Exploring sustainable competitive advantage of multispecialty hospitals in dynamic environment

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Abstract

Purpose – A multispecialty hospital possesses sustainable competitive advantage if it continuously improves performance, repeatedly delivers quality service and unique value to the patients and the sources of competitive advantage are valuable, rare, inimitable, non-substitutable or causally ambiguous. The term sustainable competitive advantage is vague and ambiguous and the environment in which hospitals operate is dynamic, turbulent and disruptive. Therefore, sources of competitive advantage must change and evolve with time. This paper aims to explore the themes of competitive advantage in a dynamic environment for multispecialty hospitals in India by studying data from secondary sources for five hospitals.

Design/methodology/approach – The findings of the case study were based on the analysis of secondary data that are extracted from the official websites of the hospitals, with the grounded theory approach.

Findings – Five identified themes are as follows: changing and adapting; clinical excellence; creating unique value; managing unpredictable circumstances and patient-centric approach. All the themes supported hospital performance, service and value delivered to patients and therefore may help in building a competitive advantage of the hospital. However, sustainability factors were inconsistent across the themes.

Practical implications – The CXOs and CMOs of hospitals can review the themes periodically and re-align the business strategies to build a sustainable competitive advantage.

Originality/value – The findings of the study uncovered the criticality of re-alignment of resources deployed in the unpredictable and ever-changing environment in which hospitals thrive to build sustainable competitive advantage.

Keywords Qualitative research, Hospital, Competitive advantage, Sustainability, Case study, Health care

Paper type Research paper

Introduction

Hospitals are witnessing tough competition in the health-care market (Colla *et al.*, 2016; Bichescu *et al.*, 2018; Siciliani and Straume, 2019). As a result, hospitals are lacking confidence of the patients and stakeholders, suffering from poor performance, losing patients to the rivals and are at the edge of going bankrupt (Cooper *et al.*, 2011). Consequent to the rising competition, the Indian hospitals are struggling to scale up to match the increasing health-care demand, deliver the health care to the growing and ageing population, fulfil the scarcity of high-quality medical professionals, control the increasing costs of the medical treatments and neutralize the negative impact of un-friendly government policies (Raman and Björkman, 2008; Gudwani *et al.*, 2012; Healthcare, 2019).

Past studies clearly indicate that the foremost approach to cope up with the growing competition is to develop the sustainable competitive advantage (SCA) (Skellern, 2015; Ghiasi *et al.*, 2018; Longo *et al.*, 2019). However, hospitals are going through volatile changes in health-care regulations, unpredictable rise in the lifestyle diseases, unforeseen economic

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turbulences, changes in payment and health insurance reimbursement models, rapid integration of advanced medical technology and legal complications in health-care services (Agwunobi and Osborne, 2016; Bichescu *et al.*, 2018). In such a changing and unpredictable business environment, the literature is void of the current sources of SCA (Kapoor and Goyal, 2013; Colla *et al.*, 2016). To fill this gap, the present paper addresses the need to identify the sources of SCA of multispecialty hospitals in the current business environment through qualitative process of enquiry.

Literature review

Authors claim that hospitals are facing high competition and are not able to remain on the growth trajectory (Bichescu *et al.*, 2018; Siciliani and Straume, 2019). Competition is heading from different sources and leaving significant impact on the hospitals (Agwunobi and Osborne, 2016; Cooper *et al.*, 2018).

Sources and impact of competition on hospitals

Researchers suggest that competition occurs because of increase in the number of hospitals in the health-care market (Kondasani and Panda, 2015). In India, several new hospitals were established during the past decade (Healthcare, 2019). As a result, patients have more choices to select and visit a specific hospital. Alternatively, hospitals also develop competition by attracting the patients through better services at the lower costs (Longo *et al.*, 2019). Hospitals provide better services to the patients by providing high-quality physicians, improving the medical procedures and using the latest medical technology (Priya and Jabarethina, 2016; Shaygan, 2018; Siciliani and Straume, 2019).

Hospitals which are not able to respond to the competition report reduction in number of patient visits (Shaygan, 2018), find it difficult to adjust with demand/supply and price fluctuations in the health-care market (Skellern, 2015), fail to innovate the traditional business models and deliver low-quality service to the patients (Ghiasi *et al.*, 2018; Siciliani and Straume, 2019). As a consequence, such hospitals witness deprived performance, lack patient and stakeholders trust and are close to running out of the business (Cooper *et al.*, 2011). Researchers argue that to survive the competition and grow in the health-care business, hospitals must build the competitive advantage (Kaplan and Porter, 2011; Cooper *et al.*, 2018).

