Groups) were introduced as the guide for third party reimbursement. Diagnosis Related Groups (DRGs) are a patient classification scheme which provides a means of relating the type of patients a hospital treats to the costs incurred by the hospital. Hospitals and healthcare facilities across the country had to learn how to operate their facilities as businesses. Now, with healthcare reform on the horizon, healthcare facilities are going to have to do an even better job of selling their services to keep, or better yet, improve their market share. As they move to position their facilities for the changes healthcare reform will bring, they are learning lessons from the hospitality sector. The most important lesson learned so far is to focus on the customer. Of course this is much easier said than done.
It will be necessary for administrators to inject a customer driven company philosophy into their corporate culture in order to be successful at putting the customer first. Nonetheless, this movement is underway. In fact, in one division of healthcare-foodservice, customer quality service has become the number one priority coast to coast.

But how does management inject a customer driven philosophy into its business? One approach is to educate management, staff, and employees about existing models people have developed to move a company's focus to the customer and his perceptions.

**MODELS**

The first notable model is Deming's 14 Points. This model was embraced by the Japanese, and as we know, it helped Japan become the economic power it is today. While this model spoke to service, it really was developed for industry and in fact, was more applicable to the production of quality products. Significant though is that the 14 Points are adaptable to the service sector. In fact, two physicians, Dr. Paul B. Batalan and Dr. Loren Volicky of the Health Services Research Center, Minneapolis produced a model which is entitled "Deming's Adaptation of the 14 Points to Medical Service." Their model includes the following:

1. Establish constancy of purpose toward service.
a. Define in operational terms what is meant by service to patients.
b. Specify standards of service for a year hence and for five years hence.

c. Define the patients whom you are seeking to serve; those here, those that you seek, those that have been here only once.

d. Constancy of purpose brings innovation.

e. Innovate for better service for a given cost, planning for the future will require the addition of new skills, training, and retraining of personnel, satisfaction of patients, new treatments, new methods.

f. Put resources into maintenance of equipment, furniture, and fixtures; new aids to production in the office.

g. Decide whom the administrator and the chairman of the board are responsible to and the means by which they will be held responsible for working for constancy of purpose.

h. Translate this constancy of purpose into service to patients and to the community.

i. The board of directors must hold on to the purpose.

2. Adopt the new philosophy. We are in a new economic age. We can no longer live with commonly accepted levels of mistakes, materials not suited to the job, people on the job that do not know what the job is and are afraid to ask, failure of management to understand their job, antiquated method of training on the job, inadequate and ineffective supervision. The board must put resources into this new philosophy, with commitment to in-service training.

3. a. Require statistical evidence of quality of incoming materials such as pharmaceuticals, serums, and equipment. Inspection is not the answer; it's too late and unreliable. Inspection does not produce quality. The quality is already built in and paid for.

b. Require corrective action, where needed, for all tasks that are performed in the hospital or facility, ranging all the way from bills that are produced to the processes of registration. Institute a rigid program of feedback from patients in regard to their
satisfaction of services.

c. Look for evidences of rework or defects and the cost that may accrue as a result; an incorrect bill, an incorrect or incomplete registration.

4. Deal with vendors who can furnish statistical evidence of control. This will require us to examine generic lowest-price buying; it will cause us to ask more penetrating questions about prospective colleagues regarding their interactions and the track record of their interactions with patients and with colleagues.

5. Improve constantly and forever the system of production and service.

6. Restructure training.

   a. Develop the concept of tutors.

   b. Develop increased in-service education.

   c. Teach employees methods of statistical control on the job.

   d. Provide operational definitions of all jobs.

   e. Provide training until the learner's work reaches the state of statistical control, and focus the training to assist the learner to achieve the state of statistical control.

7. Improve supervision. Supervision belongs to the system and is the responsibility of the management.

   a. Supervisors need time to help people on the job.

   b. Supervisors need to find ways to translate the constancy of purpose to the individual employee.

   c. Supervisors must be trained in simple statistical methods to help employees detect and eliminate special causes of mistakes and rework. Supervisors should find causes of trouble and not just chase anecdotes. They need information that shows when to take action, not just figures that describe the level of production and the level of mistakes in the past.
8. Drive out fear. We must break down the class distinctions between types of workers within the organization: physicians, non-physicians, clinical providers versus nonclinical providers, physician to physician. Discontinue gossip. Cease to blame employees for problems of the system. Management should be held responsible for faults of the system. People need to feel secure to make suggestions. People on the job can not work effectively if they dare not inquire into the purpose of the work that they do, and dare not offer suggestions for simplification and improvement of the system.

9. Break down barriers between departments. Learn about the problems in the various departments. One way would be to encourage switches of personnel in related departments. Another way would be to cross train both inter- and intra-departmentally.

10. Eliminate numerical goals, slogans, and posters imploring people to do better. Instead, display employee accomplishment.

11. Eliminate work standards that set quotas, also commonly called measured day work. Work standards must produce quality, not mere quantity. It is better to take aim at rework, error, and defects, and to focus on helping people to do a better job. It is necessary for people to understand the purpose of the organization and how their jobs relate to the purpose of the organization.

12. Institute a massive training program directed specifically towards teaching employees effective statistical techniques. Bring statistical techniques down to the level of the individual employee's job, and help him to gather information in a systematic way about the nature of his job.

13. Institute a vigorous program for retraining people in new skills. People must be secure about their jobs in the future, and must know that acquisition of new skills will facilitate security.

14. Create a structure in top management that will push every day on the above 13 points. Top management may organize a task force with the authority and obligation to act. This task force will require guidance from an experienced consultant, but the consultant can not take on obligations that only the management can carry out.
A second model found is Philip Crosby's **Steps for Quality Action** which includes the following 13 points:

1. Make it clear that management is committed to quality.

2. Form quality improvement teams with representatives from each department.

3. Determine where current and potential problems lie.

4. Evaluate the quality awareness and personal concern of all employees.

5. Raise the quality awareness and personal concern of all employees.

6. Take action to correct problems identified through previous steps.

7. Train supervisors to actively carry out their part of the quality improvement program.

8. Hold a 'zero defects day' to let all employees realize there has been a change. A change that let's employees know that less than 100% quality is no longer acceptable; but that 100% quality is the goal which employees should strive to attain.

9. Encourage individuals to establish improvement goals for themselves and their groups.

10. Encourage employees to communicate to management the obstacles they face in attaining their improvement goals.

11. Recognize and appreciate those who participate.

12. Establish quality councils to communicate on a regular basis.

13. Do it all over again to emphasize that the quality improvement program never ends.
This model is significant because it brings commitment and employees into view, but it fails to identify the customer as a factor. Implementing a customer driven quality service program into one's business implicitly implies that the customer is a major factor to be considered. With this in mind, a group of modern day quality service pioneers have presented several models which management could follow to implement a customer driven quality service program into their business.

