



## CHAPTER 2

# Customer Service

*It is not the employer who pays the wages. Employers only handle the money. It is the customer who pays the wages.*

—Henry Ford

### CHAPTER OBJECTIVES

- Develop an understanding of what the various customers served by the healthcare organization and its employees need from their relationship with healthcare provider organizations.
- Briefly describe the impact of managed care on the delivery of services to the customers of the organization.
- Identify the essential elements of customer service.
- Address techniques that can be applied in improving the personnel systems that are so important in providing and sustaining superior customer service.
- Identify the elements of an effective customer satisfaction system.

### KEY TERMS

**Managed Care:** An approach to the delivery of care intended to address the problems of providing reasonable access to quality care at affordable cost, including economic incentives for providers and patients. The most common form is the health maintenance organization (HMO), made possible by the Health Maintenance Organization Act of 1973.

**Customers, External:** External customers are those from outside of the organization with whom you may have working contact, including patients or clients, families, visitors, vendors, contractors, and others.

**Customers, Internal:** Internal customers are all those persons internal to the organization with whom you may have working contact, foremost among them your employees, employees of other departments, physicians and other professionals, and others.

## ► Who Are Our Customers and What Do They Want?

The foregoing question is fundamental to the operation of any activity that provides goods or services. And “customers” include more than just those who purchase the goods or services. Any activity in any business has both external and internal customers. Customers external to healthcare organizations include patients, patients’ families and visitors, referring physicians, doctors’ offices, blood donors, and third-party payers. Internal customers include nurses, staff physicians and other professionals, students, trainees, employees, departments, and committees.

There is a distinct difference between a person’s wants and that individual’s genuine needs. As the widow in the retirement home said, “I need a husband; I want Tom Selleck.” Patients are ordinarily aware of their wants. By and large they want quiet, clean rooms with all the conveniences of a first-rate hotel. They want tasty food served hot and on time. They want painless procedures and no waiting on gurneys or in ready rooms. They want courteous, attentive, skillful, and professional-looking staff. Most of all, they want to leave the institution alive and feeling better than when they arrived. On the other hand, few patients are completely aware of their needs for diagnostic tests or therapeutic modalities.

Physicians are not always cognizant of what they should order for their patients until they learn about some new diagnostic or therapeutic procedure. Then they demand it. They invariably want fast and courteous service and all the latest technology.

Insightful care providers take steps to determine what their customers must have (their needs), what they want, and what they do not want. To stimulate or modify the needs and wants of their customers, healthcare providers make their customers aware of new services or products as they become available. What they often forget to do is find out what new services or products their external customers want or need; in other words, some providers readily advise customers of what they are able to offer but fail to ask those customers what they would really like to have available.

In this 21st century the importance of customer service is continually increasing. At one time patients and even physicians had very few choices as far as points of care delivery were concerned; the acute care hospital was essentially the center of the healthcare system. Now, however, with organizational fragmentation resulting in a wide range of independent and often free-standing entities and control of resources largely in the hands of primary physicians, there are choices. And the provider organizations that develop a strong reputation for positive customer service are the ones that will fare best in what has lately become a far more competitive environment than it was in the past.

The final few words of the preceding paragraph—what has lately become a far more competitive environment—are extremely important. Before the advent of the managed care era, competition in the provision of health care was not a significant factor. Now, however, the environment is decidedly competitive and in some areas is becoming even more so. Today many consumers of health care have choices; often multiple alternatives are available to them. A great many consumers who have such choices and elect to exercise them find that providers are competing for their business. And chances are these consumers will elect to go to where service is most

convenient for them and where they feel they receive the best treatment both medically and as individuals. As it has long been in many other areas in which service is provided to people, the medical providers who offer the best in care and overall treatment will attract the most business.

## ► Influence of Managed Care

The shift to managed care has had considerable impact on customer service. In terms of their effects on customers, managed care organizations—such as health maintenance organizations and preferred provider organizations—have placed certain restrictions on access to care and yet they compete with each other for patients. Government and insurers have forced providers to find ways of operating on less money than they might have received in the absence of managed care. Provider organizations have had to adjust to the financial limitations imposed on them. As a result the healthcare industry has experienced numerous mergers and affiliations and other forms of restructuring, making it necessary to tighten staffing overall at precisely the same time managed care is forcing an increase in customer service communication with an increasing number of internal and external customers.

