

Henrik Grönlund

CUSTOMER-ORIENTED SERVICE IN RETIREMENT HOMES

Degree Programme in International Business  
and Marketing Logistics  
2010

## ABSTRACT

### CUSTOMER-ORIENTED SERVICE IN RETIREMENT HOMES

Grönlund, Henrik

Satakunnan ammattikorkeakoulu, Satakunta University of Applied Sciences

Degree Programme in International Business and Marketing Logistics

May 2010

Supervisor: Saarinen, Nea

Number of pages: 53

Appendices: 1

Key words: Customer-orientation, Customer perceptions of service, Management of developing customer-oriented process,

---

The purpose of this thesis was to learn about the customer-orientation in public sector retirement homes in Rauma. Furthermore, the intention is to find ways how to improve the level of customer-orientation in the chosen retirement homes. The retirement homes that participated in the research were Kaunisjärvi, Marttilanmäki and Uusilahti.

The objective was to interview nurses and managers to find out how they understand customer-orientation and are they able to give customer-oriented service. Furthermore, residents and their family members were interviewed to understand how they have experienced customer-orientation and how to improve it. Parties involved in the research are going to benefit from the research outcomes. Research can improve customer satisfaction, which directly affects the atmosphere positively. This in turn can motivate and encourages the staff to maintain a high level of customer-oriented service.

The theory part looks into what is customer-orientation in providing service in the retirement home field. The part is combined from customer-orientation, perception of service quality and the gap analysis approach to managing service quality, and how to implement customer-oriented service.

The research was carried out in a way that the task was divided between me and six students from the Faculty of Social Services and Health Care of Satakunta University of Applied Sciences. I conducted audio recorded interviews with the nurses and managers at private premises. The students interviewed the residents and family members at the retirement homes with modified questionnaire, which suited the interviewees better. The answers of residents and family members were documented in writing.

The conclusion made from the research was that both the staff and residents feel that retirement homes are under staffed. Moreover, the information flow has challenges in that there is far too little conversation between staff and family members. My suggestion is to create an online portal for regular information exchange where both private and public information is shared between the retirement home staff and residents and their family members.

## TABLE OF CONTENTS

1	INTRODUCTION .....	4
2	RESEARCH PROBLEMS AND OBJECTIVES .....	5
2.1	The objectives of the study .....	5
2.2	The research problem.....	5
2.3	The conceptual framework .....	6
3	CUSTOMER-ORIENTATION AND SERVICE .....	7
3.1	Customer-orientation .....	7
3.1.1	Three Goals of Customer Orientation .....	8
3.1.2	Attain customer information .....	9
3.1.3	Disseminate Customer Information .....	10
3.1.4	Implementation.....	10
3.2	Four phases of Customer Orientation .....	11
3.2.1	Phase I: Customer Strategy and Focus .....	11
3.2.2	Phase II: Customer satisfaction measurement.....	12
3.2.3	Phase III: Analysis and priority setting .....	15
3.2.4	Phase IV: Implementation .....	17
3.3	The Gap Analysis Approach to Managing Service Quality .....	17
3.4	Perceptions of Service Quality .....	21
3.4.1	Grönroos Model of Perceived Quality .....	22
3.4.2	Gummesson 4Q Model of Offering Quality .....	25
4	CONDUCTING THE RESEARCH.....	26
4.1	Choosing the research method .....	26
4.2	Collecting and analyzing the research material .....	27
4.3	Trustworthiness of the research .....	28
5	ANALYZING THE RESEARCH FINDINGS .....	30
5.1	Interview questionnaire frame .....	30
5.2	Background.....	30
5.3	Customer-orientation .....	31
5.4	Feedback process .....	34
5.5	How to improve the service to become more customer-oriented .....	37
5.6	Interviews conducted on the residents .....	38
6	RECOMMENDATIONS .....	40
7	CONCLUSION .....	40
	REFERENCES.....	47
	APPENDICES	

## 1 INTRODUCTION

This research discusses a topic that is currently very attractive because of the national interest in retirement homes. Because public sector retirement homes are fully occupied and have a waiting list for admittance, there is hype around private sector retirement homes, which are actively entering the field by promoting brand new and state-of-the-art facilities. Furthermore, the private sector guarantees individualized and customer-oriented service where the residents are able to personalize services to their wants and needs.

The field of retirement homes is experiencing dramatic changes and the large age groups, which are holding decision making power, are subconsciously preparing their own retirement and improving the level of service they are going to possibly experiencing in retirement homes. Since the retirement homes are fully occupied and the large age groups are yet to retire, a natural direction for the field to grow is towards the private sector. Because of the shift towards private sector, public sector must take action to keep up with constant development of private sector by offering high service quality. For this reason the city of Rauma has requested for this thesis to study how the service is experienced and how to improve it towards better customer-orientation. The motivation and personal gain for me comes from the fact that all my grandparents are alive and decisions about them entering retirement homes are in the imminent future. Furthermore, my parents and parents-in-law are approaching retirement age and therefore in the future I will be a part in the process to ensure that they have a pleasant surrounding for their last years.

This thesis constitutes for theoretical research about customer-orientation. It explains of what customer-orientation consists of, how service quality is perceived, and how gap analysis is an approach to manage service quality and how it is implemented in the field of retirement homes. Lastly, it introduces and comments on the chosen method and analyzes and interprets the research findings. Followed by recommendations how to improve the service in public sector retirement homes in Rauma.

## 2 RESEARCH PROBLEMS AND OBJECTIVES

### 2.1 The objectives of the study

The expected lifespan is growing and in the near future when the so-called big age-classes are shifted to retirement, is taking care of the elderly one of the challenges that the society Finland will have. Part of the elderly will gravitate themselves into private sector but still most likely all the public sector retirement homes will be fully occupied.

With my study I will determine how well customer-orientation is achieved at the moment in public sector retirement homes in Rauma. It is interesting to find this out in the point of view of customers of the retirement homes and also on the point of view of the service providers.

The goal of my thesis is to produce information mainly to the service providers on the service and how it can be improved. My purpose is to propound a pattern or model, how to improve customer-orientation.

### 2.2 The research problem

With the research I am looking for answers on the following questions:

What is customer-orientation in retirement homes?

What is gap-analysis in managing services?

How do the service providers understand customer-orientation in retirement homes field?

Fundamental issues that are defined here:

Is the service customer-oriented in public sector retirement homes in Rauma?

How does the feedback process work at the present time?

Does the retirement home staff respond enough to the feedback?

How can the service of retirement homes be improved to be more customer-oriented?

### 2.3 The conceptual framework

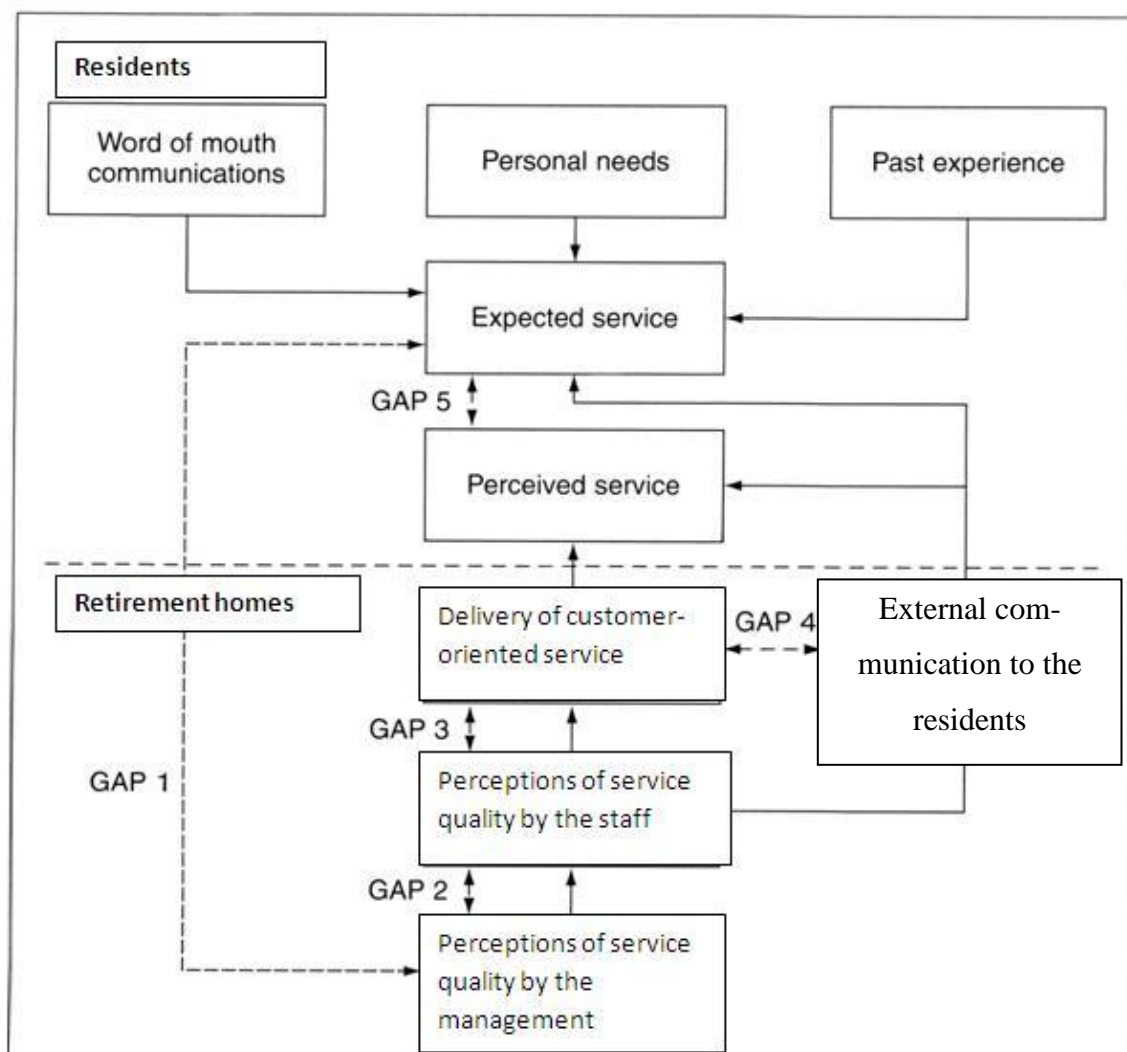


Figure 1: Conceptual framework (modified from Grönroos, 2007a 114)

In this figure above we can see what gaps are in the service flow for example in our case of retirement homes. With this figure we cannot measure the service but we can learn and analyze the service flow and level by using this figure. First we see that there is a gap 1 which is between customer expectations and management, what management believes that the residents and their family members expect from the service. Gap 2 indicates the difference of perception in service quality between the

management and the staff. Gap 3 indicates what the perceptions of service quality by the staff are and what the level of customer-orientation really is in the delivered service. Gap 4 indicates the problem in external communications to the residents and the delivery of customer-oriented service. My study will only handle the bottom half of this figure. (Grönroos, 2007a:114)

### 3 CUSTOMER-ORIENTATION AND SERVICE

#### 3.1 Customer-orientation

Companies worldwide are not able to be successful because they are unable to define their primary organization goal i.e. focusing on customer or on product. Often companies that are not customer oriented are unable to grow and many of them have to downsize due to stiff competition. They focused on product rather than customer benefits that the product provides. Competitors' gets better chance to fulfill the customer needs if the company focuses on product than the service.

