

The study on the relationship between outsourcing services of health notebook issuance with satisfaction of Zahedanian citizens

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Abstract

This study is aim to investigate the relationship between outsourcing services of health notebook issuance and Zahedanian citizens' satisfaction. The purpose of this research is applied and in terms of nature and method is descriptive and correlational. The statistical population of this study were 110 subjects of Sistan and Baluchestan health insurance employees among which, by the use of Morgan table, 86 samples were selected and finally after returning questionnaires, 75 subjects were determined. Zahedanian citizens were 176,471 subjects that through Cochran formula, 384 samples were obtained. Random cluster sampling method was used for Zahedanian citizens (service receiver) simple random sampling method was used for the entire employees of the Health Insurance office. The study tools were a satisfaction questionnaire (16 questions with items adapted from the Someae, 2004) and a researcher made outsourcing questionnaire (16 question with 5 items). This study had content validity and the general reliability was estimated 0.87 for satisfaction questionnaire and 0.89 for outsourcing questionnaire. In general, findings indicated a significant and positive relationship between outsourcing services and satisfaction of citizens of Zahedan. Also, there is a significant and positive relationship between service quality, service providing, and power of employees' responsiveness and skills with satisfaction of citizens. Finally, suggestions were given to the users of results and other researchers.

Keywords: outsourcing, satisfaction, health service notebook, citizens

Introduction and Statement of Problem

Financing of the health system is considered as a major concern for rich and poor countries because

the health system allocates 9% of global production to oneself. Since the developing countries try to improve their population's health, achieving to the economic development targets and aligning themselves with the global economy, financing of the health system becomes a serious concern for them because, these countries are having 84% of the world population. Also, they tolerate the 93% of the disease burden. But, in contrast, they have only 18% of world income and allocate 11% of world's health expenditures to oneself. One of the components of health system reforms policies in developing countries refers to the restructuring of financial resources. In this regard, privatization has been recommended as a way of treatment and outsourcing services is one of the interventions that have been used for this purpose (Kavoussi *et al*, 2011).

Outsourcing is a purchase mechanism by which a particular service is determined with defined quantity and quality and with an agreement about its price (Chih-Tung *et al*, 2009: 5). Outsourcing leads to shrinking of government along with reducing costs, increase efficiency and quality of services, creation of effective job in the private sector, transfer of technology, attraction of foreign investment and reduction of gap between domestic and foreign markets and helping to development. Also, studies have shown that, this strategy has the necessary potential to impact on access, equity, fairness and efficiency in the health system and can improve the health system goals and create an environment for collaboration of the private sector (Hey and Barbara, 2001).

There are some functions in organizations which lead to the positive and negative attitude of citizens toward organization. Thus, organizations have a crucial role in creating satisfaction or dissatisfaction. Although, organizational functions include a very wide range but, the ultimate goal of all functions is to create satisfaction between organization and citizens (Moayedfar and

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Zahani, 2005). Outsourcing services is one of the most promising management initiatives in the service sector has taken place over the past two decades. A large part of the society's labor force is working in the service sector and has direct connection with the client. Studies have shown that, companies and institutions that offer desired services to customers have common and important feature. These institutions pay serious attention to customers' wants, needs and expectations; they used a clearly defined and explained service strategy; these institutions have designed a system in which customers are treated well (Venus & Safaeian, 2005). The main and whole view about the application of the private sector's capacities refers to a private company's capability to conduct the certain services with an appropriate effectiveness and efficiency and lower cost toward the government enterprises. Also, the limited capital resources and income levels and problem of low efficiency level and motivation of human resources in public organizations with rapid population growth and related needs and increasing expectations of the people make two-fold the need to high investment in maintaining public facilities and accelerate responsiveness to customers. However, the competition principle, economy saving, customer satisfaction, etc, all confirm that the outsourcing services help to maintain public facilities and gradual elimination of government subsidies. The proposed issues and problems are in such conditions that being a huge governmental organization is a major impediment to accelerate services conducting and evolution and profitability creating. Therefore, pushing a part of the organization's activities to the private sector is their necessary and future need (Nassiri & Daneshi, 2011). Ranjbarian *et al* (2002) believe that, customer satisfaction is the goal of many service organizations. But, keeping existing customers is much less expensive than attracting new customers. Providing appropriate services leads to customer retention and customer's satisfaction of provided service causes to recommendation of product for others. This is a value that, to be able to provide new sales for organizations through their customers' positive advertising. Conversely, the customers' dissatisfaction from the services provided could reduce the share of organization in market. In order to meet customers' satisfaction, their demands and needs should be addressed. Ashraf Zadeh (2010) states that, essentially outsourcing in its most important shape points to buying products and services that had already been made or provided by company but now it is seen that outsourcing points to buying any service, regardless of whether has already been done by the company or not. Nowadays, due to the rapid development of communications technol-

