

**FACTORS AFFECTING THE ADOPTION OF COMPETITIVE  
STRATEGIES BY PRIVATE HEALTHCARE FACILITIES IN  
NAIROBI, KENYA.**

**FIDELIS WAITIMU  
MBA-HCM 71618**

**SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF MASTER'S OF BUSINESS ADMINISTRATION IN HEALTHCARE  
MANAGEMENT AT STRATHMORE UNIVERSITY**

**2024**

**FACTORS AFFECTING THE ADOPTION OF COMPETITIVE STRATEGIES BY  
PRIVATE HEALTH FACILITIES IN NAIROBI, KENYA.**

**FIDELIS WAIRIMU**

**WAITIMU**

**MBA-HCM 71618**

**A RESEARCH THESIS SUBMITTED TO THE SCHOOL OF BUSINESS  
STUDIES IN PARTIAL FULFILMENT FOR THE MASTER OF BUSINESS  
ADMINISTRATION IN HEALTHCARE MANAGEMENT AT STRATHMORE  
UNIVERSITY.**

**2024**

## **DECLARATION**

Declaration

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

© No part of this dissertation may be reproduced without the permission of the author and Strathmore University

Name of Candidate

Fidelis Waitimu

Approval

The dissertation of Fidelis Waitimu was approved by the following:

Name of Supervisor: Ben Ngoye

School/Institute/Faculty: Strathmore University Business School

Dr. Ceaser Mwangi

Executive Dean

Strathmore University Business School.

Dr. Bernard Shibwabo

Director, Office of Graduate Studies

## **ABSTRACT**

The healthcare industry is undergoing radical changes regarding applying new technologies and business models, complying with recent reforms and regulations, meeting the needs of the changing demographics, emerging diseases and social and economic trends. The democratization of healthcare has allowed various local and foreign players to enter this field, leading to the emergence of different private health organizations. To keep ahead, healthcare management has generated new competitive advantages to stay ahead. This study examined the characteristics that led Kenyan private healthcare facilities to adopt a certain competitive strategy. Resource Based theory inspired the research, while the Bowman's Strategy Clock was used to evaluate the competitive strategy adopted. The research examined how organizational and top management team variables impacted the competitive strategy adopted by the institutions. This descriptive quantitative research study employed survey questionnaires as the data collection tool. A stratified random sample was used to represent the population and minority groups. The data collected was then analysed using the SPSS model version 24. The study illustrated that the size of the organization, the financial capability and resource allocation, scope of operations, the top management teams' decision making process and entrepreneurial flair had a significant effect on the competitive strategies that were adopted by the private healthcare institutions within Nairobi County. With respect to strategy, results confirmed that the hybrid strategy on the Bowman's Strategy Clock was the preferable strategy adopted by most private healthcare institutions in the region. Furthermore, the study recommended that private hospitals should optimize resource allocation, have corporate ownership or a board of directors to help with strategic decisions, improve their financial capabilities by seeking out new financing opportunities or foster strategic partnerships in order to stay ahead of their competitors. This research study added to the body of knowledge in strategic management and is beneficial to healthcare managers, entrepreneurs in the health sector, as well as policy makers.

**Keywords:** Competition, strategy, health sector, private hospitals

## TABLE OF CONTENTS

<b>DECLARATION</b> .....	i
<b>ABSTRACT</b> .....	ii
<b>TABLE OF CONTENTS</b> .....	iii
<b>ABBREVIATIONS AND ACRONYMS</b> .....	vii
<b>DEFINITION OF TERMS</b> .....	ix
<b>LIST OF FIGURES</b> .....	x
<b>DEDICATION</b> .....	xii
<b>ACKNOWLEDGEMENTS</b> .....	iii
<b>CHAPTER ONE: INTRODUCTION</b> .....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem .....	5
1.3 Research Objectives .....	7
1.3.1 Specific Objectives .....	7
1.4 Research Questions .....	8
1.5 Scope of the Study.....	8
1.6 Significance of the Study .....	9
1.7 Limitations of the Study .....	9
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	10
2.1 Introduction .....	8
2.2 Theoretical Framework .....	20
2.3 Empirical studies.....	24
2.3.1 Relationship between size of institution and the strategy adopted. ....	24
2.3.2 Relationship between scope of Operations and strategy adopted. ....	25
2.3.3 Relationship between ownership structure and strategy adopted. ....	26
2.3.4 Relationship between decision-making process and strategy adopted. ....	27
2.3.5 Relationship between entrepreneurial flair and strategy adopted. ....	28
2.4 Conceptual Framework .....	29

2.4.1 Operationalisation of the Variables.....	31
2.5 Summary of the Literature Review .....	32
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>33</b>
3.1 Introduction .....	33
3.2 Research design.....	34
3.3 Target Population .....	34
3.4 Sample Size and Sampling Techniques .....	35
3.5 Data Collection.....	35
3.6 Research Quality .....	36
3.6.1 Validity .....	36
3.6.2 Reliability.....	37
3.7 Data Analysis .....	38
3.8 Ethical Considerations.....	38
<b>CHAPTER 4: DATA ANALYSIS .....</b>	<b>39</b>
4.0 Introduction .....	41
4.1 Response rate.....	42
4.2 Respondent’s demographic background and background of healthcare institution.....	42
4.3 Competitive strategy adopted by private healthcare institutions in Nairobi County. ....	47
4.4 Impact of organizational factors on the adoption of competitive strategies.....	49
4.3.1 The impact of size of the healthcare institution on the adoption of competitive strategies. ....	49
4.3.2 Financial capability and resource allocation.....	50
4.3.3 Organization structure and management complexity.....	52
4.3.4 The impact of size in relation to market competition .....	53
4.4 Impact of top management team factors on the competitive strategy adopted by a private healthcare institution. ....	54
4.4.1 The impact of ownership structure on the time horizon for strategic planning .....	54
4.4.2 The effects of ownership structure on the availability and allocation of financial resources .....	55
4.4.3 Impact of ownership structure on the institution's scale and scope of operations .....	55
4.5 The impact of top management team’s decision-making process on the competitive strategy adopted within private healthcare institution.....	56

4.5.1 The impact of top management team's decision-making process in determining the strategic priorities and goals of the institution.....	57
4.5.2 The impact of the decision-making process on resource allocation and investment decisions.....	57
4.5.3 The impact of top management team in setting the vision and providing leadership in translating that vision into actionable competitive strategies .....	58
4.6 Impact of top management entrepreneurial flair to adoption of competitive strategy. ...	58
4.6.1 The impact of ownership structure on the risk appetite .....	59
4.6.2 The decision-making process and identifying and evaluating risks associated with different competitive strategies.....	60
4.7 Strategies used by private hospital in Nairobi.....	33
4.8 Chapter Summary.....	61
<b>CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS. ....</b>	<b>55</b>
5.0 Introduction.....	55
5.1 Discussion of the general findings. ....	57
5.2 Discussion of the competitive strategies adopted .....	60
5.3 Discussion of factors that affected the adoption of competitive strategies .....	63
5.4 Conclusion.....	67
5.5 Recommendations.....	69
5.6 Suggestions to future studies.....	72
<b>REFERENCES.....</b>	<b>73</b>
<b>APPENDICES .....</b>	<b>74</b>

## **ABBREVIATIONS AND ACRONYMS**

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CIO: Chief Information Officer

COO: Chief Operations Officer

EO: Entrepreneurial Orientation

FBO: Faith Based Organizations

NGO: Non-Governmental Organization

PEC: Personal Entrepreneurial Competency

PHC: Primary Health Care

LMICs: Low to Middle Income Countries

SDG: Sustainable Development Goals

TMT: Top Management Team

UHC: Universal Health Coverage

## **DEFINITION OF TERMS**

**Competition:** Competition is a contest among entities selling similar or almost similar products/services or targeting the same customers.

**Competitive Advantage:** Competitive advantage is any factor that gives a company an edge over its rivals.

**Competitive Strategy:** A set of procedures and policies initiated by a business to gain a competitive advantage in the market.

**Cost Leadership Strategy:** A cost leadership strategy explains a firm's ability to reduce production costs to offer quality products at low prices.

**Porters Generic Strategies:** Plans developed and formulated to assist a business in performing certain activities differently from its competitors.

## LIST OF FIGURES

Figure 1.1: Bowman’s Strategy Clock.....	14
Figure 2.1: Conceptual framework... ..	28
Figure 4. 1: Respondent's gender .....	30
Figure 4. 2: Respondent's age .....	31
Figure 4. 3: Respondent's educational level.....	31
Figure 4. 4: The numbers of years of operation of the health institution.....	32
Figure 4. 5: Respondent’s role in the health institution .....	32
Figure 4. 6: Number of years the respondent has worked in a management position. ....	33
Figure 4. 7: The level of hospital that the respondents work in.....	33
Figure 4. 8: The impact of Size on the adoption of a competitive strategy .....	35
Figure 4. 9: The impact of financial capability and resource allocation on adoption and sustenance of competitive strategies in Nairobi.....	36
Figure 4. 10: the impact of organizational structure and management complexity on competitive strategies.....	36
Figure 4. 11: The impact of ownership structure on scale and scope of operations .....	37
Figure 4. 12: The impact of size in relation to market competition.....	38
Figure 4. 13: The impact of ownership structure on time horizon for strategic planning.....	39
Figure 4. 14: The effects of ownership structure on the availability and allocation of financial resources .....	37
Figure 4.15: The impact of top management teams decision making process on the competitive strategy adopted within private healthcare institutions... ..	51
Figure 4. 16: The impact of decision-making process on resource allocation and investment decisions.....	40
Figure 4. 17: The role of the top management team in setting the vision and providing leadership in translating the vision into actionable competitive strategies.....	41
Figure 4. 18: The impact of ownership structure on the risk appetite and tolerance of the institution. ....	42
Figure 4. 20: The decision-making process and identifying and evaluating risks associated with different competitive strategies.....	41

## **DEDICATION**

I dedicate this thesis to my immediate family for sacrificing their time and financial resources to support and sustain me during this time of the study. I especially want to thank my husband, Louis, for his continuous support and encouragement. A special thanks to my supervisor, Dr. Ben Ngoye, who has been a friend and a mentor throughout this journey.

## **ACKNOWLEDGEMENTS**

First and foremost, I feel greatly indebted to everyone who continually provided resources and encouraged and inspired me during this study period. I must also offer my sincere recognition to my supervisor Dr. Ben Ngoye, whose considerable inputs of constructive guidance have been a significant source of support.

Additionally, I thank the School of Business, Strathmore University, for allowing me to undertake this master's program. I would like to express my special thanks to my colleagues for their continuous encouragement throughout the program. I must also thank my family for making considerable sacrifices to provide me with ample time to study. I sincerely thank John Kibara for his administrative support. May God Almighty Bless you all

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Primary health care (PHC) discussed at the historic Alma Ata Conference in 1978, was advocated as the means to achieve health for all by the year 2000. The PHC principles included universal and equitable access to health, disease prevention and health promotion, participation of the community and individuals in health policies, planning and cost effective use of available resources, as well as use of technology to improve access to healthcare (World Health Organization. (2019). By the year 2000, it was noted that at least half of the world's population still lacked access to essential health services and some communities were pushed to extreme poverty by costs of essential healthcare (Ranjan et al (2018). The Universal Health Coverage (UHC) was then discussed with a goal to improve access to quality essential health services without the risk of financial hardship. As a part of the broad and ambitious agenda of UHC to create a safer and healthier world by 2030, the Sustainable Development Goal 3 (SDGs) targets to ensure healthier lives and well-being for all people at all ages (World Health Organization. (2020). For many LMICs, this has meant operationalizing UHC through government funded health insurance schemes. However, studies show that some of these schemes in LMICs have neither been equitable nor led to financial protection (Ranjan et al (2018). This has contributed to different stakeholders working together so as to promote better health. Increasingly, development partners, governments and private health sector agree that sustainable development requires all key players to work together for change.

The private sector which includes all health providers not owned or directly controlled by the government has played a key role in the progress towards achieving UHC globally. The private sector's contribution includes offering a diverse range of quality services with an aim to make services accessible, affordable and sustainable. It has also played a role in developing, testing and scaling innovative business models and technologies, offering employment and training of the health workforce, raising finances and investing in health and UHC, as well as building capacities for relevant policy dialogue and partnerships with government and other stakeholders (Olu et al, 2019). However, the private healthcare sector has been characterised by intense turbulence, competition, and complexity (Hinz & Ingerfurth, S. (2013). The development of a healthcare system that is affordable, offers high-quality care, and is financially sustainable is a significant challenge that both developed and

developing nations seek to address. Discussions on the importance of competition in several economic sectors have emerged, both nationally and internationally (Goddard, 2015).

Private healthcare institutions have created a free market healthcare system. In economic theory, market competition is expected to enhance efficiency, improve quality, stimulate innovation and eventually control costs. However, this has been seen not to be the case within the private sector (Garattini & Padula, 2019). In many LMICs, a key barrier is the inability of planners and policy makers in characterizing the private health sector. This is because the sector is often heterogeneous and provides a wide range of services from small chemists to independent practitioners to large corporate hospitals and private insurers. These different service providers serve different types of populations, provide different kinds of services and most importantly require different regulatory strategies to better align their activities with the overall goals of the health system and UHC (Mackintosh & Channon, 2016). The different private healthcare institutions also have different organizational and top management team factors which affect their availability of resources, their financial capabilities, the services provided and the strategy the institution adopts to stay ahead of its competitors (McPake & Hanson (2016).

Strategy is described as the necessary direction and the development of plans that an organisation needs to move towards to meet its mission or accomplish specific goals (Zainal et al., 2014). Strategy has five elements, provided by answering the five questions: what or where will we be active (arenas)? How will we get there (vehicles)? How will we win in the marketplace (differentiators)? What will be our speed and sequence of moves (staging)? How will we obtain our returns (economic logic) (Mishra & Mohanty, 2022). Globally, the current health system has experienced numerous challenges, with rising costs, poor access, inequitable care, and diminishing quality and safety of care, thus creating anxiety and frustration. Hence, healthcare managers have developed various strategies to differentiate healthcare institutions, reduce costs, and improve quality and access to gain competitive advantage, which is imperative to organisational survival.

Competition in any industry arises from similar products or services aimed at a similar consumer group. In the healthcare industry, the principal product is providing healthcare services to patients, where the different players strategize to outsmart their rivals for their survival and growth. When a healthcare institution provides patients with goods and services of more value, in terms of pricing or extra benefits than its rivals, it has a competitive edge over its competitors (Hinterhuber & Liozu, 2014). Competitive advantage

typically results in greater performance and ensures the institution's existence (Lee, Chong & Lin, B. (2015).

In the context of private institutions in Kenya, dramatic changes in the healthcare industry began in 2013, marked by implementation of the new Constitution of Kenya that devolved healthcare service delivery from the national government to the county government (Masaba et al., 2020). As a result, the healthcare industry continues to be a confusing, perplexing, and even dangerous space for both public and private organisations. Healthcare organisations are struggling to survive by entering new markets, lowering costs, gaining customer satisfaction, and creating new strategies (Kasera, 2017). It is also noted that private health institutions lack adequate regulation. The purpose of regulation is to control provider behaviour and ensure that private providers offer services that not only are acceptable to the public, but also meet the overall health sector needs (Morgan & Ensor, 2014). Lack of regulation can lead to growth and greater use of small scale, poorer quality facilities (Akhtar, 2011) or a high quality private sector which becomes inaccessible to lower socio-economic groups due to high cost of care (Morgan & Ensor, 2014).

Private healthcare institutions in Nairobi differ in terms of their organizational factors such as the size of the institution, the scope of operations and their financial capability. The top management team dynamics also differ among different institutions including the ownership structure, the decision-making process and the entrepreneurial flair of the individuals within the top management. As such, the different institutions employ different strategies to gain competitive advantage and stay ahead of their rivals based on their organizational and top management team factors. This study seeks to assess how these factors affect the competitive strategy adopted by the private healthcare institutions based on their differences.

The Bowman's Strategy clock will provide the foundation for arguments regarding how private healthcare institutions in Nairobi County adopt competitive strategies based on their differences. Consequently, Bowman's strategy clock is a valuable tool to help us understand how private healthcare institutions compete in the marketplace. Most importantly, by considering the different combinations of perceived value and price, a company can select a competitive advantage position that relates to its competencies and characteristics. This study will focus on determining whether organizational factors and top management team factors affect the adoption of a competitive strategy with an emphasis on low price, hybrid, differentiation and focused differentiation strategies.

The organizational and top management team factors will be analysed based on the Resource Based Theory. The theory describes that a firm's success is due to the organization's firm specific resources as well as their competencies and capabilities. The paper is structured as follows: the next section describes the problem identified followed by the literature review and a presentation of available evidence on organizational and top management team factors in relation to competitive strategy adopted on the Bowman's Clock. The researcher will then develop a conceptual framework theorising the linkages between characteristics of the institution and strategy. By identifying factors which affect private sector in Nairobi, the researcher aims to stimulate a debate on how these affect the competitive strategy adopted.

## **1.2 Statement of the Problem**

The policy objective of Universal Health coverage suggests that to improve access to quality essential health services without the risk of financial hardship and contribute to sustainable development; it requires all key players to work together for change. While the private sector is an important source of health care provision in many LMICs, its role varies widely across countries. The heterogeneity and complexity of the private sector affects the competitive strategies adopted by different healthcare facilities. Despite these difficulties, a number of studies have attempted to assess the factors that affect the adoption of a competitive strategy. Most focus on specific types of private providers and discuss financial factors, governance factors and their influence on the performance of the institution, but overall conclusion regarding how healthy competition can be achieved based on different organizational and top management team factors of private health facilities is not addressed.

Different private health institutions differ in terms of the size of the institution, scope of operations, their financial capability, the ownership structure, the top management team decision making process and their entrepreneurial flair. Karamshetty et al. (2022) state that Nairobi County's healthcare institutions have been operating in a competitive and volatile environment. In this context, convenience, price, and types of services have become the differentiating factors contributing to stiff competition (Munywoki et al., 2020). The situation has threatened existing institutions and resulted in some struggling to maintain operations while others have had difficulties surviving in the market (Kihoro & Kepha, 2014). While literature provides insight into different governance mechanisms, there is a serious shortcoming especially in LMICs where firms are closely held with the ownership structure,

decision making process and board composition often overlapping with the same people (Mustakallio et al.,2002).