(Johnson 1998, 2)

Successful organization is put together from various aspects, for example they could be those who can best determine minds, needs and expectations and is able to satisfy them with a capable of survival and competitive way. By planning their offers and communicating well and pricing their service and putting it available for customers. (Ylikoski 1999, 35)

Customers in global economy are well acquainted with products and services. The use of internet has helped the customers to know about products and services that companies provide. This has created a competitive environment for the companies because customers are now looking for companies which can create maximum value to them according to their needs and wants and also which can show they value their business. (Weinstein 1999, 23)

Customer orientation requires service excellence on customer benefits where the company can also reinvent the services to be there. There are several ways to achieve service excellence, where customer satisfaction and service quality are core part of it. While offering services in a competitive environment, these two interrelated perceptives play an important role. In organizations providing service, the service quality determines the relationship between the organization and the customer both internally and externally. Service quality also helps to measure how an organization manages its processes and whether they are able to meet the customers' expectations or not. This all later reflects on the organization's profit and image. (McCull 1998, 416)

With customer-orientation is meant that the foundation of service staffs actions and way of thinking, is needs, wishes and expectations in the way that customer expresses them. The goal is to provide wanted service for the customer and not according to the needs and wants of staff or by any authority giving set ways to provide service. With the help of customer-orientation we can change the service more effective and give the staff motivation and improve their skills and accomplish a customer base that is satisfied by giving the staff a united. (Kujala 2003, 30-31)

### 3.1.1 Three Goals of Customer Orientation

Every organization has different perspectives on how to improve service quality, customer satisfaction and products. It is vital to know customer's needs and wants to improve on these things. It is easy to improve, if the organization serves on the customer specification meaning providing the services according to the customers need. Here, organizations need to understand what actually benefits the customer and what they are looking for in a product or in a service. This knowledge helps to reduce the gap between perception and expectation. The size of the gap represents the amount of satisfaction or dissatisfaction. Customer orientation helps a company to understand the customers' interest and also to know what went wrong after service. This brings repeated improvements to the services and makes the service consistently better. (Johnson 1998, 2)



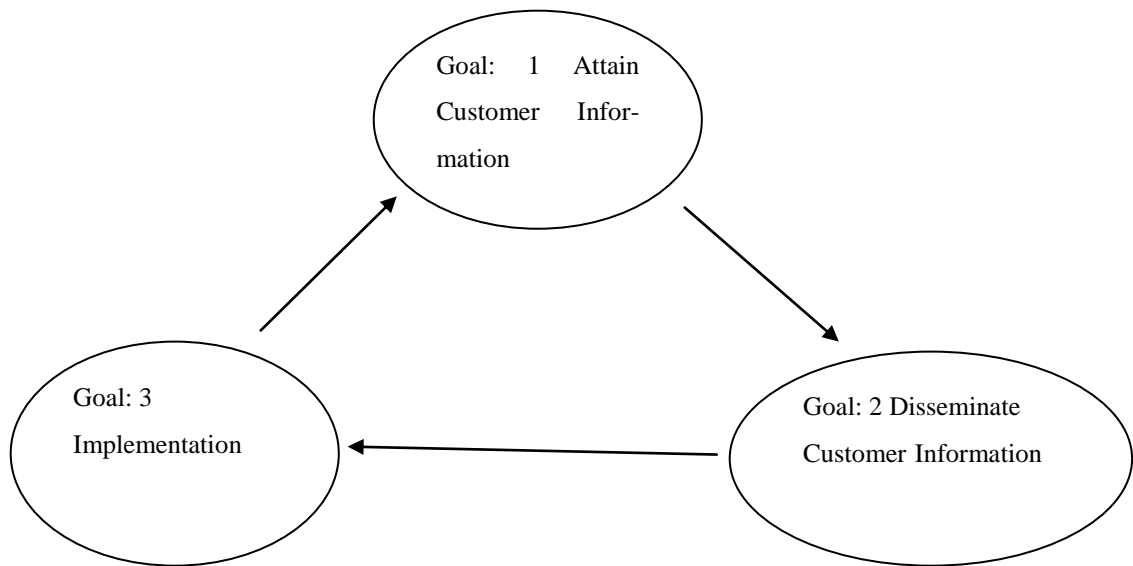


Figure 2: Three goals of Customer Orientation (Johnson 1998, 2)

### 3.1.2 Attain customer information

It is vital to attain customer information to understand what are the important needs and values of the customer, how well are they being served by the current product or service provider, how they want to be served or what kind of service do they want to have in the future. This information helps the organization to manage their business process and meet the customer expectation in the future. This information is useful for current and future customers. It is not easy to get the information simply by conducting a survey and asking what kind of product or service they want to have in the future.

Marketing experts have always emphasized customer orientation over the product orientation but unfortunately the concept is being misunderstood or poorly acknowledged. The main concept is to understand customer's root needs and desires. Many organizations have misled the customer focus into customer slavery. They simply provide the product and the services to their customers according to what the customers say that they want. But customers only know the current products and servic-

es. That is why customer research is essential. Customer research helps the organization to understand the customers' degree of excitement, value, achievement or freedom that they want in their lives. (Johnson 1998, 2)

### 3.1.3 Disseminate Customer Information

The second step is to share the information with the different departments of the organization which are directly or indirectly involved with customers. Dissemination of the information helps the entire organization to work effectively due to better internal and external communication. It also helps every member of the organization to evaluate his or her own performance and to make the necessary improvements. Dissemination of the information internally helps to make a benchmark and changes the customer needs into effective actions. Sometimes, some of the information is made hidden, if in case one department makes a mistake and disseminate the hidden information then the entire organization will suffer and effort will fail. (Johnson 1998, 2)

### 3.1.4 Implementation

The third is to implement the improvements on customer service. In implementation, organization first gather the information of the customer about how satisfied they are with the current products and services, what kind of services and products they want on the future, do they have any problems, complaints on the current products and services etc. After that, organizations analyze the information and draw conclusions and make plans to improve services and products. (Johnson 1998, 2)

Every single interaction situation is a very important part of the chain of experience that customer gets when using services. Even if only one member of staff handles his/hers part badly, it will affect the whole conception that customer gets. In the other hand when only one member of the staff is able to give an close to perfect service to the customer it may change all the negative conceptions into positive. (Performance Research Associates 2006, 10)

### 3.2 Four phases of Customer Orientation

The three goals of customer orientation were covered and the goals made us understand about the importance and essentiality of customer orientation for the company. The three goals (Attain customer information, Disseminate customer information and implementation) simply does not outline the strategy and process which makes the managers easy to assess and analyze are they on the right track on the customer orientation. To assess and monitor their performance to improve, they need a concrete process and action steps. (Johnson 1998, 2-4)

There are four phases in customer orientation. They are customer strategy and focus, customer satisfaction measurement, analysis and priority setting and implementation. The importance of these phases are it meets the three main goals of the customer orientation, helps to know in which phase or step the company is in the process of the customer orientation and also identifies the challenge in the process while moving forward. All four phases are interrelated to each other. The success in one phase is dependent on the previous phase. (Johnson 1998, 2-4)

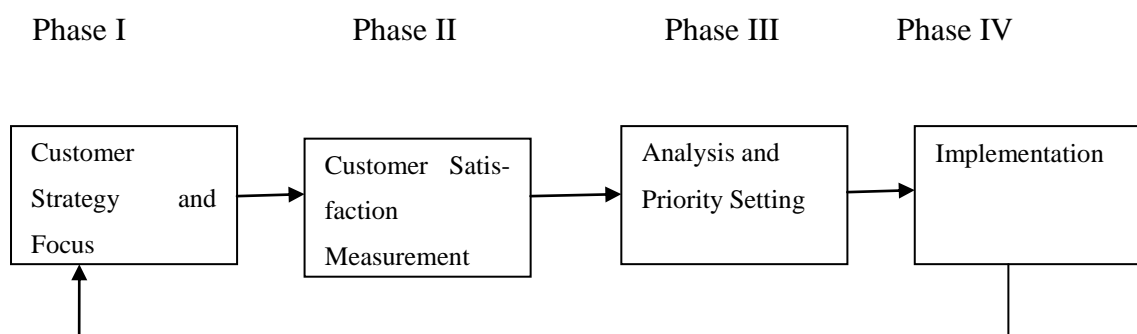


Figure 3: Four Phases of Customer Orientation (Johnson 1998, 4)

#### 3.2.1 Phase I: Customer Strategy and Focus

Customer focus means that strategies and decisions are made with customer centered focus. Implementation of these strategies and decisions involves understanding the

impact of it on the customer. Due to focus on customers, organization nowadays should change their services, operations and human resource. Because customers are assets to be valued, developed and retained. (Johnson 1998, 4)

It is paramount to know on what degree the customer orientation is a strategic priority of an organization. It is also essential to know why organization finds themselves in the first phase. There might be many reasons for this. Maybe some of them have focused more on the product or service in the past and are now not as competitive as before. Some find themselves in this position even though they are making profit and growing but need to focus on customers to maintain growth and profits. It shows that for many reasons organization are in this particular phase. The main reason they are in this phase is to either to increase customer focus or maintain their growth. (Johnson 1998, 4)

Measuring and managing customer satisfaction helps to improve the services that the customers require. This on overall improves the customer orientation. For measuring customer satisfaction, market segmentation is essential. This phase involve the development of market segment scheme. (Johnson 1998, 4)

### 3.2.2 Phase II: Customer satisfaction measurement

According to Oliver, “satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment.” It simply means that whether the product or service has fulfilled the needs and expectations of the consumer or not which directly affect on the customer satisfaction. If the product or service is able to meet the needs and expectations then it gives customer satisfaction but incase it is unable to meet then it gives dissatisfaction to the customer.

