

Exploring sustainable competitive advantage of multispecialty hospitals in dynamic environment

Harbir Singh, Ajoy Kumar Dey and Arunaditya Sahay
Birla Institute of Management Technology, Noida, India

Exploring
sustainable
competitive
advantage

Received 24 December 2018
Revised 21 April 2019
4 July 2019
12 November 2019
Accepted 23 December 2019

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