This study seeks to review the evidence surveying factors that affect the adoption of competitive strategies, which are well researched but may be misleading because they are presented in isolation of context, due to differing organizational and top management team factors of health institutions. The study also seeks to assess how organizations adopt a competitive strategy on Bowman's Strategy Clock based on their characteristics and competencies and the implications on the survival and growth of the institution. Understanding these interactions can then help to develop policies and interventions that focus on healthy competition within the private sector with the aim of improving population health and achieving SDG 3.

### **1.3 Research Objectives**

The main objective of this study is to assess the impact of organizational factors and top management team factors on the adoption of a competitive strategy within private healthcare institutions in Nairobi, Kenya.

#### **1.3.1 Specific Objectives**

- I. To assess the influence of the size of a private healthcare institution on the adoption of competitive strategy.
- II. To assess the influence of scope of operations within the private healthcare institution on the adoption of competitive strategy.
- III. To identify the impact of the ownership structure on the adoption of competitive strategies in private healthcare institutions.
- IV. To establish how the top management teams' decision-making process affects the adoption of a competitive strategy within a private healthcare institution.
- V. To identify the impact of the top management teams' entrepreneurial flair on the adoption of a competitive strategy by private healthcare institutions.

### **1.4 Research Questions**

The research addressed the following questions:

- I. How does the size of a private healthcare institution determine the competitive strategy adopted by the institution?
- II. How does the scope of operations within a private healthcare institution impact the adoption of a competitive strategy by the private healthcare institution?

- III. How does the ownership structure affect the competitive strategy adopted by a private healthcare institution?
- IV. How does the top management teams' decision-making process affect the competitive strategy adopted within a private healthcare institutions?
- V. Does the top managements' team entrepreneurial flair in private healthcare institutions affect the competitive strategy adopted by the institution?

### **1.5 Scope of the Study**

The contextual scope of the study emphasised Bowman's competitive strategies, with a focus mainly on low price, hybrid, differentiation and focused differentiation and the extent to which organisational factors and top management team (TMT) factors affect the adoption of these strategies within private health institutions. The research's geographic focus was on for profit, level 4 to level 6 private hospitals in Nairobi County. The research's theoretical scope was restricted to agency theory, resource-based view and entrepreneurial flair theory; and the strategic choices assessed as the dependent variable restricted to the four options drawn from Bowman's Strategy Clock. The study's use of quantitative methods majorly intended to address the research problem.

### **1.6 Significance of the Study**

Private health sector plays a vital role in the delivery of healthcare services and contributes significantly to achieving UHC. As a result, the competitive strategy adopted by a healthcare institution has a substantial impact on the costs of services, quality, and accessibility of care. This study holds relevance for current and potential healthcare managers within the industry. The research findings shed light on entrepreneurial opportunities within healthcare, the competitive landscape of the industry, and the challenges faced by healthcare organizations. These insights can assist healthcare organizations in formulating effective competitive strategies based on their organizational and top management team factors. Managers in the healthcare sector stand to gain valuable knowledge on selecting the most suitable competitive strategy putting into consideration their competencies in order to thrive in the competitive healthcare environment and achieve optimal performance for their institutions (Mutunga, 2021).

The study will be instrumental to policymakers and planners who are responsible for shaping healthcare policies. The research findings have the potential to inform the development of appropriate policies, rules, and regulations that foster and support healthy competition within the healthcare sector. Additionally, scholars in the field of strategic

management, particularly those interested in competitive strategies in healthcare, will find this study valuable as it contributes to the existing body of knowledge. It is expected that this research will serve as a catalyst for further exploration and inquiry within this domain.

### **1.7 Limitations of the Study**

The health sector is a complex system comprising multiple subsystems of different disciplines. Our unit of analysis is the hospital administrative perspective, whilst this topic could be investigated from several other views, such as patient or government perspective, which is beyond the scope of this study. The research also does not focus on the external environmental forces which healthcare institutions face because they are beyond their control.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Private Health Sector providers are a major actor for provision of health services in low to middle income countries (LMICs). While they operate primarily with commercial and market oriented motives, there is an enormous scope for them to play a key role in the progress towards achieving universal health coverage (UHC) in most countries (Mackintosh et al, (2016). The private sector in this article will refer to privately owned institutions in the business of providing healthcare with a focus on level 4-6 private institutions. In LMICs the sector is generally large, wildly heterogeneous, poorly documented and regulated (Mackintosh & Channon, 2016). The heterogeneous nature of this sector means that the organizational factors such as size, scope of operations and financial capability differ from one institution to the next. Arguably, the most influential group in a private health institution, charged with determining the strategy and ensuring organizational effectiveness is the top management team. Traditionally, the top management team comprises of the Chief Executive Officer (CEO), Chief Operational Officer (COO), Chief Financial Officer (CFO), Chief Information Officer (CIO), Chief Medical Officer (CMO) and Chief Nursing Officer (CNO) (Hambrick & Mason, 1984). However, this may differ within different private healthcare institutions. Some facilities also have a board of directors who are either internal or external board members. While literature provides insight into different governance mechanisms, there is a serious shortcoming especially in LMICs where firms are closely held with the ownership structure, decision makers and board composition often overlapping with the same people (Mustakallio et al.,2002). This study seeks to understand how the difference in the organizational factors and top management team factors within different private health institutions affect the competitive strategy that is adopted according to Bowman's Strategy Clock.

#### **2.1.1 Definition of competitive strategy**

The concept of competitive strategic management is viewed in different perspectives by different scholars. There are many proposed modes of strategic management which differ in terms of composition, logic, and emphasis. However, there seems to be no consensus on whether a given plan is suitable for different businesses or institutions (Hill and Gareth, 2012). With the growing industrialisation, expansion in the size of business operations, and rapid advancement of technology, the degree of competition within the healthcare industry

has increased tremendously. Under these circumstances, managers have had to be aware of the competitive environment and have formulated coping strategies (Turner et al., (2015).

According to Porter, strategy is taking actions unique to the business that no competitors could duplicate. The strategy relies on offering a distinctive value proposition that customers perceive as being exclusive to the business, and the value chain is essential to this (Nickols, 2016). An organisation's actions and what it does are shaped and guided by fundamental decisions and actions that are produced via the disciplined process of strategic planning. Strategy addresses an organisation's basic problems and formulates the best environmental fit to ensure long-term survival and performance (Nickols, 2016).

Mintzberg proposed a comprehensive view of strategy, encompassing multiple dimensions. According to Mintzberg, strategy can be understood as a plan, ploy, pattern, position, and perspective (Indeed Editorial Team, 2022). First, strategy as a plan involves determining the intended course of action for an organization. Secondly, strategy as a ploy refers to the strategic manoeuvres employed to gain an advantage over competitors. Thirdly, strategy as a pattern recognizes that strategies can emerge from past organizational behaviour and practices. Fourthly, strategy as a position emphasizes the role of strategy in positioning the organization within its external environment. Finally, strategy as a perspective highlights the ingrained way in which the organization is globally perceived.

Building upon Mintzberg's insights, Eyanuku and Uchenna (2019) assert that establishing and maintaining alignment between the organization and its environment necessitates a systematic approach to data gathering and analysis, rather than relying on guesswork. In line with this perspective, Ansoff argues that strategic planning, as opposed to trial-and-error learning, generally yields better alignment and financial outcomes (Weyama, 2018). Ansoff further concludes that while there is no singular definition of strategy, all definitions share a common focus on the decisions and direction that an organization takes to enhance its performance.

### **2.1.2 Techniques to gain competitive advantage**

Competitive advantage is commonly defined as a positional advantage derived by an organization which, compared to the competition, provides its customers with lower cost or perceived uniqueness (Porter, 1985). Sustainable competitive advantage is defined as a competitive advantage that is not easily replicable or eliminable, that can be maintained over time and that is the origin of an organizations sustained superior performance (Coyne, 1985; Porter, 1985). There are many techniques that different organizations have used to gain

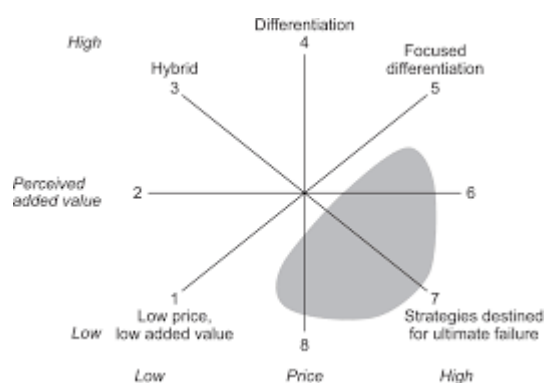
competitive advantage. In fact, more knowledge is now available than ever before on strategic management, and various modes have been suggested. However, the industry players seem not to have agreed on whether a certain plan is appropriate for private healthcare organisations.

Porter's Five Forces is a common technique used. The five forces include: threat of existing competition in the industry, threat of new entrants into the industry, bargaining power of suppliers, bargaining power of customers and threat of substitute products. Porter's generic strategies encompasses four primary objectives: cost leadership, where the organization targets the majority of the market by offering the lowest price; differentiation, where the organization targets the majority of the market based on factors other than price, such as product quality or unique services; cost focus, where the organization seeks a cost advantage within a specific target segment; and differentiation focus, where the organization targets a single or small number of market segments with an emphasis on either price or differentiation. This model emphasizes on the need of an organization to constantly focus on identifying differential product strategies, having access to unique technology, reshaping their core competencies and accumulation of intellectual property, all of which are harnessed to ensure success in a highly competitive environment (Baburaj, 2016). However, the model is noted to have multiple weaknesses such ignoring the effect of complements or partnerships, and it oversimplifies an industries value chain and is too static to keep pace with the more influential technological progress which has been noted in many industries (Goyal, 2020). The SWOT analysis is also another commonly used technique which aims to distinguish the impact on internal and external factors on a firm's ability to compete by systematically looking at the strengths, weaknesses, opportunities, and threats (Ebrahim, et al., 2017).

The above techniques have been beneficial across multiple industries including the healthcare sector. However, in the context of Kenya where the private health sector is heterogeneous ranging from small scale drug distributors and health facilities to large corporate institutions, it is imperative that the different institutions are not all able to compete at the same level. However, based on the institutions competencies and capabilities, the different organizations can choose a competitive strategy that helps them to stay ahead of their rivals and grow. This study therefore chose to employ the Bowman's Strategy Clock as the main competitive technique because organizations can adopt different market positions based on their capabilities, as well as their organizational and top management team factors. The Bowman's Strategy Clock originated from Bowman and Faulkner who emphasised the

significance of value activity competing tactics using this reasoning that different institutions can successfully compete based on their perceived value and monetary cost (Sridharan, 2022). The Strategy Clock extends from Porter's generic strategies and presents a model of competitive strategy based on the institutions offerings. They maintained that supplying goods and services that clients believe are superior to those of the competitors, regardless of price, results in a durable competitive advantage. The strategy clock was created as a tool that may be used to evaluate the company's position concerning what its rivals are offering (Villagrasa et al., 2021). Different market positions, where consumers have varied requirements regarding the perceived value and monetary cost considerations, are represented by distinct positions on the strategy clock, as shown in Figure 1 below.

*Figure 1. 1: Bowmans Strategy Clock*



**Source: (Sridharan, 2022)**

The numbers in the figure represent the different strategies on Bowman's Clock, namely: 1- Low cost/ low value, 2- Low cost, 3-Hybrid, 4-Differentiation, 5- Focused differentiation, 6-Risky high margins, 7-Monopoly pricing, 8-Loss of market share.

Bowman's strategy clock highlights that competitive advantage can be achieved through low price and low-added-value, low price, hybrid, differentiation, and focused differentiation (Sridharan, 2022). The other three strategies on the clock are often viewed as non-competitive (Sridharan, 2022). With low-price and low-added-value, lowering costs than that of the competitor becomes the primary source of competitive advantage (Sridharan, 2022). Regarding low price as a strategy, according to Echchakoui (2018), firms will practically leverage a low-price advantage by increasing the effectiveness of processes, choosing the best outsourcing and vertical integration strategies, or eliminating some expenditures. Put differently, an organization will continually outperform its competitors if it

has one or more value chain activities that set it apart from other businesses and allow it to operate at a lower cost (Lahti et al., 2018; Sridharan, 2022).

Hybrid strategies offer a combination of low cost and differentiation. Consequently, in this category, the organization provides high perceived value at a low price compared to the competition (Sridharan, 2022). Differentiation, the next point on the strategy clock, necessitates that a business must provide a good or service with special qualities that clients appreciate and that they believe are superior to or distinct from that of the rivals (Eyvrigh, 2016). On the other hand, focused differentiation involves providing high-value services for a specialized market segment that can afford and require an ultra-premium service. Because it strives to serve a specific market more effectively, a focus strategy is sometimes called a narrow strategy (Eyvrigh, 2016). Meanwhile, risky high margins specifically focus on high-price services with expected value and are suitable for a short period. Monopoly pricing, on the other hand, offers high-price services for low-added value. The demand is either generated by a single large buyer or many small buyers, which can be applied without competition (Echchakoui, 2018).

The effectiveness of a technique is contingent upon a thorough understanding of the markets to which it applies. Contrary to Porter's argument that the assumptions underlying low costs and differentiation are irreconcilable, Goddard (2015) suggested that organizations that successfully combine low costs with differentiation can create synergies that outweigh any compromises. This research study aims to investigate the factors that influence the adoption of competitive strategies, utilizing Bowman's Strategy Clock as a framework.

### **2.1.3 Implementation of strategy**

Effective managers can utilise strategy to direct attention and effort toward true priorities, create a dependable framework to direct decisions and activities and reinvigorate the feeling of mission inside an organisation (Islami et al., 2018). It is crucial to match the strategy with the organisation's vision, goals, and objectives to gain a competitive edge that will lead to value creation. According to Tanwar (2013), the best way an organisation can achieve a given strategy is by matching its activities to the environment in which it operates. A sound strategy can support expansion, profits, market penetration, cost-cutting, innovative differentiation, and long-term competitive advantage. Porter stated that a company's competitive advantage is its capacity to outperform its competitors regarding the primary performance goal of profitability (Tanwar, 2013).

Competitive advantage typically results in greater performance and ensures the institution's existence (Lee, Chong & Lin, B. (2015). In this context, healthcare organisations have developed varied strategies to achieve competitive advantage. However, there are some external factors that a healthcare institution must grapple with. These include regulation, social and economic trends, demographic changes, public and private purchaser behaviour, payment methods, medical technology advancement, health workforce supply, and emerging global diseases. The internal factors include the strengths and weaknesses of the healthcare institutions and increased focus on the quality and safety of healthcare (Cavusgil et al., 2014). Choosing the focus and direction of the growth plan has become a crucial choice with a significant level of risk in establishing the organisation's competitive position in response to these difficulties. (Masiero et al, 2017).

Additionally, a comprehensive competitive strategy acknowledges that the dynamics of interaction unfold over time, with time itself serving as a significant variable. Strategy encompasses not only influencing competitive forces but also encompasses aspects such as acquisition, research and development, and the deployment of resources over extended periods. Lastly, a successful competitive strategy necessitates a thorough understanding of competitors, including their actions and underlying motivations (Fourne et al., 2014). Healthcare institutions must choose unique and valuable competitive strategies that match with their distinct competencies and capabilities.

#### **2.1.4 The Healthcare Sector in Kenya**

A country's development rests on the economic and social conditions and the extent and quality of health services the government provides to the people. Kenya has adopted a pluralistic approach to the delivery of healthcare, enabling the growth of sizable and diverse non-government health institutions. The central government is one of the main players in Kenya's health system, operating about 41 per cent of all health institutions in the country. Likewise, the private health sector is expanding rapidly in Kenya, comprising agents outside government control. Private healthcare institutions run about 43 per cent, while non-government organisations (NGOs) operate about 15 per cent (Mohajan, 2014). This includes individuals who privately own health organisations and seek to make profit in the healthcare sector (Kabia et al., 2022). According to MOH data from 2006, Kenya has 5129 health institutions, 2217 of which are in the private health sector, 792 of which are non-profits, and 2120 in the public sector (Kabia et al., 2022).

The public's access to healthcare has therefore benefited significantly from the private sector. Also, the belief is that the private sector is more effective than the public sector as it delivers healthcare services of higher quality (Barnes et al., 2010). The private healthcare industry in Kenya is however lopsidedly organised, with most of the major, successful private players being based in Nairobi and owning high-quality hospitals and clinics. Below this are several small-scale providers at modest primary healthcare clinics that struggle to be financially viable and whose quality varies. These modest service providers cater to the low-to middle-income clients (Barnes et al., 2010). According to Kabia et al., (2022) health centres in rural areas and urban slums are the major healthcare providers for the poor in Kenya, but private and mission health facilities are significant sources of healthcare for the wealthy. Nevertheless, small healthcare organisations still mostly serve the local or regional market rather than the national or worldwide one.

The classification of private health facilities affects the strategy adopted to maintain a competitive advantage. The main component of classifying private organisations is economic orientation, including for-profit or not-for-profit healthcare institutions. Faith-based organisations (FBOs) and Non-governmental organisations (NGOs) are significant contributors to not-for-profit healthcare institutions. For-profit organisations practice in various settings such as commercial clinics and hospitals, nursing and maternity homes, university hospitals and academic centres, pharmacies, private laboratories, and other diagnostic centres. The other classification of private health organisations is by ownership. This includes sole proprietors, partners, religious organisations, companies, parastatals, private enterprises, community-based health workers, pharmacists, and traditional healers. Moreover, most private healthcare institutions in Kenya are either family-owned, Faith Based Organisations (FBOs), mission hospitals or trustee-owned organisations. The third classification is by level of facility. Level 1 includes community facilities, level 2- health dispensaries, level 3- health centres, level 4- county hospitals, level 5- the county referral hospitals while level 6 are the national referral hospitals (Government of Kenya, 2001). The private healthcare sector segments can sometimes overlap, and the lines are often blurred. As shown above, there is considerable confusion in classifying private healthcare facilities. This study will nonetheless focus on for-profit level 4-6 healthcare institutions.