It is very much necessary for the organization to always improve the internal quality to meet the external perception which affects the customer satisfaction. Improved quality and the external perception always influence the consumers’ repurchase decisions. In a positive case the product, the quality, the maintenance process, and ser-

vice helps to form a positive image and value for the company. The past image also affects the customers' expectations of the company. So on overall, the quality, expectation, perceived value affects the customer experiences which determine the degree of customer satisfaction. (Johnson 1998, 2-4)

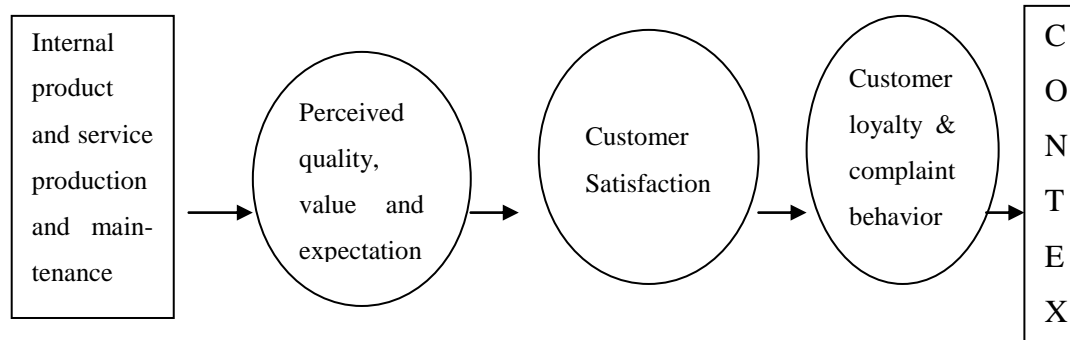


Figure 4: A customer satisfaction Framework (Johnson 1998, 4)

Increase in the customer satisfaction causes the customers to give more positive feedbacks and it decrease the informal complaints by the customer to the retailers, wholesalers etc, Similarly, decrease in the formal complaint to the management and positive word of mouth from the customer for the repurchase decisions. This on overall helps the customer loyalty because customers come to buy the same product of the same company even in the higher price. (Johnson 1998, 2-4)

It is not so easy to satisfy the customer in this competitive environment because there are competitors who come with different strategies to gain the market. Generally either they come with the discount price or even with the latest technology in the service or product. This always can affect the customer loyalty. So, the companies always needs to control the cost to give maximum value of the product or service to the customer, must constantly find a new ways to satisfy customer needs and invest on new technology for the development of the product and services to retain the customers all the time. (Johnson 1998, 2-4)

### 3.2.2.1 Building a customer satisfaction measurement system

Customer satisfaction model, figure 4, has been one of very important tool for the companies in their day to day management of the product and services. The models are being used by the companies to evaluate their products, competitors performance in the market to put a certain benchmark for themselves, focused product and services improvements and also for the performance evaluation of the employees i.e. managers. The model can also help to see the positive impact of customer complaint, word of mouth, customer retention and profits on customer satisfaction. (Johnson 1998, 2-4)

It is also very important to make the different divisions for different products, services and customers to standardize the system. It helps to compare the performance on the different section and put more effort to improve on the section where the performance is not so good. It can be also be used to evaluate the performance and predict the performance in the future. The market is changing reasonably often so the system should be flexible and be able to adapt with it and also with different segmentation schemes. (Johnson 1998, 2-4)

Customer satisfaction index with multiple survey measures is very useful for the sensitive measurement. A single survey measure leads to the error and biasness in the measurement. Multiple survey measures reduce the error and biasness in the satisfaction measurement. There are also lots of things to consider in the measurement system to reduce the error as far as possible such as to reduce the error variance more sensitive scale should be used. We can see in the many surveys, the simple yes/no question has become more popular. The customers have only two choices. May be some customers are somewhat satisfied with the product but for those of them there is no choice i.e. either the customers need to choose yes or no which increases error in the measurement and it is insensitive scale. So, to reduce such an error more sensitive scale can be used. The five point scale where 1= very dissatisfied and 5= very satisfied gives the customers lots of choices to evaluate the product and services on the different scale measurement. Even 10 point scale can be used which is even better for the accuracy measurement. Customer satisfaction measures the overall consumption experiences of customers up to a certain date. (Johnson 1998, 2-4)

For the overall assessment of their own satisfaction, customers will be likely to choose the multiple benchmarks for evaluating their consumption experiences which gives multiple measures for the index. It helps to compare the quality received with the product or service provider and also compares the quality received with the quality that the customer expected or predicted. Customer satisfaction measurement index must help the companies to what to do internally and externally for the improvement of quality and satisfaction. The system should also estimate the consequences of increasing and decreasing customer satisfaction for the company. (Johnson 1998, 2-4)

### 3.2.3 Phase III: Analysis and priority setting

In this phase, the customer satisfaction data which were collected from phase II are transformed into management decisions and strategy. The two important question that are addressed in this phase are where should limited resources be allocated to improve quality and satisfaction and what changes is required in target market selection? The priority setting and development process use to two types of information which are collected form Phase II like the impact of various satisfaction drives and the performance levels. Here, both the information are combined and categorized each of the main customer benefits that drive satisfaction into a strategic satisfaction matrix. (Johnson 1998, 2-4)

In figure 5, right hand side matrix contains the customer benefit that have a high impact on the satisfaction and low impact benefit are on the left hand side. In the upper two cells the service or product provider performance are strong due to the benefits. In the two cells at the bottom, the performance is weaker. (Johnson 1998, 2-4)

	Low	High	
1 Strong	Low impact strong performance  Maintain or reduce investment or alter target market	High impact strong performance  Keep performance up Competitive advantage	2
3 Weak	Low impact weak performance  In consequential Do not waste resources	High impact weak performance  Focus improvements here Competitive vulnerability	4

Figure 5: Strategic Satisfaction Matrix (Johnson 1998)

It is very important to improve the customer benefits in the cases where there is high impact and performance is low because here the customers are looking for more customer benefits that they are currently receiving.

Cases which contains high impact and weak performance is very sensitive because here if any competitor provides customer benefits that the customers are looking for then it is likely the competitor attract the customer and take away. So, in this case company needs to improve customer benefits to keep the customers.

Cases with the high impact and strong performance, the company needs to maintain it. Meaning that to maintain it, it is itself a challenge. There is no need of improvement on the performance.

Cases where performance is strong and impact is low means that the performance (benefits) is not valuable to the customers. For example: having a warranty on a mo-



mobile phone for 10 years is not valuable for the customers because rarely do customers want to use the same device for 10 years. In this kind of case the company needs to target the product or a service to a market segment which has high importance for long warranties. In case where impact and performance both are low, here nothing can be done. Investing more in this area, is waste of resources. (Johnson 1998, 2)

#### 3.2.4 Phase IV: Implementation

In the phase, those priorities which were set in phase three are implemented. Here, particular product or services are targeted to their target segment. At this stage, the process of customer orientation ends. After these four phases, a company needs to make necessary changes in the satisfaction measurement system, set new priorities and implement them. (Johnson 1998, 2)

### 3.3 The Gap Analysis Approach to Managing Service Quality

One ground rule for service quality level is that customers should get a little more than they are expecting as positively surprised customer might be more interested in continuing a relationship with the service provider, which can also create good word of mouth. Berry, Parasuraman and Zeithaml have developed a model for analysing service and detecting problems in service quality to help managers manage the service quality. The model states five different gaps that can occur in services and it demonstrates how quality emerges. The model is not used for measuring service but rather for analysing and learning. (Grönroos 2007a, 114)

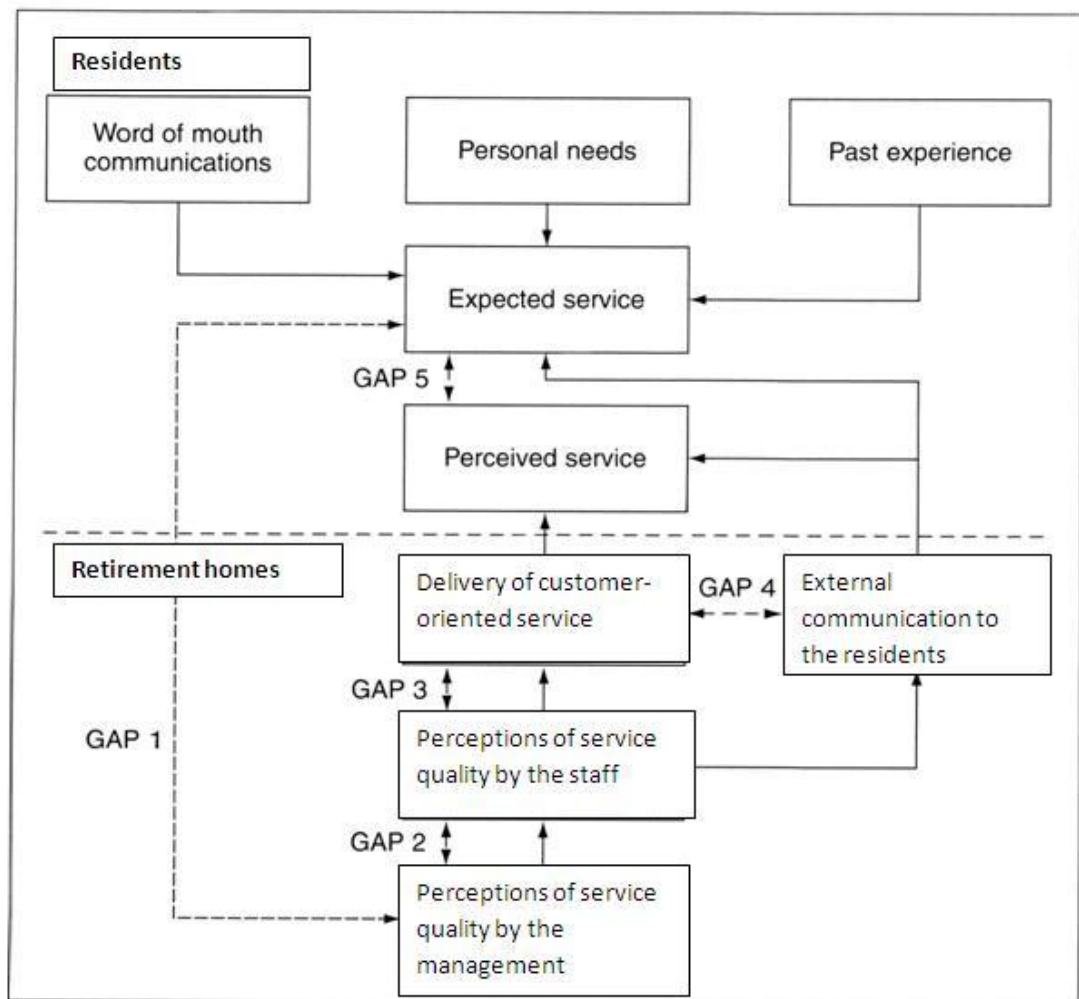


Figure 6: Gap Analysis (Modified from Grönroos 2007a, 114)

The upper part of the figure 3 is more related to the customer and the lower part to the service provider, i.e. the marketer. Just like in Grönroos' model for total perceived quality, the service quality emerges from the expected service and the perceived service. The model illustrates how customers' expectations of service are affected by word of mouth, personal needs and past experience as well as external communications, meaning marketing communication. Marketing communications

also affects the perceived service. The perceived service is influenced by the internal process and activities. Management have their perception on what the customers are expecting and they define service quality specifications accordingly. These specifications should be followed then in the service encounter and the specifications should be aligned with the customers' expectations. The five gaps in the model are results of possible inconsistencies in the process. (Grönroos 2007a, 114-116)

