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EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON COMPETITIVE ADVANTAGE IN LEVEL SIX PRIVATE HOSPITALS IN NAIROBI COUNTY, KENYA

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ST. PAUL'S UNIVERSITY

A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND LEADERSHIP STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF ST. PAUL'S UNIVERSITY

MAY, 2026

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DECLARATION

This dissertation is my original work and has not been presented for the award of a degree in any other institution.

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Declaration by Supervisors

This dissertation has been submitted for examination with our approval as university supervisors.

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ACKNOWLEDGEMENT

I extend my heartfelt gratitude to the individuals and institutions that have played an instrumental role in shaping the outcome of this research dissertation. Their contributions, guidance and unwavering support have been invaluable, and I wish to express my deep appreciation for their involvement. I would also like to express my gratitude to my esteemed supervisors, Dr. Wanjiku Kinyanjui and Ms. Beth Mwihaki, whose wisdom, mentorship and insightful feedback have been fundamental in shaping the direction of this research. Their dedication to academic excellence and willingness to share their expertise have been a constant source of inspiration.

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DEDICATION

I wish to dedicate this dissertation to my spouse and children for the unconditional love accorded during my academic journey.

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LIST OF ABBREVIATIONS AND ACRONYMS

DC	Dynamic Capabilities
GoK	Government of Kenya
HoD	Head of Department
KPIs	Key Performance Indicators
MoH	Ministry of Health
MSMEs	Medium, Small and Medium Enterprises
NACOSTI	National Commission of Science, Technology and Innovation
PPPs	Public-Private Partnerships
RBV	Resource-Based View
SM	Strategic Management
SDA	Seventh-Day Adventist
SEM	Structural Equation Modelling
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
UVP	Unique Value Propositioning

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OPERATIONAL DEFINITION OF TERMS

Competitive Advantage: This is the unique position that hospitals develop in relation to their competitors, allowing them to outperform them consistently. In this study it will be assessed in terms of market share, patient satisfaction rates, quality of care metrics or financial performance indicators.

Innovation Adoption: This will be used in this study to denote the process by which an organization integrates new technologies, practices, or ideas into its operations to enhance performance or competitiveness.

Level Six Private Hospitals: These are privately owned and managed tertiary healthcare facilities operating within Nairobi County that provide specialized and referral medical services, advanced diagnostic and treatment capabilities, and comprehensive inpatient and outpatient care in line with the Ministry of Health healthcare service classification.

Performance Monitoring and Evaluation Practices: Describes the systematic tracking and assessment of hospital activities to ensure that set objectives and key performance indicators (KPIs) are achieved efficiently. In this study, these practices are operationalized through indicators such as the frequency of performance reviews, achievement rate of KPIs, integration of stakeholder feedback, timeliness of reporting, and implementation of corrective actions following evaluations.

Resource Management Practices: This describes the structured processes and managerial actions used by Level Six private hospitals to plan, allocate, utilize, and control organizational resources including human resources, financial resources,

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physical assets, and medical technologies, with the aim of supporting service delivery efficiency, cost control, and sustained competitive advantage.

Strategic Management Practices: Describes the collection of managerial judgments and actions that determine the long-term performance of the Level Six private hospitals, including strategic planning, implementation, evaluation, and control.

Strategic Planning: This is the method by which the Level Six private hospitals formulate their long-term goals and develop strategies to achieve them, including activities such as SWOT analysis, setting objectives and formulating action plans.

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ABSTRACT

Despite the rapid growth of private-level Six hospitals in Nairobi County, many continue to struggle with maintaining a sustainable competitive advantage. Less than 30 percent of these hospitals report consistent growth in patient volumes and financial performance. The purpose of this study was therefore to establish the effects of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County, Kenya. The specific objectives were; to determine the effects of strategic planning on the competitive advantage in Level Six private hospitals in Nairobi County, to evaluate the effects of resource management practices on competitive advantage in Level Six private hospitals in Nairobi County, to examine the effects of innovation adoption on competitive advantage in Level Six private hospitals in Nairobi County and to establish the effects of performance monitoring and evaluation practices on competitive advantage in Level Six private hospitals in Nairobi County. This study was underpinned by Resource-Based View theory, Dynamic Capabilities theory, Diffusion and Innovations theory and the Balance Scorecard Framework. The study selected all Level Six private hospitals in Nairobi County, focusing on eight key departments within each hospital that play a critical role in supporting the hospital's strategic objectives. A quantitative cross-sectional survey design with descriptive and explanatory components was employed utilizing a census approach to include all 64 targeted respondents, eight senior managers from each Level Six private hospital, owing to their key roles in strategic decision-making. The research instruments underwent tests for validity and reliability to ensure data quality. Data was examined using the Statistical Package for Social Sciences (SPSS) version 24, utilizing both descriptive and inferential statistics, such as multiple regression analysis. The findings revealed that strategic planning, resource management, innovation adoption, and performance monitoring and evaluation jointly explained 61.7% of the variation in competitive advantage among Level Six private hospitals in Nairobi County, Kenya. The ANOVA results showed that the model was significant in explaining the relationship between strategic management practices and competitive advantage. Additionally, the findings showed that strategic planning, resource management, innovation adoption and performance monitoring and evaluation were all positively and significantly related to competitive advantage. The study concludes that strategic management practices are significant determinants of competitive advantage in Level Six private hospitals. In light of the findings, the study recommends that private hospitals should strengthen strategic planning, resource management, innovation adoption and performance monitoring and evaluation to enhance competitiveness.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter includes a systematic examination of the background of the study, the statement of the problem, the objectives of the study, the research questions, the justification, the significance, and the scope of the study. Every component has an important function in establishing the framework, objective, limitations and delimitations of this study.

1.2 Background of the Study

Organizations must actively pursue gaining a competitive edge in order to prosper and maintain their operations in an increasingly competitive environment. According to Angeline et al. (2023) globalization, the quick advancement of technology and changing consumer tastes have made competition more fierce across all sectors. In order to overcome these obstacles, businesses must set themselves apart by utilizing distinctive assets, cutting-edge technology, effective procedures and solid client interactions. This approach asserts that corporations can increase their market share, boost profitability and cultivate a devoted clientele by attaining a competitive edge (Achira, 2023). In strategic management, the term 'competitive advantage' refers to the abilities or capacities that enable a company to outperform its competitors (Kiarie Mwangi & Queen Omwenga, 2022). According to Kiarie et al. (2023), these traits can be attributed to a variety of variables including superior technology, distinctive resources, a strong brand reputation, cost efficiency or creative processes.