## **2.2 Theoretical Framework**

This study analyses the top management team factors and organizational factors using the Resource Based Theory (RBT). One of the major revolutions in the history of

management was originated by Porter's application of traditional industrial organization economics to strategy (Porter, 1980). However, Porter's five forces model and generic competitive strategies failed to address two critical issues. Why do firms participating in industries with the same level of attractiveness post differing performances? Why do firms participating in industries with different levels of attractiveness achieve similar performances? The lack of explanatory power of the dominant market attractiveness approach to strategy, in addressing these questions led researchers to suggest that real sources of a firm's success are due to organizational factors and idiosyncratic resources (Conner, 1991). Originating with Wernerfelt's (1984) article, this body of knowledge has been augmented by the works of Barney (1986) and other researchers who contributed to the development of the Resource Based Theory of the Firm (RBT).

Studies have demonstrated that firm specific factors are more important than environmental or industry characteristics in explaining firm superior performance (Hansen & Wernerfelt, 1989). According to RBT, firms are bundles of resources. Firm's resources include all inputs that allow the firm to work and to implement its strategies (Olavarrieta, 1996). These resources can be tangible or intangible and may have been developed inside the firm or acquired in the market. Strategic resources are those firm specific resources that are valuable, scarce and imperfectly imitable and endow an organization with competitive advantage (Barney, 1991). They are summarised into three categories which are input factors that include raw materials contributing directly to the outputs of the firm; assets generated through accumulation and investment over time; and capabilities which include invisible individual skills and knowledge that enable the firm to coordinate activities and make use of their resources. The key postulate of the RBT is that differences in resources are related to differences in the product or service thus competitive advantage ensues and differences in performance (Conner, 1991).

### **2.2.1 Theoretical review**

A study on RBT and corporate diversification carried out by Prahalad & Hamel, 1990 suggests that organizations should try to develop and exploit their core competencies throughout their different business units. In other words, organizations should avoid unrelated diversification and should attempt to expand into new businesses where there is potential for value to be enhanced by the presence of the new core competencies. Similar studies showed that related diversification based on core competencies is a more effective strategy and produces superior performance. Drawing inspiration from these studies, we aim to examine

how the top management decision making process and entrepreneurial flair influence the adoption of a competitive strategy within an institution.

In relation to ownership structure and entrepreneurial flair, studies carried out on RBT and strategic alliances by Webster 1992, show that managers should focus more on developing relationships than on pure transactions. Strategic alliance is one of the most important types of relationship due to the high degree of commitment and influence over the parties involved. The existence of complementarity between the resources of different firms or the need for particular resources will favour the formation of strategic alliances. In other words, the more a prospective partner's resources are perceived to be complementary, and adding a competitive edge to an organizations offering, the greater the incentive to form a strategic alliance (Cunningham, 1995).

Studies illustrate the application of RBT on the organizations scope strategy and technological innovation. Service firms derive competitive advantage from their strategic resources and capabilities. However, this relationship is contingent on the imitability of these resources. The easier it is to imitate the lower the competitive advantage. Studies also show that size of the firm plays a minor role but firms may obtain a sustained competitive advantage by engaging in three environmental strategies: product stewardship, pollution prevention and sustainable development. Drawing from this studies, this research seeks to evaluate the impact of the size of the institution and scope of operations on achieving a competitive advantage.

The resource based theory also examines the role of the board in managing external dependencies and acquiring critical resources. A primary function of the board is to establish linkages between the organization and essential resources necessary for maximizing performance (Palmer & Barber, 2001). RBT focuses on the strategic actions taken by organizations to influence and control interdependencies with external entities, particularly in the context of resource scarcity. It suggests that corporate boards serve as a mechanism for managing external dependencies, reducing environmental uncertainty, and minimizing transaction costs associated with interdependent relationships. External directors play a crucial role in providing resources to address external factors. The environmental linkages facilitated by boards offer several key benefits, including access to expertise and advice from individuals with diverse strategic backgrounds, establishment of communication channels between the organization and external entities, assistance in garnering support from influential stakeholders outside the organization, and enhancing legitimacy (Hillman et al.,

2000). According to RBT, directors contribute resources such as information, skills, and access to key stakeholders like suppliers, buyers, policy makers, and social groups. Their presence also enhances the organization's legitimacy and reduces uncertainty. External directors bring new perspectives and ideas, increasing cognitive diversity by incorporating different styles of information acquisition and interpretation. They are likely to consider various data sources related to the organization's markets, competitors, operations, and customers, thereby improving their participation in strategic decision-making and their ability to identify needs and opportunities for strategic change (Bruneel et al., 2012). In closely held firms, external board members can suggest new strategic directions. Therefore, this research draws inspiration from resource based theory to examine how the organization's ownership and decision making process influence the adoption of a competitive strategy.

### **2.3 Empirical studies**

In this section, we will discuss studies carried out on organization factors and top management team factors and the relationship between these factors and the adoption of competitive strategies.

#### **2.3.1 Relationship between size of institution and the competitive strategy adopted.**

Various authors have examined the relationship between institutional size and strategy characteristics in different contexts. For instance, Obaidullah et al. (2011) conducted a survey in Bangladesh to investigate the influence of firm characteristics on the business success of small and medium-sized institutions. Surprisingly, the findings indicated that the characteristics of small and medium-sized businesses did not have a significant effect on business success or the adoption of strategy. However, the study did find a significant relationship between entrepreneurial characteristics and the success of strategy adoption.

In a study by Kraus et al. (2007), considerable strategic differences were identified between small and large enterprises. It was concluded that small firms often lack formal structures, and the decision-making processes tend to be centralized. Similarly, Charles et al. (2015) conducted a study that revealed small organizations' limited utilization of conventional strategic management models and strategic planning concepts compared to large organizations. Several reasons were identified for this lack of formal strategic management, including a greater focus on day-to-day operations, limited financial resources for training, and the absence of management models and improvement systems among competitors. In contrast, large organizations typically have dedicated strategic planning departments, greater

financial resources for training, and a competitive focus on strategy and continuous improvement.

Furthermore, Mutua (2012) conducted a study that examined strategic planning practices among micro and small firms, revealing variations in the degree of strategic planning implementation. The study also highlighted a gap between strategic plan formulation and implementation, with small organizations, including health institutions, tending to prioritize short-term operational issues over long-term strategic considerations. These small firms often lack formal structures, and decision-making processes are centralized. It is important to note that most of the studies mentioned were conducted in sectors other than healthcare and in regions outside of Africa. Therefore, this study aims to assess whether similar findings can be observed in the healthcare providers that operate in Nairobi.

### **2.3.2 Relationship between scope of Operations and strategy adopted.**

The findings of three studies conducted by Friedman et al. (2002) demonstrated that hospitals incorporate a variety of services in line with economies of scope and the concept of "one stop shopping." These studies revealed that economies of scale, which indicate that intensified price competition would lead hospitals to specialize, coexist with economies of scope, which suggest that hospitals would expand their range of complementary services. Additionally, the studies indicated that healthcare institutions strive to provide comprehensive care through "one stop shopping" to minimize contracting costs and improve the coordination and management of care, even at the expense of assuming financial risk (Brown & Morrissey, 2000).

In another study, it was observed that there has been an increase in the utilization of home-based care, particularly through hospital-based transitional care interventions designed to facilitate a smooth transition from inpatient to outpatient and home settings. However, given the current focus on high-value and low-cost alternatives to care, the effectiveness of transitional home care strategies heavily relies on the adequate allocation of human resources. This approach has shown efficacy in managing chronic illnesses, reducing the risk of readmission, and preventing adverse events (Rennke & Ranji, 2015).

### **2.3.3 Relationship between ownership structure and strategy adopted.**

Poza stated that family ownership has specific competitive advantages such as long-term orientation, speedy decision making, flexibility and use of family culture as a source of commitment to an organization (Poza, 2004). However, another study showed that blending

family and business matters may slow strategic decision-making, such as succession planning, for the concerns about family welfare (Martin, 2014). He explains that the separation between business and family matters tends to become blurred.

A survey carried out by Carney (2005) described family businesses as conservative and resistant to change. He stated that due to risk aversion of the ownership, family-owned institutions may impede strategic change activities, such as strategic renewal activities, venturing, and innovation with a defensive attitude harming longevity and efficiency (Carney, 2005). The chances that owners will align around the same beliefs, interests, and tactical approaches increase with the length of time that ownership is concentrated in the same individual or small group. This makes the owners of family firms reluctant to lose control of the institution or to develop growth strategies (Schulze et al., 2001).

Another study was conducted on family businesses that changed to corporate ownership. It was concluded that the corporate shareholders helped the firm to accumulate strategic resources such as managerial skills, technology and customer networks needed to compete internationally. (Zahra et al, 2005). The new shareholder also aimed to resolve the conflict of interest previously found in family firms and aimed to demand a formal control system to separate family and business systems. This firms were also forced to recruit more qualified managers and implement systems that are best suited to the firm's strategy (Westhead et al, 2001).

#### **2.3.4 Relationship between decision-making process and strategy adopted.**

Iwu-Egwuonwu (2010) critically examines the existing literature on the agency theory and concurs that the presence of independent directors on firm boards enhances governance practices. The author emphasizes that the independence of board members is crucial for fulfilling their responsibilities in stewardship, monitoring, and strategic decision-making. Similarly, another study highlights the role of outside board members in monitoring managerial behavior and intervening when instances of opportunistic misuse of organizational assets arise (Post et al., 2011).

Nicholson and Kiel (2007) conducted a study that emphasizes the importance of separating the roles of the board's chairman and the CEO to enhance the board's monitoring function. They argue that when the CEO also holds the position of chairman, conflicts of interest may arise, hindering effective communication channels, lines of authority, and weakening shareholder protection. In contrast, independent boards, are free from such conflicts and exhibit better monitoring of managers, thereby safeguarding shareholders'

interests (McGrath, 2009). Additionally, board members, utilizing their personal networks, can serve as intermediaries for resource acquisition, linking the company with critical stakeholders (Woods et al., 2019).

Furthermore, Bruneel et al. (2022) conducted a survey that revealed how board members contribute to enhancing the reputation and legitimacy of organizations, thereby facilitating favourable external conditions for change. However, it is important to acknowledge that conflicts of interest may arise when board directors share social or business connections with the managers they are monitoring. In extreme cases, directors who are also managers within the organization may feel compelled not to challenge the CEO, which can negatively impact institutional performance and growth (Hill & McDonnell, 2013).

### **2.3.5 Relationship between entrepreneurial flair and strategy adopted.**

Zainol and Ayadurai (2011) conducted a study to explore the relationship between entrepreneurial orientation and the success of businesses. They acknowledged the complexity of measuring entrepreneurial orientation solely through personality traits due to its multifaceted nature. However, their findings indicated that entrepreneurs who exhibited higher levels of tolerance for ambiguity, self-efficacy, proactivity, an internal locus of control, and a stronger need for achievement were more inclined to engage in strategic planning and strive for the success of their businesses. Similarly, another study by Sarwoko et al. (2013) defined entrepreneurial flair as encompassing risk-taking, innovation, proactiveness, and competitive aggressiveness. Their investigation revealed a significant positive relationship between these entrepreneurial flair characteristics and the adoption of effective strategies, leading to improved organizational performance.

Moeg et al. (2011) observed that personal orientations of owners, predecessors, and successors significantly influence the strategy and performance of family businesses. In small organizations, strategic decision-making typically rests with the entrepreneur or a limited number of trusted individuals. Consequently, the growth of such organizations is often driven by the vision and motivation of the entrepreneur. Wang et al. (2012) found that levels of strategic planning tend to be higher in organizations with growth-oriented owner-managers and lower in those where owner-managers pursue non-economic personal agendas. It was noted that some owner-managers prefer to maintain a small-scale operation and have no aspirations for active growth or strategic planning.

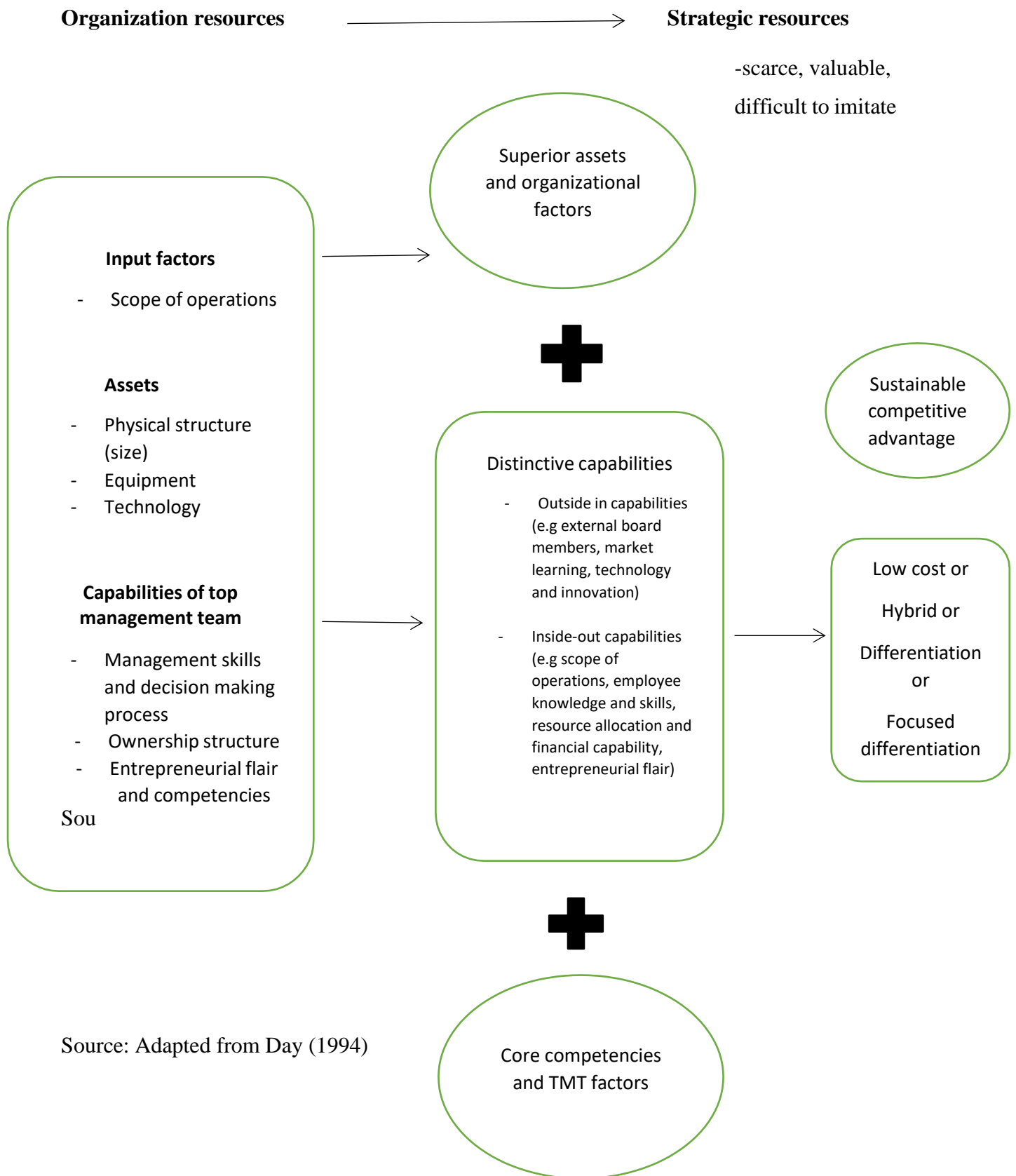
Moreover, Hajipour and Ghanavati (2012) emphasized the significance of education in shaping successful entrepreneurs. They highlighted the importance of education not only in

terms of the level of attainment but also in its role in helping entrepreneurs address challenges and enhance their business management skills. Education in areas such as finance, strategic planning, marketing, communication, and management was found to be crucial for entrepreneurs. Furthermore, the ability to effectively interact with others and communicate clearly in written and oral forms was identified as vital for entrepreneurial activities. Additionally, Obaidullah et al. (2011) conducted a study involving 300 employees in Bangladesh and found that entrepreneurial characteristics significantly influenced business performance. They highlighted the importance of entrepreneurs having a passionate commitment to their products or services, personal involvement, perseverance, a clear market definition, and attention to detail in successfully implementing strategies and promoting organizational growth.

#### **2.4 Conceptual Framework**

Drawing on the Resource Based Theory presented and the variables of interest, the study's conceptual framework will be as shown in figure 2.1 below to illustrate how the firm's resources and the top management team factors play a role in achieving sustainable competitive advantage. The independent variable will include the factors that affect successful competitive strategy formulation and implementation, including organizational factors such as size, scope of operations and financial capability; as well as the top management team (TMT) factors which include the ownership structure, decision making process and the entrepreneurial flair of the top management team.

Figure 2. 1: Conceptual Framework for Dependent and Independent Variables



Source: Adapted from Day (1994)

### 2.4.1 Operationalisation of the Variables

As previously highlighted, the adoption of strategy is the dependent variable. This variable will be measured by distinguishing the different methods used by an institution to compete with its rivals. The other measurable part of this variable is to differentiate the product or service, which will be measured using service design and marketing. Meanwhile, for the independent variable, which is the factors that contribute to competitive strategy formulation, the idea is to look internally at the private healthcare institutions. In this regard, the researcher will measure the size of the firm, scope of operations, the input of the board of directors and the impact of the ownership structure. Table 2.4.1 below illustrates the independent and dependent variables, their indicators, measurement, the tool to use to collect data and how the data will be analysed.