The first gap, management perception gap, can be between the expectations of the customer and the managements' understanding of them. Managements' perceptions can differ from those of customers and a gap emerges. This might be a result of a lack of demand analysis, false understanding of the customers' expectations, wrong information from the market research and analysis. Also disfunctioning communication between management and the staff members who are in contact with the customers or there might be too much hierarchy and levels of organisation and the information never reaches the management or it gets twisted along the way. The problem can be solved by improving the knowledge level of management, changing the structure to help the information flow or simply changing the management if there is a lack of competence. More research would also help in understanding the customers' perceptions better. (Grönroos 2007a, 115-118)

The second gap is called the quality perception gap. This occurs if service quality specifications are not matching the management's perception of service quality expectations. This might be because of planning mistakes, insufficient management of planning, badly set objective in the company or the management does not provide enough support for the planning of service quality. Often the gap is due to a lack of commitment by the managers to service quality because it is not seen as top priority of the company. Therefore, to minimize the gap the priorities of a firm should be changed. The planning process can be changed as well. Moreover the staffs of the service company needs to be aware of the quality specifications and be committed to them and able to deliver them. The staff members that are in contact with the customers should be involved in the planning process. The quality specifications should also leave room for flexibility in practice. (Grönroos 2007a, 115-118)

Gap three, the service delivery gap, refers to service performance not meeting the quality specifications. A gap in these issues might result from too rigid specifications, staff not meeting the specifications and disagreeing with them. Corporate culture disagreeing with the specifications, the operations might be insufficiently managed, there might be lacks in internal marketing or the technology is not aligned with the specifications. Often the reason for this gap is complicated and involves several issues. The issues are related to management and supervision, staff's view of the specifications and customers' wishes and needs and insufficient technology in the company. Management might not be supportive or their control and rewarding system is not actually encouraging to deliver better quality. Thus, the management's behaviour needs to change; the rewarding systems should support quality and corporate culture and internal marketing need to be taken into consideration. (Grönroos 2007a, 115-118)

In addition employees get frustrated if they know that customers are unhappy with the service but the staff has not been empowered to be flexible. This gap might also require more training for the staff that they are aware of the reasons for the quality specification and limitations based on profitability. Moreover, there might even be wrong people recruited for certain jobs, meaning that the company has employed people who cannot meet the quality specifications. In addition there might be too much work for the staff that results from unnecessary paperwork, thus, the staff cannot meet the quality specifications and customer expectations. Therefore the roles and responsibilities of the employees need to be clear and the activities should not affect the quality. Finally the technology and support for it needs to meet the standards and enable the staff to perform better. (Grönroos 2007a, 115-118)

The fourth gap, market communication gap, refers to the marketing communication promises and their consistency with the experienced service. This could result from unintegrated marketing communications with the quality specifications, the external marketing and internal marketing might not be aligned, the company is unable perform according to the specification but the specifications are still communicated with external marketing or the company might be overpromising. Thus, the external marketing should be coordinated with the service operations and delivery, that the same

levels are communicated and delivered. Marketing communication should also not overpromise. (Grönroos 2007a, 115-118)

Ultimately there can be a gap in the perceived quality. Thus, the perceived quality is not in line with the expected service. A gap in this context might lead to losing business, bad word of mouth, bad company image and bad quality. If there is no gap, the quality is at a promised level or there is even over quality that the customer was not expecting and is happily surprised (Grönroos 2007a, 115-118)

### 3.4 Perceptions of Service Quality

The perception of a service quality is based on a comparison of the expectations of the service and the perceptions of the service. In order to ensure a positive perceived service quality, the company needs to have an understanding of both the expectations as well as the perceptions.

The customer expectations can be fuzzy, explicit or implicit. With fuzzy expectations, the customer has an idea of the outcome, but is not clear on how the service provider will complete the task. On the contrary, with explicit expectations, the customer is totally clear about what she/he is expecting. These expectations can then be realistic or unrealistic. With implicit expectations, the customers find certain service elements so obvious that they do not consciously think about them. All of these expectations need to be evaluated and managed by the service provider in order to ensure that the expectations will not collide with the actual perception of the service quality. (Grönroos 2007a, 115-118)

Services in retirement homes must always be up to a set standard level. Service provider must always be dressed appropriately and have good manners, so that the customer gets an idea that he/she is being respected. Customer must be treated politely service provider must earn the trust of customers and make them aware that you are always seeking the customers best. (Rissanen 2005, 215)

In the services of elderly customer-orientation means that the elderly is in the core of the service, meaning that everything should be build around them and their needs.

The beginning of all and the most important factor in planning the service is that the service must be viewed from the customers' point of view, "If I was in his/her place how would I feel about this service". Very important is to acknowledge the situations where the customer ability to express his/her own will has lowered.

Collecting feedback and implementing the possible changes are ways to improve the service process. Customer-orientation requires an addition to the feedback channels so that the customers are willing to give feedback, customers can be involved when creating feedback channels and they should be involved when making changes in to the service model and also after a while when checking the results from these changes. In a real customer-oriented service process the fact that the organization only exists to serve the customer and therefore always listen to them. (Voutilainen, Vaarama, Peiponen. 2006, 38-39)

#### 3.4.1 Grönroos Model of Perceived Quality

Grönroos has formed a model on the total perceived quality. The figure 7 portrays customer expectations. These expectations are formed by traditional marketing activities that have made certain promises to the target group. Expectations are also shaped up by company image, word-of-mouth communication and customer needs and values. Previous experiences also have an impact on the expectations.

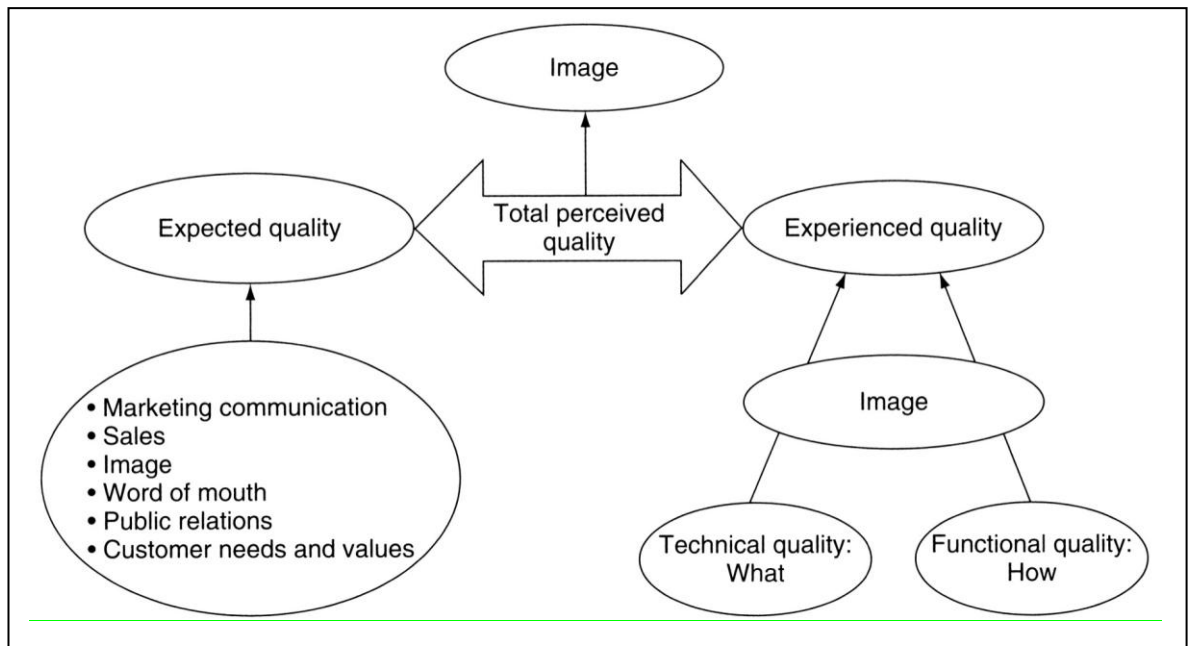


Figure 7: Total Perceived Quality (Grönroos 2007b, 78)

The experienced quality is comprised of various aspects; technical quality, i.e. “what”, functional quality, i.e. “how” as well as corporate image. The technical dimension is concerned about the outcome of the process and what the customer is left with after the service encounter is over. The functional quality deals with how this service encounter is provided to the customer and what the experience has been like for the customer, finds that functional quality is even more important in the evaluation of service quality than the technical quality. Also, in a competitive setting with many rivals with similar products and services, functional quality provides an opportunity for differentiation. These two types of quality are very different in terms of evaluation; it is possible to more objectively evaluate technical quality than functional quality (Grönroos 2007b, 76-80).

Rust and Olver (in Grönroos 2007b) have claimed that the model needs an additional “where” dimension that would refer to the actual physical service place. However, the “how” dimension of the model does take this aspect into consideration as it is an integral part of the buyer-seller interaction (Grönroos 2007a).

Corporate image also comes to play in the evaluation of service quality. It functions as a filter and can either increase or decrease the perception of service quality. Through a positive corporate image, there is possibility to increase and minor flaws in the technical and functional quality might be allowed. Negative corporate image on the other hand can work the other way round and worsen the perception of quality. The corporate image of a company can be created through technical and functional quality in addition to external issues such as marketing communications as well as traditions, ideology and word-of-mouth.

Correct promise-making is also imperative. If the company has created too high expectations through promises, and the technical and functional quality are not able to match the expectations built up by these promises, this will ultimately lead to bad perception of service quality (Grönroos 2007b). Grönroos (2007a) continues that it is recommendable to even under-promise and then over-deliver compared to not living up to the promises.

The model pictured here is an evaluation of the status quo of the total perceived quality and does not take into consideration the long-term effects on the perception of quality. Furthermore, it is not an evaluation of customer satisfaction. Grönroos finds that service quality comes first and only then customer satisfaction. The above model provides an opportunity for the marketer to develop the services, and customer satisfaction tools provide an opportunity to evaluate the successfulness of the service.

Finally, customer orientation in the understanding and management of the customer expectations and perceptions to a positive direction is a necessity (Grönroos 2007b 76-80).

By quality in services for elderly is meant a attribute which is involved with actions or service ability to fulfil the set requirements and needs that has been set for it. When you want to be able to produce good service quality you must check and take into consideration the needs, requirements and expectations coming from different directions. With quality control is meant that leadership and directing are the tools that help us to achieve the wanted outcome in service quality. (Holma 2003, 47)



### 3.4.2 Gummesson 4Q Model of Offering Quality

Gummesson in 1993 has devised a model based on earlier quality models. This model also takes into consideration expectations and experiences in addition to image and brand. The difference here is that image refers to customer perceptions of the company and brand to customer perceptions of the service or product.