ogy, utilization of outsourcing globally to provide better quality services to the customer have been considered by employers. In other words, the debate on globalization and outsourcing is critically important. But, due to the lack of a clear framework for decision making in outsourcing, its utilization is not always successful. The first and most important principle of marketing refers to the customer's request consideration. Organizations cannot survive without paying attention to their customers' liking. However, before proposing marketing as a science, all kinds of institutions try to satisfy customer's needs and liking. So, what is significant in new philosophy is to look at things from the customer's perspective. It should be note that paying attention to the customer is different from customer-oriented. In philosophy of customer-oriented that is emphasized on customer's demand. Namely, at first, customer's wants are determined and then it is tried to find its realization's means or method. The two aims of the customer-oriented strategy are that the services provided by organization make a distinctive aspect for customer that can be understood and measured and have had a broad and comprehensive impact on what is doing in the organization. This philosophy is called customer-oriented because it represents the internal culture of an organization and requires managers' intellectual development in believing and being committed to such a philosophy. The necessity to establishment of such philosophy is to fit the technology and organization structure with such a goal. Therefore, it is necessary to revise the internal functions and activities of organization and in order to provide quality service, standards should be developed, quality assurance programs should be designed and employees should be trained in the area of customer relations (Company, 2001). Customer satisfaction is the degree of acceptance that the customer acquires due to the various characteristics of the product. Customer satisfaction can lead to customer loyalty and thereby increases the reputation of the company and consequently will lead to enhancement of future profitability of company. Customer satisfaction is achieved when the customer's actual demand is provided and his need to be met on time and in the way he wants. Meanwhile, it should be remembered that customers trust to an organization in order to achieve their expectations and needs, from this perspective, organization has moral commitment to satisfy these expectations (Anderson, Fornel and Lehmann, 1994; as cited in Ashraf Zadeh, 2010).

Outstanding services should be identified by customers' desires and expectations. If services to be very interesting in terms of suppliers, but they fail to satisfy customers, these services are not considered

significant. Outstanding service is not always what the supplier thinks; sometimes a client had to call organization several times to resolve the differences in his bills (Ranjbarian and Soltani, 2001).

• Valerie and her colleagues have described quality of service in an article as follows:

Tangible aspects of services including the physical facilities of structure of the services provider, equipment and personnel.

• Reliable services, which means the ability to provide services based on the promised conditions and with precision.

• Accountability, which means the organization's willingness to help customers and provide services in accordance with the promised condition.

• Competence in this concept that, the employees' knowledge and skills and their ability cause to attracting the customer's confidence and trust. Empathy with the customer refers to paying attention to customer in providing required services (cited in Ranjbarian *et al*, 2010).

Studies have shown that the use of outsourcing services reduce costs and increase company focus on its core activities. There are also other benefits of utilization of outsourcing. These advantages that influence the organization's decision to use the outsourcing are as follows:

1. Saving time for carrying out the internal processes
2. Reducing risk through partnering with other unit in an uncertain business environment
3. Improving customer services
4. Better access to expertise that is not available within the organization
5. Reduce the number of employees
6. Create a sense of competition among employees, especially when there is apparent inefficiency in different parts of the organization (Ashraf Zadeh, 2010).

Regarding the above-mentioned issues, the main question of this research is whether there is any relation between outsourcing services of health notebook issuance and Zahedian citizens' satisfaction.

Background of Study

Atari *et al* (2002) in an article entitled "The evaluation of patients' satisfaction and their expectations from the medical informing central libraries of Gonabad city" conducted a study on 150 patients who referred to library and research finding indicated that, 68% of studied subjects were students, 68% female, 39.3% in the field of nursing and 47.3% of them