In Richard C. Whiteley's book, *The Customer Driven Company: Moving From Talk to Action*, the research done indicates that there are seven imperatives needed to produce a well integrated organization that can deliver high quality in both products and services. These imperatives are:

1. Create a customer keeping vision. Nothing does more to transform a company than clear vision. Organizations that develop well-defined and widely shared aims wake up their sleepy bureaucracies and truly begin to serve their customers well.

2. Saturate your company with the voice of the customer. Create real intimacy between yourself and your customers. You’ll revolutionize your own behavior and you’ll remake your competitive position.

3. Go to school on the winners. Great companies cannot hide their way of doing business—and most don’t try. Study their methods and philosophies. Those who do study the winners find themselves building commitment to serving their own customers and learning techniques that will help them discover and eliminate the causes of customers’ dissatisfaction.

4. Liberate your customer champions. Most employees want to serve their customers well. Managers must show employees that the company’s number-one job is to serve its customers—and that they, the employees, are the key to the entire system.
5. Smash the barriers to customer winning performance. The more we learn about quality, the more we realize the systems we've built into our own businesses often inadvertently create barriers to serving customers. Healthy companies constantly challenge themselves to better understand and improve all the procedures that create value for their customers & to ruthlessly eliminate those that don’t.

6. Measure, Measure, Measure. In the organizations that are improving most rapidly, people measure almost everything that can tell them what kind of job they're doing for the ultimate judge of their effectiveness, the customer.

7. Walk the Talk. Successful managers who carry out these customer focused principles personally put the customer first. They promote their companies’ vision, they become “students for life”, and they believe in and invest in their people. They build customer-focused teams, celebrating successes and encouraging collaboration. And finally, they “lead by example,” personifying the organization’s purpose.

In Linda M. Lash's book, *The Complete Guide to Customer Service*, she points out ten fundamentals essential to implementing a customer-driven quality service program. The ten fundamentals are:

1. It starts with commitment. Commitment is a feeling, but the feeling has definite and tangible signs. Commitment to delivering superior service is expressed and translated into action by people talking about it with enthusiasm, by spending money on doing it, and by having small successes along the way. So get some. Get as much as possible. Get others to get it, too!

2. Get the right people to deliver the service. Start with the basics. managers must first have a clear idea of the job to be done and the skills required to do it. Job applicants need to know what the job is and whether they have the skills to do it. Job descriptions should include service skills necessary to do the job. One way to do this is to look at the skills possessed by successful performers who are already doing the job and all its aspects well.

3. Create a organization structure that fosters service. Start with a service strategy and stay committed to it. For employees, they need to feel that their ideas on customer service will be heard
and acted upon, so build the organizational structure to facilitate the execution of ideas. For management, they must be visible in order to keep senior management, middle management, and back-office personnel in contact with customers. One effective method to do this is manage by walking around. This is simply the process of management visiting service delivery locations.

4. Train and develop people to deliver service. Training can be broken into two distinct types: technical skills training and behavioral skills training. Technical skills enable an employee to do the job. Behavioral skills address appropriate attitudes and it is essential to delivering superior customer quality service. Successful organizations use a myriad of training techniques. Some of these are: role playing, case studies, and audio-visual presentations.

5. Deliver perception of a superior product. Image and impression are elusive qualities. They are often generated by advertising but also can be shaped by price, the surroundings, and the attitude and manner of service delivery personnel.

6. Gear performance to deliver service as a #1 priority. Here, setting high performance standards is the key. Specifically, management and employees must establish attainable, measurable target levels and agree on objectives which include specific measures of service delivery.

7. Continuously create the opportunity for people to deliver superior service. Develop team spirit since it is observed and noticed by customers. Here, successful organizations use such concepts as empowerment, incentives, and rewards and recognition to achieve their goal of superior quality service.

8. Advertise and sell service and stand behind it. Effectively advertising a service means showing it so that the service can be understood by potential customers. Selling service successfully requires market research into customer needs, service offerings that respond to those needs, and awareness through advertising and promotion. Stand behind it by offering warranties, guarantees, and refunds.

9. Be ready to do handsprings to resolve each perceived service. The paramount reason for a company or organization to spend money on resources to handle complaints and inquiries is to get
repeat business. This generates revenues and profits and turns what is typically viewed as a cost center into a revenue-generating and profit-generating business activity.

10. Measure, evaluate, and pay attention to actual service delivery. To turn talk into action, one must pay attention to actual service delivery—with the exact same diligence, passion, and obsession with which one studies profit performances. This is done through measurement and analysis. Several methods of measurement include: quality assurance teams, customer service reports, audits and self-audits, quality circles and focus groups, customer audits, and employee surveys.

In Managing to Keep the Customer: How to Achieve and Maintain Superior Customer Service Throughout the Organization by Robert L. Desatnick, there is yet another model from which management can pattern a superior quality service program. This model presents the following points:

1. Develop effective human resource practices. Managing an organization’s human resources equates with managing its customer services. To put it another way, employee relations equals customer relations. The two are inseparable. To have motivated employees who will satisfy motivated customers and bring in new business and repeat business, employers must successfully address the major areas of employees’ concerns. Traditionally these include: good bosses, communications, working conditions, compensation, job security, achievement, involvement, participation, and advancement.

2. Build a customer-oriented workforce through the recruitment, hiring, and orientation process. The best way to do this is through what is called behavioral interviewing. The goal being to select candidates who have, in their life and work experiences, already demonstrated a service orientation. Some of the behavioral characteristics that constitute a service orientation include: oral communication skills, cooperation and teamwork, problem-solving, decision-making, sensitivity and concern for others, dependability, judgment, enthusiasm, high energy level, flexibility, and adaptability.
3. Establish and maintain high standards of customer service. Employees need to understand what they will be held accountable for and what standards their performance will be measured against. The most common way to communicate this to the employee is through the use of a detailed job description.

4. Train employees to make a visible difference for the customer. People will do the right things, and do things right, if they are properly trained to do so. Employees who are well trained produce superior products, which in turn require a minimum of service. Also, training should be continuously repeated to reinforce the learning and maintain the desired behavior.

5. Appraise customer service performance-identify problems and find solutions. Achieving a superior level of customer service is not a one shot event. It demands day-to-day, minute-to-minute dedication to preserving high standards. In order to do this, it is necessary to periodically measure the gap between what is and what ought to be, and to correct any slips that show up.

6. Motivate and reward customer service excellence. A good manager unleashes people power. To be able to accomplish this, the manager must actually believe in the dignity and worth of every human being. Managers in successful companies believe that one gets more of the behavior that one rewards. There is no limit to the types of reward systems they are willing to incorporate to ensure superior service.

7. Measure customer service results. If service superiority is to be maintained, companies must have a clear, measurable picture of how their customers perceive them. Tools to do this include surveys, focus groups, quality circles, and questionnaires.

Yet another model comes from the book The Service Edge: 101 Companies That Profit From Customer Care by Ron Zemke and Dick Schaaf. It includes five principles of distinctive service. These principles are:

1. Listen, understand, and respond-often in unique and creative ways-to the evolving needs and constantly shifting expectations of customers.
2. Establish a clear vision of what superior service is, communicate that vision to employees at every level, and ensure that service quality is personally and positively important to everyone in the organization.