The core of competitive advantage is providing value to customers in a manner that is difficult for competitors to match (Kaluyu & Odollo, 2023). By consistently improving their value propositions and operational efficiencies, companies can develop a lasting competitive edge through effective strategic management. Effective strategic management practices help businesses stand out from the competition by fostering innovation, streamlining supply chains, and improving customer (Achira, 2023). Additionally, strategic management practices foster a culture of strategic thinking and continuous improvement, enabling staff members at all levels to support the company's long-term success.

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By ensuring that all organizational efforts are focused on gaining a competitive edge, this strategic alignment enhances the organization's capacity to hold onto its market position and promote long-term growth (Angeline et al., 2023). There exists a wealth of research on the causes and effects of competitive advantage for hospitals worldwide. Around the world, hospitals are putting plans into place to guarantee a competitive edge. Hospital competition and other measures of competitive advantage were found to be statistically significantly correlated in a thorough analysis carried out in the United States (Mutter et al., 2018). Additionally, Mutter et al. (2018) noted that US hospitals are increasingly participating in benchmarking initiatives meant to boost their competitive advantages. For instance, multispecialty hospitals in India have reportedly altered their value chain to provide a long-term competitive edge.

In their research, Lin et al. (2020) demonstrated how perceived competition improves the treatment process of the fee-for-service payment system in China and provided empirical evidence in favour of the pro-competition policies implemented during the country's most recent national healthcare reform round. The study established that hospital competition improves the processes of healthcare in rural China. A study conducted in Europe examined the findings of empirical research on how hospital competition -including rivalry and market pressure- affects the standard of care in European nations. The study revealed that quality levels seem to be highly dependent on the market structures that are in place (Timofeyev et al., 2024). Hospitals offering similar medical services may differ in the quality and cost of care they offer. Quality is the sole criterion on which one may compete in marketplaces with price controls. Whether price-cost margins are favourable or negative in this context determines the quality levels (Timofeyev et al., 2024).

According to Özgen Narcı et al. (2015), in their findings from a study conducted among Turkish hospitals, they found that the degree of hospital competition seems to have no effect on efficiency. This opinion is supported by those who stated that Nigeria's use of total quality management resulted in both customer satisfaction and a competitive advantage (Pezzuto, 2019). According to studies undertaken in Ghana, private hospitals have a greater competitive edge over public hospitals when it comes to customer satisfaction and loyalty indices (Darkwa, 2020).

In East Africa, Lamesgen et al. (2025) suggest in their study that hospitals adopt more creative approaches to gain a competitive edge in a crowded, ever-changing market. Kenya's

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healthcare system is not immune to competition, and health facilities have implemented strategies to solidify their market positions. Documenting how employee empowerment enhances competitive advantage. Furthermore, the importance of strategic management practices in boosting competitive advantage in Kenyan private hospitals has been demonstrated by focusing on customer traits such as empathy, the adoption of cutting-edge technology, and the establishment of satellite clinics in strategic locations (Achira, 2023). Given the turbulence and constantly shifting dynamics driven by a multitude of factors, several frameworks remain relevant for shaping strategic management practices in the healthcare industry. For example, the COVID-19 pandemic is one of the unpredictable shocks to healthcare strategic planning that has led to direct and indirect reductions in competitive advantage. To establish the type of competitive advantage a firm must achieve, managers must define and adopt specific methodologies that define a firm's strategy. Therefore, the healthcare industry must have plans to ensure a sustained competitive advantage.

1.2.1 Strategic Management Practices

According to Huebner and Flessa (2022), "strategy" is derived from the ancient Greek word "στρατηγός" (strategos), which means "general" or "leader of an army". Therefore, the science or study of warfare and all that a competent army commander ought to be aware of constitutes the novel meaning of strategy. The first phrase refers to the formation and combat of forces on or close to the battlefield, whereas the latter term goes far beyond and attempts to use many tools in order to win the war (Nienaber, 2022). According to Huebner and Flessa (2022), the four aspects of strategy applicable not only in combat but also in management today, to the point where "Vom Kriege" (About War) in many business schools, the earliest (European) theory of strategy that distinguished between tactics and strategy is still a required reading (Huebner & Flessa, 2022).

According to Huebner and Flessa (2022), these dimensions encompass the following: The lasting effects of decisions are the relentless focus of strategy. As the commander-in-chief, the manager should focus more on the end outcome than on the incremental advances. The strategic apex refers to the senior leadership responsible for shaping and guiding an organization's overall direction. Since strategy influences the entire organization, it falls under the primary duty of top executives to develop and implement it. Unlike operational decisions made at different levels, strategy is not a function of middle management. Instead, senior leaders ensure that strategic goals align with the company's purpose, vision, and long-

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term objectives. Uncertainty is an inherent challenge in strategic planning, as predicting the long-term effects of decisions is extremely difficult. Organizations must navigate complex and ever-changing environments where market conditions, technological advancements, and external factors can shift unexpectedly. Given this uncertainty, strategic decisions require flexibility, adaptability, and continuous assessment to mitigate risks and seize opportunities. Strategic management is defined as "doing the right things", whereas operational management is defined as "doing things right" (Ramo, 2002).

The goal of strategic management is "to do the right things right" by considering the long-term effects of our decisions in a complex and uncertain environment. While developing strategies, decision-makers are not fully aware of all the variables; rather, they anticipate the emergence of new interdependencies, cope with unpredictability, and make decisions about competition and alliances (Navarro-García et al., 2019). In management, strategy is the most important discipline. Strategic objectives, such as the company's vision and mission, are always the first step in the strategic management process. This is under the purview of business ethics, meaning that strategic management is impossible without ethical consideration of the goals and values that result.

These goals serve as the foundation for the study of organizations and the environment's opportunities and risks in relation to their strengths and shortcomings. This covers the creation of a strategy or series of strategies. The manager or leader chooses and carries out a strategic program based on the goals (Mohamed & Başar, 2023). While the strategic management process and general management share certain similarities, they also differ greatly in terms of time, uncertainty, the importance of decisions, and the number of environmental and corporate components engaged.