The competitive advantage of multispecialty hospitals

"A multispecialty hospital provides service in or staffed by members of several medical specialities" (MerriamWebster, 2019). Previous research points out that multispecialty hospitals may develop competitive advantage by continually improving the performance and providing better value and service to the patients as compared to its rivals (Porter and Teisberg, 2007; Kaplan and Porter, 2011).

Authors contend that hospitals improve performance by the appropriate application of knowledge of medical staff (Adler *et al.*, 2003; Devers *et al.*,2003) and by optimizing the medical and operational procedures (Cooper *et al.*, 2011; Cooper *et al.*, 2018). Previous research suggests that multispecialty hospitals deliver quality service by successfully implementing and operating speciality outpatient centres (such as cancer, cardiology, neurosciences), developing the hospital–physician joint venture, establishing new medical procedures, techniques, wards and using new advanced medical equipment (Douglas and Ryman, 2003). Authors argue that hospitals create value by improving patient and staff satisfaction, emergency care (Healthcare, 2019; Farinha *et al.*, 2018) and building strong relationships with suppliers, pharma and health diagnostic companies

(Douglas and Ryman, 2003; Kharub and Sharma, 2017). The value may also be generated as a result of developing cross-functional teams and integrating hospital services through advanced application software (Rogowski *et al.*, 2007), enhancing hospital reputation (Dafny and Lee, 2016), reducing medical errors, improving medical outcomes and sharing knowledge amongst the hospital clinicians (Mukherji, 2011). This value is delivered to the patients when the health care is co-created by doctors and other medical staff members along with patients against the backdrop of the specific medical circumstances of the patients (Porter and Teisberg, 2004; Propper *et al.*, 2004), tying up with health insurance companies, implementing latest technology medical infrastructure and conducting research and development of new drugs (Cooper *et al.*, 2011). Researchers conclude that to endure the competition and flourish in the market, the competitive advantage of hospitals must also be sustainable (Porter and Teisberg, 2004; Kaplan and Porter, 2011).

Sustainability of competitive advantage of hospitals

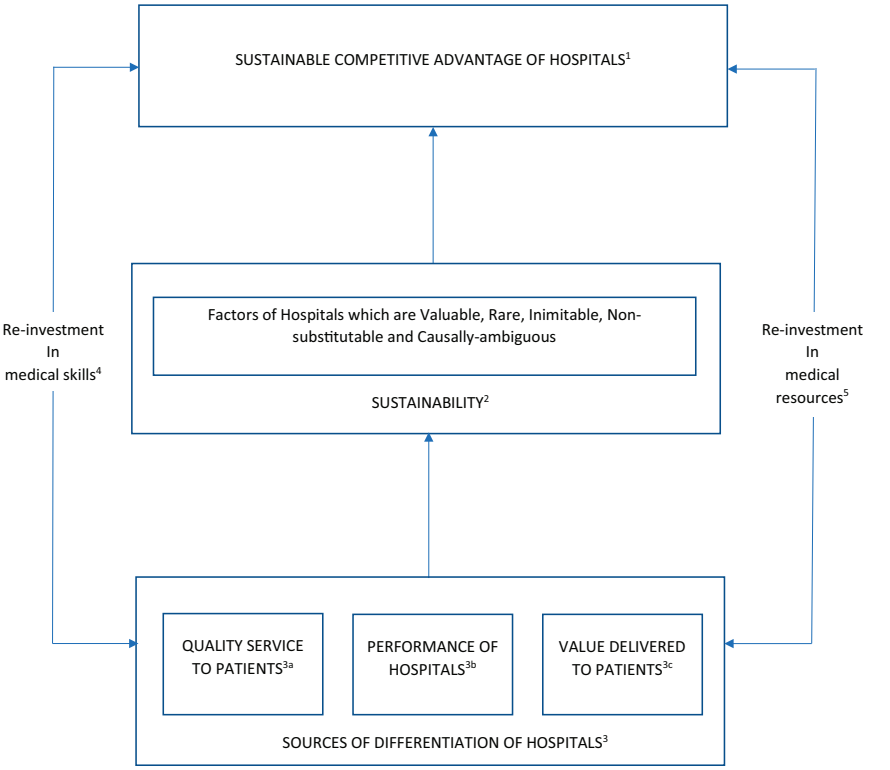
Researchers pointed out that the sustainability can be achieved when the sources of competitive advantage are valuable, rare, inimitable, non-substitutable and casually ambiguous (Reed and DeFillippi, 1990; Barney, 1991; Oliver, 1997; Veliyath and Fitzgerald, 2000). Investigators argue that for hospitals, patient satisfaction and improved surgical outcomes (Propper *et al.*, 2004; Kondasani and Panda, 2015) may be valuable; delivering high-quality service with low cost at the same time can be rareness (Skellern, 2015; Priya and Jabarethina, 2016); medical skills of doctors and training to the staff are perhaps inimitable (Kapoor and Goyal, 2013; Cooper *et al.*, 2018); patient loyalty and quality of service may be non-substitutable (Samal *et al.*, 2018; Dubey and Sahu, 2019); and operational efficiency and relationship of hospitals with doctors, medical suppliers and insurance companies appear to be causally ambiguous (Walshe and Shortell, 2004; Rogowski *et al.*, 2007). To validate the mentioned factors of sustainability of competitive advantage, the researcher approached a multispecialty hospital in Delhi-NCR location, which was established in 2001, having around 500 beds, and conducted in-depth semi-structured interviews of a marketing head and chief medical officer for an hour each. Few of the questions asked to the mentioned participants were: "How do you think the better quality of service, performance of hospitals and value delivered to the patients provide SCA to the multispecialty hospitals?", "Please quote the factors that are part of service, performance and value that provides SCA to the multispecialty hospitals", "Which factors amongst those you listed are valuable, rare, inimitable, non-substitutable and causally ambiguous and can't be copied by other hospitals easily?". These interviews validated the role of mentioned factors to build SCA of multispecialty hospitals in Indian context. However, neither these interviews nor the literature itself describes clearly the current SCA of multispecialty hospitals in the changing business environment.