3. Establish concrete standards of service quality and regularly measure against those standards, not uncommonly guarding against the “acceptable error” mindset.

4. Hire good people, train them carefully and extensively so they have the knowledge and skills to achieve the service standards, then empower them to work on behalf of customers, whether inside or outside the organization.

5. Recognize and reward service accomplishments, sometimes individually, sometimes as a group effort, in particular celebrating the successes of employees who go “one step beyond” for their customers.

There's even a model for management to follow regarding lost customers.

In *Turning Lost Customers into Gold* by Joan Koob Canne the framework for her model includes several points which are:

1. Stay close to your customers. The first step is learning what your customers want, need, and expect from your organization. There is only one way to get this information-ask your customers for it.

2. Continually collect data from your customers. The important item here is not how one collects the data but only that one does collect the data.

3. Get feedback from your defectors. The most important reason for getting feedback is the insight it provides. Only your customers know what you need to improve to meet their expectations. And ex-customers can give you specific reasons for their leaving-a view of your business you can’t get anywhere else.

4. Establish clear targets, making goals measurable and visible. To increase profits and reduce defections, you need to have specific goals that dedicate your organization to the customer.
5. Listen to your customers. To meet your customers’ requirements you and everyone on your team need listening skills, for two reasons. First, because customer requirements can be very detailed and specific; to understand them fully demands careful listening. Second, because listening effectively will make your organization more efficient.

6. Employ the concept of teamwork in your business. No one can do it alone. Fostering teamwork is essential to any business if they expect to be successful.

The importance for showing so many models is that one begins to see common themes among the various models. The common themes emerging from the models reported center around four dimensions-Strategy, Management and Employees, Systems, and Customers.

What's interesting is the fact that the first modern day pioneers of the quality service movement, Karl Albrecht and Ron Zemke, addressed these particular dimensions in their book, *Service America: Doing Business in the New Economy*. Specifically they put forth the concept of the service triangle which focuses the first three dimensions around the fourth dimension-the customer. To the authors the service triangle represents the three important characteristics which outstanding service organizations have in common. These authors state these characteristics as:

1-A well conceived strategy for service.
2-Customer oriented front-line people.
3-Customer friendly systems.
By now it's obvious that if management is committed to the idea of injecting a customer driven quality service program into its business, there are any number of models from which one could choose to pattern a program after. But what is the next step? The answer-learn from the champions; look at what successful companies done to become successful.

**How The Champions Do It!**

First and foremost, according to Albrecht, service champions have certain special qualities that make them champions. The key qualities Albrecht has identified so far include:

1. Champions have the basics down pat. They realize that a quality product (even if it's a service), delivered for a fair price and produced at an acceptable cost, is the starting point for service success.

2. Champions believe quality drives profit.

3. They know their customers. They are obsessed with understanding the customer interface of the organization and making sure they are in tune with the customer's needs, attitudes, perceptions, values, and buying motivations.

4. They have a "moments of truth" focus in their operations. They think in terms of customer impact rather in terms of jobs, tasks, rules, departments, and procedures.

5. They have a "whatever it takes" attitude. They focus on solving the customer's problem and meeting the customer's needs, not on just doing the day's work.

6. They recover skillfully from the inevitable blunders.

7. They believe and support the concept that service happens inside the company as well as outside.
8. They see management as a helper and supporter.

9. They care about their employees as well as their customers.

10. They are perpetually unsatisfied with their performance. They are constantly looking for ways to improve or refine their service product.

Next let’s look at Albrecht and Zemke’s service triangle characteristics, as stated previously, in more detail since they are intricately integrated with an ultimate goal of creating superior customer quality service.

A Well Conceived Strategy for Service

To develop a service strategy, one needs to know what a service strategy is. Karl Albrecht in *At America’s Service: How Your Company Can Join The Customer Service Revolution* introduces this definition:

> A service strategy is a distinctive formula for delivering service: such a strategy is keyed to a well-chosen benefit promise that is valuable to the customer and that establishes an effective competitive position.

Having a service strategy is important because it defines to management, employees, and yes, even customers, what one’s business actually is and it helps keep all concerned focused on the business’s goals and objectives. One process available to management which provides specific detail regarding service strategy comes Heskett, Sasser, and Hart in *Service Breakthroughs: Changing the Rules of the Game*. These authors present an elaborate, sophisticated schematic of basic and integrative elements of a strategic service vision which they feel is essential to a
winning business strategy. Illustrations #1 & #2 are a detailed representation of their schematic.

While having a well conceived strategy is essential, making it real is crucial. Management needs commitment from everyone in the organization in order to implement its strategy effectively and successfully.

As such it becomes management's responsibility to:

- Communicate the business' strategy constantly.
- Establish challenging, often seemingly impossible concrete goals that are driven by the strategy.
- Encourage others in the organization to create their own compatible strategies for their segments of the business.
- Embody the strategy into day-to-day behavior.

The second characteristic of the Albrecht and Zemke service triangle is:

**Customer Oriented Front-line People**

When one is asked what kinds of qualitative terms would one use to describe the employees' image in service companies, the terms usually are:

- Unreliable
- Unresponsive
- Task oriented
- Low wages
- Inefficient
- Uneducated
- Unskilled
- Unmotivated
- Uncaring
- Unproductive
Illustration #1

A COMPREHENSIVE VIEW OF A BUSINESS

A Model of the Basic & Integrative Elements of a Business' Strategic Service Vision

Target Market Segments - What are the common characteristics of important market segments? What dimensions can be used to segment the market? Demographic? Psychographic? How important are the various segments? What needs does each have? How well are these needs being served? In what manner? By whom?

Positioning - How does the service concept propose to meet customer needs? How do competitors meet these needs? How is the proposed service differentiated from competition? How important are these differences? What is good service? Does the proposed service concept provide it? What efforts are required to bring customer expectations and service capabilities into alignment?

Service Concept - What are important elements of the service to be provided, stated in terms of results produced for customers? How are these elements supposed to be perceived by the target market segment? By the market in general? By employees as a whole? How do customers perceive the service concept? What efforts does this suggest in terms of the manner in which the service is: Designed? Delivered? Marketed?

Value-Cost Leveraging - To what extent are differences between perceived value and cost of services maximized by: Standardization of certain elements? Customization of certain elements? Emphasizing easily leveraged services? Management of supply and demand? Control of quality through-rewards? appeal to pride? visibility & supervision? peer group control? Involving the customer? Effective use of data? To what extent does this effort create barriers to entry by potential competition?


Strategy-System Integration - To what extent are the strategy and delivery system internally consistent? Can needs of the strategy be met by the delivery system? If not, what changes must be made in: The operating strategy? The service delivery system? To what extent does the coordination of operating strategy and service delivery system ensure: High quality? High productivity? Low cost? High morale and loyalty of servers? To what extent does this integration provide barriers to entry by competition?

