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AN EVALUATION RELATED TO THE EFFECT OF STRATEGIC FACILITY MANAGEMENT ON CHOICE OF MEDICAL TOURISM DESTINATION

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Abstract: This study based on literature review aims to evaluate and emphasize the affect of the strategic facility management (SFM) on choice of medical tourism destination. Medical Tourism, which ranges from the health care services involving a cure to the wellness services involving no specific health trouble to pleasure and amusement services, is one of the most growing sectors in the world. Cost and quality of medical services are among the main reasons for the choice of destination. Strategic facility management has a positive correlation on the levels of quality, cost and customer satisfaction. Thus medical tourism and destination managers should take into account of the potential advantages of value creation offered through SFM in order to be chosen by customers (stakeholders).

Keywords:strategic facility management, medical tourism, choice of destination.

1. Introduction

Medical Tourism, which ranges from the health care services involving a cure to the wellness services involving no specific health trouble to pleasure and amusement services, is one of the most growing sectors in almost all of the developed and developing countries (Connell 2011).

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Individuals have three worlds that it can be named as the world of physical, emotional and mental. Physical world has a positive relationship with the mental and emotional conditions of the people. While evaluation of the services taken by people they are largely under the influence of the physical environment (WHO Regional, 1998; Tarcan, 2001; Roper, Borello 2014). A medical tourist doesn't have enough technical information about his or her demand of medical. So that the decision of this medical tourist on the choice of destination and the quality of services provided is greatly influenced by his or her feelings about the medical facility/facilities (physical environment). Additionally, the outcome quality of the medical services is also related to the adequacy of medical facilities. Even though it did not see the attention it deserves, facility management (FM) may be an invaluable tool to be used for creating value in tourism businesses (Tarcan, 1998; Tarcan, 2001; Connell 2011).

Cost and quality of medical services are among the main reasons for the choice of medical tourism destination. Managers of medical tourism, whereas focus on core services of medical and wellness, generally neglect opportunities in the field of FM that they can use to enhance efficiency, effectiveness and efficacy (Bernard, Payant, 2007, 1.11-1.12; Tarcan, 1998). Facility management as a sufficiently untouched field can be seen an area to be evaluated by managers in achieving lower costs of medical tourism businesses without compromising quality.

2. Health Tourism

Medical Tourism being one of the most growing sectors in almost all of the developed and developing countries can be classified in the field of nish tourism. It ranges from the health care services involving a cure such as organ transplant, cardiac surgery, eye surgery, hip replacement, cosmetic dentistry and fertility treatments to the wellness services such as spa and detox involving no specific health trouble to pleasure and amusement services. On the other hand Connell (2011) indicates that medical tourism is concentrated in the more physical health field such as biophysical processes; he explains the tourism of wellness services such as diet, exercise and thought trends as health tourism. But physical, social and mental well-beings are inseparable. Therefore the medical and health tourism terms are preferred for use together in this study in spite of different classifications in literature (Sultana et al. 2014).

Medical tourism might be one of the ways of solution for the lack of source on funding the health care expenditures. Health care systems need huge amount of source projected to increase even more in the future for reasons such as rising life expectancy, obesity, new types of illnesses, etc. The proportion of total health expenditure of the countries to gross domestic product ranges from 2% to 17.1% of their gross national product (The Word Bank 2013, 1); for example, this proportion in United States is estimated to reach from 17.1% to 19.3% in 2019, and more than 20% with the effect of the Affordable Care Act (ACA) or Obama Care in the 2020s (Ginter, Duncan, Swayne 2013,1-4).

Medical tourism has also a role in creating of value for stakeholders as shareholders, internal customers, healthcare insurance systems, all of the sectors etc. Most of the medical tourism products in order to be marketed need compatibility with standards and/or accreditations. So that medical tourism contributes to achieving these higher levels of quality.

In the field of medical tourism, it is needed that the reliable infrastructure in order deliver the services of core and non-core such as in the hospitals, medical imaging centers, shopping and amusement centers, transportation, etc. Infrastructures and environmental factors such as climate, flora and fauna may be an advantage for the choice of destination as comparative factors. On the other hand, the factors related to the medical services indicate the competitive features.

The major reasons for the demand of medical services outside region or country can be specified as high medical prices, lack of medical insurance, under insurance, longer waiting time, lower quality in residence area, demand for cosmetic surgery, confidentiality, combining medical care with a holiday and so on (Connell 2011; Sultana and et al. 2014, Han, Hyun 2015).