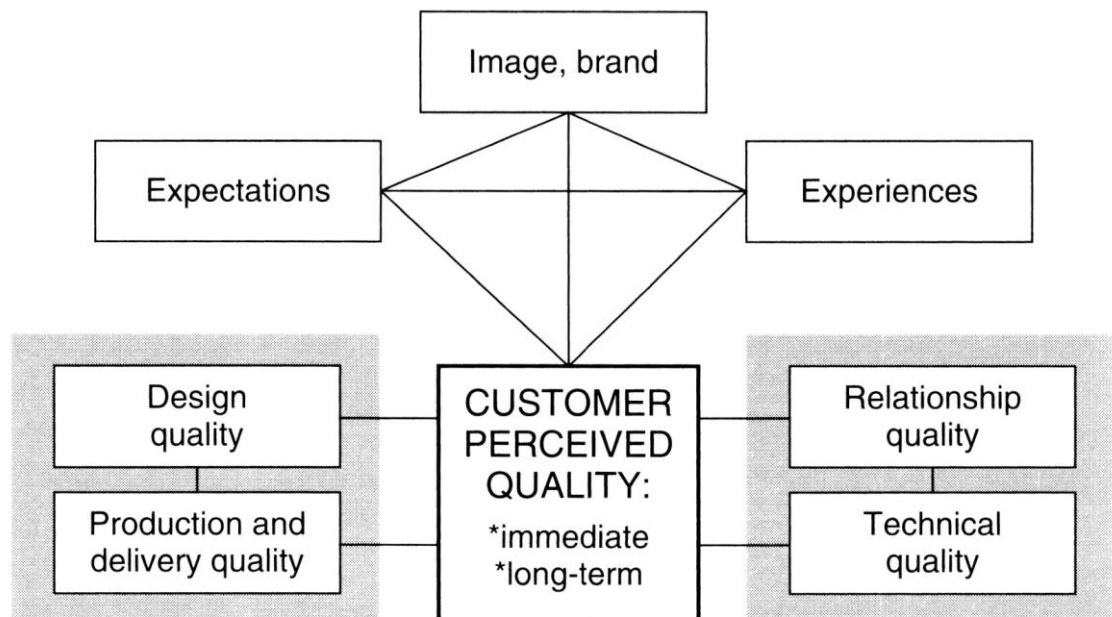


Figure 8: The Gummesson 4Q Model of Offering Quality (Grönroos 2007a, 80)

In figure 8 the left side of the model outlines the sources of quality. Design quality deals with the service elements in the package and production and delivery quality to how this package is produced and delivered to the customer.

The right of the model shows the result of quality. Relationship quality is about the perception the customer has about the service encounter and technical quality about the perception the customer has – both short and long-term – about the actual technical aspects about the service or product.

The sum of the dimensions make up the customer perceived quality. The advantage of this model is that it forces the marketers to evaluate the actions taken all the way

back in the factory or the design process and how they affect the perception of service quality (Grönroos 2007a, 80-81).

## 4 CONDUCTING THE RESEARCH

### 4.1 Choosing the research method

Qualitative research method was chosen for this thesis. According to Vilkka (2005, 97) in qualitative research is studied the meanings that people have created for themselves about certain matters is studied in qualitative research. Different meanings appear as connections to each other and eventually form purpose entities. These entities then appear in different ways like procedures, thoughts, objectives, and society's structures. The aim is to research individuals description of reality, which descriptions embody those issues that a person hold meaningful to him/or herself (Vilkka 2005, 97). The subjects for the study are managers and staff in three public retirement homes.

According to Vilkka, in qualitative research there should always be evaluation concerning what meanings are studied. This requires from a researcher clarification on whether empirical or conception based meanings are studied. Personal concepts and experiences correlated to them do not always have connection between them. Conceptions originate from traditional and typical ways of thinking, when experience is always personal. (Vilkka 2005, 97)

The aim of the thesis is to study how customer-orientation is understood in Rauma's public retirement homes and to find ways to improve service, while trying to set a standard that the service should reach. The research results are combined with the literature review to form the study part for the thesis, which aims to create a process that will improve the service and set a standard for all the procedures.

## 4.2 Collecting and analyzing the research material

With qualitative method there are many ways to collect information. Often the data is collected through interviews. Even though interviews are strongly associated with qualitative research, they are only one of many ways to gather information (Vilkka 2005, 100). In this thesis, I chose to use interview as the qualitative research method, because with the method I am able to get a direct contact with the retirement homes and their personnel. With the contacts, I am able to understand their actions and thoughts. The outcome of the research could have been different if I had studied for example published literature produced by the retirement homes.

According to Vilkka (2005, 101) interviews are mostly about organized form of gathering information. Therefore, it is preferred to use the term research interview to describe interviews. Different interview forms are: form, theme, and open interviews. The interviews for this thesis were carried out as personal interviews because it is the best way to obtain interviewee's experiences. (Vilkka 2005, 101.)

The research was carried out as theme interviews because it is the most commonly used form of interviews and it has been approved to be very effective way. Theme interviews are also known as semi-structured interview. In the theme interviews, central points are selected from the research problem and from those theme topics, questions are formulated which are expected to be answered during the interviews. (Vilkka 2005, 102)

In the research three retirement home managers and twelve out of the 45 members of staff, four from each home, were interviewed. The retirement home staff chose who was to be interviewed. Permission to conduct the interviews was received from the city's head of social services. Furthermore, I had to request permission from the managers to interview their staff. The members of the staff that participated in the interviews were selected by their managers. All the interviews were conducted in March 2010 and the duration of individual interview varied from 20 to 55 minutes. The interviews were held in the retirement homes and they were audio recorded to ensure a peaceful atmosphere without interruptions.

Moreover, with recording the interviews, the trustworthiness of the research increased with the ability to review the interview data multiple times and with the ability to use the interviewee's exact words. All the interviews went well but occasionally I noticed myself getting off topic with conversation. When I noticed this side tracking, I continued the interview with questions from the prepared list. Furthermore, during my research I organized six students from the Faculty of Social Services and Health Care of Satakunta University of Applied Sciences to conduct interviews with the retirement home residents and therefore many residents were able to take be interviewed.

#### 4.3 Trustworthiness of the research

According to Vilkka (2005, 126) in qualitative research the amount of information is not the main point, rather it is quality. The most important goal is that the research material works as a tool in understanding the issues and in forming interpretations. Due to the fact that the interviewees' represented a 25% of the retirement home staff and for this reason I assume that five interviews with nursing staff and management from each retirement home is enough for making a competent and good interpretations. With the residents and family I was looking to have as many interviewees' that is possible thus that a moderate number of residents are participating in the interviews.

A person doing the research must always remember that generalization is made based on interpretation and not from research material (Vilkka 2005, 156). "Interpretation is the outcome of researcher's, dialogue between research materials and theory" (Vilkka 2005, 156). Based on the interpretation, improvement suggestions were made to the retirement homes.

Qualitative research can be said to be trustworthy when research objectives and the interpreted material are compatible. In the last hand the researcher is the criteria for the trustworthiness of the research because he or she is the target for evaluation based on his or her choices and solutions. In evaluating the trustworthiness, being

neutral must be remembered so that researchers own motives or set of values do not affect the results of the research (Vilkka 2005, 158-159).

The fact that I have no personal connection or obligation outside of the research to the retirement homes or to the staff working in them makes the research trustworthy, because I was able to handle the material objectively. Furthermore, informing the interviewees' that the interviews are going to be anonymous so helping the express their true opinions and recording the interviews contributed to the trustworthiness. With conducting the interviews in this manner, the interviewees were able to answer truthfully and their exact words could be used.

The validity of the research is strong (Vilkka 2005, 161) because with the research I was surveying the interviewee's opinions. Meaning that, if the research would be later be redone with the same people, their answers would mostly be the same. Forms of the questions in the interviews were thought carefully to avoid misunderstanding or wrong interpretations. While conducting the interview I took care that all the questions were answered from the point of view that they were meant to be answered. Validity is more expedient when conducting quantitative research because then interviewee's are not in personal contact with the researcher.

The reliability of the research (Vilkka 2005, 161-162) refers to the validity and reliability of the results, meaning that if the interviews were to be repeated with a different interviewer the answers would be the same. With the interviews we were able to have a natural discussion and had reserved enough time for the interview. In addition, the interviewees' had time to read the questions beforehand to prepare to the interview. Furthermore, it is important to notice that with the interviews the main goal was to get the interviewee's own thoughts and ideas of what customer-orientation is and what it means in their work place. Therefore, the answers may vary, because the answers are based on personal conception and opinions and they cannot be compared like facts can be. For previously listed reasons the reliability in this research is good.

## 5 ANALYZING THE RESEARCH FINDINGS

### 5.1 Interview topics

The interview questions were carefully thought and they were organized and combined by the researcher. The goal was to create a comprehensive interview question frame where the interviewees' background and opinions about customer-orientated service and providing service in health care area could be surveyed best. The challenge was to keep the interview questions precise and leading to the right direction. Because the topic of customer-orientation is very wide, therefore the interview questionnaire frame could not be short. The questions had to be divided into the following four different sections background, customer-orientation, feedback process and how to improve customer-orientation. (Appendices 1) The interview questions were approved by the head of the social office of Rauma.

The actual interviews went well because the questionnaire frame was put together with lot of thought, it was easier to lead the conversation, and only few times I had to explain what really was meant with the question when I thought that perhaps the interviewee did not fully comprehend what really was being asked. The interviews were conducted for two different groups management of retirement homes and for nurses working in the retirement homes. Also the residents of the retirement homes were interviewed but their interview questions were simplified, so that there was only one category and all the necessary questions were placed there to find out how they understood customer-orientation and did they feel that they were receiving service that is customer-oriented.

### 5.2 Background

First the interviewees were asked whether they were working as regular nurses or did they have any position in management so I could later see if there was any difference their opinions. I managed to interview managers from all three different retirement homes that were partaking in this research and four nurses from each retirement home. Then I thought it would be important to know how long they have been work-

ing in the nursing field, the figures varied from three and half years to 25 years but great majority of the interviewees had worked for over 10 years in the nursing field. Third question was created to see if there was any difference in the answers if they had worked only in public sector or if anybody had experience from the private sector retirement homes.

Every one of my interviewees' had worked in public sector for most of the time they had been working the field, only couple had some random very short replacement in the private sector. Answers to the fourth question tell that do the interviewees' have experience from other public sector retirement homes or just the one that they are working for now. Only one or two had experience from one retirement home and the rest had experience from at least two, couple even had worked in all the three retirement homes that were participating in this research.

### 5.3 Customer-orientation

First question was finding out what the nurses and management understand as to be customer-orientation in their field of service. Most of the answers were in line of that the service should be given to all residents with their own terms. Meaning that every resident could express their individual needs, and according to the possibilities the service would be provided satisfying the requests from the residents. In practice the answers were saying that the given service should be individualized for each and every resident, that the residents would be able to express their individual needs and desires so that they could have an effect on the daily routines when possible.