Under managed care, for the first time in the history of American health care, significant restrictions have been placed on the use of healthcare services. Customers have been introduced to the use of the primary care physician as the “gatekeeper” to control access to specialists and other services. Under the gatekeeper concept, visits to specialists and certain others are covered only if the patient is referred by his or her primary care physician. Before the advent of managed care one could safely say that the acute care hospital was the center of the healthcare system. Now, however, in the role of gatekeeper it is the primary care physician who functions as the practical center of the healthcare system.

As managed care continues to mature and individuals gain more experience in dealing with it, enrollees are becoming more sophisticated in their knowledge of what is promised and what is delivered. Many persons are increasingly critical of how they are handled, especially concerning real and perceived barriers to their access to medical specialists and expensive procedures. Customer inquiries and complaints are on average becoming more complex and articulate and thus more difficult to address.

Although all agencies claim that quality care and patient satisfaction remain important, the emphasis on cost control and limitation of services is unmistakable. Managed care has been directly or indirectly responsible for staff reductions and for the replacement of numerous highly trained personnel with employees who have been educated to a lesser level and thus are paid less.

The impact of managed care is not likely to diminish in the foreseeable future. Many people depend on managed care plans. During late 1998 and 1999, some 160 million Americans were enrolled in managed care plans, and although overall managed care participation seems not to have grown appreciably since then, neither has it diminished. Present membership may represent the overwhelming majority of people suitable for managed care. In-and-out participation of some groups, such as the younger aging and Medicaid patients, is expected, but the bulk of people on whom managed care plans can best make their money are already enrolled.

## ▶ Three Essentials of Customer Service

The essentials of customer service in any activity in which employees deal directly with customers are systems, strategies, and employees.

### Systems

Systems include policies, protocols, procedures, arrangement and accessibility of the physical facilities, staffing, operations, workflow, and performance monitoring. Policy statements and procedure manuals provide behavior guidelines, rules, and regulations. For effective and customer-friendly policies, several things must be done:

1. Eliminate policies that adversely affect client satisfaction (for example, unnecessarily strict visiting hours).
2. Annually review all policies affecting customer service.
3. Establish a committee of supervisors and knowledgeable employees to address policy matters.
4. Introduce new policies designed to improve client service (for example, a special parking area for blood donors, more convenient locations and times for specimen collections).

For each new service that is introduced, consider a policy specific to that service.

Discussions elsewhere in this text address policies relating to personnel selection, orientation and training, reward systems, communication, empowering people, and building teams.

### Strategies

Strategy in customer service consists of developing a customer-oriented culture. A customer-oriented culture is achieved when every employee understands that good service is expected, that exceptional service is rewarded, and that unsatisfactory service is not tolerated. Such strategy is embodied in statements of vision, values, mission, goals, objectives, and action plans.

Customer feedback is essential to strategy. We obtain feedback from a number of sources, including complaints, suggestions, incident reports, surveys, interdepartmental meetings, cross-functional work groups, task forces, and focus groups.

### Employees

We can never forget our internal customers. Employees in all capacities are our best customers in that we must satisfy them before we can please other customers. A well-satisfied employee is one who is capable of extending the best in customer service to others. Concerning employee satisfaction, the principal personnel responsibilities of supervisors are to:

1. Determine and respond to the legitimate needs and wants of their employees.
2. Field the best possible team of employees.
3. Empower employees to solve problems (can each of your employees say “I rarely need anyone else to help me handle customer problems or questions?”).

4. Teach by example.
5. Insist on excellent customer service and constantly monitor the delivery of this service.

## ► Techniques for Improving Personnel Systems

### Position Descriptions

In the summary statement of every position description the word “customer” should appear, with an indication of how the customer is to be regarded. (For example, “The goal of this position is to meet or exceed customers’ expectations and needs. Our external and internal customers include ....”)

Modify performance standards to include items addressing quality and customer service. Here are some examples:

- Exercises discretion with patient information
- Accepts night and weekend assignments willingly
- Displays tact in personal interactions with customers and staff
- Frequently reports customer comments and suggestions

### Recruiting Process

Your goal should be to hire employees who are competent, caring, and resistant to turnover. Assist in the recruiting process by providing the employment section of your human resources department with concise, up-to-date position descriptions. Be sure the attractive aspects of each job are prominent in those descriptions, but be honest concerning job duties that may not appear quite so attractive. Help the recruiters by recommending the most effective means for identifying potential job candidates. Answer inquiries about jobs enthusiastically, and interview candidates promptly.