1.2.2 Competitive Advantage

According to Angeline et al. (2023), the term "competitive advantage" denotes an organisation's ability to generate greater economic value than its rivals. A company gains a competitive edge when it successfully applies a value-creating strategy. Businesses with a competitive edge employ value-creating tactics that are not being used concurrently by any present or prospective rivals (Angeline et al., 2023). From an economics perspective, competitive advantage is an economic value that is maintained above average returns. Competitive advantage is difficult to measure and there are divergent views over how to

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operationalize this idea (Ntwiga et al., 2021). Economic value-creating businesses specifically integrate their inputs to produce a product whose perceived advantage outweighs the product's manufacturing costs.

The development of economic value as a result of competitive advantage, however, appears to be the common theme in the literature. Businesses may do this by re-arranging their value chain in a different way than their rivals or, if they use a comparable value chain, by carrying out tasks more effectively than their rivals. A company's competitive edge is impacted by a variety of elements, including the nature of the business, the brand that customers are loyal to, manufacturing costs, distribution networks, quality and the context of the business environment (Karani & Gitau, 2019). According to Ngeche and Okello (2022), a competitive edge might be either short-term or long-term. Since the result of competitive advantage is typically to outperform rivals, companies that maintain a competitive edge may exceed their current market and join new ones where competition for advantage is intense.

Given this fact, competitive advantage, like a company's vision, cannot be achieved and must instead be shaped and controlled by a change management plan that is acceptable. Strategic management is crucial for determining the organization's internal strengths and weaknesses, which facilitates the utilization of external opportunities and the reduction of external issues (Angeline et al., 2023). Research indicates that the performance of health organizations is significantly enhanced by strategic management skills. According to Timofeyev et al. (2024) for a hospital to be competitive enough and for it to prosper or fail, strategic management must play an immense role.

1.3 Context of the Study

According to the Ministry of Health (2025), Level Six hospitals are classified as 6A (National/Referral hospitals under the national government) and 6B (private/mission-based health institutions). Level 6 hospitals provide the highest standard of medical care in Kenya's healthcare system, offering more sophisticated and specialized services than those provided by lower-level establishments. Whether they are mission-based medical facilities, sizable private teaching hospitals, or national referral hospitals, these establishments are vital and their importance in Kenya's healthcare system can only be emphasized.

As the centres of excellence, level six hospitals are responsible for delivering complicated and long-lasting healthcare services to Kenyans, particularly in areas that demand highly

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qualified medical staff and contemporary medical technology. It is also the responsibility of Kenya's level six hospitals to provide pre-service and in-service support training to medical staff (Ministry of Health, 2025). According to the Ministry of Health (2025), all level six hospitals in Kenya must lead the health sector by establishing high standards for care and other treatment procedures. As a result, these level six hospitals are expected to provide the best and most comprehensive healthcare services, besides providing access to treatment, as these facilities are where patients can obtain tertiary care because they are well-developed there. Another noteworthy role of level six hospitals is the conduct of research on a variety of health issues. These reference hospitals are able to tackle local and national healthcare problems through in-depth research at their laboratories since they have a large concentration of healthcare personnel and resources (Ministry of Health, 2025).

1.3.1 Profile of Study Location

Kenya's capital city, Nairobi County, is the nation's administrative, political, and economic centre. With a diversified population of more than 4.5 million, it is one of Kenya's most populated counties. Rapid urbanization, an expanding middle class, and a booming private sector including a strong healthcare sector are the county's defining features. Some of East Africa's most cutting-edge medical facilities, including Level Six private hospitals, are located in Nairobi County. These hospitals provide highly specialized medical services and are categorized as tertiary facilities. In the fiercely competitive healthcare industry, private hospitals are vying for patients' attention by using cutting-edge technology, excellent patient care and strategic management practices. Nairobi's healthcare industry functions in a dynamic setting marked by rising healthcare expenses, a growing focus on patient satisfaction, and an increase in demand for high-quality healthcare services (Lamesgen et al., 2025).

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1.4 Statement of the Research Problem Statement

Despite the rapid growth of private level Six hospitals in Nairobi County, many continue to struggle with maintaining a sustainable competitive advantage. According to the Ministry of Health (2023), less than 30 percent of these hospitals report consistent growth in patient volumes and financial performance. Over 60 percent face challenges in implementing strategic plans effectively due to weak leadership structures, poor coordination, and limited innovation (MoH, 2023). Additionally, nearly 45 percent experience high staff turnover and

low patient retention, indicating weak institutional competitiveness. In order to stay afloat, managers must be aware of the need to adjust their approach because the factors influencing the health care business are dynamic.

The health care industry is characterised by volatility, much like other industries ,such as manufacturing or banking. As such, hospitals should implement methods that adapt to the changing environment. This state essentially renders just having a pool of different services and practices not sufficient to address the environmental change forces (Eisenhardt & Bingham, 2017). The health sector has not been exempt from the unstable climate, and even referral and level six private hospitals are facing strong rivalry from diverse sources, and having just a multi-speciality offering does not suffice (Singh *et al*., 2020).

According to Vahatalo and Kallio (2015), hospitals need to recognize the significant changes in their ecosystem and have the necessary resources to deal with them. Many have led to desperate and occasionally illogical reactions, like new marketing campaigns, new services and capital expenditures, in an attempt to find a winning combination to maintain their competitive advantage, only to end up with exorbitant costs and minimal results (Agwunobi & Osborne, 2016). These institutions provide specialized, high-quality healthcare while being financially viable,achieving and maintaining a competitive edge requires the application of strategic management practices, such as resource allocation, performance monitoring, strategic planning and innovation. However, the ways in which these strategic management practices affect competitive advantage in Nairobi County's Level Six private hospitals are not well supported by empirical data. This study sought to address the identified conceptual, contextual, literature and methodological gaps by examining the effects of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County. The study focused on four strategic management practices namely; strategic planning, resource management practices, innovation adoption, performance monitoring and evaluation practices and their effect on competitive advantage which was measured using innovation and differentiation operational efficiency, market share, customer loyalty and brand strength.