2.1. Customer In Health Tourism

Customers that they should be stakeholders of the medical tourism can be stated in a wide range from patients (medical tourists), employees and suppliers to insurance systems, legislative organs and travel agencies.

2.2. Criteria Of Destination Choice In The Health Tourism

The most satisfying factors for customers of medical tourism are the cost and quality of this travel, which are among the main reasons for the choice of destination. It can be said that the lower cost and higher quality means the higher demand for medical tourism. The steadily increasing volume of medical tourism requires that managers in this field uncover some new ways of reducing costs and implement them while improving quality, without compromising on quality (Bernard, Payant, 2007; Gallagher, 1998; Tarcan 1998; Roper 2014).

2.2.1. Customer/Shareholder Satisfaction

Satisfied customer is a crucial aspect of the sustainability of medical tourism businesses based on service. Medical service providers have been engaged in processes of core and non-core activities while delivering services in order to satisfy healthcare customers (stakeholders) with higher quality and lower price than their competitors (Han, Hyun 2015; Tarcan 2001).

Employees' behaviors in service-intense sectors, while delivering services, play an important role on the contribution to the satisfaction levels of customers. Performance levels of an organization in especially service-intensive sectors relates with the satisfaction levels of workers and also quality levels of outcomes are related to the workers' satisfaction. On the other hand employee satisfaction is also an invaluable tool in the terms of human source for sustainable employment in an environment of business world being an acute lack of qualified medical workforce currently and in the future (Beladi, Chao, Ee, Hollas 2015; Packer, Labonté, Spitzer 2007; Tarcan 2001). Environmental conditions such

as lighting, indoor air quality, ergonomics and acoustics have a great effect on satisfaction of stakeholders; consequently on companies' performances (Tarcan, Varol, Ates 2004).

2.2.2. Cost

Cost is an important competing factor in decision of destination of medical tourism (Han, Hyun 2015). Unfortunately it can be said that there isn't enough available data in the world for comparing the costs of facility management, and this field is open to research for reducing costs and improving quality. Even in the designing stage of facilities, it is not obvious that how about the costs of FM will be considered in the cost of services. Although there isn't enough reference information in the literature, facilities, which are tangible assets/environment that supports the core activities, costs 20-30% of expenditures of hospitals (Rechel, Wright, Edwards 2009, 167). Medical service providers have been engaged in processes of core and non-core activities while delivering services in order to satisfy healthcare customers (stakeholders) with higher quality and lower price than their competitors. Asian Countries have advantage of price when comparing with the west countries. Lesser prices in Asia attract more medical tourists than United States and European Countries. Because of that medical tourists can save from 40% up to %60, Thailand, India, Malasia and Singapore as destination of medical tourism are in front lines in the world; among these countries, India stands out in terms of competition (Kshetri, N 2011, 454; Connell 2011).

2.2.3. Quality

Given the opportunities of facility management, medical tourism businesses can have new advantages in competition via lower costs and higher service quality and customer satisfaction (Han, Hyun 2015; Shiem and Then, 1999, 466; Tarcan 2001).

Necessity of having accreditation and quality standards forces and helps medical businesses to improve beyond the current quality level of their products in an environment of international or/and global trade. The achievement of accreditation and quality standards assures that organizations can supply enough quality in delivering their products. Accreditation and/or quality systems also assure businesses to follow the developments in the medical tourism area, because, they have to sustain their compliance with the conditions of accreditation and quality systems of their products of tangible or intangible. Accreditation improves worker satisfaction, public trust, strengthened leadership, stakeholder satisfaction and so on. It also displays that goods and services are being recognized as complying with the standards of global desired. Certificates of accreditation and quality systems make the self-assessment procedure done by customers much easier (Emslie, S., Knox, K., Pickstone, M. 2003; Nicklin 2012, Tarcan 2001; The Joint Commission 2015, 59-64).

3. Facilities

Facility/Facilities are the physical assets such as general building, social areas, clinical building and equipment of fire, electrical, security, plumbing, information technology and the other things. Most of facilities in medical tourism are operational longer

hours than the normal working hours or 24 hours a day, 7 days a week. On the other hand, indoor facilities exhibit a privileged importance throughout the human life in addition to the production of goods and services. It is explained that an ordinary employee spend more time than 23 hours per day in indoor environments (Mahbob and et al. 2011, V2-434).

Facilities should be seen as one of the major fields to be considered to enhance the competitiveness of organizations and thus stakeholders' satisfaction levels. Facilities may be an alternative source field for that manager can use to be able to create value for their customers (stakeholders). A growing number of facility managers and related groups such as owners, architects and designers, etc. have been started much more to interest in the features of facilities to be able to create value.