Changing environment and current sources of sustainable competitive advantage

During the past few years, the hospitals have witnessed several changes in the political, economic, social, technological, ecological and legal fronts (Rogowski *et al.*, 2007). Investigators indicate that hospitals are not able to cope up with the changes such as rising costs of health care, adjust to the regulatory environment (Chang Moon and Peery, 1995; Dafny and Lee, 2016), incorporate the advanced medical technology and control the surging pharmacy costs. Multispecialty hospitals work under the influence of turbulent internal and external forces, and hence must develop dynamic capabilities. Teece *et al.* (1997) defined dynamic capabilities as "the organizational and strategic routines by which firms achieve new resource configuration as markets emerge, collide, split, evolve and die". Previous

research showed that firms acquire dynamic capabilities through experience, acquisition and usage of knowledge and create, deploy and protect intangible assets (Teece, 2018). Dynamic capabilities strengthen the sustainability of competitive advantage by refining organizational, managerial and technological processes within the firm (Teece *et al.*, 1997). As the literature is not clear with the current SCA of multispecialty hospitals in the changing business environment (Propper *et al.*, 2004; Wang and Lo, 2004; Colla *et al.*, 2016), the research investigation was conducted to fill this gap, by formulating the research as "What are the themes of the competitive advantage of multispecialty hospitals?".

The conceptual framework was constructed by linking the above ideas as displayed in Figure 1. Hospitals may differentiate by providing quality service to patients, improving performance and delivering value to the patients (Propper *et al.*, 2004; Kaplan and Porter, 2011). Sustainability can be achieved when factors that provide differentiation are valuable,



Notes: 1: Porter, 1985; Barney,1991; Dierickx and Cool, 1989; Reed and DeFillippi, 1990; Hall, 1993; Powell, 2001. 2: Veliyath and Fitzgerald, 2000; Rogowski *et al*., 2007; Kondasani and Panda, 2015; Skellern, 2015; Cooper *et al*., 2018; Dubey and Sahu, 2019. 3a: Douglas and Ryman, 2003; Propper *et al*., 2004. 3b: Ma, 2000; Devers *et al*., 2003; Propper *et al*., 2004. 3c: Porter and Teisberg, 2004; Kaplan and Porter, 2011. 4, 5: Porter, 1985; Barney,1991; Dierickx and Cool, 1989; Reed and DeFillippi, 1990
Source: Prepared by the authors

Figure 1.
Conceptual framework

rare, inimitable, non-substitutable and/or causally ambiguous (Cooper *et al.*, 2018; Dubey and Sahu, 2019). Hospitals may also re-invest in medical skills and resources. When these conditions are met, hospitals may build SCA (Dierickx and Cool, 1989; Reed and DeFillippi, 1990).