**Table 1: Operationalization of variables**

<b>Variable</b>	<b>Indicators</b>	<b>Measurement</b>	<b>Data collection tool</b>	<b>Data analysis</b>
Low cost	-Cost minimization -Low expenses	Level of low-cost strategy	Structured questionnaire	Descriptive analysis and inferential analysis
Hybrid	-cost minimization -unique services for customers -efficiency of services -corporate reputation	Level of hybrid strategy	Structured questionnaire	Descriptive analysis and inferential analysis
Differentiation	-brand loyalty -use of new technology -efficient and	-level of differentiation strategy	-structured questionnaire	-descriptive analysis and inferential analysis

	effective service			
Focus differentiation	-specialized target market	-level of specialization -specified target market	-structured questionnaire	-descriptive analysis and inferential analysis

Independent variable

Organizational factors • size	-number of beds or facilities. - number of employees.	-bed capacity -physical structure/ size -employee number	-structured questionnaire	-descriptive analysis and inferential analysis
• scope of operations	-classification as specialized or general hospital -outpatient vs inpatient	-specialized services -outpatient vs inpatient	-structured questionnaire	-descriptive and inferential analysis
• Financial capability	-revenue generation -distribution of resources	-average annual budget -resource allocation	-structured questionnaire	-descriptive and inferential analysis
Top management team factors • ownership structure	-ownership of health institution	-family owned -trustee owned -corporate -others	-structured questionnaire	-descriptive and inferential analysis
• decision making process.	-board members structure	-presence of outside board members	-structured questionnaire	-descriptive and inferential analysis

<ul style="list-style-type: none"> <li>entrepreneurial flair</li> </ul>	-characteristics of entrepreneur	-risk taking -innovation	-structured questionnaire	-descriptive and inferential analysis
---	----------------------------------	-----------------------------	---------------------------	---------------------------------------

## 2.5 Summary of the Literature Review

This section provides a comprehensive overview of the theoretical foundations and empirical literature that form the basis of the present study. The agency theory, resource-based view, and entrepreneurial orientation have been outlined as the key theories underpinning this research. The section highlights the significance of these theories in understanding the phenomenon being investigated. Additionally, a synthesis of relevant empirical studies has been presented, shedding light on the research findings, and identifying the existing knowledge gap that necessitates the current study and its specific area of investigation.

Moreover, this section introduces a conceptual model that visually represents the relationships among the variables examined in this study. The independent variables encompass organizational factors and top management team factors, while the dependent variable focuses on the adoption of competitive strategy. The competitive strategies analyzed in this study adhere to Bowmans Strategy Clock framework, specifically encompassing low cost, hybrid, differentiation, and focused differentiation strategies. This conceptual model serves as a foundational framework for the subsequent analysis and discussion of the study's findings.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

Research methodology provides a thorough explanation of the methods used to perform the study and the specific strategies used. This comprises the target population, sampling method used, data collection techniques and data analysis. This research will apply a quantitative methodology.

### 3.2 Research design

This study used a descriptive research design, which is appropriate since it offers the chance to determine and emphasise the process in addition to making it possible to describe the phenomenon under study in terms of inherent features, values, opinions, habits, and attitudes. (Rupra, 2020). This design helped the researcher acquire a deep and wide analysis of the study variables and provide more room for collecting large amounts of data.

### 3.3 Target Population

A population is a group of individuals, objects or items from which the researcher obtains the sample for measurement (Thomas et al., 2020). The unit of analysis for this study is for-profit level 4 to level 6 private healthcare institutions in Nairobi. A total of 153 firms is selected through data from Kenya Medical Practitioners and Dentists Council (<http://kmpdc.go.ke/Registers/H-Facilities.php>). This target population is substantial because it is sizeable enough to increase the accuracy levels of the study.

Level of hospital	Number
Level 4	118
Level 5	17
Level 6	15

Further, the choice of criterion in choosing this population sample was informed by the availability of features that enable the researcher to draw and apply objective conclusions regarding the main research question. The study identified the Chief Executive Officer, Hospital administrator or other members of top management team as the main respondents since they held crucial senior positions and performed critical organisational roles.

### **3.4 Sample Size and Sampling Techniques**

The study used a stratified random sampling technique to choose private health institutions. This approach entailed splitting the population into uniform subgroups and taking a simple random sample from each segment. The sample was selected to ensure equal representation of the subgroups in the main population. Randomisation is a critical concept behind probability sampling approaches. Each unit in the population had an equal chance of being selected. This type of sampling enables the researcher to generalise the larger population and make inferences. The advantage of this method was that the researcher could represent the population's overall characteristics and crucial subgroups, especially small minority groups.

Yamane (1967) provided a simplified formula to calculate sample sizes. That is,  $n = \frac{N}{1 + N(e)^2}$ . Where  $n$  is the desired sample size,  $N$  is the target population of the study, and  $e$  is the level of statistical significance set (this will be 0.05, implying a 95% confidence level). In this study,  $n = \frac{153}{1 + 153(0.05)^2} = 111$ . This was proportionately distributed as follows, level 4 hospitals with a sample of 86 hospitals, while level 5 will be 13 hospitals and level 6 will have a sample of 11 hospitals.

### **3.5 Data Collection**

The study applied a questionnaire as the data collection instrument because it conveniently obtained valuable comparable data from a large sample and diverse regions. The questionnaire also helped to obtain data about people's opinions, thoughts, attitudes, experiences, values, and past behaviour and helped to save time. The use of questionnaires was also preferred because it reduced the chances and opportunity for interviewer bias. Furthermore, the questionnaire was appropriate for this study because the researcher could gather a significant and uniform amount of data cost-effectively and, allowed the respondents to respond at their convenience.

To enhance response rates, the respondents were assured of confidentiality of the provided information. The researcher shared an official introduction letter to the respondent to create a conducive environment for the study. The researcher further outlined the study's purpose well before administering the instrument for data collection in the introduction letter. Deliberate efforts were made to establish close relationships with the respondents to guarantee their cooperation. The questionnaires were administered to respondents by sending Google forms. The link to the forms was sent to the selected respondent who filled the survey questions and upon completion submitted their responses. The expectation was that these

techniques would produce a high completion and response rate, minimising any possible issues brought on by non-response bias. The respondents had a fortnight to complete the questionnaire and submit their answers.

### **3.6 Research Quality**

A pilot study was undertaken to ensure the effectiveness of the questionnaires and guarantee accurate results with clarity and suitability. The researcher piloted the questionnaire to a small representative sample of 11 private healthcare institutions, 10 % of the sample population. The choice of the private healthcare facilities was based on the proximity to one another, that is hospitals within a 10km radius and therefore the institutions had similar characteristics concerning the factors that resulted in their choice of the strategy adopted.

Menon et al. (2021) cites existing literature that suggests that a sample size of 10% of the sample population anticipated for the parent study is adequate. The pre-test questionnaire was crucial because it allowed the researcher to determine whether the questions assessed what they were intended to measure, if the phrasing was precise, and whether respondents consistently interpreted all the questions. In case of any researcher bias, these responses were provoked. The piloted health institutions were not considered for the main study and data collected from these institutions was discarded once the validity and reliability of the research tools was established.

#### **3.6.1 Validity**

The degree of precision with which a research tool assesses what it claims to measure is known as validity (Golafshani, 2013). The validity of an instrument is determined by the respondents' capacity and desire to provide the data needed for the study. Construct and content validity is used in the study. With the supervisor's assistance, the research instrument was created, and the instrument's alignment with the study's content was verified through content validity. All measurement items were evaluated for quality by construct validity, which was verified prior to use. This was done to check that all the research indicators were included in the measurement instrument and that it accurately reflected what was being measured.

#### **3.6.2 Reliability**

Reliability refers to the extent to which a research instrument consistently produces similar results when employed across multiple trials. It serves as a measure of the consistency of test outcomes. In the context of this study, reliability was assessed by examining whether

the same sample population obtains comparable scores on repeated administrations of the same test (Abutabenjeh & Jaradat, 2018). A research instrument is considered reliable when it consistently yields similar results upon repeated usage.

Reliability can be categorized into three main types. First, test-retest reliability pertains to the measurement of reliability achieved by administering the same test multiple times to the same sample group over a period. Second, parallel form's reliability is based on the evaluation of the same phenomena using multiple assessment methods among the same sample group. Lastly, inter-rater reliability involves the measurement of sets of results obtained by different assessors utilizing the same methods (Wang et al., 2011). This study was noted to be reliable because it gave similar results upon repeat administration.

### **3.7 Data Analysis**

Data analysis involves examining the collected data, drawing deductions and inferences, and ensuring consistency, completeness, and accuracy. The researcher meticulously checked, coded, and tabulated the collected data to facilitate analysis. This process entailed uncovering underlying structures, identifying significant variables, detecting anomalies, and testing underlying assumptions. The data was analysed using descriptive statistics. The Statistical Package for Social Sciences (SPSS) Version 24 was employed to produce the data output. Frequency distributions, charts, and graphs were used to present the findings. Moreover, the research findings were compared with existing literature to provide contextualization.

### **3.8 Ethical Considerations**

Ethical considerations were addressed prior to commencing the actual research, in adherence to the study's requirements. The research goals, methodology, and ethical principles were reviewed by Strathmore University's Ethical Committee. The committee provided additional ethical guidelines to ensure strict compliance with ethical standards. Furthermore, the study only proceeded after obtaining official authorization from the National Commission for Science, Technology, and Innovation (NACOSTI). The researcher shared an official introduction letter outlining the study's purpose and emphasizing the confidentiality of participants' information through restricted and controlled access. The letter explicitly highlighted the educational nature of the research. Lastly, the researcher ensured the maintenance of respondent anonymity throughout the research process.

## CHAPTER 4: DATA ANALYSIS

### 4.0 Introduction

The scope of this chapter covers the analysis and results of the study. The two main objectives are to establish the competitive strategies adopted by private health institutions in Nairobi County, and to identify factors that affected the adoption of these competitive strategies. The research instrument used was a questionnaire to help gather the relevant data on how various factors affect the strategy adopted. This chapter outlines the research findings obtained following the comprehensive analysis of the collected data. It further indicates the response rate, the general information of the respondents and the institutions, and the descriptive analysis based on the overarching aim of the study.

### 4.1 Response rate

Out of the 111 questionnaires distributed, 109 were submitted. This represents a 97.29% response rate which according to a study by Wu et al. (2022) is acceptable for an academic survey. The high response rate was as a result of attending different conferences and networking forums involving healthcare managers from different institutions, as well as approaching health managers in different hospitals across Nairobi County.

### 4.2 Respondent's demographic background and background of the healthcare institution.

In terms of their gender, majority of the respondents were male (55.96%) while (44.04%) were female as shown by Figure 4.1 below. This implies that majority of the healthcare managers in level 4 to level 6 private hospitals in Nairobi are males.

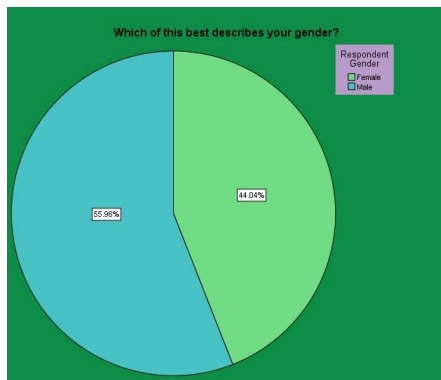


Figure 4. 1: Respondent's gender

According to Figure 4.2, 34.86% of the respondents were aged between 36 to 50 years, 30.28% were aged between 26 to 35 years, while 27.52% were aged over 50 years and 7.34% were aged between 18 to 25 years. This shows that majority of the management teams in private healthcare institutions in Nairobi are made up of individuals above 36 years of age.

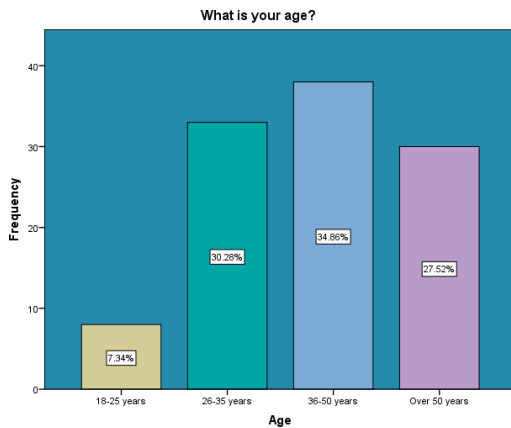


Figure 4. 2: Respondent's age

As depicted by Figure 4.3, undergraduate level was the highest academic level achieved by majority of the study participants (35.78%). On the other hand, 27.52% had attained college level education, 26.61% had achieved master's level while just 10.09% had achieved PHD level.

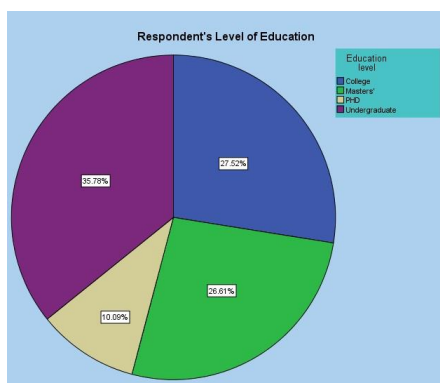


Figure 4. 3: Respondent's educational level

Figure 4.4 indicates the number of years of operation of the healthcare institution. It is noted that 34.86% of the institutions had been in operation for 11 to 15 years, 28.44% had operated between 6 to 10 years, 15.60% for between 1-5 years, 12.84% for 16 to 20 years while another 8.26% had worked for over 20 years. This shows that majority of the healthcare institutions have been established over the last 15 years. It indicates that majority of the institutions have been in operation long enough to experience changes in the market dynamics within the region.

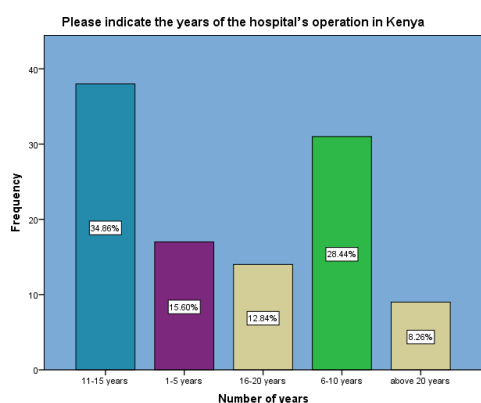


Figure 4. 4: The numbers of years of operation of the health institution.

According to Figure 4.5, majority of the respondents were employed managers (60.19%), 20.39% were board members of the health institutions while 19.42% were founders or owners of private healthcare institutions in Nairobi as shown by Figure 4.5.

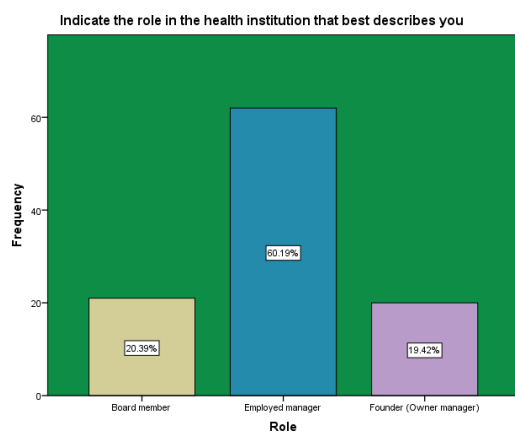


Figure 4. 5: Respondent's role in the health institution

Figure 4.6 illustrates the number of years that the respondents have worked in their position of management. It is shown that 48.62% stated that they had worked between 5 to 10 years, 33.03% had worked for less than 5 years while 18.35% had worked for 10 years.

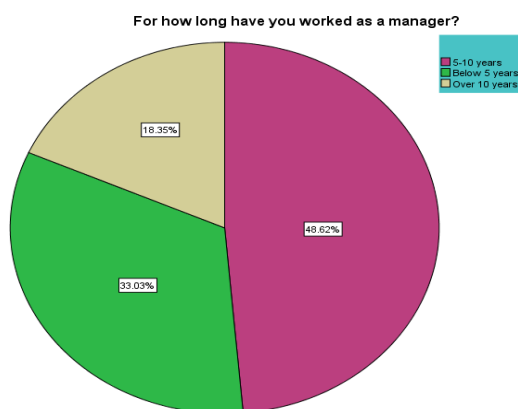


Figure 4. 6: Number of years the respondent has worked in a management position.

According to Figure 4.7, 48.54% of the respondents worked in Level 4 (medium-sized) private hospitals, 33.98% worked in Level 5 (large) private hospitals, 8.74% in Level 6 (Large private teaching hospitals) while 5.83% worked in Level 3 hospitals (health centre) and a further 2.91% worked in Level 2 (health dispensary). These results showed that some hospitals considered to be Level 4-6, were considered by their respondents to fall in the category of Level 2 and 3.

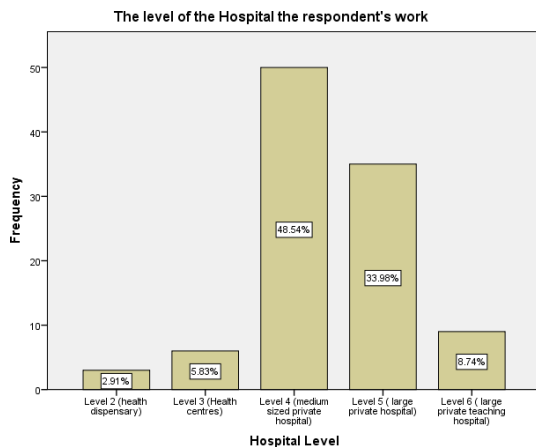


Figure 4. 7: The level of hospital that the respondents work in.

### 4.3 Competitive strategy adopted by private hospitals in Nairobi County.

The present study sought to evaluate the strategy that has been adopted by private healthcare institutions in Nairobi to gain and maintain their market share in the increasingly competitive market. The strategies were categorised into four;

1. The private hospital focuses on providing affordable healthcare services while maintaining acceptable quality standards. They streamline operations, negotiate favourable supplier contracts, optimize resource utilization, and adapt cost effective practices. This strategy according to Bowmans Strategy Clock is illustrative of low-cost strategy.
2. The hospital has embraced advanced medical technologies and digital solutions to enhance patient care, improve operational efficiency, and optimize clinical outcomes. It has invested in electronic health records (EHRs), telemedicine, robotic surgery, remote monitoring, and other innovative technologies. According to Bowman's Strategy Clock, this points to Focused Differentiation Strategy.