Service Delivery System - What are the important features of the service delivery system, including The role of people? Technology? Equipment? Layout? Procedures? What capacity does it provide? Normally? At peak levels? To what extent does it: Help ensure quality standards? Differentiate the service from the competition? Provide barriers to entry by competitors?
Illustration #2

A Model of the Basic and Integrative Elements

This model applies to both the internal and external facets of an organization. The basic and integrative elements are:

**Target Markets:** The demographics of one’s business.

**Positioning:** A way to differentiate one’s “Product or Service” from others in the same business.

**Service Concepts:** What one does to keep one’s promises and get the outcome one desires.

**Value Cost Leveraging:** Standardization and Customization of product and/or service.

**Operating Strategy:** The major facets which enable a business to deliver its service.

**Strategy-System Integration:** Linking the major facets of how to deliver one’s service with the physical features.

**Service Delivery System:** The physical feature which enables the services to be delivered.
Winning companies (i.e. Xerox, Federal Express) have changed these terms drastically. They're hearing the following qualitative terms:

- Honest
- Hardworking
- Diligent
- Reliable
- Responsive
- Motivated
- Empathetic
- People oriented
- Knowledgeable
- high integrity

To get these qualitative terms, champions have focused their efforts on hiring the right people to begin with, investing sufficient time to the training process, empowering employees with responsibility, and recognizing & rewarding accomplishment. Let's look at some examples and/or ideas which are related to these areas.

**Hiring the right people:** One restaurant owner, Bill Marvin, also known as the Restaurant Doctor, has become very imaginative in his hiring process. Instead of the usual one page job application, his is four pages and it helps him hire the right people. How? He's looking for people with people skills and positive attitudes. When given the four page application, some candidates don't even apply because they feel the process is too lengthy-wrong attitude. Some candidates are never interviewed because a prerequisite is to answer all the questions on the application which they fail or decide not to do. Finally the questions asked are geared to pinpoint those candidates who have the skills and attitudes the Restaurant Doctor is looking for in people, not the usual demographics most applications ask for. The result is that Bill Marvin finds the right
people to work in his restaurant. His reward to them is that he pays them higher wages which in turn helps him keep his employee turnover rate low.

Jon Ostrov of Country Hospitality Corporation, which operates 250 family-style restaurants, stressed that service is not a question of having more people and labor dollars, but rather of having the right people, deploying them properly, and making sure they have the right attitude.

**Training Employees**—There is no limit as to what can be done in this area, but it's extremely important to devote ample time to the process. Understand that providing little or no training virtually guarantees dissatisfied customers, high employee turnover rates, and low productivity. By devoting ample time to the training process, hopefully one can achieve the opposite effect—highly satisfied customers, low employee turnover rates, and high productivity. Champions also have winning training programs. In a *Restaurants & Institutions* article entitled 'Training for Exemplary Services', Bill Marvin suggests there are six fundamentals regarding training. They are:

1. Define positions in terms of results instead of activities.

2. Have a plan to impart proficiency in those areas that can be taught.

3. Give perspective on the trainees' jobs and the overall goal of the operation. By perspective Bill Marvin is saying relate each job to the overall success of the operation or business.

4. Set a personal example that top managers are seriously and eagerly pursuing professional advancement.
5. Involve the staff in the training by asking them for input and by following up lectures with discussions.

6. Monitor results and reward progress.

Empowering Employees: Empowerment is the art of vesting substantial responsibility in the people nearest to the problems to be solved. One of the most famous champions to employ this strategy is Jan Carlzon, President of Scandinavian Airlines (SAS). Carlzon realized that the people who have the most daily contact with customers, the front-line employees, typically are powerless to respond to the individual situations that constantly arise. Carlzon called these situations "moments of truth." What Carlzon did was to turn the traditional corporate structure, which represents a pyramid, upside down. He gave the front-line employees the authority they needed to deal appropriately with the "millions" of moments of truth that occurred daily at SAS. The result-Carlzon was able to turn around the fortune of SAS.

Nordstrom Department Store also uses the concept of empowerment in its business. It's company policy manual is one sentence long: "Use your own best judgment at all times." Empowerment at Nordstrom's frees management to be at its best: or in other words, to do what management does best-MANAGE! The chief duty of Nordstrom's managers is to coach sales personnel on exactly what it means to "use your own best judgment." The result-Nordstrom is a highly successful business.
Recognizing and Rewarding Accomplishment: Recognition and Reward in the exemplary service organizations are not viewed as superfluous effort. The combination is understood to be a confirmation of accomplishment and a reinforcement of commitment. Much is being done in this area. What is important, however, is that recognition and reward is being accomplished. For instance, at Methodist Hospitals of Memphis, Tennessee, their customer awareness committee recently created a Rewards & Recognition subcommittee that evaluates nominated employees' customer service efforts in terms of politeness, quickness, and willingness along with other criteria to determine appropriate prizes and gifts. Also all employees chosen for customer service awards are profiled in Methodist's weekly staff newspaper, further increasing peer recognition of their achievement.

The third characteristic of the service triangle is:

Customer Friendly Systems

Simply put, the delivery system one chooses must be designed for the convenience of the customer rather than the convenience of the business. The customer must perceive that the physical facilities, polices, procedures, methods, and communication processes are all geared to meet his needs in order for a company to be highly successful in the area of customer satisfaction. Au Bon Pain subscribes to this theory. In 1993, the Boston based French bakery cafe chain went to a new ordering system
for customers. This new system helped Au Bon Pain cut down mistakes on patron's food orders up to 90%. Utilizing the system also allowed the company to introduce new condiments, breads, and an enlarged sandwich program with far greater efficiency.

Albrecht and Zemke close the triangle by linking the three characteristics around the most important facet to any business:

**The Customer**

Know thy customers' expectations is, to say the least, the credo champions use to keep their businesses successful. Measurement, however, is their real key to success because champions believe measurement enables them to deliver more of what the customer wants. Champions subscribe to the theory that one can measure well if one follows five basic principles:

1. Know why you're measuring.
2. Let customers tell you which end results to measure.
3. Ask continuously how well you, and your competitors, are doing.
4. Track the internal procedures that are supposed to produce the results the customers tell you they want, as well as the end results.
5. Tell your people everything you learn.

Following these principles, champions employ several methods of measurement to listen to their customers. These methods include:

1. Quality Circle Meetings
2. Focus Groups
3. Investing in Complaints
4. Customer Comment Cards
5. Suggestion Boxes
6. Visits to customers.
7. Customer surveys and questionnaires
Potential Causes of Service Quality Shortfalls

In their book *Delivering Quality Service: Balancing Customer Perceptions and Expectations*, Zeithaml, Parasuraman, and Berry address the subject of potential causes of service quality shortfalls at some length. Specifically these authors developed a conceptual model of service quality from the research they conducted.

Illustration #3 is a representation of that conceptual model. They use this model to describe four key internal shortfalls, otherwise known as gaps, that could contribute to poor quality service as perceived by customers. These gaps are:


Gap 4. The Service Delivery-External Communications Gap.

