

Improving Customer Care Experience: A Case Study of a Large Private Hospital in Dhaka, Bangladesh

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Major Focus Of The Case

This case study involves a large private hospital in Dhaka, Bangladesh, which used frequent, effective feedback and positive employee recognition to successfully change the way employees in its customer service department interacted with patients, doctors, nurses, and other hospital staff to improve the customer care experience.

Two important lessons may be learned in this case. First, one of the key responsibilities of a manager is to maximize employee performance so that they become conscious of their full potential. Managers need to play an active role in handling employee performance and development. One way to achieve this is through the delivery of frequent and effective feedback. Second, to paraphrase the best-selling authors of *The Leadership Challenge* – James Kouzes and Barry Posner – managers must tap into the hearts and minds of their employees, not merely their hands and wallets. Managers can achieve this by truly recognizing their employees. Positive employee recognition can be achieved via various means such as monetary awards, written communications, attention from senior management, etc.

This case study showed that the combined result of frequent, effective feedback and positive employee recognition was a team of motivated employees willing to do a better job to satisfy the needs of patients and hospital staff. Satisfied hospital staff provided better health care to patients, and patients in return chose the hospital for their health care needs. This cycle increased the hospital's profitability and success, making it one of the most prominent health care facilities in the country.

Introduction

The focus of this case study is how to improve the customer care experience by providing employees with effective feedback and by awarding and recognizing them for their performance. The case is organized into the following sections: (1) case background; (2) forecasting customer care needs; (3) effective feedback process; (4) employee recognition process; and (5) program results.

Case Background

The LPH Hospital – a fictitious name for a well-known private hospital in Dhaka, Bangladesh – faced several problems. A newspaper article published in early 2006 reported long wait times during patient check-in, unfriendly staff and professionals, and frequent altercations between patient parties and hospital staffs during patient check-out. The veracity of this report was further confirmed by an internal investigation that revealed inconsistent performances by customer care employees when answering patient inquiries about cost, procedures, policies, and available services. The internal investigation also found that these employees became agitated, defensive, and sometimes rude when confronted by patient parties about these discrepancies.

The LPH Hospital faced serious criticism from people at all social levels; its reputation took a heavy blow after the appearance of the newspaper report. While answering journalists' questions at a press conference, the hospital president personally assured the public that senior hospital executives would take immediate corrective actions to improve the situation. At first, however, there was a great deal of disagreement among senior executives about what needed to be done and who would be in charge.

One hospital executive suggested that the customer care department needed to be expanded from six full-time and two part-time employees to twelve full-time employees to accommodate a higher number of patients. He also suggested hiring a full-time customer care manager – a brand new position – to create new programs, policies, procedures, etc., and train and manage the newly revamped customer care department and its employees.

The hospital president took the proposal to the Board of Directors (BOD). The BOD approved it and identified improved customer care experience as a strategic goal. Two existing part-time employees were made full-time with increased salary and benefits, and four more full-time employees came on board. In addition, a new position titled "Customer Care Executive" (CCE)

was created to serve as the manager of the customer service department and oversee, direct, and coordinate a full range of customer service-related programs and processes. It was also decided that the CCE would report directly to the hospital director. After three months of extensive recruiting efforts, Ms. Bizlee Khatun (also a fictitious name) was finally hired in May 2006 as the new customer care executive at the LPH Hospital.

Forecasting Customer Care Needs

The first step for Ms. Khatun was to clarify the existing needs of customer care department employees, particularly focusing on the patient check-in and discharge processes and identifying the root causes of less-than-supportive customer service levels. She met each employee one-on-one and listened to their stories, experiences, expectations, and concerns. After several weeks of meetings and personal observations, Ms. Khatun identified several problems. First, formal job descriptions did not clearly specify the roles and responsibilities of customer service employees. Second, employees seldom received any feedback from their managers about their job performance. Although employees had annual performance reviews, they were not very structured and often did not contain formative feedback identifying areas of improvement. Third, employees were unmotivated because they were rarely recognized or rewarded by senior hospital staff. "The upper management just doesn't care about us" was the typical comment offered by these employees.