3. The private hospital has prioritized delivering high quality services, employ skilled healthcare professionals, maintain stringent quality control measures and still maintain a lower cost compared to its competitors. This is suggestive of the hybrid strategy in Bowman's Strategy Clock.
4. The hospital differentiates itself by offering unique services, specialized medical expertise, advanced technology, luxurious amenities, or personalized patient care aiming to position the institution as distinct and superior to competitors, and attracting patients who value these unique offerings. Based on the Bowman's Strategy Clock, this is suggestive of the Differentiation Strategy.

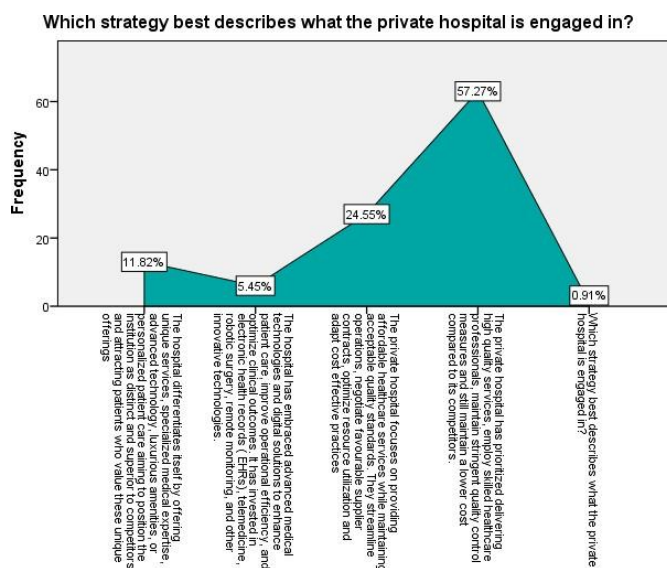


Figure 4.8: Strategies used by private hospital in Nairobi

According to Figure 4.8, majority of the study participant (57.27%) stated that the private hospital has prioritized delivering high quality services, employment of skilled healthcare professionals, maintaining stringent quality control measures and still maintain a lower cost compared to its competitors. This suggests that most private health institutions in Nairobi County have applied the hybrid strategy according to Bowman's Strategy Clock. Similarly,

From the findings above, it is evident that to cope with the increased competition and to position themselves in the market, private hospitals in Nairobi have adopted a hybrid strategy. By implementing this hybrid strategy effectively, the private hospitals can provide high-quality services at a lower price than their competitors. This strategy enables the hospital to attract a diverse range of patients who desire value for their healthcare expenditures, thereby enhancing its market position and competitiveness.

#### 4.4 Impact of organizational factors on the adoption of competitive strategies in private health facilities in Nairobi County.

To evaluate the factors that affect the adoption of competitive strategy different metrics are used. The study focuses on organizational factors which include size, financial capability and scope of operations.

##### 4.4.1 The impact of size of the healthcare institution on the adoption of competitive strategies.

According to Figure 4.8, majority of the respondents 79.81% (strongly agree= 23.85%, agree= 55.96%) agreed that size significantly affects their adoption of competitive strategies. On the other hand, 19.27% neither agreed nor disagreed while just 0.92% disagreed.

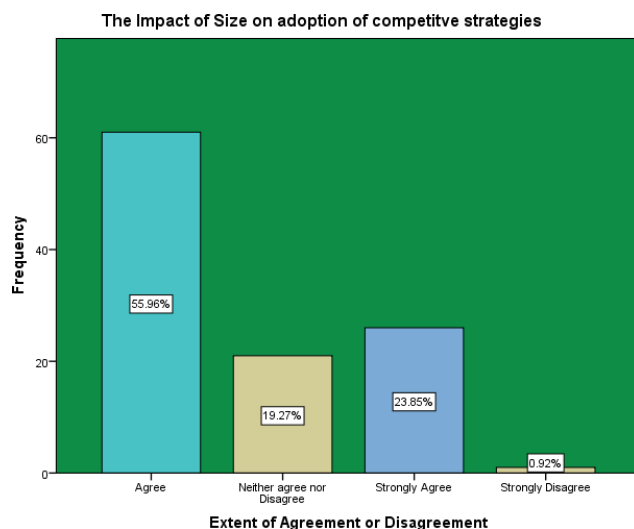


Figure 4. 9: The impact of Size on the adoption of a competitive strategy

##### 4.4.2 Financial capability and resource allocation

Figure 4.9 shows that 94.49% (strongly agree= 55.96%, agree= 38.53%) agreed that the ability to adopt and maintain competitive strategies in private hospitals in Nairobi is impacted by its financial capability and resource allocation. However, 0.92% disagreed while a further 4.59% were undecided.

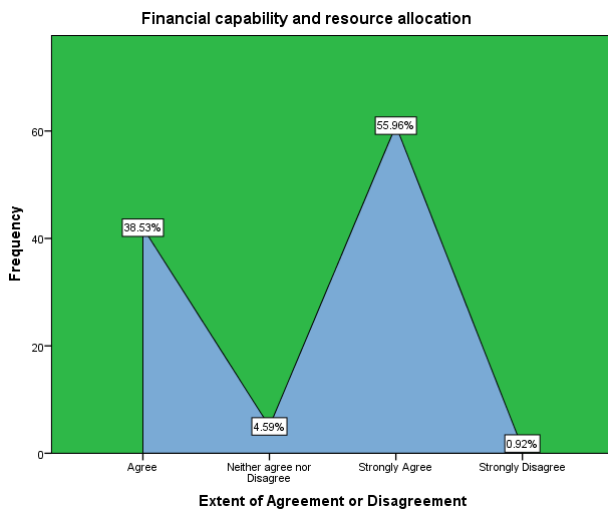


Figure 4. 8: The impact of financial capability and resource allocation on adoption and sustenance of competitive strategies in Nairobi

#### 4.4.3 Scope of operations.

Majority of the study participants, 91.74% (strongly agree= 39.45%, agree= 52.29%) agreed that the competitive strategies in Nairobi are heavily impacted by the organizational structure and managerial complexity, which in turn affect the scope of operations. On the contrary, 2.75% (strongly disagree= 1.83%, disagree= 0.92%) disagreed with this statement while 5.50% neither agreed nor disagreed as shown by Figure 4.10

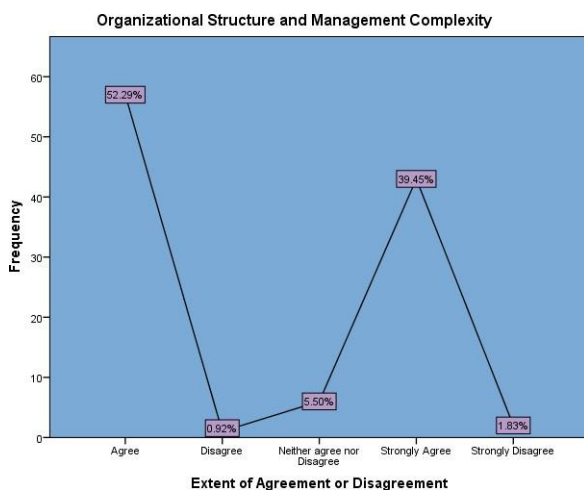


Figure 4. 9: the impact of organizational structure and management complexity on scope of operations.

#### 4.4.4 Impact of ownership structure on the institution's scale and scope of operations

According to Figure 4.11, 99.03% (strongly agree= 61.17%, agree= 37.86%) agreed that the ownership structure can impact the institution's scale and scope of operations. On the contrary, 0.97% strongly disagreed with this statement.

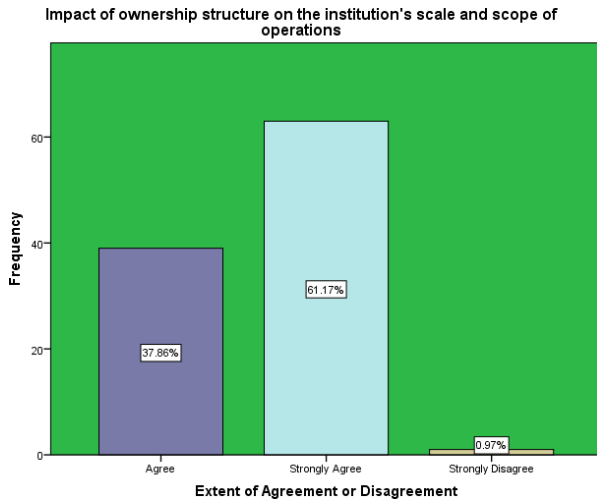


Figure 4. 11: Impact of ownership structure on the institution's scale and scope of operations

#### 4.4.5 The impact of size in relation to market competition

Majority of the respondents 81.65% (strongly agree= 37.61%, agree= 44.04%) agreed that in Nairobi, private hospitals' ability to adapt to market pressures and carve out an edge is influenced by their relative size. On the other hand, 17.43% were indetermined while just 0.92% strongly disagreed as shown by Figure 4.12

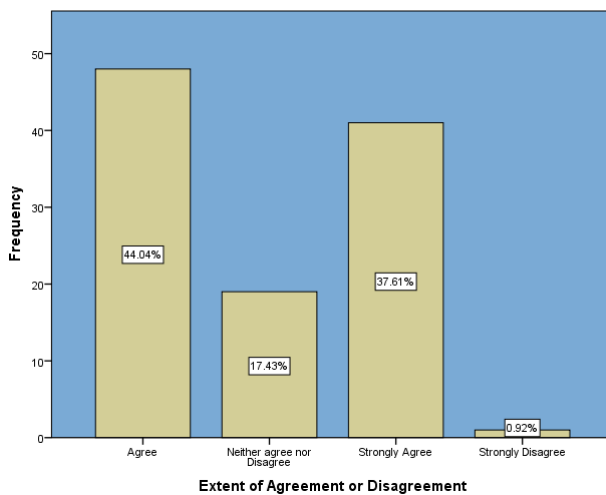


Figure 4. 12: The impact of size in relation to market competition

#### 4.5 Impact of top management team factors on the competitive strategy adopted by private healthcare institutions.

In evaluating the impact that the top management team has on the adoption of competitive strategy, the present study sought to find if (i) ownership structure influences the time horizon for strategic planning, (ii) ownership structure affects the availability and allocation of financial resources.

##### 4.5.1 The impact of ownership structure on the time horizon for strategic planning

According to Figure 4.13, 98.06% (strongly agree= 50.49%, agree= 47.57%) agreed that strategic planning horizons may be affected by the ownership structure. On the contrary, 0.97% neither agreed nor disagreed while a further 0.97% strongly disagreed.

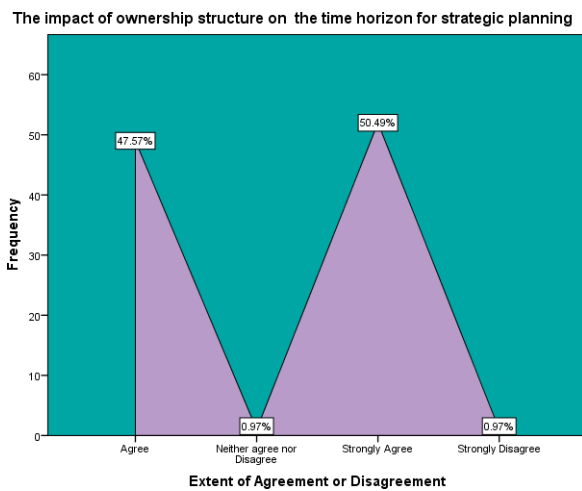


Figure 4. 13: The impact of ownership structure on the time horizon for strategic planning

##### 4.5.2 The effects of ownership structure on the availability and allocation of financial resources

According to Figure 4.14, 96.1% (strongly agree= 62.14, agree= 33.96%) agreed that the ownership structure affects the availability and allocation of financial resources while 2.91% were undecided and 0.99% disagreed with the study.

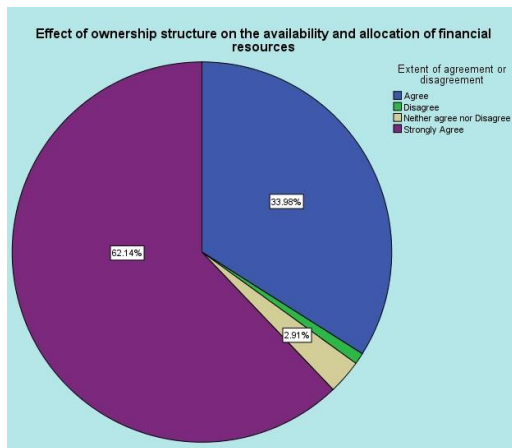


Figure 4. 14: The effects of ownership structure on the availability and allocation of financial resources

#### 4.6 The impact of top management team’s decision-making process on the competitive strategy adopted within private healthcare institutions.

In evaluating the impact of top management team’s decision-making process on the competitive strategy adopted within private healthcare institutions, the study evaluated (i) whether the decision-making process determines the strategic priorities and goals of the institution, (ii) if the decision-making process influences resource allocation and investment decisions, (iii) whether the top management team sets the vision for the institution and provides leadership in translating that vision into actionable competitive strategies, (iv) if the decision-making process involves identifying and evaluating risks associated with different competitive strategies.

##### 4.6.1 The impact of top management team's decision-making process in determining the strategic priorities and goals of the institution.

Majority of the study respondents 99.03% (strongly agreed= 70.87%, agreed= 28.16%) agreed that the top management team's decision-making process determines the strategic priorities and goals of the institution while 0.97% strongly disagreed as shown by Figure 4.15

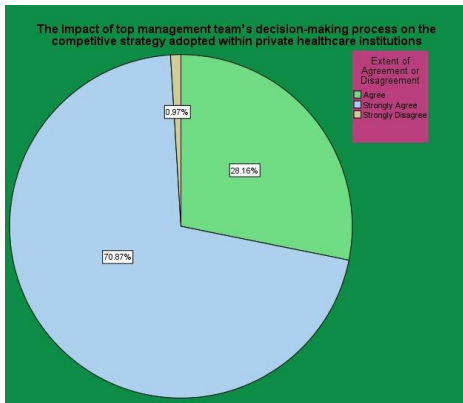


Figure 4. 15: The Impact of top management team’s decision-making process on the competitive strategy adopted within private healthcare institutions.

#### 4.6.2 The impact of the decision-making process on resource allocation and investment decisions.

The study shows that 97.08% (strongly agree= 69.90%, agree= 27.18%) agreed that the decision-making process influences resource allocation and investment decisions while 1.94% neither agreed nor disagreed with the statement and a further 0.97% strongly disagreed as shown by Figure 4.16

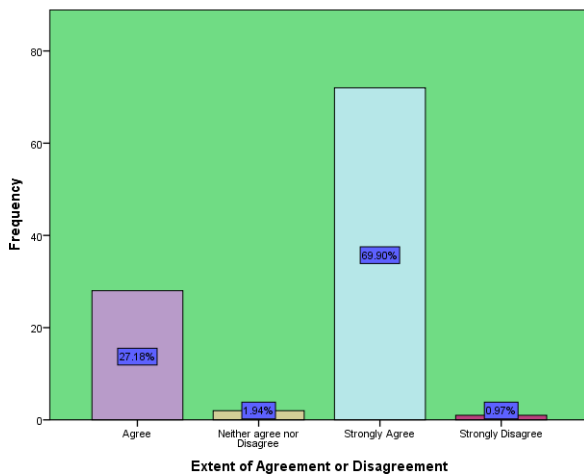


Figure 4. 16: The impact of decision-making process on resource allocation and investment decisions.

#### 4.6.3 The impact of top management team in setting the vision and providing leadership in translating that vision into actionable competitive strategies.

The majority of the respondents, 97.09% (strongly agree= 66.99%, agree= 30.10%) agreed that the senior management team formulates the organization's long-term goals and guides the development of tactical approaches to maintaining a competitive edge. However, 2.91% neither agreed nor disagreed with this statement.

The impact of decision-making process on organizational structure and culture within the private healthcare institution

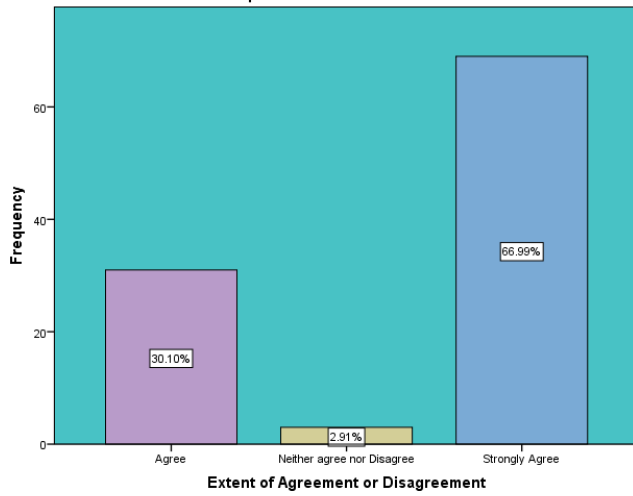


Figure 4. 17: The role of the top management team in setting the vision and providing leadership in translating the vision into actionable competitive strategies.

#### 4.6.4 The decision-making process and identifying and evaluating risks associated with different competitive strategies.

According to Figure 4.18, 99.03% (strongly agree= 65.05%, agree= 33.96%) agree that the decision-making process includes identifying and evaluating the dangers or risks of potential courses of action in the face of competition. These decisions might be informed by the assumption that the top management team carefully puts into consideration the risks and benefits, as well as other aspects such as the institution's financial health, regulatory compliance, and reputation. However, 0.97% were undecided.

The decision-making process and identifying and evaluating risks associated with different competitive strategies.

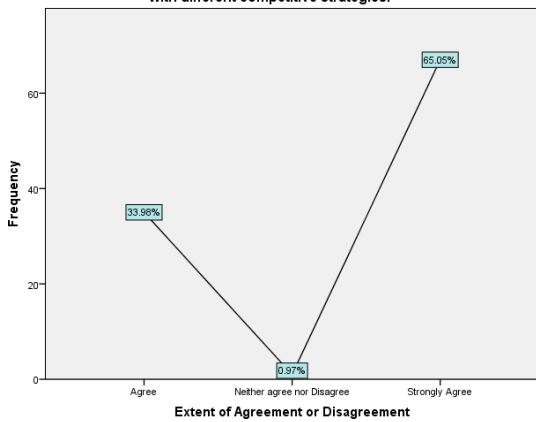


Figure 4.18: The decision-making process and identifying and evaluating risks associated with different competitive strategies.