Gap 1.-The Customer Expectations-Management Perceptions Gap is very pertinent to this study so it warrants further examination. The authors state that there are three conceptual factors which contribute to the existence of Gap 1. These factors are (1) lack of marketing research orientation which they further subdivide into insufficient market research, inadequate use of research findings, and lack of interaction between management and customers; (2) inadequate upward communication from contact personnel to management; and (3) too many levels of management separating
contact personnel from top management. The authors go on to provide more in-depth information regarding these factors:

- **Insufficient market research**: Many service organizations are new to everything about marketing. Instead they believe that the operations function is more critical to success in business, so more time and effort is spent on this function.

  According to the authors however, an operations orientation diverts focus from customers and reduces efforts to understand their needs and expectations. Market research, on the other hand, is a key vehicle for understanding customers' expectations and perceptions of service and therefore should be conducted and should focus on service quality issues such as which features are most important to customers, which levels of these features customers expect, and what customers think the company can and should do when problems occur in service delivery. This will help to close Gap 1.

- **Inadequate use of research findings**: Collecting the data is the first step; using it correctly is the second. Too often, misuse or nonuse of research data collected leads to a widening of Gap 1. Instead of reducing or closing it. So understanding how to make the best use of research data is a key way to close Gap 1.

- **Lack of Interaction between Management and Customers**: Because of the complexities of large organizations it can be and usually is more difficult for managers to interact directly with customers. As such they have less firsthand information about customer expectations. Thus to reduce or close Gap 1, managers in large firms need some form of customer contact.

- **Inadequate Upward Communication from Contact Personnel to Management**: Customer contact personnel are in regular contact with customers and therefore usually understand a great deal about customer expectations. When the communication channels between contact personnel and management are closed management may not get vital feedback about problems encountered in service delivery and about how customer expectations are changing.
A Conceptual Model of Quality Service Gaps Between Expectations & Perceptions
To close Gap 1, these communication channels must be opened and remain open.

- **Too Many Levels between Contact Personnel and Management:** The number of levels between these two can affect the size of Gap 1. Multiple levels inhibit communications and understanding because they place barriers between top management, those who set standards for service quality, and contact people, who actually deliver quality to customers.

The authors then elaborate on ways to close Gap 1. One particular area they discuss centers on researching customer expectations, a topic quite pertinent to this project. The authors simply state that finding out what customers expect is essential to providing quality service.

They explain seven selected methods for understanding customers' expectations which is represented here as illustration #4. One of the seven methods, engaging in comprehensive customer expectation studies is interesting, largely because it points to SERVQUAL which is the tool used to survey management and customers in this study.

The method also pointed out two other important facets:

1. Even though investment of money and time are high when using a comprehensive program, it works best when top management is dedicated to finding the truth about the company's customers.

2. Customers' expectations change over time so continual updates to information gained must occur.

**Measure, Measure, Measure**

SERVQUAL, an instrument for measuring service quality was developed from the research done by Valerie A. Zeithaml, A. Parasuraman, and Leonard L. Berry. Basically these authors determined that a customer's
experience of service quality could be described in five dimensions which can be expressed as the acronym RATER:

(R)eliability-The ability to provide what was promised, dependably and accurately.

(A)ssurance-The knowledge and courtesy of employees, and their ability to convey trust and confidence.

(T)angibles-The physical facilities and equipment, and the appearance of personnel.

(E)mpathy-The degree of caring and individual attention provided to customers.

(R)esponsiveness-The willingness to help customers and provide prompt service.

The authors premise is that if you know how well you're serving your customers on each of these dimensions and also how well you're providing value commiserate to price, you know how well you're doing for your customers and then you have an excellent guide to improvement.

The particulars of using SERVQUAL as the measurement tool for this study will be reported in the methodology section of this project.

Summary

The subject of quality service, while not new, has become the buzzword of companies interested in surviving the economic and political changes they'll face in the next decade. One can see from this review that there is an abundance of information available to those
# Illustration #4

## Selected Methods for Understanding Customer Expectations

<table>
<thead>
<tr>
<th></th>
<th>Investment of Money</th>
<th>Investment of Time</th>
<th>Primary Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic use of Complaints</td>
<td>Low</td>
<td>Low</td>
<td>Identifying problems in the service process</td>
</tr>
<tr>
<td>Customers’ desires in similar industries</td>
<td>Low</td>
<td>Low</td>
<td>Developing an initial framework for customers’ expectations in focal industry</td>
</tr>
<tr>
<td>Research on intermediate customers</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Efficient way to gain in-depth information on end customers</td>
</tr>
<tr>
<td>Key Client Studies</td>
<td>Moderate</td>
<td>Moderate</td>
<td>In-depth information on most important customers</td>
</tr>
<tr>
<td>Customer Panels</td>
<td>Moderate to High</td>
<td>Moderate to High</td>
<td>Continuous source of information on changing customers’ expectations</td>
</tr>
<tr>
<td>Transaction-Based Studies</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Provides feedback on Service Quality Performance of each component of service quality</td>
</tr>
<tr>
<td>Comprehensive Customers’ Expectations Studies</td>
<td>High</td>
<td>High</td>
<td>Establishes measures that are customer-based; provides foundation for tracking studies which provide a dynamic view of customer expectations &amp; perceptions</td>
</tr>
</tbody>
</table>
companies who are sincerely interested in injecting a customer driven quality service philosophy into their business. What’s left to do? Commit to the philosophy, select a model to follow, and begin to implement the processes necessary to become a totally integrated customer driven business!
CHAPTER III.

METHODOLOGY

SERVQUAL: An Instrument for Measuring Service Quality

This project incorporates the use of SERVQUAL as its measurement tool. It is therefore, appropriate to report some of its history.

Parasuraman, Zeithaml, and Berry, building on their conceptual model of service quality (Illustration #3), embarked on a quantitative research phase to develop an instrument for measuring customers’ perceptions of quality service. To ensure that their instrument would have sound statistical properties and broad acceptability, this phase involved customer surveys in five different service sectors: product repair and maintenance, retail banking, long distance telephone, credit cards, and securities brokerage. The results of the research phase was the development of the instrument now commonly known as SERVQUAL. This instrument consists of 22 statements for assessing consumer perceptions and expectations of service quality in service and retailing organizations. Respondents are asked to indicate the degree to which they agree or disagree with each of the twenty-two statements on a 7-point scale.

The 22 items are the result of a 2-stage process employed by Parasuraman et. al. (1988), beginning with 97 items representing 10 determinants of service quality. The first stage focused on condensing
the number of items based on discriminating ability and examining dimensionally and reliability. The purpose of the second stage was to examine the dimensionally of the scale and to establish the reliability’s of the components. This was accomplished by analyzing the data collected from the quantitative research phase of their study which was previously mentioned. Originally there were ten dimensions but it was felt that several of them overlapped so eventually the original number of dimensions was reduced from ten to five. The five being: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. The definitions of these dimensions were reported back in Chapter II. under the category Measure, Measure, Measure. The final instrument was shown to have good reliability and could be used in future studies with minor adaptations.