Methods

The identified gaps in the literature urged to look for the basis and meaning of SCA of hospitals in the current business environment of the hospitals. The study requires a closer involvement of the researcher to deep dive and explore nuances of the phenomena of competitive advantage and study the explanations of the processes, procedures and behaviour of hospitals. As the understanding of the phenomena of SCA with respect to the current environment of hospitals is at nascent stage, the behaviour of the existing data cannot be manipulated and the researcher was required to cover the context-based settings (as these were important part of the phenomena) (Porter and Teisberg, 2004; Cooper *et al.*, 2011), a qualitative case study approach was most suitable for the investigation (Yin, 2011). SCA was evaluated at the hospital level. The holistic-multiple case approach was engaged as multiple hospitals have been included in the study. Selecting multiple hospitals shall strengthen the final themes (results), add different perspectives and contribute to the credibility and rigour of the research.

More than 90 per cent of citizens of India choose allopathy over other medical treatment methods. Private multispecialty health care is nearly 74 per cent of India's total health-care expenditure (Healthcare, 2019). Hence, private allopathic multispecialty hospitals constituted the universe of the sample. Hospitals selected were having a minimum of 15 departments, separate full-fledged emergency services, 400+ staff count, 1600+ beds, were established on or before 2001 and spread across more than four locations. This led to five multispecialty hospitals as the final sample. Secondary data included written, verbal and video artefacts from sample hospitals. The artefacts comprised annual reports, blogs, clinical excellence reports, events details, investor presentations and transcriptions, news and media, newsletters, doctors/patients quotes/testimonials and (written, audio and video recordings), press releases and social initiatives documents, each from the official websites of five sample hospitals. First few pages of each document have been read critically to understand the relevance to the current study. Based on this initial assessment, few documents were eliminated to define the clear scope of the data set. Because all the documents were available in the public domain and accessible through the official websites of the hospitals, no formal permission was requested from the hospitals to download and use the documents in the research process. Adhering to the good ethical practices, the names of the hospitals have not been disclosed.

Data analysis

Data collection and analysis protocol document was prepared (Yin, 2011) to help in setting the direction and expectation of the approach and to connect the research question to the data collected from each hospital. Document mapping repository file was prepared to log the original purpose of all the documents of all hospitals, the intended purpose of each document, publication date, relevance to answer the research question, comprehensiveness (covering the topic completely or partially), selectivity (covering in detail only some aspects of the topic), evenness (balanced) or unevenness (containing excessive detail on some aspects of the subject and little or nothing on other aspects). Audit trail helped in maintaining the data collection and data analysis events as they took place in the real time.

All major decisions that have been taken during the data analysis process, reasons for data selection and omission were documented.

Grounded theory-three level of coding was applied to analyze the qualitative data to uncover the broad theory or explanation of the phenomena (SCA) of multispecialty hospitals (Strauss and Corbin, 1990). Grounded theory analysis document was prepared for the secondary data collected from each of the five hospitals. It displayed in detail the thought process and approach adopted to tag quotations to the codes. To maintain consistency, transparency and reproducibility in data analysis, a uniform approach was maintained for the entire coding process.

In the grounded theory coding process as displayed in Figure 2, appropriate quotations from hospital documents were selected and then coded to the three levels of coding (open, axial and selective), leading to the generation of themes. Step-by-step coding was performed with constant comparison and optimization of codes to reflect the concrete outcome as the coding approached theoretical saturation (Strauss and Corbin, 1990). Different documents were selected to cover varied aspects of the functioning of the hospitals; business strategies; unique activities they perform; approaches towards services delivery; and the value created for the patients and for the society at large. Grounded theory analysis of different quotations