## 4.7 Impact of top management entrepreneurial flair to adoption of competitive strategy.

### 4.7.1 The impact of ownership structure on the risk appetite

The majority of the respondents 96.115% (strongly agree= 60.19%, agree= 35.92%) agreed that risk appetite and entrepreneurial flair of the top management team affected the competitive strategy adopted. However, 2.91% were undecided while 0.97% disagreed.

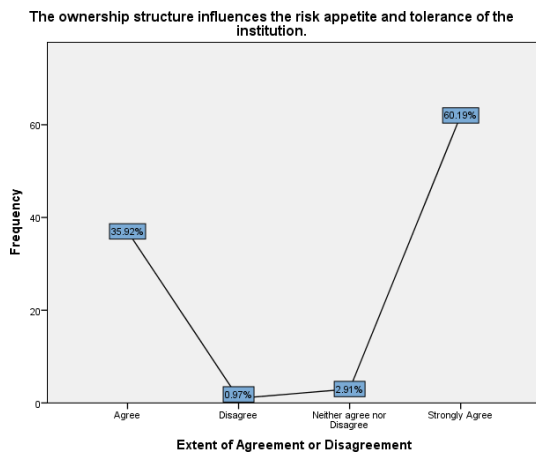


Figure 4.18: The impact of the risk appetite and tolerance of the top management team on the adoption of competitive strategies.

## 4.8 Chapter Summary

The chapter has analysed the data collected through online questionnaires that were distributed to the respondents through google forms. The research study found that majority of the private hospital in Nairobi adopted a hybrid approach which employs an emphasis on both affordable costs and high-quality care which improves efficiency significantly. The findings show that private healthcare institutions' adoption of competitive strategy was significantly influenced by factors like institution size, financial capabilities, resource allocation, organizational structure, and management complexity. Similar findings were made regarding the ownership structure's impact on the time horizon for strategic planning, availability and allocation of financial resources. The study also illustrated that the top management teams decision making process had direct influence on the formation of strategic goals, resource allocation, setting the vision and providing leadership, as well as identifying and evaluating risks which affect the competitive strategy adopted by the healthcare institution. There was also correlation between the entrepreneurial flair and risk appetite on the competitive strategy adopted by private healthcare institutions. Further, the study

demonstrates that the composition of an organization's ownership significantly affects the competitive approach used by a private healthcare provider.

Additionally, the findings shows that private hospitals have achieved the extraordinary balance between cost-effectiveness and uncompromising quality by maximizing resources, carefully controlling expenses, recruiting qualified staff, imposing tight quality control procedures, and utilizing technology. This strategy has elevated the hospital to the forefront of its field and attracted people who are looking for high-quality medical treatment at affordable costs. The next chapter is the fifth chapter which contains the summary of the findings, conclusion made and the researchers' recommendations.

## **CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS.**

### **5.0 Introduction**

The main objective of the study was to examine the extent to which organizational and top management team factors affect the adoption of a competitive strategy within private healthcare institutions in Nairobi County. This chapter highlights the summary of the findings, the conclusion drawn based on the overarching aim of the study and the recommendations arising from the study. It further presents suggestions that may be picked for further research which would enhance the body of knowledge.

The study set out to examine the factors that affect the adoption of competitive strategies in private health institutions in Nairobi County. The study focused on Bowmans Strategy Clock with an emphasis on low cost, hybrid, differentiation, and focused differentiation. The study applied a descriptive research design. One hundred and fifty-three (153) private healthcare institutions were selected as the target population. The study used a stratified random sampling technique and a total of one hundred and eleven (111) institutions were considered. A questionnaire was utilized as the appropriate instrument of data collection and the researcher utilized the Statistical Package for Social Sciences (SPSS) software version 24 to get output of the collected data.

### **5.1 Discussion of the general information.**

In general, the study found that in Nairobi's level 4 to 6 private hospitals the top management personnel are men (55.96%) compared to women (44.04%). The study also revealed that 27.52% of the respondents were above 50 years old, 34.86% were 36–50 years old, 30.28% were 26–35 years old, and 7.34% were 18–25 years old. This showed that majority of the people in leadership within the healthcare sector are above 36 years. It also showed that majority of the top management team had an undergraduate certification in comparison to those who studied in college, held a Masters or pursued a PhD. Most of the healthcare institutions were also noted to have been in operation between 11-15 years and this was closely followed by institutions which were 6-10 years of operation. This indicated that entrepreneurship in the healthcare sector was more prevalent between 6-15 years ago. It also shows that majority of the institutions have been in operation long enough to experience changes in the market dynamics within the region. According to the findings, majority of the respondents were employed managers (60.19%), while 20.39% were board members and 19.42% were the founders. Most of the responders had worked in Kenya's health sector

between 5-10 years indicating that they had sufficient expertise to answer the study questions. It is also shown that majority of the respondents for this study were from Level 4 hospitals followed by respondents from Level 5, 6 then level 3 and 2 healthcare facilities. These results showed that some hospitals considered to be Level 4-6, were considered by their respondents to fall in the category of Level 2 and Level 3.

## **5.2 Discussion of the competitive strategies adopted.**

The research study sought to evaluate the strategy that has been adopted by private healthcare institutions in Nairobi to gain and maintain their market share in the increasingly competitive market. The findings showed that majority of the study participants (57.27%) applied a hybrid strategy. 24.55% of private hospitals in Nairobi applied low cost strategy. These private hospitals focus on providing affordable healthcare services while maintaining acceptable quality standards. The institutions can maintain low costs by streamlining operations, negotiating favourable supplier contracts, optimizing resource utilization and adapting cost effective practices. A further, 11.82% used the differentiation strategy. They stated the private hospital differentiates itself by offering unique services, specialized medical expertise, advanced technology, luxurious amenities, or personalized patient care aiming to position the institution as distinct and superior to competitors and attracting patients who value these unique offerings. Additionally, 5.45% used the focused differentiation strategy on Bowman's Strategy Clock by embracing advanced medical technologies and digital solutions to enhance patient care, improve operational efficiency, and optimize clinical outcomes. The differentiation and focused differentiation strategy may be hindered by the financial capability of private health facilities in Nairobi County among other factors which may be discussed in the next section.

These findings show that most private healthcare institutions identified that to cope with the increased competition and to position themselves in the market, a hybrid strategy enabled this. By implementing this hybrid strategy effectively, the private hospitals can provide high-quality services at a lower price than their competitors. This strategy enables the hospital to attract a diverse range of patients because the institutions are able to leverage on delivering high quality services, employing skilled healthcare professionals, maintain stringent quality control measures and still maintain a lower cost compared to its competitors. Through this hybrid strategy, the hospitals are committed to improving their operational procedures to achieve effective operations and cost control. According to Gioko & Njuguna (2019), the private hospitals achieve these goals by using efficient methods of resource

management, standardizing procedures, and keeping a tight eye on costs. This is how the private hospitals keep expenses down while still providing first-rate care. Strategic cost management is essential to the health of the hospital. The hospitals can keep costs low without sacrificing quality of treatment for patients through strategic supplier negotiations, use of economies of scale, and other cost-cutting methods. This method guarantees that the hospital can provide excellent treatment at affordable rates, which appeals to health-conscious people who want to get the most value for their money. The hospital's strengths resides on its ability to recruit and maintain qualified medical staff. The hospital guarantees a high level of knowledge among its personnel by investing in talent acquisition, professional development, and a supportive work environment. This not only aids in providing first-rate treatment to patients, but it also facilitates economical management of personnel resources.

In addition, Njau & Abdul (2022) state that according to the hybrid strategy, hospitals prioritize high standards of quality control, with a focus on patient well-being and success. The hospital reduces the likelihood of medical mistakes, problems, and readmissions by instituting tight quality control systems. These precautions not only improve treatment for patients, but also save money in the long run by decreasing the likelihood of expensive complications. The private hospitals also recognize the value of technology as a key strategic enabler. As such, the hospital optimizes resource usage, improves clinical results, and decreases costs via the use of electronic health records (EHRs), cutting-edge medical technology, and telemedicine solutions. These technology developments allow the hospital to provide high-quality treatment at a cheaper cost by streamlining processes and increasing efficiency.

Following the conclusion that majority of the private level 4-6 hospitals in Nairobi County apply the hybrid strategy, the researcher discusses below how the organizational factors and top management team factors affect the adoption of this strategy and other competitive strategies based on Bowmans Strategy Clock.

### **5.3 Discussion of factors that affected the adoption of competitive strategies.**

#### **5.3.1 Impact of size on adoption of a competitive strategy**

The study found that 79.81% of the respondents agreed that size of the institution affects the adoption of competitive strategies. This implies that private hospitals in Nairobi, vary in size and this affects how they approach competition. Larger institutions have a variety of benefits that may boost their competitiveness in the market, including a larger patient population, more advanced infrastructure, and greater yearly income. These findings agree

with the work of Abu-Rumman et al. (2021) that found that the scale of larger institutions affords them a dominant position in the market, opening doors to new service offerings, mergers and acquisitions, and preferential contract terms. Additionally, large organizations may benefit from economies of scale thus able to provide their services at cheaper per-unit prices, so drawing in a wider consumer base. Thirdly, larger organizations are distinguished from their smaller rivals because they are able to invest in cutting-edge technology resulting in superior medical facilities, infrastructure, and research capabilities.

Furthermore, the findings correlate to those of Naveed et al. (2019) which concluded that their scale allows for the growth of networks, which in turn leads to enhanced referral systems, expanded insurance policies, and easier access for patients. Furthermore, large institutions have more resources to invest in advertising, which may boost their profile and bring in new patients. They are also better equipped to target certain market niches and distinguish themselves from competition by diversifying into specialty clinics or centers of excellence. These findings suggest that most healthcare managers believe that the size of the healthcare institution affects the strategy adopted. However, the research recognized that smaller healthcare institutions may still compete successfully by zeroing in on specialized markets, individualized treatment, or establishing a competitive edge. Ultimately, market dynamics, the vision of leadership, and catering to the specific requirements of the target market are more important than company size when it comes to the effective implementation of competitive tactics.

### **5.3.2 Impact of financial capability and resource allocation on strategy adopted.**

From the research study, 94.49% agreed that the ability to adopt and maintain competitive strategies in private hospitals in Nairobi is impacted by its financial capability and resource allocation. This shows that the ability to adopt and maintain a competitive strategy in Nairobi's private healthcare sector is strongly influenced by financial capability and resource allocation. Private institutions with greater financial capabilities are able to invest in infrastructure, recruit and keep top staff, embrace cutting-edge technology, undertake ground-breaking research, and launch effective quality improvement programs because they have access to sufficient financial resources putting them in a better position to compete in the ever-changing Nairobi healthcare industry (Ichoho, 2013).

Most private healthcare institutions in Nairobi adopted the hybrid strategy. In relation to their financial capability, it implies capability to set aside resources for collaborative efforts. To deliver better care at a lower cost, the institutions may partner with pharmaceutical

firms, medical equipment manufacturers, and health insurance agencies. By working together, businesses may negotiate better prices, get access to medical technology, and simplify their operations, all of which boost their competitive position (Mwenemeru, 2018). Having a solid financial foundation is also essential for private healthcare organizations to withstand economic volatility. In this way, the institutions may prepare for the unexpected by setting aside money for contingency planning, putting in place efficient financial management systems, and saving up emergency cash.

### **5.3.3 Influence of organizational structure on competitive strategy adopted.**

Competition in Nairobi's private healthcare sector is highly impacted by factors such as organizational structure and management complexity. Decision-making, resource allocation, operational efficiency, innovation, branding, customer experience, strategic relationships, and risk management may be influenced by the scope of operations. Private healthcare institutions in Nairobi's dynamic and competitive healthcare ecosystem may maximize their competitive strategies by studying and adjusting to their organizational dynamics. Majority of the healthcare institutions in Nairobi County apply the hybrid strategy and most of the respondents agree that the organizational structure and management complexity influences the scope of operations.

In general, the findings imply that the organizational structure and management complexity have an effect on service quality and patient satisfaction. In a study carried out by Mackintosh et al. (2018), he concluded that due to the large number of patients and bureaucratic procedures in institutions offering a wide range of services, it may be difficult to retain customized treatment and a patient-centric approach. On the other hand, he explained that individuals may feel more at home in smaller, more personal institutions offering narrower range of services. Most healthcare institutions in Nairobi County apply the hybrid strategy. The health institution aims to maintain quality services at an affordable price which directly affects their scope of operations. The healthcare industry is very competitive; therefore, businesses must pay close attention to how the complexity of their management and organizational structure affects the quality of service they provide, the scope of services and the satisfaction of their customers.

### **5.3.4 Influence of ownership structure on scope of operations and strategy**

From the findings, it is evident that the ownership structure of a private healthcare institution can indeed impact its scale and scope of operations, as well as the competitive strategy adopted. Corporate ownership and public-private partnerships often provide

opportunities for larger-scale operations, offering economies of scale and a wider range of services. Private healthcare institutions under corporate ownership often have access to greater financial resources, managerial expertise, and operational capabilities. This enables them to pursue expansion strategies and scale up their operations. Corporations can invest in infrastructure development, acquire, or establish additional facilities, and leverage their financial strength to support growth initiatives (Okech, 2013).

With larger scale operations, corporate-owned institutions can benefit from economies of scale, such as bulk purchasing of medical supplies, centralized administrative functions, and shared resources. This according to Okech (2013) allows them to offer a broader range of services including specialized treatments, advanced technology, and comprehensive healthcare solutions. As such, understanding the impact of ownership structure on scale and scope is important for private healthcare institutions in Nairobi to strategically plan their growth, enhance their competitiveness, and meet the evolving healthcare needs of the population.

### **5.3.5 Impact of size on market competition**

The findings show that private hospitals in Nairobi are affected by market competition and the creation of competitive advantage in varying degrees depending on their size. As stated in a study carried out by Odongo (2011), larger institutions may have an edge in terms of resources, market placement, and brand awareness, but smaller ones may set themselves apart via nimbleness, adaptability, and specialized services. As such, private healthcare facilities of varying sizes in Nairobi may succeed in the city's dynamic market by identifying and addressing their own competitive strengths and weaknesses.

### **5.3.6 Impact of ownership structure on time horizon for strategic planning**

The findings show that private healthcare facilities' ownership structure may have a major impact on the length of time available for strategic planning. In a study carried out by Gacheru (2013), findings show that private institutions with a board of directors strike a balance between short- and long-term aims, whereas individual or family owned health institutions tend to focus on the here-and-now. Healthcare facilities that are owned by corporations tend to have more resources, better governance, and a longer-term outlook because of these advantages (Gacheru, 2013). With an eye toward the future, they may put money into things like R&D, infrastructure upgrades, and the retention of key employees. This study shows that majority of the healthcare managers in private healthcare institutions in

Nairobi, agree that the ownership structure affects the time horizon of the strategic plan which in turn affects the competitive strategy adopted by the institution.

### **5.3.7 Effect of ownership structure on availability of financial resources**

Private healthcare facilities' access to and use of funds is affected by their ownership structure. When compared to corporate ownership or public-private partnerships, individual or family-based ownership may have less access to resources. This shows that the availability of financial resources may be lower in privately held healthcare organizations controlled by individuals or small groups than in other ownership models. This access to funds has been noted to affect the strategy adopted by the private health institution. When business owners put up their own money or borrow it from friends and family, it might reduce the amount of money available for the company's operations and long-term goals (Muema, 2019). The owner's risk tolerance, desired rate of return, and other factors may also play a role in determining how much of the available capital is invested and the competitive strategy that the institution will adopt.

On the other hand, based on the findings of Gioko & Njuguna (2019), corporately owned private healthcare facilities often have more resources available to them than their counterparts. By demonstrating solid financial health, creditworthiness, and capital-raising prowess, the institution may attract substantial funding from either internal resource, equity investors, or external finance. Strategic efforts like growth, technology investment, talent acquisition, R&D, marketing, and infrastructure development all benefit from this ownership setup since they have access to a larger pool of capital. As such, to meet their strategic goals and adapt to the ever-changing demands of the Nairobi healthcare market, healthcare management team needs to take into consideration the effect of the ownership structure on the availability and allocation of financial resources.

### **5.3.8 Impact of TMT decision making process on competitive strategy adopted.**

According to the findings of the study, it is evident that the strategic priorities and goals of a private healthcare institution depend heavily on the decision-making process of the top management team. The institution's strategic goals, allocation of resources, potential for expansion, and methods for oversight are all shaped by their choices. As noted by Mackintosh et al. (2018), to make the best choices it is important to weigh the potential downsides and upsides of each option against the institutions overall mission and long-term goals. The success of the institution and its capacity to negotiate through the competitive healthcare environment in Nairobi rests on the shoulders of the top management team, who

do so by making choices that are both well-informed and well-aligned (Mwangi & Kihara, 2021). They look at both internal and external aspects, carry out market research, evaluate the competition, and weigh the institution's strengths and weaknesses. Through this approach, the team establishes the major strategic objectives that connect with the institutions purpose, vision, and long-term goals. Assessing alternatives, calculating costs, risk management, and settling on the best strategic goals for the organization are all part of the decision-making process. It is therefore evident from the study, that the top management teams' decision-making process affects the competitive strategy adopted by the private healthcare institution.

### **5.3.9 Impact of decision making process on resource allocation and investment decisions**

According to the findings the top management team has a significant impact on the allocation of resources and investment decisions. According to (Mwangi & Kihara, 2021), the top management team conducts this process of making well-informed judgments on resource allocation by considering the institution's requirements, strategic goals, and available resources. Financial feasibility, possible returns, and dangers are all considered as they choose which investments to make first to further the institution's aims and strategic direction. Management takes actions to minimize or manage risks including financial risk, operational risk, regulatory risk, and market risk as part of the decision-making process. To maximize performance and guarantee the efficient use of resources, the team conducts continuous review and performance monitoring to assist in tracking the effects of resource allocation and investment choices. In conclusion, a health institutions' long-term viability, operational efficacy, and success in achieving its strategic goals are all strongly tied to the quality of the decisions made by its leadership.