Application

The service firm examined in this project was a large metropolitan healthcare facility’s cafeteria. The customer population at this facility is quite large, approximately 2500-3000 people eat their meals in this cafeteria daily. A small sampling of this population, 200 people, was selected at random to complete the customer questionnaire (Appendix B.), which is an adaptation of the SERVQUAL instrument. The random selection process was achieved by having two students handout questionnaires according to the following schedule:
<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th># of Questionnaires Distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>11:30-12:00</td>
<td>50</td>
</tr>
<tr>
<td>Wednesday</td>
<td>12:00-12:30</td>
<td>50</td>
</tr>
<tr>
<td>Thursday</td>
<td>12:30-1:00</td>
<td>50</td>
</tr>
<tr>
<td>Friday</td>
<td>1:00-1:30</td>
<td>50</td>
</tr>
</tbody>
</table>

This schedule was chosen because it is the peak lunch meal service times when 60%-70% of the facility’s employees eat their meals. By selecting different times for distribution it was hoped that 200 different customers would be selected. From the response, it’s apparent this goal was achieved. The management/employee population for the cafeteria is more finite. It consists of 30 people including a director, two assistant directors, one manager, four supervisors, and twenty-two hourly employees. It was expected though, that almost all of the people in this group would respond to the management/employee questionnaire.

This study was conducted in the present perspective. The independent variable was the customers and management/employees as the information source; the dependent variable being the gaps between customer perceptions and management/employee perceptions identified by the survey. Finally, the intervening variable was management’s’ ability to identify and close the gaps in order to improve customer satisfaction.
Data Collection

It is important to note that an adaptation of SERVQUAL was used for this study. Specifically the study focused on Management/Employee versus Customers’ Perceptions; the expectations segment of the SERVQUAL instrument was not studied. Appendices A. and B. are the questionnaires which were used to collect the data for this project. The individual statements are grouped in the five dimensions accordingly:

- Tangibility..................................................Statements 1 - 4
- Reliability..................................................Statements 5 - 9
- Responsiveness..........................................Statements 10 - 13
- Assurance..................................................Statements 14 - 17
- Empathy.....................................................Statements 18 - 22

These groupings are the same for both the management/employee and customer questionnaires. 107 of the 200 customer questionnaires distributed were returned which is a 53.5% response rate. 28 of the 30 management/employee questionnaires distributed were returned which is a 93.3% response rate.

Data Analysis Method

The SPSS software program at the Rochester Institute of Technology was used to provide the statistical data needed for analysis. Having used SERVQUAL as the measurement tool, it was easy to analyze the data by
computing gap scores (variances) for both the individual questions and clusters of dimensions, these being weighted to reflect the importance of each dimension to the customers and management. The gap scores for the individual questions are shown in Table 1. through Table 5., each with a corresponding graph. The number in each table represent the means of the customers and management responses. The gap scores for the cluster of each dimension are shown in Table 6. along with a corresponding graph. The figures represent the weighted customer and management indexes for each of the five dimensions measured.

To analyze this data, management should look at the cluster of dimensions data first to determine where the highest, negative gap(s) exist, then review the individual questions data to pinpoint the specific area(s) of those dimensions which need improvement. (i.e. say the highest, negative gap score is in the Assurance cluster and that courtesy has the highest, negative gap within that dimension. Management should take appropriate steps to improve courtesy which should, in turn, reduce this gap and ultimately lead to improved or higher quality service.)
### Table 1. Mean Scores - Tangibility Questions

<table>
<thead>
<tr>
<th>Question No.</th>
<th>Customer Score</th>
<th>Management Score</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>3.660</td>
<td>3.107</td>
<td>0.553</td>
</tr>
<tr>
<td>2.</td>
<td>3.028</td>
<td>3.071</td>
<td>-0.043</td>
</tr>
<tr>
<td>3.</td>
<td>4.708</td>
<td>4.321</td>
<td>0.387</td>
</tr>
<tr>
<td>4.</td>
<td>4.170</td>
<td>3.571</td>
<td>0.599</td>
</tr>
</tbody>
</table>

**Mean Scores - Tangibility Questions**

![Graph showing mean scores across questions](image-url)
# TABLE 2. MEAN SCORES-RELIABILITY QUESTIONS

<table>
<thead>
<tr>
<th>QUESTION NO.</th>
<th>CUSTOMER SCORE</th>
<th>MANAGEMENT SCORE</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>4.278</td>
<td>3.786</td>
<td>0.492</td>
</tr>
<tr>
<td>6.</td>
<td>4.618</td>
<td>4.929</td>
<td>-0.311</td>
</tr>
<tr>
<td>7.</td>
<td>4.476</td>
<td>4.071</td>
<td>0.405</td>
</tr>
<tr>
<td>8.</td>
<td>4.713</td>
<td>4.750</td>
<td>-0.037</td>
</tr>
<tr>
<td>9.</td>
<td>4.333</td>
<td>4.357</td>
<td>-0.024</td>
</tr>
</tbody>
</table>

[Chart showing mean scores for questions Q5 to Q9, with customer scores marked by circles and management scores marked by squares.]

43
TABLE 3. MEAN SCORES-RESPONSIVENESS QUESTIONS

<table>
<thead>
<tr>
<th>QUESTION NO.</th>
<th>CUSTOMER SCORE</th>
<th>MANAGEMENT SCORE</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>4.500</td>
<td>4.857</td>
<td>-0.357</td>
</tr>
<tr>
<td>11.</td>
<td>4.868</td>
<td>5.214</td>
<td>-0.346</td>
</tr>
<tr>
<td>12.</td>
<td>4.585</td>
<td>5.286</td>
<td>-0.701</td>
</tr>
<tr>
<td>13.</td>
<td>4.162</td>
<td>4.750</td>
<td>-0.588</td>
</tr>
</tbody>
</table>

MEAN SCORES-RESPONSIVENESS QUESTIONS

[Graph showing the mean scores for questions Q10 to Q13 with customer and management scores plotted.]
TABLE 4. MEAN SCORES-ASSURANCE QUESTIONS

<table>
<thead>
<tr>
<th>QUESTION NO.</th>
<th>CUSTOMER SCORE</th>
<th>MANAGEMENT SCORE</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.</td>
<td>4.094</td>
<td>4.286</td>
<td>-0.192</td>
</tr>
<tr>
<td>15.</td>
<td>4.471</td>
<td>5.000</td>
<td>-0.529</td>
</tr>
<tr>
<td>16.</td>
<td>4.283</td>
<td>4.500</td>
<td>-0.217</td>
</tr>
<tr>
<td>17.</td>
<td>4.327</td>
<td>4.821</td>
<td>-0.494</td>
</tr>
</tbody>
</table>