were undergraduate. 68.5% of students were pleased of the central library and services provided too much. Syed Javadein & Almasi (2003) in an article entitled "The evaluation of the services quality of Social Security Organization from the perspective of the employees," they believed that, tend to service quality plays an important role in service industries like insurance, banking services, etc because service quality is considered as a crucial matter for survival and profitability of the organization. In fact, today, customer satisfaction and service quality are considered as the critical issues in most service industries. This issue is particularly important in relation to financial services, which generally distinction of services is difficult. Providing services to customer has always been important. But, today's customers have more opportunities to choice toward the customers in the past decade. This is due to the more competitive products and services in the market. Henning (2004) in a study entitled "The employees who are customer-oriented services provider" has concluded that, if organization's employees have had a customer-oriented behavior, it is considered as a key lever in customer satisfaction and organization's economic success and will lead to the long-term survival of the organization. Rodriguez and Robina (2004), had studied "The impact of outsourcing on competing priorities such as reducing costs, improving quality, flexibility, increase profitability, and delivery time". The findings showed that, the outsourcing is helpful in reducing the costs and also increase the flexibility and profitability and improves the delivery time and responding to customers. Yang (2005) conducted a study on the outsourcing of health services. The results showed that, with exception of radiology and pharmacy, any other clinical services is not outsourced and hospitals' managers of this country believe that, assignment of these services to private sector and outsourcing them, not only doesn't contain any financial savings, but also will create risks to the care of patients. Rahimi (2009) in a study entitled "satisfactory and quality insurance services measuring by the use of the SERVQUAL scale and ranking of the insurance services provider by using "ANP", indicated that, the most important effective components on satisfactory and services quality including the amount of responsibility and accountability, commitment and empathy. Also, a study was conducted by Chih-Tung Hsiao in 2009 about outsourcing of hospitals in Taiwan showed that, less than 3% of the nutritional, pharmacy and nursing sectors are assigned to the private sector and this shows that, hospitals in Taiwan are still conservative in desire to outsourcing of the clinical units (Tung

Hsiao *et al.*, 2009). However, the study conducted by Tabibi in Iran in 2007 on affiliated hospitals and health ministry showed that, between years 2004 to 2006, on average, 86.29% of services in studied hospitals are outsourced (as cited in Nasiri & Daneshi, 2010). Researcher, Assad Beygi, Barati and Birjandi (2011), in their study entitled “The impact of outsourcing the pharmaceutical services in rural healthcare centers on patients’ satisfaction” concluded that Kai average of the satisfaction of outsourcing pharmaceutical services of assigned pharmacies towards the public pharmacies has been less than the maximum expectation and the most common cause of dissatisfaction has been related to insufficient time spending by pharmacy employees for patients’ counseling. The study of Nassiri and Daneshi (2011) regarding “determining appropriate mechanism of organization outsourcing with emphasis on systematic approach” indicated that outsourcing of organizational services is very logical, but before any action in organization, the aims and the expected effects of the privatization should be determined by Privatization Committee and should be targeted by related program. Also, the required mechanisms to be implemented in the strategic, supportive and administrative areas for all identified activities that their capability to outsourcing has been confirmed, outsourcing would be more effective. Meanwhile, according to the amount and type of effects (positive or negative) of activities’ assignment on the morale and motivation of human resources, it should be paid attention to the effective issues on human resources, the qualitative and balanced growth of contractors sector and development of their capacity.

Research Objectives and Hypotheses

The overall objective of this study was to determine the relationship between outsourcing services of health notebook issuance and satisfaction of citizens of Zahedan. In order to achieve the above aim, the following hypotheses are examined:

Main Hypothesis

1. *There is a significant relationship between outsourcing services of health notebook issuance and satisfaction of the citizens of Zahedan.*

Sub-Hypotheses

1. *There is a significant relationship between service quality and citizens’ satisfaction.*

2. *There is a significant relationship between the power of responsiveness and citizens’ satisfaction.*

3. *There is a significant relationship between time of service providing and citizens’ satisfaction.*

4. *There is a significant relationship between employees’ skill and citizens’ satisfaction.*

Methodology

This study is a descriptive, in which its statistical population consist of employees of total office of health insurance (75 subjects) and citizens of Zahedan (176471), who have used the health service notebook. Random clustering sampling method was used for the citizens of Zahedan (service receivers) and the number of samples (sample size) is calculated according to the following formula:

$$n = \frac{z_{(1-a/2)}^2 \times p \times q}{d^2}$$

$$P=50\%$$

$$q=50\%$$

$$d=0.05$$

$$Z_{1-a/2}=1.96 \rightarrow n=384$$

The number of service receivers is 384 subjects by estimating 50% relative consent and 50% provision and to avoid being faced with the loss of sample, 384 copies was distributed that 380 copies were returned eventually. The Morgan table was used to estimate employees’ sample size. For 110 subjects of employees’ population, 86 subjects were listed that after the questionnaire distribution, only 75 questionnaires were returned and analysis was performed on 75 subjects.

Method and Data Collection Tool

In this study, the questionnaire was used to collect data as follow:

1. Outsourcing questionnaire: This questionnaire was designed by researchers including 16 five-choice Likert questions.

2. Satisfaction Questionnaire: to measure the customer satisfaction, a questionnaire adopted from Someae (2004) with 16 five-choice Likert questions was used.