### **5.3.10 Impact of TMT in setting the vision and providing leadership in translating that vision into actionable competitive strategies**

The leadership and vision of the senior management is crucial in turning the institution's vision into effective competitive tactics. Their knowledge and foresight help steer the organization towards its mission. The leadership of an organization may help ensure that its vision, mission, and values are all on the same page by crafting a compelling vision. The institutions competitive position is influenced by both internal and external factors which are evaluated by the senior management team as part of strategic planning. They use their expertise in the field, their understanding of the market, and their own resources to develop sound plans that fully exploit opportunities and counteract threats (Odongo, 2011). These

tactics cover a wide spectrum including expanding the variety of services offered, entering new markets and taking advantage of emerging technologies, as well as recruiting top personnel and forming strategic alliances. The top management team decision-making process guarantees that the institution's selected strategies are in line with its mission, values, and expertise.

The top management team is also the driving force in offering direction and guidance to the employees. Their leadership motivates and enables workers to use their knowledge, imagination, and commitment towards the implementation of strategic initiatives that provide the company a competitive edge (Yeswa & Ombui, 2019). As such, in order to respond to the changing market conditions and meet the needs of the patients and other stakeholders, the administration needs to foster an environment that encourages creativity, teamwork, and constant development in order to achieve their competitive strategic goals.

### **5.3.11 Impact of the decision making process and identifying and evaluating risks associated with different competitive strategies.**

A private healthcare institution's top management team thoroughly assesses competitive strategy risks before making decisions. Financial stability, regulatory compliance, and reputation are considered when assessing risks. The management team recognizes the importance of balancing risk and reward in line with the institution's risk appetite. According to Mbogori et al. (2015), the leadership team analyses the pros and cons of an approach. Investment feasibility and income variations are thoroughly assessed to determine their influence on the institution's financial stability. Regulatory risks, including compliance with healthcare regulations and licensing requirements are evaluated to mitigate any legal or operational challenges. In addition to financial and regulatory risks, the top management examines operational risks that might impair the smooth operation of the organization. These risks include personnel, supply chain interruptions, and operational weaknesses. Moreover, reputational risks related to patient safety and public perception are taken into consideration as they can significantly affect the institution's standing in the market.

Market dynamics and external factors can affect a competitive strategy therefore the management team analyses these risks to make informed decisions. Through a comprehensive risk assessment, the management team ensures that the institution's competitive strategies are aligned with its risk tolerance and overall objectives. Regular monitoring and control mechanisms are put in place to track the effectiveness of risk management strategies and to promptly address emerging risks. By methodically assessing

risks and benefits throughout the decision-making process, the top management team of a private healthcare institution tries to make educated decisions that maximize the organization's competitive position while controlling possible dangers (Kambaga et al., 2023). This method serves to secure the institution's financial stability, compliance with laws, reputation, and strategic goals, eventually strengthening its competitive edge in the Nairobi healthcare market.

### **5.3.12 Impact of ownership structure on risk appetite**

The findings imply that the risk appetite of the ownership structure of a private healthcare institution plays a significant role in the adoption of a competitive strategy. This is because the ownership structure influences the decision-making process, strategic objectives, and the stakeholders' interests (Njau & Abdul, 2012). It is important for private healthcare institutions to align their risk management practices with their ownership structure, considering the goals and expectations of the owners or partners involved.

## **5.4 Conclusions**

The study concluded that most of the firms have devised ways through which they can differentiate their services and gain a reputation of offering the best services compared to other firms in the sector. Majority of the private hospitals in Nairobi were noted to apply the hybrid strategy (57.27%) whereby the private hospital prioritized delivering high quality services, employing skilled healthcare professionals, maintaining quality control measures, and still ensuring they have a lower cost compared to their competitors. 24.55% employed the low-cost strategy by focusing on providing affordable healthcare services while maintaining acceptable quality standards. Of note is that most healthcare institutions in Nairobi, were not using the differentiation strategy or focused differentiation strategy. This may be attributed by the organizational and top management team factors discussed.

There is a significant positive relationship between the organizational factors and top management team factors to the competitive strategy adopted by private healthcare institutions. Financial capability, resource allocation, organizational structure, ownership structure, risk appetite, and decision-making processes are all elements that affect the competitive strategy of Nairobi's private healthcare facilities. When responding to market rivalry and cultivating a competitive edge, a company's size is a major factor. Larger organizations often have more resources to work with giving them more leeway to develop and implement competitive strategies.

Similarly, the study found that ownership structure influences the time horizon for strategic planning and affects the availability and allocation of financial resources. Private institutions with a board of directors are shown to strike a balance between short- and long-term strategies, whereas individual or family owned health institutions tend to focus more on short term strategies. Healthcare facilities that are owned by corporations tend to have more resources, better governance, and a longer-term outlook. However, research emphasizes the importance of separating the roles of the board's chairman and the CEO to enhance the board's monitoring function. They argue that when the CEO also holds the position of chairman, conflicts of interest may arise, hindering effective communication channels, lines of authority, and weakening shareholder protection. In contrast, independent boards, are free from such conflicts and exhibit better monitoring of managers, thereby safeguarding shareholders' interests

Additionally, ownership structure influences the risk appetite and tolerance of the institution, the institution's scale and scope of operations, and the organizational culture and values within the institution. This shows that ownership structure has a significant impact on the competitive strategy adopted by a private healthcare institution. Moreover, there was a positive relationship between the top management team decision-making process and the strategic priorities and goals of the institution. The findings also show that the decision-making process influences resource allocation and investment decisions. The institution's strategic goals, allocation of resources, potential for expansion, and methods for oversight are all shaped by the decisions made by management. The top management team was shown to set the vision for the institution and provide leadership in translating that vision into actionable competitive strategies and identifying and evaluating risks associated with different competitive strategies.

The willingness to take risks, the size of the organizations budget, and how quickly decisions can be made all change depending on ownership and control of a private healthcare organization. Institutions may get a longer-term perspective via corporate ownership or having a board of directors allowing them to prioritize development and strategic expenditures through analysis of the strengths and weaknesses, investigating the market, have greater financial resources, managerial expertise, and operational capabilities.

Private healthcare institutions' strategic goals are heavily influenced by the deliberations of the top management team. The team establishes the institution's long-term goals and gives direction in shaping those objectives into competitive strategies that may be

implemented. Decisions are made by the management team after careful consideration of the risks and benefits, as well as other aspects including the institution's financial health, regulatory compliance, and reputation.

## **5.5 Recommendations**

The following recommendations were made to private healthcare institutions in Nairobi to enhance their ability to implement and sustain competitive strategies:

1. The study recommends that private hospitals should strengthen financial capability. The private healthcare sector should strengthen its financial footing by increasing revenue generating streams, actively seeking out new financing opportunities including strategic alliances, venture capital, and private equity investments. This would provide them the capital they need to develop their facilities, upgrade their technology, increase their workforce, and introduce new services to the public.
2. The study recommends that private hospitals should optimize resource allocation. To make the most of their assets, institutions should examine their current methods of allocating resources thoroughly. Redirecting resources to where they will provide the greatest value and support competitive strategies requires a systematic and frequent examination of operational processes to root out inefficiencies.
3. The study recommends that private hospitals in Nairobi should foster strategic partnerships. By working together, private healthcare institutions may have access to more funding, specialized knowledge, and business prospects. Health care organizations, IT firms, and academic research facilities all stand to benefit from exploring potential strategic alliances with one another to increase their service offerings, boost efficiency, and fuel innovation.
4. The study recommends that private hospitals should develop a long-term perspective. To facilitate strategic planning over a longer period, institutions should embrace corporate ownership, use of a board of directors or public-private partnerships. This strategy makes it possible to engage in projects with longer payback periods but higher long-term value for the organization, boosting its competitiveness and standing in the market. However, the study emphasizes separation between the role of CEO and Chairman of the board to avoid conflict of interest.
5. The study recommends that private hospitals enhance risk management practices. To successfully identify, analyse, and reduce risks, private healthcare organizations should build solid risk management frameworks. There must be defined processes and

governance structures in place to deal with possible risks and crises, as well as frequent reviews and updates to risk assessments.

## **5.6 Suggestions to future studies**

This research focused on the extent to which organizational and top management team factors affect the adoption of competitive strategies in Nairobi County. The emphasis was on private health institutions in Nairobi County. It would be important to research on factors affecting competitive strategies in public health institutions. This is because the private and public sector in Kenya target different markets, have a different organizational structure and are governed differently. Further the study focused on descriptive analysis whereas the strategies and performance of institutions with differing sizes, ownership structures, and resource allocations can be compared via comparative analysis. Longitudinal studies can assess the long-term influence and sustainability of competitive strategies by tracing their evolution over time. Additional research can examine the effect of ownership structure on decision-making, resource allocation, and market adaptability.

Also, exploring risk management practices and their impact on competitive strategies can yield invaluable insights into effective risk mitigation strategies. To comprehend how cultural factors affect strategic decision-making, it is possible to investigate the influence of organizational culture and values on competitive strategies. In addition, research on the influence of technological innovation, patient preferences, and satisfaction, as well as policy and regulatory factors, can aid in the comprehension of the dynamics of competitive strategies in private healthcare institutions.

Examining stakeholder participation and the potential for cross-sector collaborations can cast light on effective strategies for nurturing innovation, resource sharing, and market expansion. These suggestions can influence future research and provide a deeper comprehension of the factors that contribute to successful competitive strategies in Nairobi's private healthcare institutions. By addressing these research gaps, we can increase our understanding and inform evidence-based practices that promote sustainable growth and enhance the sector's healthcare outcomes.

## REFERENCES

- Abu-Rumman, A., Mhasnah, A., & Al-Zyout, T. (2021). Direct and indirect effects of TQM on the patients' satisfaction and loyalty in the Jordanian health care sector. *Management Science Letters*, 11(2), 493-502.
- Abutabenjeh, S., & Jaradat, R. (2018). Clarification of research design, research methods, and research methodology: A guide for public administration researchers and practitioners. *Teaching Public Administration*, 36(3), 237-258.
- Adamides, E. D. (2015). Linking operations strategy to the corporate strategy process: a practice perspective. *Business Process Management Journal*.
- Agarwal, R., & Ansell, J. (2016). Strategic change in enterprise risk management. *Strategic Change*, 25(4), 427-439.
- Gioko, W., & Njuguna, R. (2019). Strategic planning practices and performance of private hospitals in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(8), 1-16.
- Njau, M. J., & Abdul, F. (2022). Revenue cycle management strategies and financial performance of profit making private hospitals in Nairobi City County, Kenya. *International Academic Journal of Economics and Finance*, 3 (7), 296, 316(2).
- Alaaraj, S., Mohamed, Z. A., & Bustamam, U. S. A. (2018). External growth strategies and organisational performance in emerging markets: The mediating role of inter-organisational trust. *Review of International Business and Strategy*.
- Alabdullah, T. T. Y., Al-Fakhri, I., Ahmed, E. R., & Kanaan-Jebna, A. (2021). Empirical Study of the Influence of Board of Directors' feature On Firm Performance. *Russian Journal of Agricultural and Socio-Economic Sciences*, 11(119), 137-146.
- Akhtar A. Health care regulation in low- and middle-income countries: a review of the literature. The Nossal Institute for Global Health, 2011.
- Banker, R. D., Mashruwala, R., & Tripathy, A. (2014). Does a differentiation strategy lead to more sustainable financial performance than a cost leadership strategy?. *Management Decision*.

- Barnes, J., O'Hanlon, B., Feeley III, F., McKeon, K., Gitonga, N., & Decker, C. (2010). *Private health sector assessment in Kenya* (Vol. 193). World Bank Publications.
- Benzaghta, M. A., Elwalda, A., Mousa, M. M., Erkan, I., & Rahman, M. (2021). SWOT analysis applications: An integrative literature review. *Journal of Global Business Insights*, 6(1), 55-73.
- Bruneel, J., Gaeremynck, A., & Weemaes, S. (2022). Outside board members and strategic orientation of new ventures in the startup phase. *Strategic Entrepreneurship Journal*, 16(4), 801-825.
- Charles, N. A., Ojera, P. B., & David, O. (2015). Factors influencing the choice of strategic management modes of small enterprises. *Journal of Innovation and Entrepreneurship*, 4, 1-22.
- Charles, N. A., Ojera, P. B., & David, O. (2015). Factors influencing the choice of strategic management modes of small enterprises. *Journal of Innovation and Entrepreneurship*, 4, 1-22.
- Ebrahim, E. M., Ghebrehiwot, L., Abdalghar, T., & Juni, M. H. (2017). Health care system in Sudan: review and analysis of strength, weakness, opportunity, and threats (SWOT analysis). *Sudan journal of medical sciences*, 12(3), 133-150.
- Echchakoui, S. (2018). An analytical model that links customer-perceived value and competitive strategies. *Journal of Marketing Analytics*, 6, 138-149.
- Espino-Rodríguez, T. F., & Gil-Padilla, A. M. (2015). The structural and infrastructural decisions of operations management in the hotel sector and their impact on organisational performance. *Tourism and Hospitality Research*, 15(1), 3-18.
- Eyanuku, J. P., & Uchenna, E. B. (2019). Corporate Planning and Employees Performance in the Nigerian Banking Sector. *Ilorin Journal of Human Resource Management*, 3(2), 56-61.
- Eyvrih, G. M. (2016). A review of marketing strategies. *Kuwait Chapter of the Arabian Journal of Business and Management Review*, 6(1), 77.
- Gacheru, L. C. (2013). *Growth strategies adopted by private hospitals in Nairobi* (Doctoral dissertation, University of Nairobi,).
- Gioko, W., & Njuguna, R. (2019). Strategic planning practices and performance of private hospitals in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(8), 1-16.

- Goddard, M. (2015). Competition in healthcare: good, bad or ugly?. *International Journal of Health Policy and Management*, 4(9), 567.
- Goddard, M. (2015). Competition in healthcare: good, bad, or ugly? *International Journal of Health Policy and Management*, 4(9), 567.
- Hajipour, B., & Ghanavati, M. (2012). The impact of market orientation and organisational culture on the performance: Case study of SMEs. *Journal of Contemporary Management*, 15(1), 83-95.
- Hinterhuber, A., & Liozu, S. M. (2017). Is innovation in pricing your next source of competitive advantage? 1. In *Innovation in Pricing* (pp. 11-27). Routledge.
- Hinz, V., & Ingerfurth, S. (2013). Does ownership matter under challenging conditions?: On the relationship between organizational entrepreneurship and performance in the healthcare sector. *Public Management Review*, 15(7), 969-991.
- Hou, W., Li, S., & Priem, R. L. (2013). How do CEOs matter? The moderating effects of CEO compensation and tenure on equity ownership in international joint ventures. *Journal of International Management*, 19(2), 138-151.
- Ichoho, J. W. (2013). *Implementation of outsourcing strategy at the Nairobi Hospital, Kenya* (Doctoral dissertation, University of Nairobi).
- Indeed Editorial Team. (2022, October 1). The Mintzberg 5 P's of strategy: definition and uses. Indeed. Retrieved March 20, 2023, from <https://uk.indeed.com/career-advice/career-development/mintzberg-5-ps-of-strategy>
- Islami, X., Mulolli, E., & Mustafa, N. (2018). Using Management by Objectives as a performance appraisal tool for employee satisfaction. *Future Business Journal*, 4(1), 94-108.
- Kabia, E., Kazungu, J., & Barasa, E. (2022). The effects of health purchasing reforms on equity, access, quality of care, and financial protection in Kenya: a narrative review. *Health Systems & Reform*, 8(2), 2114173.
- Kambaga, D., Mongare, O., & Ondara, R. O. (2023). THE DETERMINANTS FOR MEDICAL TOURISM IN PRIVATE HOSPITALS: A CASE STUDY OF NAIROBI COUNTY, KENYA.
- Karamshetty, V., De Vries, H., Van Wassenhove, L. N., Dewilde, S., Minnaard, W., Ongarora, D.....& Yadav, P. (2022). Inventory management practices in private healthcare facilities in Nairobi County. *Production and Operations Management*, 31(2), 828-846.

- Kasera, G. K. (2017). *Strategic Management and Organizational Performance: Findings from Health Institutions in Nairobi County* (Doctoral dissertation, United States International University-Africa).
- Lahti, T., Wincent, J., & Parida, V. (2018). A definition and theoretical review of the circular economy, value creation, and sustainable business models: where are we now and where should research move in the future?. *Sustainability*, 10(8), 2799.
- Lee, V. H., Ooi, K. B., Chong, A. Y. L., & Lin, B. (2015). A structural analysis of greening the supplier, environmental performance and competitive advantage. *Production Planning & Control*, 26(2), 116-130.
- Mackintosh, M., Mugwagwa, J., Banda, G., Tibandebage, P., Tunguhole, J., Wangwe, S., & Karimi Njeru, M. (2018). Health-industry linkages for local health: reframing policies for African health system strengthening. *Health policy and planning*, 33(4), 602-610.
- Martin, R. L. (2014). The big lie of strategic planning. *Harvard business review*, 92(1/2), 78-84.
- Martínez-Mesa, J., González-Chica, D. A., Duquia, R. P., Bonamigo, R. R., & Bastos, J. L. (2016). Sampling: how to select participants in my research study?. *Anais brasileiros de dermatologia*, 91, 326-330.
- Masaba, B. B., Moturi, J. K., Taiswa, J., & Mmusi-Phetoe, R. M. (2020). Devolution of healthcare system in Kenya: progress and challenges. *Public Health*, 189, 135-140.
- Mbogori, F. K., Ombui, K., & Iravo, M. A. (2015). Innovative strategies influencing performance of national hospital insurance fund in Nairobi County Kenya. *International Journal of Scientific and Research Publications*, 5(10), 250-315.
- Menon, U. K., Gopalakrishnan, S., Unni, C. S. N., Ramachandran, R., Poornima, B., Sasidharan, A., & Radhakrishnan, N. (2021). Pilot of a questionnaire study regarding perception of undergraduate medical students towards online classes: Process and perspectives. *Journal of Family Medicine and Primary Care*, 10(5), 2016.
- Menz, M. (2012). Functional top management team members: A review, synthesis, and research agenda. *Journal of Management*, 38(1), 45-80.
- Mishra, S. P., & Mohanty, B. (2022). Approaches to strategy formulations: A content analysis of definitions of strategy. *Journal of Management & Organization*, 28(6), 1133-1160.