Important factors that were mentioned were that in order to be customer-oriented the residents should be pleased with the service they are experiencing. A member of the management added also an important factor, that the nurses should try to support the residents to do many things themselves and then assist and support when help is needed, this way the functionality of the residents are helped and maintained as long as possible. It is also important to understand that sometimes the residents do not really understand what is best for them and they might not agree with everything that needs to be done like example sometimes taking showers weekly is hard to accomplish without little forcing.

Secondly was asked, how customer-orientation shows in their work places. Generally everyone who gave answers said that it shows in the daily routines by giving respect to the residents and trying to provide service according to their wishes. Important measurement tool is that all the residents were happy on daily basis. With the residents that are able to communicate meaningfully are discussed on daily basis to evaluate their happiness and if there is any complains they are taken into consideration right there. For example if the resident likes to sleep little bit longer in the morning or likes to go bed early in the evening they are allowed to do so. Also if the resident is used to dress nicely and have jewellery on and get their hair done then to those request are answered to the best ability of the nursing staff. Alerting in the answers to this question was that only few interviewees' mentioned here that in the retirement homes when a new resident comes a treatment plan is made with the resident or family of the resident and nursing staff and a member of the management also is participating. A written document is produced so that the nurses giving the service can read all the information given about the residents and therefore be able to give more customer-oriented service.

Third question was that do the residents get customer-oriented service. As a general rule yes the residents receive customer-oriented service. Majority answered that taking care of the elderly is a calling and if it is not your calling profession you will not stay in that line of work. Of course there are factors that affect the level of service like the number of nurses working. Almost 100% of interviewees' said that they are under manned almost all the time and that is deflating the ability to provide customer-oriented service. One fact is mentioned by management that nowadays a big number of the new residents that come in are such a poor state that they might not able expresses themselves really good. Then all the necessary information given by the family to understand the needs of these residents is more that welcome. Some residents have said that the nursing staff are just there to serve the residents and are not willing to put effort into trying to do daily errands and help to maintain their own functionality, this sort of thinking is not acceptable and sometimes it seems to the residents that they are not getting customer-oriented service. Very good point was brought up about special health care that the residents are able to have special treat-



ments and services if the pay for it themselves as an example was mentioned about gynecologist services.

Fourth question is that who notices the feedback from the resident or family and the fifth question is a continues question that; is how does it show. Also question number six about how feedback noticed is covered here with these answers. All the interviewees' shared the same view that the first feedback always comes to the closest nurse working to the resident. If the request is something small and it can be put into action straight away it is done so and then the daily meeting with all the nurses it is brought up to everybody's attention. If the nature of the request is little bit more difficult then it is brought to the head nurse of that shift and then the head nurse makes decision, if the request requires even approval from the management level the head nurse brings the issues to management level who then makes decisions. A feedback postbox was mentioned by one or two interviewees' and the experience was that it does not work because the residents or their family members very seldom leave feedback, even though the box is in a visible place.

Most of the residents are not able to give reasonable feedback themselves and then it is up their family to give feedback and those situations usually are productive conversation. Many residents have family visit very frequently and some family members never communicate with the nursing staff which of course is not developing anything. More contact from the families would very appreciated. A member of the management said that hardly ever anything comes up to the management level, if changes are done due to the requests that are made, then it is put on the information board and sometimes they even organize family evening where there is announcements made about the changes and also open conversation with staff, residents and also the family. But is only fraction of the residents that are represented there but themselves or the family. More correspondence is wanted between family members and nursing staff from the management level also. Effika is mentioned and it is a personal detail file on residents, where information is gathered about the residents and also their improvement ideas can be written down there.

The sixth question was how the opinion is noticed from the resident or family member. Here I wanted to know if there is some sort of outline of how to function is these

feedback situations. But nobody answered for example that according to the handbook or agreed practice we function in this or that way. Everyone answered more or less the same way that feedback is given immediate response when possible and when it requires more attention then it is talked through in the nurses' daily meetings. In this question again came up that more feedback would be nice to receive and to all feedback the staff is ready answer to their best ability.

#### 5.4 Feedback process

How can the residents and their family express their wishes concerning the service. All the interviewees' agreed that the first and foremost used method is straightforward speaking almost daily opinions and states of minds are expressed. It is very simple and easy way to take care of issues when they are brought up and expressed clearly to the nursing staff. With the most active family members weekly correspondence is very normal but there are the other end of families, one of the interviewees' expressed that there are family that visits the residents on regular basis but in the last three and half years has not said more than hello to the nursing staff. In the rooms there also are notebooks that are meant for the purpose that when family members want to talk to the nursing staff and they are in a hurry they can just leave a note and then nurses will answer questions or comments back to the notebook. Telephone is used quite often also to take care of urgent feedback or information exchange, sometimes feedback comes through e-mail. The feedback box is mentioned and also the fact that it does not really work because no one never leaves feedback through it.

The experience is that feedback comes orally and is often is not documented. Management level remembered to talk about the housewarming meeting that is organized approximately one month after moving into the retirement home. There the resident and close family meets the nurses and management and there the observations made in the first month are talk about and possibly some practices are explained on both sides. The concern of not active communication between some family members and the retirement home is brought up.

What reactions do the feedbacks bring and the flow of the feedback meaning that how is the feedback handled and who handles it and is there a time limit given for handling the feedbacks. The answers naturally were in line with what has been said earlier. The person who receives the feedback answers to it when possible and if it needs more attention then the staff talks it over in their daily or weekly meetings. The nursing staff all mentioned that there is no time limit given for feedback that how fast should the answer come, but of course to all feedback are responded as fast as possible. Management level mentioned that if the feedback is given on paper and it is pointed to the management then they are answering within two weeks.

The fourth question was who makes the decision that result from the feedback. The answers were very systematical, the decisions are made together with the nursing staff. If they are not able to come up with united opinion then they can even vote. If decision cannot be made with voting then the head nurse must resolve the issue. The answers also stated that according to seriousness of the decision it goes higher and if the question is about issues that require funding then they are always management level issues.

Fifth question was that how the residents or their family are then informed about the possible answers whether their answers are positive or negative. Almost all the answers are given verbally and if the answer to the feedback is positive then it needs no reasoning and is accepted and the level of satisfaction rises automatically. If the answer is negative meaning that not satisfactory to the feedback giver then reasoning will be given and if the situation requires then even the retirement home manager can come to discuss the matter. If the feedback was in written form then it is always answered in written form. One of the interviewees' thinks that often feedback is received but not answered. Interesting point was brought up that in many cases the resident who gave the feedback and then received an answer does not remember in the near future that he/she even ever gave feedback and received an answer. Proposal was that there could be notebook for every person and important feedback and answers that could be written down so later the resident could read it or even the family who comes to visit the resident could have an idea of what discussions the resident and nurses have had recently.

Sixth question was that are the possible changes then afterwards monitored. Nursing staff said that monitoring as such does not really happen. The resident might be asked how do they feel now has the change been what they waited for. The changes are not really monitored, in daily or weekly staff meeting there might come up that have they remembered to put the new changes into action. One interviewee mentioned that it is up to the nursing staffs' conscience whether they implement the new changes into practice. Another feels that there is a lot of room for improvement that the monitoring is left almost without any attention, interviewee says that the changes are not written down anywhere. Management level says that again the effective use Effika is monitoring but they say in the same sentence that there is room for improvement in the monitoring, at the moment the responsibility really rest upon the head nurse to know that everyone is applying the changes in their everyday routines.

Seventh question follows the previous question quite closely, if they are monitored then how is the monitoring done. There is no system for monitoring, so it is mostly done by the closest nurse to the resident and the nurse can in passing by ask and check the satisfaction. As a general rule it is that the nurse who received the feedback will also implement it and afterwards then check the satisfaction of the resident or the family. There is no outer monitoring and this system the management level that there could come a change so that then the changes would actually be monitored and not just trusted that all the nurses will adopt the changes in their daily performance. Again the point comes up that a very large number of the residents are in weak condition when they come in to the retirement home that it is very difficult to get meaningful feedback from them and even harder to monitor their feelings about the changes. In these cases the presence of family members is very important because they have longer experiences with their family member and can read the signs better. Therefore they can get a feeling of how the resident is experiencing the new atmosphere and the situation that they are living now.

The last question in the interview questionnaire frame in the feedback part was that it is there any written instructions for the whole feedback process. Most of the interviewees' answered that there is no written instructions for feedback process everyone just should understand themselves how to act in feedback situations. A couple of them mentioned that there is a orientation binder and there might be something in it

about feedback process. This orientation binder is given to all the new staff member to read when enter in to the working force in that particular retirement home. According to the management it is more like a protocol than a clearly instructed procedure.

### 5.5 How to improve the service to become more customer-oriented

This question got a lot of attention everybody took their time to think how they wanted to answer this question. Every single nurse said that there must be more staff in order to give little bit more time for the individual residents. The common idea was that customer-orientation means that the service which is given would be to satisfy the residents' individual needs. Example was given that you cannot assume that you bath three different residents in one hour and think that you have given customer-oriented service. Another example was that there is no time to just sit down next to resident and have a little conversation and sense the current feelings of the resident.

All of the nurses also mentioned that doing everything fast has become the culture in their work place because there just is not enough time to give some real time to the residents when serving them. Most of the nurses also answered that they understand that there will not come more nurses to work because everything nowadays most cut costs, unfortunately in this field when you cut costs it cuts the quality of service that the residents are receiving. Many of the nurses saw it to be important to mention that the level of motivated nurses could also be higher. One of the interviewees' found it hard to stay motivated because the of the lack of support from the higher level and here she refers to government of Finland if there was not always just the blaming finger being shown but even just sometimes there would be some recognizing the good work and the effort put in to the retirement home field. A few of the nurses mentioned here again that the correspondence and cooperation between nurses and family members should more active and this factor would change given service more individualized and therefore the level of customer-orientation would rise noticeably.

The management feels that this is a big question and the starting-point should be that there are the right people working meaning that everyone would be motivated to work in the retirement home field. The staff must understand that they are working to serve the residents. That everything they do during their working hours should be according to the desires of the residents and their family members and not just to get the job done. The management was troubled by the fact that there is yearly made a satisfaction questionnaire, where the response rate is really low so again that the family members are not communicating with the retirement homes.

Family members mostly visit in the evenings when there is lowest amount of staff working so they might think that they do not want to trouble the nurses who already look very busy. The most effective way to make the service more customer-oriented is to be able to have conversations with the family members, there must be a way to encourage the family members to give feedback and express their needs and desires. The retirement homes are divided into different sections where dementia residents are in one and residents that have mobility difficulties are in one, this has helped a lot.