The research questionnaire was given to five teachers and scholars of public management field to determine the validity and was used after approval. The questionnaires were distributed among 30 subjects then collected to calculate the reliability of the questionnaires. Cronbach’s alpha was used to measure the reliability of the test. Alpha coefficient was obtained 0.87 for outsourcing questionnaire and 0.89 for satisfaction.

Results

Main Hypothesis

1. *There is a significant relationship between outsourcing services of health notebook issuance and satisfaction of the citizens of Zahedan.*

Pearson correlation analysis was used to test this hypothesis, which is shown in Table 1.

Results of Table 1 show that the outsourcing services variable contains a mean of 50.12, standard

deviation of 9.92 and satisfaction variable contains a mean of 56.79 and SD 10.04, respectively. The above table also indicates that, the correlation coefficient of outsourcing services and citizens' satisfaction is equal to $r = 0.84$ which is significant at reliability level of 99% ($P < 0.01$). Therefore, it can be statistically concluded that there is a significant and positive relation between outsourcing services of health notebook issuance and satisfaction of the citizens of Zahedan.

Table 1. Results of descriptive statistics and Pearson correlation coefficient of outsourcing and satisfaction

Variables	Number	Mean	SD	r	sig
Outsourcing service	75	50.12	9.92	0.84	0.000
Satisfaction	384	56.79	10.04		

Sub-Hypotheses

Hypothesis 1: There is a significant relationship between service quality and citizens' satisfaction.

Pearson correlation analysis was used to test this hypothesis which is shown in Table 1.

Findings of Table 2 indicate that the outsourcing services variable with a mean of (12.38), standard deviation of (2.77) and satisfaction variable includes a mean of (56.79) and SD (10.04). According to the above table, the correlation coefficient

of outsourcing services and citizens' satisfaction is equal to $r = 0.90$, that is meaningful in reliability level of 99% ($P < 0.01$). Thus, it can be statistically concluded that there is a significant and positive relation between outsourcing services and satisfaction of the citizens.

2. *There is a significant relationship between the power of responsiveness and citizens' satisfaction.*

Pearson correlation analysis was used to test this hypothesis which is indicated in Table 3.

Table 2. Results of descriptive statistics and Pearson correlation coefficient of service quality and satisfaction

Variables	Number	Mean	SD	r	sig
Service quality	75	12.38	2.77	0.90	0.000
Satisfaction	384	56.79	10.04		

Table 3. Results of descriptive statistics and Pearson correlation coefficient of power of responsiveness and satisfaction

Variables	Number	Mean	SD	r	sig
Power of responsiveness	75	12.05	2.71	0.80	0.000
satisfaction	384	56.79	10.04		

According to the above table, the power of responsiveness variable has a mean of (12.05) and SD of (2.17) and satisfaction variable has a mean of

(56.79) and SD of (10.04). Based on the above table, the correlation coefficient of power of responsiveness and citizens' satisfaction is equal to $r = 0.80$, that

is meaningful in reliability level of 99% ($P < 0.01$). So, statistically, we can come to this conclusion that there is a significant and positive relationship between power of responsiveness and citizens' satisfaction.

3. *There is a significant relationship between time of service providing and citizens' satisfaction.*

To test this hypothesis, the Pearson correlation analysis was used which is shown in Table 4.

Table 4. Results of descriptive statistics and Pearson correlation coefficient of service providing and satisfaction

Variables	Number	Mean	SD	r	sig
Service Providing	75	12.74	2.84	0.63	0.000
satisfaction	384	56.79	10.04		

Based on the table 4, the service providing variable with a mean of (12.74) and SD of (2.84) and satisfaction variable has a mean of (56.79) and SD of (10.04). According to the above table, the correlation coefficient of the service providing and citizens' satisfaction is equal to $r = 0.63$ that is meaningful in reliability level of 99% ($P < 0.01$). Thus, it can be

statistically concluded that there is a significant and positive relationship between service providing and citizens' satisfaction.

4. *There is a significant relationship between employees' skill and citizens' satisfaction*

Pearson correlation analysis was used to test this hypothesis which is shown in Table 5.