In the decision process of destination choice, the overall adequacy of the facilities in the region can play an invaluable role. Facilities are among the most affecting factors in assessment of the service-based medical products such as medical examination, cardiac surgery etc. Facilities are also related to the nosocomial infections, medical malpractices, length of hospital stay, rate of diseases caught while staying in medical environments, medical malpractice rate and so on. (Hofer, Stampfli 2012, 1; Tarcan 1998; Tarcan 2001).

The recent research indicates that the higher comfort level of facility results in the less health problems and the higher general sufficiency of facility. And the higher general sufficiency of facility has positive effects on the performance of business Tarcan 2005; Tarcan 2008).

Facilities have been generally taught as a cost center until now. The new trend is becoming in the direction of thinking of them as a potential value center. This new viewpoint is that expenditures to be made to the facilities can be returned as value to all customers. At the end, a better facility will be able to produce higher stakeholder satisfaction (Roper 2014).

3.1. Facility Management

Facilities being tangible assets have direct and indirect effects on the outputs of production if they are properly managed by facility managers (Tarcan, 1998; Roper 2014). International Facility Management Organization (International 2015, 1) defines the FM as "A profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology." Facility management includes the duties of providing a reliable environment for stakeholders in order to deliver goods or/and services in the healthy, efficiently and effectively conditions. The viewpoint of facility management should be in the direction of creating a reliable environment encouraging higher outcomes of wellness, healing and satisfaction. The task area of facility manager includes jobs from designing, maintenance to security (Sultana et al. 2014).

Most of buildings, even the newer ones, create inconvenience conditions negatively affecting the outputs of core services. Sick building syndrome is unknown enough by managers as one of significant problems of facility management. Sick buildings can be described as buildings showing signs of uncomforting and health symptoms such as asthma, allergic problems, cancer, legionnaire disease, pontiac fever (Enderwick, Nagar 2011; Tarcan 1998). There is a positive relation between service quality and adequacy of

facilities. Levels of adequacy of facilities also highly effects the rates of medical malpractice. So that medical tourism businesses may be forced more to pay compensation for their inadequate services due to the legal requirements being expanded. When facilities of medical are managed as needed, time spent for medical service and length of stay in health facilities can be significantly reduced (Edwards, Wyatt, McKee 2004, 4)

Global awareness about the role of facility management on improving outcomes of the overall organization such as higher quality and satisfaction levels and lower costs has been increasing in a growing competitive environment (Roper, Borello 2014; Han, Hyun 2015).

3.2. Strategic Facility Management

The approach to the concept of facility management has displayed a development from the limited coverage such as planning of maintenance, repair, and cleaning to the viewpoint based on the satisfaction of stakeholders now and in the future (Bernard, Payant 2007; Ginter, Duncan, Swayne 2013; Roper, Borello 2014). While it is becoming more difficult to predict the needs of business in the future, facility managers must consider strategic facility management (SFM) instead of the view point of traditional FM. SFM's intention should be adding more value to the medical core activities for their customers (stakeholders). The primarily goal of this intention should be placed on decreasing the inconsistent outcomes of core business activities although it also focuses on lowering costs (Hofer, Stampfli 2012; Roper, Borello 2014, 8-9).

On the other hand, the new perspective on the facility management should be at macro level, and related to the expectations of stakeholders instead of at the level of organization. This kind of viewpoint leads that the managers find out new sources of value creating via SFM. At the end, not only survive medical business, but also it allows the increase of social welfare (Roper, Borello 2014).

3.3. Strategic Management of Medical Facilities

The potential contributions of the strategic approach of FM applications to the core business activities have recently started to be investigated. Reimbursement systems of casemix, which is a kind of payment of health benefits in the form of a predetermined healthcare package bill, force the medical businesses to find out the new ways of reducing their costs without compromising quality. "Facility management expenditure takes second place after staff expense" (Roper, Borello 2014, 2). Facility management that is still neglected may be a substantial tool that the managers of medical tourism can strategically use.

Medical industry continues to pursue its transformation in a highly dynamic environment under the pressure of internal and external environmental factors. Almost everything in medical sector displays a rapid and complex change that generally occurs at irregular. Medical organizations in such a fast changing environment require managers to cope with change and to able to manage it. Managers should analyze the change in the environment of their organizations, understand this unstable change, determine the right strategies with the analyze results and their leadership capabilities, and manage the momentum (Ginter, Duncan, Swayne 2013).