## 5.6 Interviews conducted on the residents

The interview questions were basically the same that were asked from retirement homes staff and management. Some modification was made to help the questions to be more understandable for the retirement homes residents. Also the six students from the Faculty of Social Services and Health Care of Satakunta University of Applied Sciences who were conducting the interviews were mentored on what the questions actually mean and what sort of answers are expected from the questions. The students who have experience from operating with elderly people were able to meet the residents at their rooms to have a conversation and write down the answers.

In the beginning as background questions were established that is the interviewee a resident or a family member, in which retirement are they living in and for how long have they lived in public sector retirement homes. All the interviewees' are residents in public sector retirement homes  $\frac{1}{4}$  from Uusilahti,  $\frac{1}{4}$  from Marttilanmäki and  $\frac{1}{2}$

from Kaunisjärvi. 24 residents participated in this research. The length of stay in the retirement homes varied from three weeks into over ten years, they majority of the interviewees' had lived in the retirement homes around three years.

Next part was about customer-orientation, where it was asked whether the resident are able have an impact on the service that they are receiving. This part divided the group in two different groups where the residents how answered "no" meaning that they are not able have an affect on the service that they are experiencing was little under half of the population who were interviewed. The interviewees' who answered "yes" said that their affect shows in everyday life when they are able request for assistance in mobility, choosing their own clothes and they are able choose themselves that in which activities they want to participate. There also was couple who answered that they are able have an affect on the service but they are not sure how they are.

Then came the question about feedback, where it was first asked if the residents are aware that is there a feedback system in the retirement home where they are living. Almost all the interviewees' said that they do not if there is a feedback system, only a couple said directly no there is not and one or two said that yes there is a feedback system. Second question was how can the express their wishes on the service and with a couple exception everyone answered that they can speak to the retirement home staff about wishes and normally it is the nurse working closest to the resident. Thirdly it was asked if they had given any feedback and what have been the reactions to those feedbacks. Only few of the interviewees' has given some feedback and most of the residents thought that they have never given any feedback. The reactions to the given feedback were in most cases positive, but there were only one or two experiences that had been reacted to.

To continue on the question above, interviewees` were asked the following questions. Are the residents told how and who handles their feedback, are the residents informed about the possible changes that their feedback brings and last if their satisfaction is asked afterwards. The interviewees' who answered that they have given feedback all were united in the answer that they are not told how and who handles their feedback. They also were unanimous in the experience that they are not informed about the changes that are the results of their feedback. Then in little contra-

diction to the earlier answers all the interviewees' had the same experience that their satisfaction is asked afterwards.

Last question was that how can giving feedback and then handling the feedback be improved. The interviewees' did not really have any suggestions on how to improve the whole process in itself but some of the answers mentioned that there should conversation, meaning that the nurses should ask more how the residents are feeling and how they are experiencing the service. Many answered that there is far too short number of staff working at the same time and two mentioned that very nice would also be if the retirement home management would be available even sometimes when the residents are requesting for them. The overall expression that was left was that the flow of information should be somehow more organized and it would be very important that it reaches everyone.

## 6 RECOMMENDATIONS

During the interviews and while analyzing the interview results some observations were very explicit. The most commonly mentioned area of improvement from staff, residents and family members was the shortage of nurses. This fact is clearly shown in how much time nurses offer to residents in providing service compared to running through the procedures and the compulsory daily routines. The second area of improvement was that the communication and overall information flow is not reaching everyone who is participator in providing the service and users of the provided service. Occasionally feedback from residents or family member is not documented in writing and therefore not all people involved in the situation are aware of the feedback. Furthermore, the answer for the feedback goes through the same process and often it is undocumented, where all the participators would be able to access the decision. Third area of improvement was that there are many residents who seldom have family members visiting them and when they do, far too few have conversations with the staff and relate their feeling on experienced customer-orientation.



For the first improvement area there is nothing that I could do to improve the situation. The areas where I actually can give some improvement ideas are how to better the information flow between retirement homes and residents and their family members. Furthermore, I will comment on how to shorten the distance between some family members and the retirement homes and how to get both parties to communicate more efficiently.

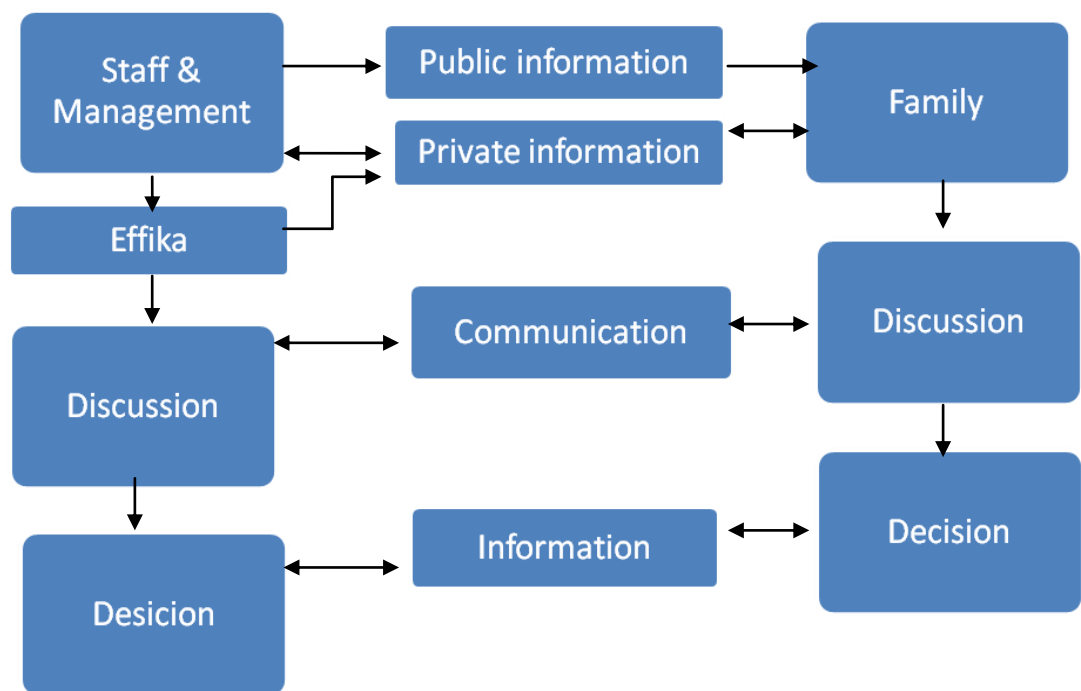


Figure 9: Internet portal process (Grönlund 2010)

My idea is to present an internet portal where retirement homes are able to publicly inform residents and their families about the coming events and possible changes or improvements that are going to take place in the offered service. Moreover, the portal

has the ability of being a note board for information that the retirement homes are wishing to announce. On the portal there would be private accounts for residents where the staff is able to write e.g. weekly comments about what the resident has done and how the resident has felt. Furthermore, there should be implemented ability to access effika, where the retirement home staff weekly documents information, where just by highlighting and sending sections of the information to the private account it is available for resident and family members. In this way for example if a person who lives abroad and whose grandmother is a resident in one of the public sector retirement homes in Rauma, the person is able to read weekly how the grandmother is doing, the person is able to questions, and comments could be exchanged easily between the family member and retirement home staff. A more common example could be of a family member who is working from eight to five and is only able to visit in the evenings, but at that time there is a limited amount of nurses working so there is no time for a meaningful conversation. However, at home on the most convenient time the family member could go online and read about the resident and write comments to the retirement home.

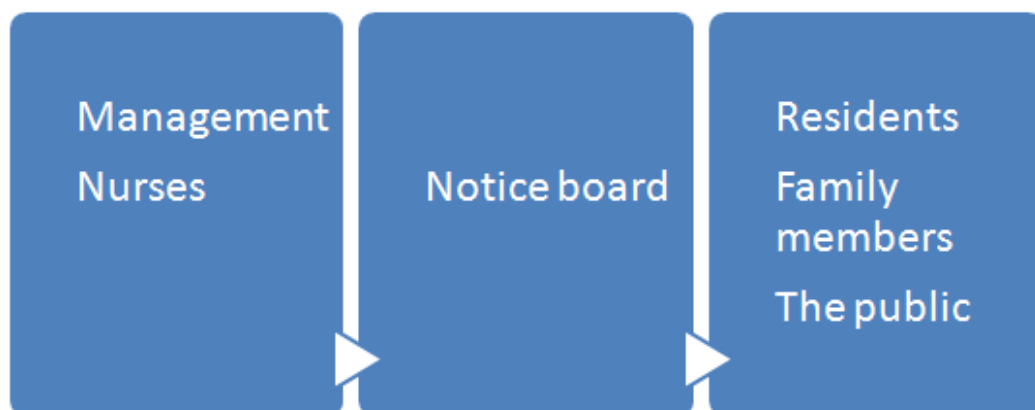


Figure 10: Front page of new communication channel (Grönlund 2010)

The facts that are working for my improvement idea are its functionality, it can bring all the levels of staff from the retirement home together and meet the residents' family members at the most suitable time for all. Currently a majority of the family members are able to use internet and have the opportunity to do so on regular basis. Furthermore, using an internet portal is a cost-effective way to improve the two-way communication and information flow.

The purpose of this whole improvement idea is to close the gaps, which were presented in the conceptual framework. Gap 1 was what the management believes the residents and their family members expect from the service. When there is continuous communication between the management and the residents and their family members then the management level can understand the true desires of the residents and their family members. Gap 2 was the difference of perception in service quality between the management and the staff. With the internet portal both the management and staff must be aware of what is being offered as service. Gap 3 was the perception of service quality by the staff and the real level of customer-orientation in the delivered service. Through my proposal the customers of the delivered services can express how they are experiencing the services, this reveals the opinion that actually counts. Gap 4 was the problems in external communications to the residents and their family members. The problem was that there is serious lack in the communication between retirement homes and their residents' family members. This internet portal is a channel created to ease the communication and make it be more valuable.

By introducing the notice board gaps between management, nurses, residents, and family members the information flow can be cut down. Moreover, the notice board system saves time and financial resources quite noticeable, when new information can be added within few minutes and it is able to reach everyone who in the internet portal. In Figure 9, the arrows indicate the flow of information. Management and nurses input information to the notice board and immediately the information is available to residents, family members, and to public viewers' in other words different interest groups of the internet portal.

Family members should be encouraged to visit actively the internet portal. The easiness to access information increases the activity of family members and leads into escalating interest of family members on how the resident is feeling and experiencing the stay at the retirement home. The gaps covered with the notice board are gap one between management and expected service and gap two between management and nurses.