MEAN SCORES-ASSURANCE QUESTIONS

- • CUSTOMER SCORES
- ■ MANAGEMENT SCORES
### TABLE 5. MEAN SCORES-EMPATHY QUESTIONS

<table>
<thead>
<tr>
<th>QUESTION NO.</th>
<th>CUSTOMER SCORE</th>
<th>MANAGEMENT SCORE</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.</td>
<td>4.009</td>
<td>4.679</td>
<td>-0.670</td>
</tr>
<tr>
<td>19.</td>
<td>4.810</td>
<td>5.786</td>
<td>-0.976</td>
</tr>
<tr>
<td>20.</td>
<td>4.238</td>
<td>5.214</td>
<td>-0.976</td>
</tr>
<tr>
<td>21.</td>
<td>3.962</td>
<td>5.286</td>
<td>-1.324</td>
</tr>
<tr>
<td>22.</td>
<td>3.990</td>
<td>4.250</td>
<td>-0.260</td>
</tr>
</tbody>
</table>

![Mean Scores-Empathy Questions Graph](image)
### TABLE 6. INDEX DATA FOR FIVE DIMENSIONS

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>CUSTOMERS</th>
<th></th>
<th>MANAGEMENT</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>INDEX</td>
<td>WT. INDEX</td>
<td>INDEX</td>
<td>WT. INDEX</td>
<td>WT. INDEX</td>
</tr>
<tr>
<td>TANGIBILITY</td>
<td>3.890</td>
<td>18.8</td>
<td>0.73</td>
<td>3.180</td>
<td>0.49</td>
</tr>
<tr>
<td>RELIABILITY</td>
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<td>19.6</td>
<td>0.88</td>
<td>4.400</td>
<td>0.85</td>
</tr>
<tr>
<td>RESPONSIVENESS</td>
<td>4.540</td>
<td>21.2</td>
<td>0.96</td>
<td>5.030</td>
<td>1.12</td>
</tr>
<tr>
<td>ASSURANCE</td>
<td>4.300</td>
<td>20.2</td>
<td>0.84</td>
<td>4.520</td>
<td>0.93</td>
</tr>
<tr>
<td>EMPATHY</td>
<td>4.200</td>
<td>20.1</td>
<td>0.84</td>
<td>5.040</td>
<td>1.13</td>
</tr>
<tr>
<td>TOTAL SCORE</td>
<td>4.25</td>
<td></td>
<td></td>
<td>4.52</td>
<td></td>
</tr>
<tr>
<td>VARIANCE</td>
<td></td>
<td></td>
<td></td>
<td>-0.27</td>
<td></td>
</tr>
</tbody>
</table>

### INDEXES FOR FIVE DIMENSIONS

![Graph showing index scores for five dimensions](image-url)
Chapter IV

SUMMARY, CONCLUSIONS, RECOMMENDATIONS

Summary

100% customer satisfaction is one of the most critical challenges management in large, metropolitan healthcare facilities will face as they move into the next century. To achieve this goal, managers and administrators need to measure the quality of service they provide in their facilities, analyze the data collected to identify areas where improvements are necessary, and finally, develop appropriate actions to implement the necessary improvements.

This study focused on determining what implications does a comparison of customer and management/employee perceptions have on a large, metropolitan healthcare facility’s cafeteria’s quality service level? The project sought to answer this question by investigating potential differences (gaps) between customer and management perceptions of quality service at a healthcare facility in Upstate New York. The researcher used the perception questionnaires offered by the measurement tool, SERVQUAL, which was developed by Zeithaml, Parasuraman, and Berry. The customers were the cafeteria’s clientele which included doctors, nurses, support service staff, administrators, technical personnel, patients’ families, and visitors. The management/
employee group included the administrative, managerial, supervisory staff of the Department of Food & Nutrition Services and the cafeteria’s hourly employees.

Conclusions

In Chapter I. the researcher hypothesized that this study would reveal that there are definite differences between customers’ and management’s’ perceptions of quality service; some significant, others minute. A review of the statistical data clearly indicates this hypothesis to be true. An examination of the data by dimensions reveals:

**Tangibility**-Customer perceptions are ranked higher than management perceptions. This is not surprising in that this facility is twenty years old and has never been renovated. Staff working in this area day in and day out would expect a more aesthetically, pleasing work environment while customers who drop in for meals for a half an hour would naturally care more about speedy, reliable service.

**Reliability**-The smallest gaps are in this dimension. At first one might think this surprising, however, this facility has been serving three meals per day, seven days per week, for twenty years along with offering a wide variety of food selections. The responses received indicate that its felt by both groups that this facility is quite capable of providing what it promises, dependably and accurately.
**Responsiveness**-Here there are some significant, negative gap scores, especially in the areas of this facility's ability to provide prompt service and the employees willingness to help customers. Long lines at the entree and cashier stations occur daily at peak meal periods and are of great concern to customers since they usually only have a half an hour for their meal break. Additionally the cafeteria is arranged in a scatter system so, often times, customers need direction. All to frequently they do not receive any direction. Management needs to address these issues if it expects to close the gaps in this dimension. One way to do so would be to add more cash registers; another way would be to offer “early bird” specials which could draw some of the volume of patrons away from the peak hours.

**Assurance**-Customer perceptions regarding knowledge and courtesy are lower than management perceptions regarding these issues and another area where improvements are indicated. A good start would be more “smiles” and more courteous greeting by employees to customers. Further daily briefings about menu selections and pricing could help employees answer commonly asked customer questions.

**Empathy**-This dimension has the highest, negative gap scores with the gaps for questions #21, #20, and #19 being the most significant. #21 addresses having the customers best interest at heart, #20 addresses giving personal attention to customers, and #19 addresses convenient hours of operation. Customers feel prices are too high and that the facility
just wants to make a profit at their expense. They also feel that a health-care facility which is open 24 hours per day, seven days per week should have meal service available all 24 hours, profitable or otherwise. Again, management will need to address these issues and should tackle these first since the gaps are the most significant.

Recommendations

The researcher has made a few recommendations within the conclusions section of this chapter. There are however, some general recommendations, which are:

- This study can and should be re-tested yearly at this facility. The goal being to develop an ongoing database which can be used to show where progress (improvement) has occurred and show where customer perceptions might have changed over time.

- Look into having another facility of similar size participate in a comparison study between the two facilities; in other words, BENCHMARKING!

- Finally, and more specifically, management could do the following items:
  
  1-Take small groups of the cafeteria's employees to establishments in the area which provide high quality service with the intent of letting the employees observe and learn from others how to provide superior quality service.
2-Develop and use a training video which focuses on caring and sensitivity.

3-Hold bi-monthly or monthly employee focus groups which focus on scenarios which teach techniques regarding superior quality service. Customers should be invited as part of these groups so their perceptions can be stated.

This study has provided insight regarding the relationship between customer and management/employee perceptions and in doing so has created opportunities for management to improve the quality of service it offers in the future. Now management must move to the next step which is to take those opportunities and begin building a better tomorrow!
REFERENCES


APPENDIX A.