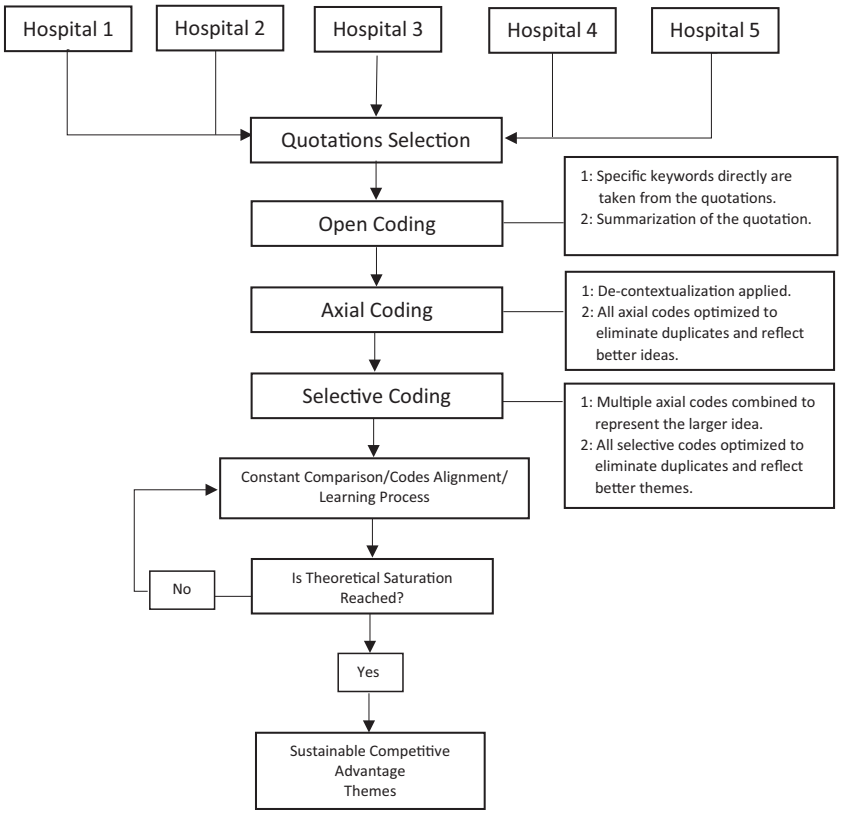


Figure 2.
Coding process diagram

Source: Prepared by the authors

from the data set of different hospitals revealed the hidden and grounded aspects of the data in terms of service, performance, value and sustainability (Figure 2).

As scanning and coding of the quotations progressed, the coding approach was gradually refined with the new thoughts, bringing new perspectives and including additional documents in the data set. As an outcome of this approach, not only the themes emerging were grounded and validated by establishing connections with different documents but also few discrepancies in terms of divergent cases were identified. The continuous comparison and learning process during data analysis through a grounded theory approach is displayed in Table I.

Credibility indicates believability and the value of the findings (Lincoln and Guba, 1985). Confirmability indicates the accuracy and neutrality of data (Yin, 2011). All the themes were mapped with service, performance and value as identified from the literature review. Hence, all the themes contribute to providing service, performance and value to the hospitals. This demonstrates the credibility and confirmability of the themes of SCA as identified in the current research.

Dependability indicates the reliability and stability of data (Yin, 2011). The audit trail formed supported the idea of dependability and credibility by providing the details of the sequence of events that happened throughout the data collection and data analysis process. Critical decisions for data collection and analysis have been recorded. For example, patient testimonials in the form of text, audio and videos provided a rich source of information about the experience that patients went through. The review of an audit trail for the first hospital prompted to look for more patient testimonials and real and complex descriptions of

Artefacts	New thoughts generated	Updates incorporated	Outcomes of new updates
Annual report	With patient testimonial section, other available testimonials formats were also explored	Found videos of patient testimonials, each video from 2 to 10 min, transcribed verbatim and coded to three levels	Patient testimonials supported three of the five themes with real examples
	Visual clues can play a crucial role in coding and can validate the written information in some cases	Visual information in the form of photos/pictures was coded along with the written data	The entire coding process became richer and provided new insights leading to the emergent themes
News and media Medical articles	Mention of challenging operations, visual data, CSR initiatives, the inauguration of new facilities, interviews with doctors, nurses and patients helped in constant comparison of data with other sources	Constant comparison of Level 2 codes resulted in realignment as per repeated patterns; duplicate codes were merged	Themes emerging now can be backtracked to different sources of data; helped in establishing the traceability of evidence
Presentations and press releases	CXOs talked about several initiatives in different areas of business of hospitals; the relevant points they mention should be compared to what they said that is mentioned in other documents	CXO statements were tagged separately and compared across different documentation and videos of CXOs available in hospital websites	There were significant matches with what CXOs mentioned but few discrepancies were also identified

Source: Created for this study

Table I. Approach change/ continuous comparison and learning sample log (during the entire data collection process)

surgeries that have been included in data of other sample hospitals. Transferability indicates the applicability of the findings to other similar situations or contexts (Lincoln and Guba, 1985). Several direct quotations from the raw data of the research from different hospitals confirmed the transferability aspect of research.