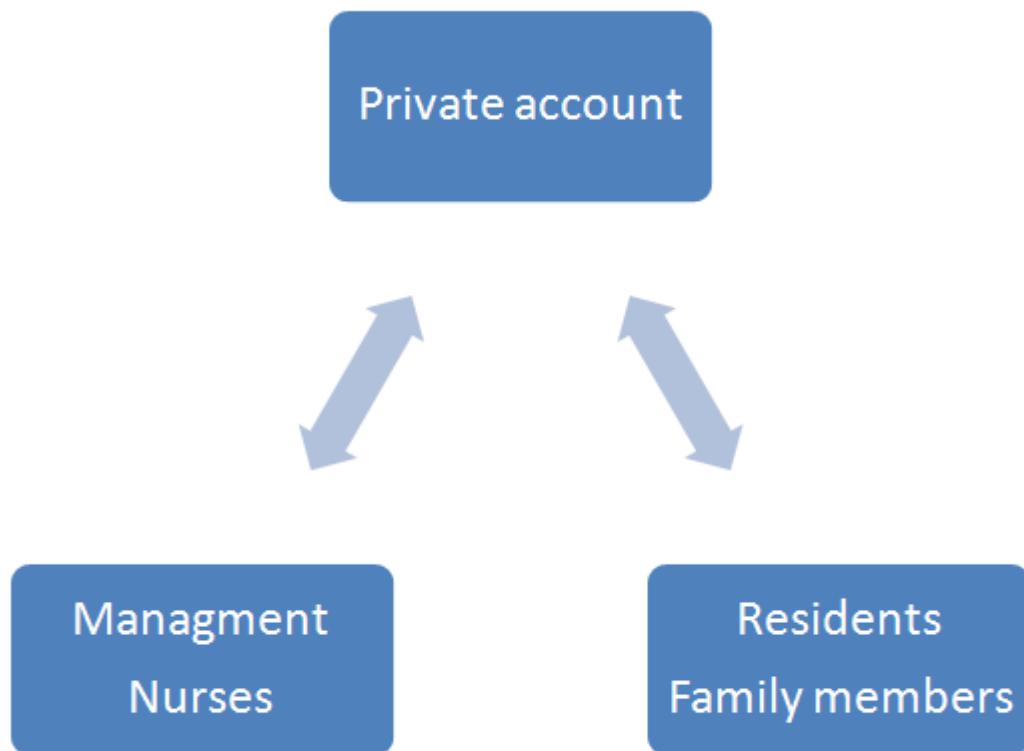


Figure 11: Private account for communication (Grönlund 2010)

The private account is a notice board where both parties the management, nurses, residents, and family members are able to input information. By using the channel improvements can be made, when residents and family members are able to give feedback, ask question and learn more about care and service their loved one is receiving.

When users are encouraged to be active and communicate actively it increases the satisfaction rate among the residents and their family. Furthermore, this motivates management and nurses to give more for the process of improving their services to be more customer-oriented.

Gap three between the perception of service quality and the level of customer-orientation in the delivered service is brought closer if not totally eliminated. Moreover, gap four between customer-oriented service and external communication with the residents experiences a major step forward.

## 7 CONCLUSION

The purpose of this was to study the research customer-orientated service in public sector retirement homes in Rauma. Special interest inside the topic were: how does the feedback process work at the present time, does the retirement home staff respond enough to feedback, and how can the service be improved to be more customer-oriented.

This thesis successfully found answers to all the questions above and it also found an improvement idea that changes the direction of customer-oriented service in the retirement homes. A limitation in the study is that not all staff members were interviewed and the ones that were interviewed were selected by the manager. Furthermore, only reasonably small portion of residents were interviewed due to the fact that most of them are unable to have a meaningful conversation. Moreover, interviews with family members were almost impossible to conduct because the retirement homes cannot give their contact information and I did not have resources to go to the retirement homes in the evenings hoping to meet some family members for interviews.

The ethical issues that might have occurred in the research are: (1) prompting answers from the interviewees, or (2) breaking the fiduciary duty by given information out that could be pointed to a certain staff member. However, every informant participated voluntarily and with all of the ethical issues I was able to keep the requirements of quality standard.

Results that came from the research are reliable because all the interviewees were on voluntary basis and their opinions were asked with them knowing that their identity will not be revealed. Therefore, everyone was able to be honest because their answers would not be used against them or they did not respond to please someone else in order to inspire for a better position in their workplace. Same goes for the residents, since there was no personal gain if the answers would have been untruthful. Furthermore, the interviews were audio recorded meaning that true answer were considered when analyzing the results and not just notes made by the interviewer.

The recommendation of this research is to create an internet portal for announcements and additional information. Specifically, to create a private account to bring family members closer to the retirement home and to give means for easier and more effective interaction. This improvement idea can be utilized in the near future. All it takes is to design a web page and starting to introduce the idea to the residents and their family members. There is a big demand for this idea among the population that has used computers most of their lives and are used to handling errands online.

Idea for further research is to find out if the family members find the idea of online portal attractive and are motivated to use it. Furthermore, to see portal would encourage them to be more involved with the care of their family members. Additional area of interest is to study how to lead motivated people in the retirement home field and how to continuously motivate the staff and to maintain a good level on customer-oriented service.

I engaged myself fully in this thesis to make it meaningful and my intention was to create something that is useful and of great value. I feel that I succeeded with that intention. I would not operate differently if I had the chance to start the whole process all over again.

## REFERENCES

- Grönroos, C. 2007a. *Service Management & Marketing - Customer Management in Service Competition*. Chichester: John Wiley & Sons Ltd.
- Grönroos, C. 2007b. *In Search of a New Logic for Marketing: Foundations of Contemporary Theory*. Chichester: John Wiley & Sons.
- Hill, M. 2003. *Service Marketing: Integrating customer focus across the firm*. 3<sup>rd</sup> edition. New York: McGraw Hill.
- Holma T. 2003. *Laatua vanhustyön arkeen- suunta ja välineet kehittämistyöhön*. Helsinki: Suomen kuntaliitto.
- Johnson, D.M. 1998. *Customer Orientation and market Action*. New Jersey: Prentice Hall.
- Kujala E. 2003. *Asiakaslähtöinen laadunhallinnan malli*. Akateeminen väitöskirja. Tampereen yliopisto.
- McColl, R., Callaghan, B. & Palmer, A. 1998. *Service marketing*: New York : McGraw Hill.
- Performance Research Associates. 2006. *Huippupalvelua asiakkaille*. Helsinki Rastor Oy.
- Rissanen T. 2005. *Hyvä palvelu – Mitä se on? – Kuinka se saavutetaan?* Vaasa. Kustannusyhtiö Pohjantähti, Polestar Ltd.
- Vilka, H. 2005. *Tutki ja kehitä*. Helsinki: Tammi kustannusosakeyhtiö.
- Weinstein, A, & Johnson, C.W. 1999. *Superior Customer Value*. USA: CRC Press.

Ylikoski, T. 1999 Unohtuiko asiakas. Helsinki: KY-Palvelu Oy.



## APPENDICES 1

### **Interview questions for nurses and management. Word user means residents and their family**

#### Background:

- Do you work as a nurse or are in management?
- How long have you worked in nursing field?
- How long have you worked in public sector nursing field?
- In how many retirement homes have you worked in Rauma?
- Employer at the moment?

#### Customer orientation:

- What does customer orientation mean?
- How can you see customer orientation at your work place?
- Do the residents receive customer oriented service?
- Who notices the feedback from the elderly/ family?
- How does that show?
- How is the opinion from elderly/family noticed?

#### Feedback process:

- How can elderly/family express their wishes concerning the services?
- What reactions does the feedback bring?

- How is the feedback handled? Who handles it? Is there a time limit?
- Who makes the decisions?
- How the elderly are informed about the possible changes (positive or negative) or are they informed?
- Are the possible changes monitored?
- if so, then how?
- Is the satisfaction of the elderly monitored?
- Does a written manual exist for feedback process?

How to improve:

- How can service be improved to be more customer oriented in retirement homes?

### **Interview questions for elderly and their family**

Background:

- Resident or family?
- In which retirement home they live?
- How long have they lived in this retirement home?

Customer orientation:

- Are you able to have an impact in the service in the retirement home?
- How does it show?

Feedback process:

- Is there a feedback system that is in action?
- How can you express your wishes on the service?
- What has been the reactions to you feedback?
- Have you been told how and to whom your feedback is informed?
- Are you informed what solution your feedback brings?
- Is the satisfaction asked afterwards?

How to improve:

- How do you think that giving feedback and it's process can be improved?

**Kysymykset työntekijöille ja johtajille. Käyttäjällä tarkoitetaan vanhainkotipalveluiden käyttäjiä sekä heidän omaisiaan.**

Taustatiedot:

- Työskenteletkö hoitajana vai johtavassa-asemassa?
- Kuinka kauan olet työskennellyt hoitoalalla?
- Kuinka kauan olet työskennellyt kunnallisella vanhusten hoitoalalla?
- Kuinka monessa olet toiminut raumalla?
- Nykyinen työpaikka?

Käyttäjälähtöisyys:

- Mitä käyttäjälähtöisyys mielestäsi on?

- Miten käyttäjälähtöisyys näkyy työpaikallasi?
- Saavatko vanhukset mielestäsi käyttäjälähtöistä palvelua?
- Kuka huomio vanhusten/omaisten antaman palautteen työpaikallasi?
- Miten se näkyy työpaikallasi?
- Miten vanhusten/omaisten mielipiteet otetaan huomioon työpaikallasi?

#### Palauteprosessi:

- Miten vanhukset/omaiset voivat ilmaista toiveensa hoitoaan kohtaan työpaikallasi?
- Miten palautteeseen reagoidaan?
- Miten palaute käsitellään? Kuka sen käsittelee? Onko jokin aikaraja?
- (Kuka päätökset muutoksista tekee?)
- Miten vanhuksille ilmoitetaan päätöksistä (positiivinen ja negatiivinen päätös), vai ilmoitetaanko siitä?
- Valvotaanko palautteen pohjalta mahdollisesti tehtyjä muutoksia?
- Jos valvotaan miten?
- Valvotaanko vanhusten tyytyväisyyttä muutoksiin?
- Onko palauteprosessiin olemassa kirjallista ohjeistusta?

#### Kuinka voidaan kehittää:

- Kuinka vanhainkotipalveluita voidaan mielestäsi kehittää käyttäjälähtöisemmiksi?

## **Kysymykset vanhuksille ja heidän omaisilleen**

taustatiedot:

- Oletko palveluiden käyttäjä vai omainen?
- Missä vanhainkodissa asutte?
- Kuinka olette asuneet tässä vanhainkodissa?

Käyttäjälähtöisyys:

- Pääsetkö vaikuttamaan hoitoon vanhainkodissanne?
- Miten vaikutuksenne näkyy?

Palauteprosessi:

- Onko teillä käytössä jokin palaute järjestelmä?
- Miten saatte ilmaista toiveet hoitoanne kohtaan?
- Miten teidän palautteeseen on reagoitu?
- Onko teille kerrottu miten ja kenelle asianne etenee?
- Kerrotaanko teille mitä toimintoja palautteestanne seuraa?
- Kysytäänkö jälkikäteen tyyväisyyttänne muutokseen?

Kuinka voidaan kehittää:

- Miten mielestäsi palautteen antamista ja niiden käsittelyä voitaisiin parantaa?