### Selection Process

*Hire for attitude, train for skill.*

The ability to sell jobs to candidates is important. The stronger the candidates appear to be, the more likely it is that other organizations will be trying to hire them. You can learn a great deal about a candidate’s attitude toward customer service by asking the following questions: What does superior service mean to you? What gives you the strongest feeling of satisfaction about your workday? Provide an example of how you made an extra effort to serve a client.

### Orientation and Training System

Make certain new employees know who their external and internal customers are. Orient them toward exceptional customer service. Infuse them with the latest ideas in quality improvement. Emphasize the importance of a “can do” attitude

and how this can affect performance ratings. Review workflow and carefully address each point at which the providers and recipients of service come into direct contact. Alert new employees to questions that customers frequently ask, and let them know where the answers can be found. Describe what you regard as proper telephone and electronic communication etiquette. Introduce them to the department's major customers.

## Performance Review and Reward Systems

Refocus performance objectives and performance appraisals to strongly address customer satisfaction. Discuss customer service when reviewing past performance and when formulating objectives for future activities. Encourage employees to set objectives such as attending seminars on communication skills or customer service, visiting internal customers, or learning to speak customers' languages.

Tie your recognition and reward strategy to customer service. Unfortunately, the healthcare personnel who have the most client contact are among the lowest paid, receive the least training, and have the least opportunity for promotion, yet these are the employees who need to know of the vital importance of outstanding customer service and who need to receive strong positive feedback for their efforts in providing good service.

## In-service Educational Programs

In-service education topics for all employees should include customer identification, recognition of customer expectations, customer problem solving, presenting new services, and communication skills, telephone courtesy in particular. Topics for employees responsible for contact with customers should also include empathic interactions, listening skills, dealing with complaints, assertiveness, and how to cope with angry people.

## Personnel Retention

Turnover of personnel presents a major impediment to customer service. Unfortunately, the employees who provide the most hands-on service experience the highest turnover rates. (These topics are addressed in greater detail elsewhere in this text.)

## ► Designing a Customer Satisfaction System

Principles of effective customer service for supervisor and employees include the following:

- Always treat customers as you would like to be treated; this should be a cardinal rule.
- Anticipate your customers' needs and wants.
- Hire employees who have a caring attitude, and retrain, reassign, or remove those who do not.
- Include customer satisfaction in your orientation and training programs.
- Make yourself a model of good customer service.

- Make customer satisfaction a condition of satisfactory performance.
- Monitor the behavior of your service providers, and coach those who demonstrate any deficiencies.
- Obtain frequent feedback from internal and external customers.
- Under-promise and over-deliver; whenever possible giving customers more than they expect.
- Recognize and reward those who make special efforts to please customers.
- Give your employees the authority to resolve customer complaints.

## Address Complaints

Patients are most likely to complain about noise, food, their rooms, waiting, and lack of courtesy. Customers are displeased when:

- They do not receive what is expected or promised.
- They have to wait for what they consider excessive amounts of time.
- Someone who represents the organization is rude, patronizing, or indifferent.
- They believe they are getting the brush-off or the runaround.
- Someone expresses a “We can’t do it” attitude or hits them with the rule book (for example, “It’s our policy”).

Always regard complaints as suggestions for improving service. Some complaints are not legitimate, but a great many are. Legitimate or otherwise, an employee’s initial response to any complaint should be careful listening. Complaints are the least costly source of customer feedback. Invite additional comments and ask for specific suggestions for improvement. Encourage your staff to report complaints and make suggestions for eliminating them, and record these suggestions. Express your appreciation of these suggestions at performance reviews as well as at the time they are offered.

Ask for customer comments and suggestions at every staff meeting. Suggestions need not be elaborate or complicated. In one large hospital, for example, soothing music was piped into the waiting room for visitors, most of whom were waiting for patients undergoing surgery. The results of a study of this practice indicated that self-reported stress levels of visitors were reduced.<sup>1</sup>

Maintain a comment log. Empower your front-line staff to solve customer problems. Most customers are understanding if they believe that providers care about them, so give your employees the authority they need.

When faced with a complaint, acknowledge its validity and offer an apology as appropriate. Accept responsibility without blaming others. Empathize with the complainers and ask them what they would like done. If you receive no response, make an offer. Thank the person for bringing the matter to your attention. Promise to do what you agreed to do, then do it promptly.