Richness is an important parameter of a qualitative case-study approach. Informative comparisons breed richness (Weick, 2007). Comparisons have been made right from the data collection phase. Data collected was read and compared with the additional data from different documents to check its relevance in the research and the decision of inclusion/exclusion of that data was made. The themes (as an outcome of coding) were validated with respect to the conceptual framework and supported by the chain of evidence in four ways. First, more than one theme was common for multiple hospitals. Second, there were several common Level 2 (axial) codes present for more than two hospitals. Third, for all the hospitals, the themes matched across the different sets of artefacts analyzed. For example, the same theme resulted from a sample quotation from the annual report of Hospital A and patient testimonial of Hospital A. Fourth, the same theme resulted from a sample quotation from articles of Hospital A and an investor presentation transcript of Hospital B.

Results

Iterative and comparative data collection and analysis gradually uncovered five themes: changing and adapting, clinical excellence, creating unique value, managing unpredictable circumstances and patient-centric approach.

The theme "changing and adapting" was present for all the five hospitals under investigation. From the data set, CEOs of the hospitals highly emphasized implementing advanced medical treatments, reducing clinical errors, effective material management, improving operational efficiencies and hosting and participating in international medical conferences.

Text quote (Tq1): "Equipped with modern Italian machinery, latest technological equipment and trained professionals well versed with the contemporary practices, the lab aims to replace discomfort with cure and ensure that people lead a pain-free life".

Hospitals identified ways to change and adapt to the competitive environment. Setting up the new labs with the latest technology to improve patient care is a live example of this theme. Patients were influenced to change their behaviour towards better health care, improvement was made in medical technology, hospitals onboarded doctors with advanced medical skills and delivered training to the staff to develop the learning mindset. New medical tests have been invented with advanced treatment options to deliver evidence-based health care and improve the patient health-care experience.

The theme "clinical excellence" was present for the three hospitals. The clear focus was built on clinical outcomes, adoption of best clinical practices, winning several prestigious clinical excellence national and international awards and implementing rare techniques for successful surgeries. Quote from the CEO of one of the hospitals clearly supports the theme.

Tq2: "ICHOM (International Consortium for Health Outcomes Measurement) measures help us to provide evidence-based quality care and provide a safe environment for our patients".

Hospitals improved clinical excellence by refining health expertise and contributing to preventive health care. Two hospitals were focusing on tracking clinical outcomes as a measure of quality health care. There has been a continuous emphasis on high-quality medical and clinical research and publication.

The theme "creating unique value" was found for three hospitals with a focus on implementing service differentiator, engaging consultants and medical staff and gaining the trust of patients. Quote from the CEO of one of the hospitals supports the theme.

Tq3: "We conscientiously use current best evidence in making decisions about patient care".

Hospitals had been looking at creating unique value to the patients by providing easy access to health care and developing unique and advanced treatment options. Delivering excellent patient experience and gaining the trust of patients is another step towards differentiated health care. Regular identification of service differentiators improves patient care and attains patient loyalty and satisfaction.

The theme "managing unpredictable circumstances" was found for two hospitals with an emphasis on resolving latent medical errors, time-critical emergencies and sudden rise in non-communicable diseases. Quote by the CEO of one of the hospitals supports the theme.

Tq4: "Through latent errors which they spot by continuous monitoring, they help the doctor in making treatment decisions".

Hospitals displayed the capability to successfully manage the sudden surge in non-communicable diseases as a time-critical emergency by treating the unexpectedly large number of patients simultaneously. Hospitals managed the fluctuating demands in elective and life-enhancing procedures markets.

The theme "patient-centric approach" was present for all the five hospitals. Appreciation of staff and doctors by the patients and improved patient feedbacks were clear indicators of this theme. Patient testimonial quote supports the theme.

Tq5: "Permit me to record my gratitude and indebtedness to the team of doctors who jointly helped my wife tide over the crisis".

Hospitals displayed the characteristic of a patient-centric approach in delivering health care to the patients. Few treatment options have been made affordable, and positive steps have been taken to win patient trust. Data revealed a focus on patient awareness of their health-care process, patient safety and seamless scheduling of hospital appointments. The patient-centric approach has been accepted by considering patients as partners, empowering and involving patients in health care and fulfilling the needs of the patients through personalized counselling, care and training medical staff to attain better patient outcomes.