1.5 Research Objectives

The main objective of this study was to assess the effects of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County.

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1.6 Objectives of the Study

The specific objectives were:

i. To determine the effects of strategic planning on the competitive advantage in Level Six private hospitals in Nairobi County.

ii. To evaluate the effects of resource management practices on competitive advantage in Level Six private hospitals in Nairobi County.

iii. To examine the effects of innovation adoption on competitive advantage in Level Six private hospitals in Nairobi County.

iv. To establish the effects of performance monitoring and evaluation practices on competitive advantage in Level Six private hospitals in Nairobi County.

1.7 Research Hypotheses

The study tested the following research hypotheses:

H_{01}: Strategic planning has no significant effect on competitive advantage in Level Six private hospitals in Nairobi County.

H_{02}: Resource management practices have no significant effect on competitive advantage in Level Six private hospitals in Nairobi County.

H_{03}: Innovation adoption has no significant effect on competitive advantage in Level Six private hospitals in Nairobi County.

H_{04}: Performance monitoring and evaluation practices have no significant effect on competitive advantage in Level Six private hospitals in Nairobi County.

1.8 Justification

This study addressed a significant gap in the current literature by focusing on Level Six healthcare institutions in Nairobi County, Kenya, where the dynamics of strategic management may differ from those in other sectors or regions.

This study sought to provide an analysis that informs better strategic management practices not only for Level Six hospitals but also for other levels of healthcare institutions facing similar challenges. Understanding the relation between strategic management practices and

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competitive advantage will enable hospital administrators and policymakers to make informed decisions that foster innovation, efficiency and sustainability.

Given the tremendous growth and technological developments despite economic challenges and industrial strife among private hospitals, it is important to investigate how strategic planning, resource management practices, innovation and technology adoption and performance monitoring and evaluation practices have contributed to competitive advantage.

The findings of the study are expected to help hospitals better navigate competitive pressures, economic fluctuations, and technological developments, ultimately leading to improved healthcare delivery. Additionally, this study contributed to the broader field of strategic management by providing empirical evidence from a healthcare context, thereby enriching the theoretical framework and providing a basis for future research in similar settings.

1.9 Significance of the Study

Strategic management practices are considered useful management tools that enhance an organization's competitive edge by facilitating decision-making and implementing strategic practices systematically. Many firms have strategic management practices teams in their organizations that struggle to recognize the essentials of strategic management practices and competitive advantage and successfully carry them out in the organization. This study aims to identify the strategic management practices related to the competitive advantage of Level Six hospitals in Nairobi County and offer practical solutions.

Market players are seeking ways to achieve competitive advantage by improving profitability, liquidity, leverage and activity ratios. Findings on the strategies employed by these institutions will be important drivers in understanding the link between strategy and competitive advantage. Further, the findings will be useful in assessing the effectiveness, suitability, and adaptability of the strategies in response to evolving client requirements and the challenging business climate. The findings will work as a reference point for the hospital, offering vital information regarding various strategic management practices.

The study results provided private hospital policymakers in Kenya with valuable information on strategic management practices to improve competitive advantage, leading to higher customer satisfaction, enhanced customer loyalty, expanded market share and ultimately, more profitability.

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The study will assist in the formulation of policies intended to improve the calibre and effectiveness of Kenyan hospitals, which will benefit the Government of Kenya (GoK), and more especially the Ministry of Health (MoH). Technological services can expedite the expansion of the health business sector, leading to an enhanced economy. The results will inform important decision-makers at public and private hospitals in Nairobi County on strategic management practices and any identifiable difficulties associated with it. The study will also be beneficial for stakeholders, financiers and investors in developing and preparing strategic management practices for intervention and assistance.

The study will contribute to the existing literature on strategic management practices and competitive advantage. The study may stimulate progress in research to enhance the refinement of studies in Kenya. Scholars and researchers may find this study beneficial for acquiring knowledge and conducting further research on strategic management practices and competitive advantage in Kenya's healthcare sector.

1.10 Limitations of the Study

Self-reported data from hospital workers and administrators were included in the study, which could be biased or inaccurate. This was overcome by using a variety of data sources, including surveys, interviews and archive documents, to triangulate the data by guaranteeing anonymity and confidentiality, which promoted truthful and accurate answers. The findings were expected not to be applicable to other kinds of healthcare institutions or areas because the study was limited to Level Six private hospitals in Nairobi County. This was addressed by proposing topics for further investigation that could broaden the study to encompass additional hospital types or geographical areas in order to improve generalizability.

Restrictions on access to private hospitals' proprietary or sensitive data restricted the analysis's reach. However, this limitation was to a great extent addressed by gaining the trust of hospital officials, outlining the goals and advantages of the study. In order to supplement primary data, offer to share aggregated findings that do not jeopardize confidentiality and use publicly available data and reports. The researcher was unable to secure permission to collect data in some facilities, which partly contributed to the unreturned questionnaires.

Response bias that resulted from respondents' incomplete understanding of the questions or from their socially acceptable answers was overcome by the use of clear and simple survey questions in the data tool's design. There was a pilot test of the survey to fix any ambiguities.

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A neutral language was used to encourage honest answers, and participants were made aware of the study's goal.

1.11 Scope of the Study

The study examined the effect of strategic management practices on the competitive advantage of Level Six private hospitals in Nairobi County, Kenya. Nairobi County has a high concentration of private hospitals, making it an ideal setting for examining competitive strategies in healthcare. The study targeted 64 senior managers, drawn from different departments in each hospital, who are directly involved in procedures for determining strategic decisions, including strategic planning, resource management, innovation adoption and performance monitoring and evaluation.

The study covered critical elements of strategic management, including strategic planning, resource management, innovation adoption, and performance monitoring and evaluation, and how they contribute to hospitals' ability to maintain a competitive advantage. This study focused on a specific population and location to offer pertinent information that could help with strategic decision-making and strengthen the competitive edge of private hospitals . The research was undertaken from December 2024 to August 2025, including dissertation development, data collection, analysis, and report writing. The units of analysis were the level six private hospitals in Nairobi County, Kenya, while units of observation included senior managers.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews recent literature related to strategic management practices and their impact on competitive advantage, particularly in the healthcare sector. It aims to provide a theoretical framework and empirical evidence that underpin the study. The chapter is organized into several sections, including theoretical perspectives on strategic planning, resource management practices, innovation and technology adoption, performance monitoring and evaluation and the relationship between strategic management and competitive advantage. It also discusses relevant studies in the healthcare sector and identifies gaps in the existing literature.