Ms. Khatun immediately instituted two valuable yet rarely used processes in her department to improve customer service level. First, employees began to receive frequent and effective feedback from the manager, hospital director, and other senior hospital staff. Second, employees began to be recognized and rewarded for superior performance. Ms. Khatun formally enacted effective feedback and employee recognition processes. These are discussed in more detail in the following sections.

Effective Feedback Process

Effective feedback is an integral part of a healthy work environment. Feedback reinforces positive work performance and enables employees to improve when required. In Ms. Khatun's experience, most managers provided either praise or criticism to employees. But she believed that employees also needed feedback on both their successes and areas needing improvement. Therefore, her feedback process contained two types of feedback: motivational and formative.

Motivational and Formative Feedback

In motivational-type feedback, Ms. Khatun met with employees to discuss what they did well and encouraged them to repeat a good performance more often. She found this type of feedback to be confidence-boosting for the employees. In formative-type feedback, she told employees what could be done better the next time to improve their performance and productivity. This type of feedback was competence-boosting for employees.

Ms. Khatun believed that both types of feedback were equally important, and that the feedback needed to be provided with regularity and sincerity. The process of providing effective feedback to her employees included two major steps: (1) identification of the observed task, action, activity, or performance (a.k.a. incident) requiring feedback, and (2) delivery of the actual feedback.

Identification of Incident. The first step in the effective feedback process adopted by Ms. Khatun was to identify the incident that was problematic or praiseworthy. This step included identifying the details of the incident – such as nature, severity, and importance. The past work history of the employee was taken into account, and all relevant data and documentation were gathered.

Feedback Delivery. The second step consisted of providing the actual feedback to the employee. The most useful method was to meet the employee in person as soon as possible to discuss the incident. Ms. Khatun always ensured employee privacy when required, and allotted adequate time to discuss the incident. She found that effective listening skills were invaluable during these meetings and discussion sessions.

Depending on the type and severity of the incident, Ms. Khatun described its importance and clearly communicated her expectations to the employee. If the employee needed immediate performance improvement, Ms. Khatun not only stated this requirement but also supported the employee with the necessary tools, resources, and training opportunities. She made sure employees had an opportunity to tell their side of the story and encouraged them to provide suggestions and input for potential solutions.

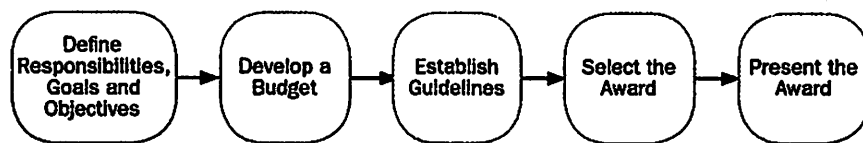
Improvement plans and corrective actions were mutually agreed-to by Ms. Khatun and the employee. In addition, Ms. Khatun preferred to clearly specify the consequences of not rectifying a problematic incident within a specific period, summarize meeting notes in writing, give a copy of the summary to the employee, and keep a record in the employee's file for future reference. She found that employees really appreciated frequent

feedback with balanced positive and constructive views from her and senior hospital staff.

Employee Recognition Process

Ms. Khatun firmly believed that effectively rewarding and recognizing customer care employees created a positive working environment that encouraged success. The employee recognition process is illustrated in *Figure 1*.

Figure 1: **EMPLOYEE RECOGNITION PROCESS**



Define Responsibilities, Goals and Objectives

Ms. Khatun's employee recognition process involved clearly defining the responsibilities, goals, and objectives of customer care employees and making sure that they were understood and agreed-to by team members and senior management. Primary responsibilities included correctly answering patient inquiries about cost, procedures, policies, and available services, courteously dealing with customer complaints, professionally maintaining a liaison relationship between patients and insurance companies, and effectively facilitating communication among patients, medical staff (doctors, consultants, nurses, etc.) and administrative staff (food, housekeeping, etc.). Secondary responsibilities included providing patient referrals, distributing paperwork, and making collection calls for due bills, and other administrative duties such as filing, data entry, etc.