- Moog, P., Mirabella, D., & Schleppehorst, S. (2011). Owner orientations and strategies and their impact on family business. *International Journal of Entrepreneurship and Innovation Management*, 13(1), 95-112.
- Morgan R, Ensor T. The regulation of private hospitals Asia. *The International Journal of Health Planning and Management*. 2014.
- Muema, E. M. (2019). *Influence of Strategic Agility on the Competitive Advantage of Private Hospitals in Nairobi County* (Doctoral dissertation, University of Nairobi).
- Munywoki, J., Kagwanja, N., Chuma, J., Nzinga, J., Barasa, E., & Tsofa, B. (2020). Tracking health sector priority setting processes and outcomes for human resources for health, five-years after political devolution: a county-level case study in Kenya. *International Journal for Equity in Health*, 19(1), 1-13.
- Mutunga, N. K. (2021). *The Extent to which competitive strategies influence competitive advantage of private security firms in Nairobi County* (Doctoral dissertation, Strathmore University).
- Mwangi, M., & Kihara, A. (2021). Strategy Implementation Practices and Performance of Private Hospitals in Nairobi City County. *Journal of Business and Strategic Management*, 6(1), 1-22.
- Mwenemeru, E. M. (2018). Effect of Generic Strategies on Competitiveness of Private Hospitals in Nairobi City County, Kenya. *Journal of International Business, Innovation and Strategic Management*, 1(4), 20-40.
- Nickols, F. (2016). Strategy, strategic management, strategic planning and strategic thinking. *Management Journal*, 1(1), 4-7.
- Njau, M. J., & Abdul, F. (2022). Revenue cycle management strategies and financial performance of profit-making private hospitals in Nairobi City County, Kenya. *International Academic Journal of Economics and Finance*, 3 (7), 296, 316(2).
- Oanda, I. O. (2013). Implications of alternative higher education financing policies on equity and quality: The Kenyan experience. In *Funding Higher Education in Sub-Saharan Africa* (pp. 98-129). Palgrave Macmillan, London.
- Odongo, P. O. (2011). *Strategies adopted by private hospitals in Nairobi to gain competitive advantage* (Doctoral dissertation, University of Nairobi, Kenya).
- Okech, E. A. (2013). *Challenges of implementing strategic plans by private hospitals in Nairobi County* (Doctoral dissertation, University of Nairobi).

- Okoroafor, S. C., Kwesiga, B., Ogato, J., Gura, Z., Gondi, J., Jumba, N., & Asamani, J. A. (2022). Investing in the health workforce in Kenya: trends in size, composition and distribution from a descriptive health labour market analysis. *BMJ Global Health*, 7(Suppl 1), e009748.
- Olu, O., Drameh-Avognon, P., Asamoah-Odei, E., Kasolo, F., Valdez, T., Kabaniha, G., ... & Moeti, M. (2019, November). Community participation and private sector engagement are fundamental to achieving universal health coverage and health security in Africa: reflections from the second Africa health forum. In *BMC proceedings* (Vol. 13, pp. 1-11). BioMed Central.
- Pillay, R. (2014). Creativity, innovation, and entrepreneurship: A new prescription for healthcare. *Innovation and Entrepreneurship in Health*, 1, 1-3.  
doi:<https://doi.org/10.2147/IEH.S59263>
- Quaresma Júnior, E. A. (2016). A realistic approach to strategic thinking and acting. *Cadernos Ebape. br*, 14, 182-206.
- Ranjan, A., Dixit, P., Mukhopadhyay, I., & Thiagarajan, S. (2018). Effectiveness of government strategies for financial protection against costs of hospitalization Care in India. *BMC public health*, 18, 1-12.
- Ravinder, E. B., & Saraswathi, A. B. (2020). Literature Review Of Cronbach alpha coefficient (A) And Mcdonald's Omega Coefficient ( $\Omega$ ). *European Journal of Molecular & Clinical Medicine*, 7(6), 2943-2949.
- Rupra, S. S. (2020). A Descriptive Research on the Security Challenges of Cloud Computing Among Selected SMEs in Kenya. *International Journal of Innovative Science and Research Technology*, 5(9), 588-598.
- Sarwoko, E., Surachman, A., & Hadiwidjojo, D. (2013). Entrepreneurial characteristics and competency as determinants of business performance in SMEs. *IOSR Journal of Business and Management*, 7(3), 31-38.
- Shrank, W. H., DeParle, N. A., Gottlieb, S., Jain, S. H., Orszag, P., Powers, B. W., & Wilensky, G. R. (2021). Health Costs and Financing: Challenges and Strategies for a New Administration: Commentary recommends health cost, financing, and other priorities for a new US administration. *Health Affairs*, 40(2), 235-242.
- Singh, A. S., & Masuku, M. B. (2014). Sampling techniques & determination of sample size in applied statistics research: An overview. *International Journal of Economics, Commerce and Management*, 2(11), 1-22.

- Sridharan, M. (2022, July 3). Bowman's strategic clock - How to position your product? Think Insights. Retrieved March 20, 2023, from <https://thinkinsights.net/strategy/bowmans-strategic-clock/>
- Srivastava, M., Franklin, A., & Martinette, L. (2013). Building a sustainable competitive advantage. *Journal of technology management & innovation*, 8(2), 47-60.
- Tanwar, R. (2013). Porter's generic competitive strategies. *Journal of Business and Management*, 15(1), 11-17.
- Thomas, L., Li, F., & Pencina, M. (2020). Using propensity score methods to create target populations in observational clinical research. *Jama*, 323(5), 466-467.
- Tobi, H., & Kampen, J. K. (2018). Research design: the methodology for interdisciplinary research framework. *Quality & Quantity*, 52, 1209-1225.
- Turner, J., Broom, K., Elliott, M., & Lee, J. F. (2015). A decomposition of hospital profitability: An application of DuPont analysis to the US market. *Health Services Research and Managerial Epidemiology*, 2, 2333392815590397.
- Valerij, D. (2012). Relationship between mission statement and company performance. *Scientific Annals of Economics and Business*, 59(1), 321-336.
- Villagrasa, J., Sánchez, F., & Donaldson, C. (2021). Deciphering the Strategic Clock Hands: From Theory To Reality. In *Inted2021 Proceedings* (pp. 9571-9584). IATED.
- Wang, C & Walker, E, & Redmond, J. (2012). Explaining the Lack of Strategic Planning in SMEs: The Importance of Owner Motivation. *ECU Publications*. 12.
- Wang, Z., Huang, H. Z., Li, Y., & Xiao, N. C. (2011). An approach to reliability assessment under degradation and shock process. *IEEE Transactions on Reliability*, 60(4), 852-863.
- Weyama, J. A. (2018). Stakeholder Influence in Institutional Strategic Planning Practices in Public Secondary Schools in Kenya (A Survey of Public Secondary Schools in Migori County). *International Journal of Economic Behaviour and Organization*, 6(1), 22-28.
- World Health Organization. (2019). *Report of the Global conference on primary health care: from Alma-Ata towards universal health coverage and the Sustainable Development Goals* (No. WHO/UHC/IHS/2019.62). World Health Organization.
- World Health Organization. (2020). *Annual report on monitoring progress on UHC and health-related SDGs* (No. SEA/RC73/8). World Health Organization. Regional Office for South-East Asia.

- Woods, J. A., Dalziel, T., & Barton, S. L. (2012). Escalation of commitment in private family businesses: The influence of outside board members. *Journal of Family Business Strategy*, 3(1), 18-27.
- Wu, M. J., Zhao, K., & Fils-Aime, F. (2022). Response rates of online surveys in published research: A meta-analysis. *Computers in Human Behavior Reports*, 7, 100206.
- Yeswa, E. M. Y., & Ombui, K. (2019). Influence of employee retention strategies on competitiveness of private hospitals in Nairobi County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(7), 36-56.

## **APPENDICES**

### **APPENDIX 1: Letter of Introduction**

Dear Sir/Madam

I am Fidelis Wairimu Waitimu, a Strathmore University student pursuing a MBA in Healthcare Management. I am currently researching on “Factors Affecting the Adoption of Competitive Strategies among Private Health Facilities in Nairobi County.”

As a requirement for this course, I am supposed to conduct a research project for the partial fulfilment of an award for a MBA Healthcare Management at the School of Business Studies. The study I am conducting is purely for academic purposes. I do not intend to evaluate your opinion or demean your institution in any way. In this context, I will highly appreciate your response and can assure you I will treat it with the utmost confidentiality. As indicated before, I will only use your response for academic purposes. Therefore, I kindly request your assistance filling out the questionnaire attached below. Thank you in advance, and I look forward to hearing from you.

Yours Faithfully,

Fidelis Wairimu Waitimu

## **APPENDIX 2: Ethical Approval by Strathmore University**

### **RE: Factors Affecting the Adoption of Competitive Strategies by Private Health Facilities in Nairobi, Kenya**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1766/23**. The approval period is from **12<sup>th</sup> June 2023 to 11<sup>th</sup> June 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research.portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

**Mr Ambrose Rachier,**  
for:  
**Chairperson; SU-ISERC**

### APPENDIX 3: NACOSTI Approval

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>784204</b>	Date of Issue: <b>14/July/2023</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Dr.. Fidelis Wairimu Waitimu of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Factors affecting the adoption of competitive strategies by private health facilities in Nairobi, Kenya for the period ending : 14/July/2024.</b>	
License No: <b>NACOSTI/P/23/27131</b>	
<b>784204</b> Applicant Identification Number	 Director General <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
	Verification QR Code 
<b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b>	
<b>See overleaf for conditions</b>	

#### **APPENDIX 4: Research Questionnaire**

The aim of this survey is to collect data that will be used in investigating factors affecting the adoption of competitive strategies by private health facilities in Nairobi, Kenya. Your contribution to the completion of this study is highly appreciated. I pledge to maintain privacy and anonymity to ensure your information is only used for the completion of this academic study and will be destroyed upon graduation. Please take the time to answer all of the questions in this survey.

#### **Demographic Characteristics**

**Which of this best describes your**

**gender?Male**

**Female**

**Other**

**What is your**

**age?18-25years**

**26-35 years**

**36-50 years**

**Over 50 years**

**Level of education of respondent?**

college  University Undergraduate  Masters  PHD

**Please indicate the years of the hospital's operation in Kenya**

1-5 years  6-10 years  11-15 years  16-20 years  above 20

**Kindly indicate the role in the health institution that best describes you?**

Founder (owner manager)

Employed manager

Board member

**For how long have you worked as a manager?**

Below 5 years

5- 10 years

Over 10 years

**What is the level of the hospital?**

Level 1 ( community hospital)

Level 2 ( health dispensary)

Level 3 (Health center)

Level 4 (medium sized private hospital)

Level 5 (large private hospital)

Level 6 (large private teaching hospital)

**Section II:**

**The factors that affect the choice of a strategy adopted by private healthcare institutions in Nairobi, Kenya**

**Please use the following Likert scale to assess your response to the statements provided that follow. (Strongly disagree -5, disagree -4, neither agree nor disagree -3, agree -2, andstrongly agree -1)**

No	Statement	5	4	3	2	1
1	<b>The size (measured by number of beds, number of facilities, or annual revenue) of private healthcare institutions in Nairobi, Kenya impacts their adoption of competitive strategies</b>					
2.	<b>The financial capability and resource allocation associated with the size of private healthcare institutions influence their ability to adopt and sustain competitive strategies in Nairobi</b>					
3	<b>Organizational structure and management complexity, influenced by the size of private healthcare institutions, play a significant role in the competitive strategies in Nairobi</b>					
4	<b>The size of private healthcare institutions affects their</b>					

	<b>response to market competition and the development of competitive advantage in Nairobi</b>					
<b>5.</b>	<b>The ownership structure can influence the time horizon for strategic planning. Individual owners might focus on short-term gains and immediate returns, while corporate ownership or public-private partnerships may allow for a longer-term perspective.</b>					
<b>6.</b>	<b>The ownership structure affects the availability and allocation of financial resources.</b>					
<b>7.</b>	<b>The ownership structure influences the risk appetite and tolerance of the institution.</b>					
<b>8.</b>	<b>The ownership structure can impact the institution's scale and scope of operations. Corporate ownership or public-private partnerships often have the potential for larger-scale operations, allowing for economies of scale and a broader range of services.</b>					
<b>9</b>	<b>The ownership structure influences the organizational culture and values within the institution.</b>					
<b>10.</b>	<b>The top management team's decision-making process determines the strategic priorities and goals of the institution.</b>					
<b>11.</b>	<b>The decision-making process influences resource allocation and investment decisions.</b>					
<b>12.</b>	<b>The decision-making process affects the organizational structure and culture within the private healthcare institution.</b>					
<b>13.</b>	<b>The top management team sets the vision for the institution and provides leadership in translating that vision into actionable competitive strategies.</b>					

<b>14.</b>	<b>The decision-making process involves identifying and</b>					
------------	---	--	--	--	--	--

<p><b>evaluating risks associated with different competitive strategies. The top management team assesses the potential risks and rewards, considers factors such as financial stability, regulatory compliance, and reputation, and makes decisions that balance risk and reward in line with the institution's risk appetite.</b></p>					
---	--	--	--	--	--

What strategy best describes what the private hospital is engaged in?

		5	4	3	2	1
A	<p><b>The private hospital focuses on providing affordable healthcare services while maintaining acceptable quality standards. They streamline operations, negotiate favorable supplier contracts, optimize resource utilization, and adopt cost-effective practices.</b></p>					
B.	<p><b>The hospital has embraced advanced medical technologies and digital solutions to enhance patient care, improve operational efficiency, and optimize clinical outcomes. It has invested in electronic health records (EHRs), telemedicine, robotic surgery, remote monitoring, and other innovative technologies.</b></p>					
C.	<p><b>The hospital has prioritized delivering high-quality healthcare services, employ skilled healthcare professionals, maintain stringent quality control measures and still maintain a lower cost compared to its competitors.</b></p>					
D.	<p><b>The hospital differentiate itself by offering unique services, specialized medical expertise, advanced technology, luxurious amenities, or personalized patient care aiming to position the hospital as distinct and superior to competitors, attracting patients who value these unique</b></p>					

	<b>offerings.</b>					
--	-------------------	--	--	--	--	--

**APPENDIX 5: Work-plan/Schedule**

<b>TASK TO BE PERFORMED</b>	<b>DATES</b>
Finalise research proposal and submit to supervisor for approval	2/05/23
Translate questionnaires, typing, and multiplying	9/05/23
Recruit research assistants	8/5/23
Obtain clearance from Ethical Review and participants of the study	23/5/23
Train research assistants	24/5/23
Pre-test study	24/5/23
Collect data	26/5/23
Process data and make preliminary interpretation	2/6/23
Analyse data and write the report	5/6/23
Disseminate and discuss research findings and preliminary recommendations with research assistants	7/6/23
Draft plan of action	7/6/23
Submit my findings to my school for evaluation	26/01/24
Follow-up on the plan of action after approval by the school	15/02/24

## APPENDIX 6: Research Budget

A health management research project is to be conducted off campus.

100% personal funding.

Project period 21/3/2023 to 31/5/2023

Budget period 21/3/2023 to 15/5/2023 (Year 1 budget)

	Amount <u>Estimate</u>
Research Assistant to collect data	10000
Airtime	2,000
Travel	2,500
Printing	<u>5000</u>
Total	<u>19500</u>

## APPENDIX 7: Evidence of data collection

The image displays two screenshots of a Google Forms interface. The top screenshot shows the 'Responses' tab for a form titled 'Factors affecting the adoption of competitive strategies by private health facilities in Nairobi, Kenya'. It indicates that 109 responses have been received. A red banner at the top of the response area states 'Not accepting responses' with a toggle switch. Below this, a message for respondents reads: 'This form is no longer accepting responses'. The interface includes tabs for 'Questions', 'Responses' (with a '109' badge), and 'Settings'. A 'Link to Sheets' button is visible in the top right. Below the message, there are tabs for 'Summary', 'Question', and 'Individual'. The 'Summary' tab is selected, showing a section titled 'Demographic Characteristics Untitled section'. The first question is '1. Which of this best describes your gender?' with 109 responses. A pie chart shows that 44% of respondents are Male. A legend indicates Male (blue), Female (red), and Other (yellow).

The bottom screenshot shows the survey form itself, titled 'Factors affecting the adoption of competitive strategies by private health facilities in Nairobi, Kenya'. The form is divided into three sections. Section 1 of 3 contains the survey title and a detailed introduction: 'The aim of this survey is to collect data that will be used in investigating factors affecting the adoption of competitive strategies by private health facilities in Nairobi, Kenya. Your contribution to the completion of this study is highly appreciated. I pledge to maintain privacy and anonymity to ensure your information is only used for the completion of this academic study and will be destroyed upon graduation. Please take the time to answer all of the questions in this survey.' Below the introduction, there is a dropdown menu set to 'Continue to next section'. Section 2 of 3 is titled 'Demographic Characteristics Untitled section'.

Factors affecting the adoption of competitive strategies by private health ☆

Questions Responses **109** Settings

This section contains questions on the respondent's background and hospital characteristics

1. Which of this best describes your gender? \*

Male

Female

Other

2. What is your age? \*

18-25 years

26-35 years

36-50 years

Factors affecting the adoption of competitive strategies by private health ☆

Questions Responses **109** Settings

Age Group	Percentage
18-25 years	7.3%
26-35 years	30.3%
36-50 years	34.9%
Over 50 years	27.5%

3. Level of education of respondent? Copy

109 responses

Education Level	Percentage
College	27.5%
Undergraduate	35.8%
Masters'	26.6%
PHD	10.1%

Factors affecting the adoption of competitive strategies by private health ☆

Questions Responses **109** Settings

4. Please indicate the years of the hospital's operation in Kenya Copy

109 responses

Years of Operation	Percentage
1-5 years	15.6%
6-10 years	28.4%
11-15 years	34.9%
16-20 years	12.8%
above 20 years	8.3%

5. Kindly indicate the role in the health institution that best describes you? Copy

103 responses