2.2 Theoretical Framework

This study will be underpinned by Resource -Based View theory, Dynamic Capabilities theory, Diffusions and Innovations theory and the Balance Scorecard Framework.

2.2.1 Resource-Based View Theory

The Resource-Based View (RBV) theory hypothesizes that businesses use distinctive, priceless and inimitable resources to gain a long-term competitive edge (Barney, 1991). Strategic planning, as a managerial practice, enables organizations to identify, allocate and optimize these resources effectively. In the context of Level 6 private hospitals, strategic planning ensures alignment of organizational goals with available resources, fostering a competitive edge through efficient service delivery and operational excellence. In today's fast-paced, intensely competitive world, organizations should be active participants in the market and possess the tools and capabilities to respond to environmental changes (Ployhart, 2021). To gain a sustained competitive advantage, businesses must identify and seize resource possibilities while averting any risks (Gibson et al., 2021). The resource-based view (RBV) holds that a firm's access to uncommon, valuable, unique, and non-substitutable resources is essential to its capacity to remain competitive (Collins, 2020). The organization's ability to generate or obtain these resources affects its effectiveness, competitiveness and profitability.

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To identify strategies for achieving superior competitive advantages, the RBV places emphasis on the organisation's resources, skills, and capabilities (Zahra, 2021). There are many different resources and skills that a company might have, and the majority of these are directly linked to better performance (Ployhart, 2021). Bundles of information and abilities known as capabilities enable businesses to organize their activities and make use of their resources. Dynamic capabilities (DCs) are a viewpoint that was created using the RBV framework to explain how companies can create critical and distinctive resource attributes. The company must continuously integrate, reorganize, renovate and produce tangible and intangible resources-usually immovable (e.g., information, intellectual property, corporate processes and brand value) in response to shifting market conditions in order to obtain a competitive edge (Chahal et al., 2020).

RBV holds that resource exploitation is the source of wealth. To create economic value, organizations need to make better use of their resources as compared to their rivals. Businesses can use the RBV's foundations to adopt strategies that their current or prospective rivals cannot match, giving them a competitive edge (Chahal et al., 2020). The resources may be either material or immaterial. Furthermore, RBV relies on the essential principles of immobility i.e., (resources do not move from one business to another) and heterogeneity (each business has different abilities, skills and other resources) (Gibson et al., 2020).

Notwithstanding RBV's benefits and advancements, some academics have questioned its applicability. Additionally, the RBV has been a topic of discussion because of its static nature (Assensoh-Kodua, 2019). Assuming a static perspective, RBV fails to explain how practical abilities could be strengthened and developed in rapidly evolving situations. Gibson et al. (2021) claimed that because of its rigidity, RBV's theoretical utility is up for discussion. The RBV lacks a proven technique that can direct businesses toward gaining a sustainable competitive advantage, according to some academics.

2.2.2 Dynamic Capabilities Theory

According to Teece et al. (1997) Dynamic Capabilities (DC) theory emphasizes the ability of organizations to integrate, reconfigure and optimize resources to respond to changing environments. Effective resource allocation and optimization allow Level 6 private hospitals to adapt to market demands, improve operational efficiency and deliver high-quality services. This agility enhances their competitive advantage by ensuring optimal utilization of

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economic, human and technological resources. To adapt to their environment, companies require dynamic skills (Riviere et al., 2021). Long-term organizational resilience is crucial in light of the importance of business sustainability.

This resilience would allow for sustainable competitiveness through dynamic capabilities in the face of resource depletion, technological advancements, and rising stakeholder expectations (Karman & Savanevičienė,2021). The theory of dynamic capabilities helps determine the methods that a business and its community employ to navigate difficult situations. In times of dynamism, enterprises and communities use dynamic skills to identify, capture, and transform opportunities and resources (Cabral & van Winden, 2022). For businesses to survive the rapid technological transformation that the fourth industrial revolution will bring, developing the requisite capabilities is essential (Aghimien et al., 2021).

In contrast to RBV's emphasis on static resources, DC theory examines how firms adapt and manage resources dynamically to sustain a competitive edge over time (Furnival et al., 2019). According to Tsou and Chen (2020), having significant resources is not enough to ensure survival in turbulent markets; one must also be able to continually refresh them to keep pace with external developments. The three primary parts of the theory are transformation, seizing, and sensing (Teece, 2018). While seizing entails putting resources in place to effectively seize chances, sensing entails recognizing risks and opportunities in the environment (Teece, 2018). Adapting an organization's capabilities and structure to be competitive in the face of change is the final component, transformation (Teece, 2018).

Research on strategic management has been significantly influenced by the DC theory, particularly in fields such as technology and healthcare, where technological and regulatory changes are common (Paavola, 2021). Companies in these sectors must constantly innovate and modify their strategies in order to maintain a competitive edge; they cannot rely only on static resources. Karman and Savanevičienė (2020) stated that dynamic capabilities give businesses an adaptive edge by allowing them to reorganise their resources in response to new opportunities and difficulties. According to the notion, businesses that can continuously improve and renew their skills will maintain a competitive edge, whereas those with static resources will find it difficult to adjust (Karman & Savanevičienė, 2020).

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Even though DC theory is widely accepted, it has been criticized, mostly for its difficulties with operationalization and assessment (Cristofaro & Lovallo, 2022). Some who oppose the theory contend that its fundamental ideas, such as "sensing" and "transforming", are intricate and challenging to measure, making empirical testing challenging (Cristofaro & Lovallo, 2022). Proponents counter that these ideas are important for comprehending how businesses adapt and thrive in changing settings, notwithstanding their difficulty. According to Helfat (2022), the theory's focus on context-specific solutions also aligns with the idea that each organization needs distinct skills and methods depending on its sector and surroundings.