By clearly defining responsibilities, Ms. Khatun communicated senior management's expectations of customer care employees, and provided a better understanding of the value of their services and where they fit within the big picture. Furthermore, clearly defined responsibilities, goals, and objectives enabled the customer care department to figure out what types of skills, experiences, and qualifications were going to be required of new employees or would be found on job postings available to internal applicants.

Ms. Khatun understood that to be successful, the recognition process needed to focus on employee accomplishments and behaviors that add

value to the hospital. She believed that recognizing any behavior unrelated or detrimental to the hospital's mission could render the recognition process ineffective. The following factors were agreed-upon by the team members and senior hospital staff as being supportive to organizational mission and value: patient safety; long-term employment, positive attitudes, excellent customer service, dependability and punctuality, leadership and initiative, highly skilled employees, and team players. These factors were incorporated into the employee recognition process and were deemed recognition-worthy.

Develop a Budget

The next step was to develop a reliable budget plan, which needed to be approved by senior management before carrying out the employee recognition process. Ms. Khatun believed that a reliable budget plan helps an organization spend money wisely while minimizing debt. She found the following considerations useful in developing the budget: (1) time spent in designing and implementing the process; (2) time spent in presenting the award; (3) dollar value of the award and recognition items given; (4) time and cost of training employees; and (5) miscellaneous costs – such as promotional, administrative, food and beverage, etc.

Establish Guidelines

In order to reward customer care employees for outstanding performance and to improve the customer service level, Ms. Khatun initiated "Employee of the Month" – a formal award and recognition program. Recognition program guidelines were designed to ensure that the employee nomination and selection steps were performed in a fair and consistent manner. The guidelines included incentives, eligibility requirements, selection criteria, and selection process of the award recipients. Employees could be nominated for the award by their peers, managers, or senior hospital staff. With guidelines in place, customer care employees were more comfortable knowing that each nominee would be thoroughly reviewed by the customer care executive and the hospital director, and that the award would be given to the most-deserving candidate every month. Employee of the Month became the most coveted award at the hospital. The monthly award ceremony had hospital-wide visibility and was attended by most of the senior hospital executives.

In addition to the monthly awards, additional guidelines were also created to formally recognize employees during one-on-one meetings with their manager, or in front of the entire customer care department.

The key objective was to ensure that employees were recognized regularly and sincerely.

Select the Award

Ms. Khatun put a lot of thought into choosing the appropriate award for her employees. She knew that money was not the top motivator. Instead, employees valued personal thanks or a letter of praise from senior hospital staff as more motivating and encouraging. This observation led Ms. Khatun to the conclusion that awards should have value and meaning to the employee – otherwise, the entire recognition process would be fruitless. She realized that it would be easy to recognize employees and give awards, but much more difficult to reap the full benefits of the awards. Although employees can be awarded something as simple as verbal or written praise or as extensive as tangible gifts or money, the full benefits of awards can only be achieved when they are sincere, meaningful, relevant, and timely.

Present the Award

Ms. Khatun sought to ensure that the presentation of the award and recognition were laudable and worthy of the recognition being afforded to the employee. Awards and recognitions were presented in formal and informal ways. Formal ways included one-on-one meetings between employees and their managers, department-wide weekly meetings, and company-wide monthly Employee of the Month meetings. Awards presented formally typically included moderate- or high-cost recognition items such as company shirt or cup, books, gift certificates, cash, various household accessories, group lunch at nearby popular restaurants, office party, etc.

Informal recognition was spontaneous and as simple as walking by employees and personally saying “thank you”, “good job”, etc., and commenting on how much managers and senior hospital staff appreciated their hard work and dedication. Other informal methods of employee recognition included little- or no-cost activities such as presenting a certificate or plaque, flowers, movie tickets, letter of recommendation from the hospital director or even the president, posting the employee’s name and photo on the hospital bulletin board, etc.