Discussion

The key finding of the research was the five themes that may build the SCA for multispecialty hospitals. All the themes are mapped to service, performance and value (Devers *et al.*, 2003; Douglas and Ryman, 2003; Porter and Teisberg, 2004; Propper *et al.*, 2004; Sachitra and Chong, 2018). The theme "clinical excellence" was evident in the literature as the development of new medical techniques, application of new equipment (Rao *et al.*, 2006; Skellern, 2015), applying the knowledge of staff and refining the medical and operational procedures (Cooper *et al.*, 2011; Cooper *et al.*, 2018) and better surgical outcomes (Propper *et al.*, 2004; Kondasani and Panda, 2015). Theme "patient-centric approach" was visible in the literature as improving patient care (Skellern, 2015; Healthcare, 2019), delivering better patient service (Douglas and Ryman, 2003; Kaplan and Porter, 2011) and achieving higher patient satisfaction (Propper *et al.*, 2004; Kondasani and Panda, 2015). The themes changing and adapting, creating unique value and managing unpredictable circumstances were found to be distinct in the context of Indian multispecialty hospitals.

Service

The current research showed that hospitals added new tests and advanced treatment options, and expanded preventive health-care expertise and access to the health care. Data indicates that efforts have been made to control the medical errors at different stages of health care and emergency care is managed within the safer time limits (Douglas and Ryman, 2003). This is an important finding in understanding of the advancement of services of hospitals. The evidence points out that hospitals also made the patient admission and treatment quicker and effective with the integrated hospital admission process. Personalized health-care services are offered to cater the specialized patient segment. This is steady with what has been found in previous studies (Propper *et al.*, 2004; Skellern, 2015). However, the integration of medical, operational processes and leadership support were not clearly evident in the data. This is particularly important while investigating the integrated services of the hospitals.

Performance

It is important to note that hospitals focused on improving the performance by taking multiple steps such as developing and deploying advanced medical equipment and procedures, onboarding the high-calibre physicians, surgeons and nurses and conducting regular on-the-job trainings on medical, operational and process improvements (Adler *et al.*, 2003; Devers *et al.*,2003; Rogowski *et al.*, 2007). Results demonstrate more reliance on health care that is based on concrete evidence, which leads to less time in patient recovery and better clinical outcomes. This is particularly important to understand a sense of differentiated health care to achieve better patient outcomes and loyalty. By managing the treatment of population affected because of the increase in non-communicable diseases, hospitals indicate higher market share. This is consistent with the outcomes of the previous studies (Porter and Teisberg, 2007; Cooper *et al.*, 2018).

Value

The current research provides the evidence that hospitals deliver value by developing the capability to inculcate positive patient behaviour and response, execute faster treatments, enhance the patient experience and practice preventive health care. This implies the focus on improved patient awareness to develop mutual trust (Devers *et al.*, 2003; Douglas and Ryman, 2003; Propper *et al.*, 2004). Life-improving and longevity procedures were developed to meet the demand in this niche segment (Porter and Teisberg, 2007; Cooper *et al.*, 2011). Together, the present findings confirm that the hospitals are contributing to improve patient awareness of their own health circumstances, improve patient safety and increase the overall patient loyalty. In line with the previous studies, there has been greater involvement and participation of patients to empower them in their own treatment process (Porter and Teisberg, 2007; Cooper *et al.*, 2018). Contrary to the literature (Cooper *et al.*, 2011), this research did not find any direct evidence of collaboration and tie-ups with other hospitals and partners and implementation of cross-functional medical teams that may deliver value to the patients.

Building a sustainable competitive advantage

The current research showed the five themes of competitive advantage of multispecialty hospitals. The sustainability factors varied across the themes: changing and adapting (valuable, non-substitutable, inimitable, casually ambiguous), clinical excellence (valuable, non-substitutable, casually ambiguous), creating unique value (valuable, non-substitutable, inimitable, casually ambiguous), managing unpredictable circumstances (valuable, rare,

inimitable, non-substitutable, casually ambiguous) and patient-centric approach (valuable, non-substitutable, casually ambiguous) (Porter, 1985; Barney,1991; Veliyath and Fitzgerald, 2000; Anell and Wilson, 2002; Douglas and Ryman, 2003; Porter and Teisberg, 2004; Propper *et al.*, 2004).

Re-visiting the conceptual framework (refer to Figure 1), the five themes contribute to service, performance and value of the hospitals and map to different sustainability factors. Re-investment in skills and resources is evident with hospitals investing on training the physicians, paramedics and staff, evaluating and improving the clinical outcomes, attaining the health-care quality accreditations and certifications and acting on the patient feedback for better patient experience. Therefore, these five themes may build an SCA of multispecialty hospitals.