The theory of dynamic capabilities was considered relevant to this research because it clarifies how strategic management practices impact competitive advantage in Nairobi County's Level Six health facilities. Given that patient needs, medical technology, and regulatory constraints are always changing, these institutions must adopt a flexible and strategic approach. According to Huebner and Flessa (2022), healthcare facilities' resource management strategies should concentrate on enhancing their capacity to recognise shifts in patient needs, grasp opportunities for service enhancement and change procedures to enhance patient care and operational effectiveness. By doing this, the hospitals will be able to realize a lasting competitive edge and establish themselves as industry leaders through constant innovation, competitive advantage and adaptability.

2.2.3 Diffusion of Innovations (DOI) Theory

Catchwords such as "innovation" and "innovative" are used extensively across a variety of industries, including healthcare. However, there is currently no all-inclusive, widely recognized definition of innovation (Renana et al., 2010) and different definitions are used by a number of disciplines, including geography, sociology, public health and economics. One of the first economists to acknowledge the importance of innovations to all economic systems -from individual companies to entire economies- as well as to the global economy was Schumpeter (Rogers, 1995). He characterized innovation as the "creative destruction" that serves as the foundation for all developments in a capitalist market system, including changes to production techniques, the development of new products, corporate structures, and market entry (Rodgers, 1995).

In his book Diffusion of Technologies, Rogers (1962) outlines one of the most broadly used adoption models. The model has been utilized as a foundation for several studies from a wide

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range of fields. The concept of innovation diffusion and adoption provides a useful systematic framework for understanding the adoption or non-adoption of new technology (Rogers, 1962). Diffusion occurs gradually within one market (a system of users) when potential customers exchange information and concepts about a new technology via communication channels. In this way, users learn about new technology firsthand. Roger's five-stage adoption process starts with knowledge. The subsequent four steps are persuasion, decision-making (accepting or rejecting new technology), execution and confirmation.

According to Rogers (1962), a combination of internal factors (such as the potential user's personal constraints) and external barriers (such as poor communication channels) can make the adoption process less successful. According to MacVaugh and Schiavone (2010), this concept innovators are divided into groups that have a normal distribution. 13.5% of individuals are early adopters who decide to adopt after experiencing advantages for themselves; 2.5% of people adopt innovations when they are novel and have not yet demonstrated any advantages; As early majority, 34.0% of respondents adopt only after observing widespread acceptance and clear productivity increases; 16.0% of people delay adoption for as long as possible, while 34.0% of people are late majority, meaning they adopt after at least half of the population has done so and when there is strong support for adoption.

For more than 60 years, this normal distribution architecture has been used successfully, despite a few small setbacks and suggested changes (MacVaugh & Schiavone, 2010). Recent studies, however, indicate that some populations may not be adequately captured by the conventional adopter categories model (e.g., Dale et al., 2021; Basileo et al., 2024), showing that innovators and early adopters make up a much larger percentage of the population than previously believed, exhibiting a right-skewed distribution. The Diffusion of Innovations (DOI) theory explains how new technologies and practices are adopted and spread within organizations. Innovation and technology adoption are critical for health institutions to enhance service delivery, improve patient outcomes and differentiate themselves in a competitive market.

By embracing cutting-edge technologies and innovative practices, these hospitals can achieve a sustainable competitive advantage through improved efficiency, patient satisfaction, and market positioning (Wisdom et al.,2014). Dale et al. (2021) state that innovations in the health care industry challenge established health care systems and providers while also contributing to improvements in the quality of life and services. New procedures (such as

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new surgical techniques), technologies (such as drugs, implants, and devices), or organizational structures (such as palliative care as a novel kind of treatment) are required for medical advancement. Innovation adoption in Level Six hospitals may be hampered by issues such as worker training, infrastructural deficiencies, and a lack of funding. To promote the successful integration of innovations and enhance healthcare delivery, DOI theory can be used to develop focused interventions, such as pilot programs, stakeholder involvement, and ongoing evaluation. Innovations in health care or allied sectors, such as service providers and key stakeholders, are responsible for leveraging competitive advantage.

2.2.4 The Balanced Scorecard Framework

Robert Kaplan and David Norton advanced the Balanced Scorecard (BSC) framework in the early 1990s. It is a popular tool for strategic planning and management in a variety of sectors, including healthcare, to improve internal and external communication, match business operations with the organization's vision and strategy and monitor organizational performance in relation to strategic goals (Kaplan & Norton, 1996). According to Quesado et al. (2018), the BSC comprises four main perspectives that help firms assess their strategic performance.

In order to evaluate the entire success of a business, the financial Perspective, customer viewpoint, internal processes and the learning and growth approach. These factors enable firms to embrace a holistic approach to performance management and strategy evaluation. The purpose of the BSC was to improve management's performance, control and planning duties. As a result, it included non-financial measurements in addition to the conventionally employed financial ones. Kaplan (2010) contends that although financial metrics are essential for assessing an organisation's performance, non-financial metrics assist upper management in determining the organisation's long-term viability. Descriptive or measurable non-financial measures highlight the shortcomings, defining what needs to be done and setting parameters (Terziev et al., 2020). The four areas of interest identified by the BSC model include; learning and growth, internal company processes, customer satisfaction and retention and financial measures (Ballester-Miquel et al., 2017; Kaplan, 2010). The firm process and the learning and growth perspective are internal, whereas customer satisfaction and financial success are external.

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According to Ballester-Miquel et al. (2017), the four measures of the BSC were described as follows: High profitability and cost effectiveness are emphasized in the financial indicators. Customer service measures take into account the company's capacity to offer customers high-quality services, the efficiency with which those services are delivered, and the overall level of customer satisfaction resulting from brand value, quality, pricing, and availability. The focus of internal business processes is on operations that drive both financial success and customer satisfaction. Among other things, these protocols cover operating duties, timely delivery and timely customer support.

Outstanding results and output must be produced by the main business operations. The workforce's information system quality, leadership, culture and adherence to teamwork procedures are all included in the learning and growth metric. Employees will finish work quickly and effectively under effective leadership if they are sufficiently motivated and skilled. A crucial performance measurement tool that can assist organizations in tracking and assessing both short and long-term strategies is the BSC. The "BSC translates the often-unclear goals found in corporate mission statements into a strategic roadmap to be followed by employees" (Davis & Albright, 2004).