Management / Employee Questionnaire

Part 1

Directions: This portion of the questionnaire deals with how you think your customers feel about the cafeteria. Please indicate the extent to which you think your customers feel that ___________ cafeteria would possess the feature described by each statement. If your customers are likely to feel a feature is not at all essential for the cafeteria, circle number 1. If your customers are likely to feel a feature is absolutely essential, circle number 7. If your customers' feelings are likely to be less strong, circle one of the numbers in the middle. Remember, there are no right or wrong answers—we are interested in what you think your customers' feelings are about the ________________ cafeteria's ability to delivery quality service.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ___________ cafeteria has modern looking equipment.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2. The physical facilities in ___________ cafeteria are visually appealing.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3. ___________ cafeteria's employees are neat-appearing.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>4. Materials associated with our service (such as condiments, trays, &amp; utensils) are visually appealing at ___________ cafeteria.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5. When ___________ cafeteria promises to do something by a certain time, it does so.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6. When a customer has a problem, ___________ cafeteria's staff show a sincere interest in solving it.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
7. Service is performed right the first time at ____________ cafeteria.  
   1 2 3 4 5 6 7

8. ____________ cafeteria provides its services at the time it promises to do so.  
   1 2 3 4 5 6 7

9. ____________ cafeteria insists on error-free records. (e.g. cash register receipts, menu boards.)  
   1 2 3 4 5 6 7

10. Employees in ____________ cafeteria will tell customers exactly when services will be performed.  
     1 2 3 4 5 6 7

11. Employees in ____________ cafeteria give customers prompt service.  
     1 2 3 4 5 6 7

12. Employees in ____________ cafeteria are always willing to help customers.  
     1 2 3 4 5 6 7

13. Employees in ____________ cafeteria are never too busy to respond to customer requests.  
     1 2 3 4 5 6 7

14. The behavior of the employees in ____________ cafeteria instills confidence in customers.  
     1 2 3 4 5 6 7

15. Customers feel safe in dealings with ____________ cafeteria.  
     1 2 3 4 5 6 7

16. Employees in ____________ cafeteria are consistently courteous with customers.  
     1 2 3 4 5 6 7

17. Employees in ____________ cafeteria have the knowledge to answer customer questions.  
     1 2 3 4 5 6 7

18. ____________ cafeteria gives its customers individual attention.  
     1 2 3 4 5 6 7

19. ____________ cafeteria has operating hours convenient to all its customers.  
     1 2 3 4 5 6 7
20. ________ cafeteria has employees who give customers personal attention.  
1 2 3 4 5 6 7

21. ________ cafeteria has its customers' best interest at heart.  
1 2 3 4 5 6 7

22. Employees in ________ cafeteria understand the customers' specific needs.  
1 2 3 4 5 6 7

Part 2

Directions: Listed below are five features pertaining to the cafeteria at ________ and the services it provides. We would like to know how important each of these features is to your customers when they evaluate our cafeteria's quality of service. Please allocate a total of 100 points among the five features according to how important each feature is to your customers—the more important a feature is likely to be to your customers, the more points you should allocate to it. Please be sure that the points you allocate to the five features add up to 100. Thank You.

1. The appearance of the cafeteria's physical facilities, equipment (china, utensils, trays, etc.), personnel, food, and communication materials (menus, flyers). _____ points

2. The cafeteria's ability to perform the promised services dependably and accurately. _____ points

3. The cafeteria's willingness to help customers and provide prompt service. _____ points

4. The knowledge and courtesy of the cafeteria's employees and their ability to convey trust and confidence. _____ points

5. The caring, individualized attention the cafeteria provides its customers. _____ points

Total Points Allocated 100 points
Which one feature among the five is likely to be most important to your customers? (please enter the feature's number.)

Which feature is likely to be second most important to your customers?

Which feature is likely to be least important to your customers?
### APPENDIX B.

**Customer Questionnaire**

**Directions:** The following set of statements relate to your feelings about the cafeteria at ________________. For each statement, please show the extent to which you believe the cafeteria has the feature described by the statement. Circling a 1 means you strongly disagree that the cafeteria has that feature, and circling a 7 means that you strongly agree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers—all we are interested in is a number that best shows your feelings about the ______________ cafeteria.

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ______________ cafeteria has modern looking equipment.</td>
<td>1 2 3 4 5 6 7</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>5. When ______________ cafeteria promises to do something by a certain time, it does so.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6. When a customer has a problem, ______________ cafeteria’s staff show a sincere interest in solving it.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>7. Service is performed right the first time at ______________ cafeteria.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
8. ________ cafeteria provides its services at the time it promises to do so. 1 2 3 4 5 6 7

9. ________ cafeteria insists on error-free records. (e.g. cash register receipts, menu boards.) 1 2 3 4 5 6 7

10. Employees in ________ cafeteria will tell customers exactly when services will be performed. 1 2 3 4 5 6 7

11. Employees in ________ cafeteria give customers prompt service. 1 2 3 4 5 6 7

12. Employees in ________ cafeteria are always willing to help customers. 1 2 3 4 5 6 7

13. Employees in ________ cafeteria are never too busy to respond to customer requests. 1 2 3 4 5 6 7

14. The behavior of the employees in ________ cafeteria instills confidence in customers. 1 2 3 4 5 6 7

15. Customers feel safe in dealings with ________ cafeteria. 1 2 3 4 5 6 7

16. Employees in ________ cafeteria are consistently courteous with customers. 1 2 3 4 5 6 7

17. Employees in ________ cafeteria have the knowledge to answer customer questions. 1 2 3 4 5 6 7

18. ________ cafeteria gives its customers individual attention. 1 2 3 4 5 6 7

19. ________ cafeteria has operating hours convenient to all its customers. 1 2 3 4 5 6 7
Directions: Listed below are five features pertaining to the cafeteria at

Directions: Listed below are five features pertaining to the cafeteria at
and the services it provides. We would like to
evaluate its quality of service along these five features. Please allocate a
total of 100 points among the five features according to how important
each feature is to you—the more important a feature is to you, the more
points you should allocate to it. Please be sure that the points you allocate
to the five features add up to 100. Thank You.

Directions: Listed below are five features pertaining to the cafeteria at

1. The appearance of the cafeteria's physical facilities,
equipment (china, utensils, trays, etc.), personnel,
food, and communication materials (menus, flyers). _____ points

2. The cafeteria's ability to perform the promised
services dependably and accurately. _____ points

3. The cafeteria's willingness to help customers
and provide prompt service. _____ points

4. The knowledge and courtesy of the cafeteria's
employees and their ability to convey trust and
confidence. _____ points

5. The caring, individualized attention the cafeteria
provides its customers. _____ points

Total Points Allocated _____ points
Which one feature among the five is likely to be most important to your customers? (please enter the feature's number.)

Which feature is likely to be second most important to your customers?

Which feature is likely to be least important to your customers?

Thank you for taking the time to complete this questionnaire. Your answers will help us better understand your perceptions of our services.