Medical businesses must follow the continuously improving innovations in the field, update the investments of infrastructural and educational to meet the changing requirements whilst the problem of cost in terms of competition is still in front of the managers. In the mean time they also have to assure the expected quality and newer methods of medical operations.

3.4. Performance Factors of Strategic Facility Management

Before the determination and implementation of FM strategies it needs to find out the performance fields of SFM in order to connect with the expectancies of stakeholders (Amaratunga, Baldry, Sarshar 2000; Amaratunga, Haigh, Sarshar, Baldry 2002; Tarcan, 2005). In literature, some drivers that the facility managers should take into account are defined as main features encouraging successful implementation of medical FM: "Traditional indicators of facility performance are the primarily financially, functionally and physically based ones" (Tarcan 2005, 939). Matthew Tucker evaluates the need of new FM indicators beyond the financial/quantitative based ones (Roper, Borello 2014, 123-138). According to the Gallagher (1998) there are six main fields as strategic planning, patient care, FM, market testing, benchmarking and internal customer development. Kaplan and Norton (1996) suggest four key constructs of The Balance Scorecard – strategic performance measurement system as financial, customer, internal business process and learning and growth.

On the other hand Amaratunga and et al. (2002) defines these features as "service requirements management, service planning, service performance monitoring, supplier and contractor management, health and safety processes, risk management, and service coordination.

Operational FM STRATEGIC FM External Customers

Finance Technology

Figure 1. Strategic Facility Management Performance Measurement Constructs

Source: Tarcan 2005, 942; Tarcan 2008, 626

Services
(Internal
Customers)

Operational
FM

STRATEGIC FM
IN
EVENT TOURISM

External
Customers

Technology

Figure 2. SFM Performance Measurement Constructs In Event Tourism

Source: Tarcan 2008, 626

The results of Tarcan's two studies (2005; 2008) in the areas of FM of health care and sports indicate almost the same five constructs as the operational FM (OFM), financial, services (internal customers), external customers, and technology constructs (see Figure 1); That in the sports area (Tarcan 2008) additionally shows the sponsorship construct decided to merge with the financial construct (see Figure 2). OFM construct covers metrics like "heating, lighting, energy efficiency, maintainability, durability, layout, ergonomics, image, ambience, communications, health and safety and flexibility metrics", etc. (Tarcan 2008, 625). Financial construct includes indicators such as the occupancy cost to m², lease cost, vacant space as percentage of total space, m² per person, facility utilizing, sponsorship, etc. (Tarcan, 2005; Tarcan 2008). Services construct contains dimensions such as "facilities accessibility, regulations, environmental convenience, safety, location, disability access, equity, design and fit-out, building and satisfaction" (Tarcan 2008, 627). External Customers Construct covers the external customer satisfaction related to the facilities (Tarcan 2008). Technology construct includes criteria such as "technological sufficiency of facilities ,and technological education related to the facilities" and technology acceptance (Tarcan 2008, 627; Varol, Tarcan 2009). It can be said that the constructs and components of Tarcan's two models (See Figure 1 and 2) are similar to those in the literature and these models can be generalized with the help of new studies (2005; 2008).

4. Conclusions

Medical Tourism being one of the most growing sectors in almost all of the developed and developing countries can be classified in the field of nish tourism. It ranges from the health care services involving a cure such as organ transplant, cardiac surgery, eye surgery, hip replacement, cosmetic dentistry and fertility treatments to the wellness services

such as spa and detox involving no specific health trouble to pleasure and amusement services.

Medical tourism might be one of the ways of solution for the lack of source on funding the health care expenditures. Medical tourism has also a role in creating of value for stakeholders as shareholders, internal customers, healthcare insurance systems, all of the sectors, etc.

Cost and quality of medical services are among the main reasons for the choice of medical tourism destination by medical tourists. Managers in this field can uncover some new ways of reducing costs and implement them while improving quality, without compromising on quality. Most of facilities, even the newer ones, create inconvenience conditions negatively affecting the outputs of core services. If they are properly managed, facilities may be an alternative source field that managers can use in order to be able to create value of cost and quality for their customers (stakeholders). Strategically managed medical facilities can ensure that businesses can be ready to resolve timely problems that may arise in the future in a relatively more dynamic environment than the other sectors.

Before the determination and implementation of FM strategies it needs to find out the performance fields of SFM in order to connect with the expectancies of stakeholders. There is a need of newer indicators for SFM beyond the financial/quantitative based ones; SFM should continuously improve and use the performance related different tools of strategy choice such as the operational FM (OFM), financial, services (internal customers), external customers, and technology constructs. These constructs and their components will be changed according to the new studies to be done, and the fields of the medical tourism.

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