The BSC outlines precise measures that must be taken in order to convert organizational goals into feasible activities that can then demonstrate how those actions relate to the goals (Quesado et al., 2018). From the review of BSC literature within the healthcare industry, the BSC framework can play a significant role in improving performance monitoring and assessment procedures, especially at level six hospitals (usually tertiary care facilities providing advanced and specialized medical services). By integrating financial and non-financial metrics, it offers a comprehensive approach to performance measurement. Level Six private hospitals may measure their progress toward strategic goals, pinpoint areas for development, and make data-driven decisions thanks to performance monitoring and evaluation. Their competitive advantage is strengthened by this process of continual improvement, which guarantees efficiency, accountability and alignment with corporate objectives.

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2.3 Empirical Literature Review

2.3.1 Strategic Planning and Competitive Advantage

Researchers and scholars have reached a consensus on the following description despite attempts to elucidate the various facets, dimensions, attributes, methodologies, tools and problems related to the concept of strategic planning. According to Mitaki and Gitonga (2018), strategic planning is the process of deciding on the organization's message and then establishing goals, plans and policies to ensure that resources are allocated to achieve these objectives. Strategic planning is choosing the most operative methods to assist an organization in realizing its objectives.

An organization has to know where it is now and how it may implement specific tactics in order to decide on its future course. Promoting organizational-wide commitment to the selected strategy plan is crucial for successful performance (Mitaki & Gitonga, 2018). A corporation must so clearly express its objective and promote employee involvement. For the strategic planning course to be successful, all three of its steps (1) position determination, (2) strategy creation and (3) plan building must be followed. A well-thought-out plan does not guarantee that objectives will be reached on its own (Arokodare & Asikhia, 2020). Mulyaningsih et al. (2021), evaluated how strategic planning affected the competitive advantages of small and medium-sized businesses.

This study describes and explains the degree to which strategic planning affects SMEs competitive advantage in Sukabumi Regency, Indonesia, using a quantitative technique and an explanatory survey design. The study's findings, which were analyzed using structural equation modeling (SEM), demonstrated that strategic planning had a major influence on competitive advantage of SMEs in Sukabumi, Indonesia. Using competitive advantage as a mediating factor, Mashingaidze and Phiri (2024) examined the impact of strategic planning on business responsiveness performance. A quantitative survey and a positivist paradigm were used in the study to gather and examine data from 206 micro, small, and medium-sized enterprises (MSMEs) in South Africa. SEM, or structural equation modeling, was used to evaluate the theories.

The results unveiled that strategic planning and response performance were significantly positively correlated. Both of the study's hypotheses were supported by the results, which also showed that competitive advantage moderated this link. From the study's findings,

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strategic planning, via the mediation of competitive advantage, considerably improves business responsiveness performance. The impact of strategic planning techniques on the Seventh-day Adventist (SDA) movement's competitive advantage in Nairobi City County, Kenya, was investigated by Mitaki and Gitonga (2018). The study sought to determine how the SDA movement's competitiveness is affected by strategy design, plan implementation, and strategy monitoring and assessment. A descriptive survey design was used in the study, which was informed by institutional theory, strategy fit theory, and resource-based theory.

The findings revealed that strategy formulation significantly enhances competitiveness within the SDA movement by increasing the effectiveness of meeting organizational goals and objectives and raising awareness of strategic formulation. Hunitie (2018) examined how strategic planning and strategic thinking mediate the relationship between competitive advantage and strategic leadership. In particular, the study looked at three public hospitals in Jordan's healthcare system using a survey that was developed following a comprehensive review of the literature. The results demonstrated that competitive advantage, strategic planning, and strategic thinking are significantly impacted by strategic leadership.

Additionally, it was shown that competitive advantage was strongly and favourably correlated with both strategic planning and strategic thinking, with strategic thinking having a greater impact than strategic planning. The study concluded that as strategies are developed through strategic thinking and put into action through strategic planning, both strategic thinking and strategic planning are essential for attaining competitive advantage through strategic leadership. The study conducted by Osintsev and Khalilian (2023) examined whether innovation and strategic planning improve organizational performance. The study looked at how organizational performance, strategic planning, and innovation are related. Mutually strategic planning and innovation have a good effect on organizational performance, according to the findings. By encouraging innovation and putting strategic planning techniques into practice, managers and decision-makers in the healthcare industry may improve organizational performance, according to these findings.

2.3.2 Resource Management Practices and Competitive Advantage

To achieve long-term success, most businesses see resource management as a byproduct of a broader accounting strategy. The design of machinery and processes, manufacturing planning and control, human resource management, product design, and the impact of corporate social

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responsibility on long-term performance are among the factors that influence the development of efficient resource management practices. According to Iranmanesh et al. (2019b), a number of factors have a substantial impact on performance, including social, economic, and environmental performance. These factors include customer pressure, anticipated business benefits, environmental ambiguity and environmental regulatory pressure.

Studies by Elrhanimi and EL Abbadi (2020) and Wurzer and Reiner (2018) have looked at resource management in a variety of approaches. Scholars have investigated methods and strategies to reduce energy, waste, and resources in order to attain a competitive advantage (Orazalin & Mahmood, 2018). Taelman et al. (2018) have looked at the many difficulties in managing resources to gain a competitive edge. Organisations primarily use human resource strategies to shape and cultivate human abilities, values, and behaviours in order to achieve organisational objectives. In programs aimed at reducing environmental pollution, human resource practices are essential, according to Saad et al. (2019).

Employees who have received training and instruction are better equipped to use materials efficiently and reduce wastage (Habidin et al., 2013). Other human resource strategies, such as employee engagement and collaboration, enable workers to act responsibly and reduce waste and pollution, thereby improving a company's performance. Human resource techniques support waste, energy and resource management by increasing human capital and enhancing the environment. Resource practices include aspects such as employee empowerment, attachment, self-directed teamwork, autonomous problem-solving, policy-making groups, and recognised education programs. The secret to competitive to efficient resource management is leveraging on human resources (Nawanir et al., 2020).

According to Silvia et al. (2020), human resource practice is "a collection of various but connected activities, functions, and procedures that are intended to attract, develop, maintain and even terminate the organization's human resources". In contrast, several scholars have examined how resource management strategies affect an organization's environmental, social and financial performance (Ali et al., 2019; Abubakr et al., 2020; Bilan et al., 2020). Various factors, such as "environmental regulations, customer pressure, social responsibility and financial performance," are significant in the health sector (Orazalin & Mahmood, 2018). Yet a thorough examination of prior research reveals several gaps in the body of knowledge on the use of resource management practices to create sustainable competitive advantage.