Table 5. Results of descriptive statistics and Pearson correlation coefficient of employees' skill and satisfaction

Variables	Number	Mean	SD	r	sig
Service Providing	75	12.93	3.05	0.64	0.000
Satisfaction	384	56.79	10.04		

According to the findings of table 5, the variable of employees' skill includes a mean of (12.93) and SD of (3.05) and satisfaction variable with a mean of (56.79) and SD of (10.04). The above table showed that the correlation coefficient of the employees' skill and citizens' satisfaction is equal to $r = 0.64$, that is meaningful in reliability level of 99% ($P < 0.01$). Therefore, it can be statistically concluded that there is a significant and positive relationship between employees' skill and citizens' satisfaction.

Discussion and conclusion

Financing of the health system is accounted as a major concern for rich and poor countries because the health system allocates 9% of world products.

When developing countries try to improve population health, achieving to economic development and aligning themselves with global objectives, health system financing are becoming a serious concern for them because these countries are having 84% of the world popu-

lation. Also, they tolerate the 93% of the disease burden but, in contrast, they have only 18% of world income and allocate 11% of world's health expenditures to themselves. One of the components of health system reforms policies in developing countries is to the restructuring of financial resources. In this regard, privatization has been suggested as a way of treatment and outsourcing services is one of the interventions that have been utilized in this regard (Kavoussi *et al*, 2011). The general purpose of present study is to determine the relationship between outsourcing services of health notebook issuance and citizens' satisfaction of Zahedan. The main hypothesis testing results showed a meaningful relation between outsourcing services of health notebook issuance and satisfaction of citizens of Zahedan. This finding is consistent with results of Atari *et al* (2002), Seyed Javadin and Almasi (2003), Izadi *et al* (2008), Mohaghegh *et al* (2008), Rodriguez and Robina (2004) and Tung Hsia (2009). They have same results, too. Also, the results of the first hypothesis examining showed a significant relationship between quality of services and satisfaction

of citizens. This finding is in line with results of Sadri (2009), Nasiri and Daneshi (2011), Rahimi (2009), Young (2005). Nowadays, the international standard ISO 9000 defines quality as the key characteristics of a thing (general purpose of service or product or a process, an activity, a system, an organization, a person, or a combination of all these) with the power of responsibility to meet specific needs. This accepted international description points to the customers, users, and suppliers of products and services (Rahmanpour, 2001). In fact, the quality about product and service for the reception of sufficient characteristics is to apply them. The results obtained from the second hypothesis testing indicated a significant relation between the power of responsiveness and citizens' satisfaction. These findings are consistent with results of Izadi *et al* (2008) Barghi and Ghanbari (2011), Tung Hsiao (2009) and David V Kanklin (2005) is common in one direction because one of the factors that influence on satisfaction of power of responsiveness and paying attention to demands of customers. The first and most important principle of marketing is to pay attention to customer's wants.

Organizations cannot survive without paying attention to customers' liking. However, prior to proposing marketing as a science, institutions of all kinds satisfy customer needs and demands. So, what is considerable in new philosophy refers to look at things from the customer's perspective.

The results of the third hypothesis studying showed that, therefore, there is a significant relation between services providing and satisfaction of citizens of Zahedan. This finding is in line with results of Henning (2004), Rahimi (2009), Young (2005) because they had observed a significant relationship between satisfaction and service providing. Ranjbarian *et al* (2002) believed that customer satisfaction is the goal of the most of service organizations but keeping existing customers is much less expensive than attracting new customers. Providing suitable services cause to customer retention and customer satisfaction of provided services also lead to the recommendation of product to others by customer. Results of the fourth hypothesis testing indicated a significant relationship between employees' skills and satisfaction of Zahedanian citizens. This finding is consistent and corresponds to the results of Sadri (2009), David V. Kanklin (2005), Rodriguez and Robina (2004) and Mohaghegh *et al* (2011). There are functions in organizations which lead to the positive and negative attitudes of citizens toward organization. Thus, organizations have a crucial role in creating satisfaction or dissatisfaction. Although the organizational functions include a wide range, the ultimate goal of all functions is

to create satisfaction between organization and citizens (Moayedfar and Zahani, 2005). One of the most promising management initiatives in the service sector have taken place over the past two decades is outsourcing services. Outsourcing results in shrinkage of companion government with costs reducing, increasing productivity and service quality, effective employment creation in the private sector, transfer of technology, attracting foreign investment and reducing the distance between domestic and foreign markets, helping to develop. Also, studies have shown that, this strategy has the required potential to impact on access, equity, fairness and efficiency in the health system and could lead to the promotion of health system goals and create an environment for collaboration of the private sector (Kahn, John Hay, Ian, Barbara, 2001). Generally, results showed a significant and positive relationship between outsourcing service and satisfaction of citizens of Zahedan. Also, there was a significant positive relationship between service quality, service providing, responsiveness power and employees' skills.

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