### THINK ABOUT IT

A satisfied customer is your best advertisement. The customer who believes he or she received good service may or may not tell others about the experience, but you can be certain that the customer who received poor service will tell others, perhaps many.

**QUESTIONS FOR REVIEW AND DISCUSSION**

1. Why is it necessary to concern ourselves with internal customers?
2. Why are employees our best customers?
3. How would you respond to customer demands that were clearly unreasonable?
4. Why do you suppose hospital patients are likely to complain most about food, cleanliness, and staff treatment rather than about the quality of care?
5. Do you believe managed care has made customer service more difficult? Why or why not?
6. How are the quality of health care and excellence in customer service related to each other?
7. How does present-day customer service relate to the increasing tendency toward competition among healthcare providers?
8. Is employee turnover ever a significant barrier to good customer service? Why or why not?
9. What do you believe has the greatest influence on an employee's willingness to deliver excellent customer service?
10. Relative to customer service, why is it suggested that we "under-promise" and "over-deliver"?

**EXERCISE: IDENTIFYING CUSTOMERS AND THEIR NEEDS**

Designate a specific healthcare organization function or department (for example, nursing service, physical therapy, housekeeping, or food service). Make it the one you presently work in or one you have worked in at one time. If you are not experienced, select any function or department with which you are comfortable.

Create two blocks of space on a sheet of paper, upper half and lower half, and label one "Internal Customers" and the other "External Customers" (with "internal" and "external" referring to the organization, not just the department—in other words, employees of another department remain your "internal" customers). In each half-page space list as many internal and external customers as you can for your designated department. Next, for each customer designation write a one-sentence description of the services you provide to that customer. If this exercise is done in a classroom setting, compare your lists with others and attempt to reconcile any differences that arise.

**► Case: The Crabby Receptionist**

"I don't know what I'm going to do about Louise," said section supervisor Missy Clare to her friend and fellow supervisor, Janet Stevens. "She was a good worker for the longest time, but now I'm getting complaints."

Janet asked, "What kinds of complaints?"

"That she's brusque to the point of rudeness when she answers the phone and that she snaps at other employees when they just ask simple questions. I've had at least three doctors tell me I'd better get someone more pleasant out front, and obviously someone complained to Carson—you know, my boss—because he asked me about the crabby receptionist in my section he was hearing about."



"Has she been experiencing any kind of problem that you know of? Something personal that's bothering her?"

"I don't know," Missy answered, "and it's a cinch she doesn't want to talk about it, even if there is a problem. I've given her every opportunity to talk but she's not having any of it."

Janet said, "Well, to be completely honest with you, I've heard a few things about Louise."

"Like what?"

"Like how some of your outpatients are afraid to approach her because they don't know if they're going to be snapped at, glared at, or ignored."

Missy said, "Louise is such a long-time employee. I hate to just lower the boom on her."

"Well, kiddo," said Janet, "you'd better lower something before Carson and his higher-ups get any more complaints."

## Questions

1. How would you go about trying to balance the customer service needs of the section with the apparent needs of Louise, the long-time employee?
2. Which of the section's customers are likely to cause Missy the most grief over Louise's behavior? Why?
3. Recommend an approach for Missy to consider in addressing the problem with Louise.

## References

1. Routhieaux RL, Tansik DA. The benefits of music in hospital waiting rooms. *Health Care Supervisor*. 1997;16:31–39

## Recommended Reading

Albrecht K, Zemke R. *Service America*. Homewood, IL: Dow Jones-Irwin; 1985.

Carlzon J. *Moments of Truth*. Cambridge, MA: Ballinger; 1987.

Chang RY, Kelly PK. *Satisfying Internal Customers First*. Irving, CA: Richard Chang Publishers; 1994.

Cockerell L. *The Customer Rules: The 39 Essential Rules for Delivering Sensational Service*. New York, NY: Crown Business; 2013.

Davidow WH, Uttal B. *Total Customer Service*. New York, NY: Harper & Row; 1989.

Desatnick RL. *Managing to Keep the Customer*. San Francisco, CA: Jossey-Bass Publishers; 1988.

Goldzimer L. "I'm First." *Your Customer's Message to You*. New York, NY: Rawson; 1989.

Umiker W. *The Customer-Oriented Laboratory*. 2nd ed. Chicago, IL: ASCP Press; 1997.

Zemke R. Performance Research Associates. *Delivering Knock Your Socks Odd Service*. New York, NY: AMACOM/American Management Association; 2006.