Program Results

After four years of dedicated efforts from customer care employees, managers, the hospital director, and other senior hospital executives, the employee feedback and recognition programs were hailed as successes by people inside and outside the hospital. The latest survey indicated

the average patient satisfaction rating of “satisfied” compared to “very unsatisfied” four years ago, according to a five-point Likert scale (very unsatisfied, unsatisfied, neutral, satisfied, very satisfied). The employee retention rate increased by more than 80% during this time. The current LPH customer care department is now considered among the most elite and respected within the private hospital healthcare community in Dhaka; LPH customer care employees frequently receive job offers from other hospitals with higher salaries, perks, and benefits. Despite increased competition among private hospitals, the high rate of retention of customer care employees at the LPH Hospital has been promising. Beginning in 2011, new activities and programs were being developed to increase the patient satisfaction level to “very satisfied” within the next three years. If past experience is any indication of future success, LPH employees, managers, and senior staff are confident that they will achieve the goal slowly, but surely.

Discussion Questions

1. Behavior and performance in organizations can be significantly changed by providing positive leadership, a positive work environment, helpful feedback, and positive recognition. Describe the Customer Service Department before the new manager was brought in and after the new manager implemented changes in the work environment.
2. The first step in the change process was to gain the support of top level leadership and the board for change. Why is top level support important to the change process?
3. Ms. Khatun began the change process in the new Customer Service Department by assessing the present situation before making changes. Why is this an important step in the change process and what did she find out?
4. Describe what Ms. Khatun did to change the feedback and recognition processes and the impact this had on employees. What did you like and what would you change about the approach she took? Why do you think the changes were a success?
5. Change efforts can fail to achieve the desired results if employees are not properly valued and recognized for their efforts. What considerations should leaders make in using employee recognition, awards, and rewards in motivating change?

6. What are some insights you gained about leading and sustaining change efforts and what would you do to take customer service to the highest level?

Key Lessons In Leading Change

1. Providing positive leadership, a positive work environment, helpful feedback, and positive recognition are all essential to leading change and changing behavior and performance.
2. Change efforts are unlikely to be successful without the involvement of those who need to support the change and those who are most affected by the change.
3. It is important for change leaders to create opportunities for employees to offer candid suggestions and honest opinions and feedback for change to be successful and leaders to be in touch with the realities of what is working and not working.
4. Both motivational and formative feedback is necessary in leading change. Motivational feedback builds employee confidence and formative feedback builds employee competence.
5. Employee recognition is important in helping employees stay motivated and feel valued during the change process. It is also important to get wise counsel about how to recognize employees and to assure that recognition is sincere, meaningful, relevant, and timely.
6. Failure to understand what motivates employees and how they are experiencing changes can negatively affect change efforts. The incentive to change has to be greater than the incentive to stay the same for employees to stay motivated at a high level.
7. Leaders must have excellent listening skills to lead a change process. It can be helpful to work with coaches to develop listening and other change skills and these skills will become increasingly important in times of dynamic change.

BIOGRAPHY



William J. Rothwell, Ph.D., SPHR, is a Professor at Penn State University Park Campus. He leads the graduate emphasis in Training/Organization Development. Before arriving at Penn State in 1993, he was an HR professional for nearly 20 years and headed up HR efforts in a state government agency and then led a comprehensive Management Development program at a large insurance company. In addition to serving as a professor, he is also President of Rothwell & Associates, Inc., a consulting firm. He has authored, coauthored, edited, or co-edited over 300 books, book chapters, and articles – including 68 books. His most recent books are *Invaluable Knowledge* (Amacom, 2011), *Effective Succession Planning*, 4th ed. (Amacom, 2010) and *Practicing Organization Development*, 3rd ed (Pfeiffer, 2010). In 1999, he published *Developing In-House Leadership and Management Development Programs: Their Creation, Management, and Continuous Improvement* (Greenwood Press).

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