Divergent cases

Divergent cases are those evidence that indicate the inconsistent behaviour as compared with the majority of the cases (Yin, 2011). Some divergent cases were identified in the data analysis process. Table II shows such divergent cases (where either contradictory or no clear evidence was found) and explains the possible reasons behind the divergence.

Implications

The conceptual framework was validated as an important outcome of the research. All the aspects of the conceptual framework were found intact. Themes identified as an outcome of the research contributes towards an addition in business strategy literature for multispecialty hospitals.

As the outcomes of the investigation indicate, hospitals can build SCA by implementing the results (as unveiled in the form of themes). Results specify that hospitals can change and

Themes	Level 2 code where divergence was identified	*H1*	*H2*	*H3*	*H4*	*H5*	Possible explanation of divergence (from analyzed data itself)
Changing and adapting	Clear evidence of advanced treatment options	E	E	E	N	N	The data set of hospitals H4 and H5 does not contain relevant information about advanced treatment options
Clinical excellence	Focus on clinical outcomes	E	E	N	N	N	The significance of clinical outcomes is emerging and not thorough in India; only two hospitals are using clinical outcomes for improvement purposes
Creating unique value	Implementing service differentiators	E	E	N	N	N	Only Hospitals H1 and H2 show the evidence of service differentiators
Managing unpredictable circumstances	Latent medical errors	E	E	N	N	N	Only Hospitals H1 and H2 show the evidence of latent medical errors
Patient-centric approach	Events to increase patient awareness, patient stories – wall of fame	E	E	E	E	N	The data set of hospital H5 does not show clear evidence of involving patients much and improving patient awareness

Notes: H1-H5: Hospital 1 to Hospital 5. E: Evidence. N: No clear or significant evidence
Source: Created for this study

Table II.
Divergent cases

adapt by executing advanced medical treatments, improving operational competencies, reducing medical errors and learning from participating in international medical conferences. Clinical excellence can be improvised by attaining better surgical outcomes through the implementation of new equipment, refining the operational and medical procedures and developing advanced medical techniques. Hospitals can deliver unique value by providing differentiated health care to the patients through unique treatment options, providing seamless access to the health care, gaining the trust of delivering exceptional patient experience and consistent selection and delivery of health-care service differentiators. Hospitals can manage unpredictable business circumstances by delivering mass treatment to the patients at the time of the outbreak of time-critical emergencies, managing well the changing demands in life-improving and elective procedures areas and resolving concealed medical errors. Finally, hospitals can deliver patient-centric approach by accomplishing higher patient satisfaction, executing improved patient service and cultivating better patient care.

Limitations and future research

As the focus of the study was only on selected private multispecialty hospitals in India, the themes identified may not be equally applicable to hospitals in the government sector. Although theoretical generalization (as opposed to statistical generalization) is the purpose of the qualitative case study, one of the aspects that can address this limitation is the fact that because all the identified themes were directly mapped and associated with service, performance and value that hospitals deliver to patients, the outcomes of the research can be extended to other hospitals as well.

Future research can be conducted by extending the current research for single-speciality hospitals and/or government hospitals. Interviews of hospital administrators could also add value to identify their perspective of SCA. Researchers could also consider the integration of hospital partners such as insurance, pharma, medical equipment suppliers, pathological and medical testing services companies to add different viewpoints on the topic of SCA of hospitals.

Conclusion

As the health-care industry is experiencing rapid changes and hospitals are facing the challenge of achieving moving targets to drive and sustain in the business of saving and flourishing lives, this study was commissioned to address a pressing research problem of understanding the SCA of multispecialty hospitals in the current landscape. Implementing the qualitative case study approach with grounded theory analysis of the data from the artefacts, the study uncovered five core themes or patterns of behaviours that are essential for hospitals to build SCA over its rivals in the current business context. The themes identified were as follows: changing and adapting, clinical excellence, creating unique value, managing unpredictable circumstances and patient-centric approach. The themes changing and adapting, creating unique value and managing unpredictable circumstances were found to be distinctive in the context of Indian multispecialty hospitals. All the revealed themes directly contribute towards the performance of the hospitals, help to provide better and competitive services and deliver value to the patients. These themes were mapped with sustainability factors as well to ensure that the competitive advantage provided was sustainable. Hospitals can review the identified themes and implications to develop SCA.

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