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Most of the existing studies have focused on the strategic management of high-cost and specialised resources within tertiary and Level Six hospitals, recognising their central role in sustaining competitive advantage. With respect to financial resource management, studies show that effective budgeting systems, cost-control mechanisms, and strategic financial planning are critical in tertiary healthcare contexts where operational costs are high and reimbursement pressures persist. Kaplan and Porter (2019) demonstrate that hospitals that adopt value-based financial management approaches linking resource allocation to patient outcomes achieve improved cost efficiency and stronger competitive positioning. Similarly, Yip and Mahal (2020) find that strategic financial governance in tertiary hospitals enhances service sustainability by enabling continuous investment in advanced care delivery while maintaining financial stability.

In relation to technological asset management, research indicates that the strategic acquisition, integration, and utilization of medical technologies significantly differentiate high-level hospitals from lower-tier facilities. Buntin et al. (2018) observe that tertiary hospitals that align technology investments with strategic objectives such as electronic health records, advanced diagnostic systems, and telemedicine platforms experience improved clinical efficiency, service quality, and patient satisfaction. Supporting this view, Topol (2019) emphasises that hospitals that strategically manage digital and clinical technologies gain a competitive advantage through faster decision-making, reduced medical errors, and enhanced patient-centred care, all of which are critical in specialised healthcare environments.

Studies on major infrastructural capacity management further highlight its importance in tertiary hospitals. McKee and Healy (2021) note that modern infrastructure, including specialized operating theatres, intensive care units, and high-capacity diagnostic facilities, acts as a strategic asset that enhances referral attractiveness and institutional reputation. In addition, Agarwal et al. (2020) find that hospitals with well-planned and adaptable infrastructural investments are better positioned to respond to increasing patient demand, medical specialization, and technological change, thereby strengthening long-term competitive advantage. Despite these contributions, existing studies largely examine financial, technological, and infrastructural resources in isolation or within general healthcare systems. Limited empirical evidence exists on how the integrated strategic management of these critical resources influences competitive advantage, specifically within Level Six

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private hospitals, particularly in emerging economies. This gap depicts the relevance of the current study in extending resource-based perspectives to high-cost, specialized healthcare settings.

2.3.3 Innovation and Competitive Advantage

The innovation process encompasses the policies and actions implemented inside an organization from the inception of the concept to its implementation. Various studies have studied the development of innovation within the scope of health facilities (Atkinson & Singer, 2021; Barnett et al., 2011; Hyrkas et al., 2020). Organizational constraints, the role of senior management and champions, the readiness of quantifiable evidence, inter-personal and inter-organisational networks, the presence of a favourable inner and outer context and knowledge management are all factors that have been studied and found to be pertinent to the innovation process (Atkinson & Singer, 2021).

Two categories of organizational constraints were studied by Atkinson et al. (2021). They are hierarchical constraints (opposition from managers and higher-level stakeholders) and heterarchical constraints (opposition from various professional groups and units within the organization). The findings revealed that teams use a variety of strategies to overcome limitations at different phases of innovation. Health care institutions must innovate in response to emerging issues such aging population, human resources shortages, and decreased budgets (Weiner et al., 2020). Weiner et al. (2020,) articulate that "innovation can be defined as a novel set of behaviors, routines and ways of working that are disjointed with previous practice and are directed at improving health outcomes, administrative efficiency, cost effectiveness, or user experience, and that are implemented by planned and coordinated actions".

According to Greenhalgh et al. (2019), a variety of elements interact to determine the success of innovation, and planning is necessary. Organizations in the health care sector vary greatly in their capacity for innovation. Increasing healthcare organisations' innovation readiness is necessary to tackle their problems (Kievit et al., 2018). Leal-Rodriguez et al. (2013), evaluated the efficiency of knowledge management and the innovation process. They argue that knowledge management (the explicit and hidden components of business knowledge) leads to better innovation. According to their research, leadership and organizational culture

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have the most effect on the innovation process in healthcare businesses, from strategic planning to execution.

Hyrkas et al. (2020) explored the full innovation process. A co-creation model was developed and proven for collaborative innovation, wherein companies and medical professionals work together to develop future health care services. The results show the necessity of careful preparation, industry-specific knowledge, and constant work during the joint process. Reed et al. (2012) examined the entire innovation process in healthcare organisations -from strategic planning to implementation- and their study established that organisational culture and leadership have the greatest influence on the process. Despite its relevance, it is difficult to integrate innovation structurally in health care organizations (Arora et al., 2021).

Organizations face challenges in organising their innovation processes (Marjanovic et al., 2020), and innovative efforts are frequently stifled by current policies and procedures (Arora et al., 2021). Transitioning to a state of innovation readiness is not the same as getting ready to launch a particular innovation (Williams, 2011). Little is known scientifically about what health care organizations need to do to get ready for innovation, despite the fact that many research concentrates on the use of particular treatments or e-health innovations. Organizational preparedness for innovation in healthcare settings has only lately drawn the attention of scientists (Marjanovic et al., 2020; Hyrkas et al., 2022). Knowledge regarding how to get ready to flourish in any kind of invention to tackle strategic issues can be very helpful to healthcare organizations.

According to Hyrkas et al. (2022) their study established that none of the indicators that particularly examine the elements that contribute to health care organizations' readiness for innovation. Therefore, in order to define the term "innovation readiness" and find existing research on the elements that contribute to innovation readiness in healthcare organizations, this study carried out a scoping review. There is no widely recognized reason for innovation readiness in business and healthcare, despite a number of different theories being offered in the literature (Marjanovic et al., 2020). Innovation readiness is specifically defined as the capacity to innovate (Marjanovic et al., 2020). Innovation strategy, which deals with the alignment of innovation goals with the larger business strategy and prioritizes the desired actions of employees, has been included in a number of studies.

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An effective strategy for innovation has several components, including organizational culture (e.g., values), organizational structure (e.g., processes, resources), organizational policy (e.g., alignment of incentives), the organization (e.g., decision-making process), the adopting person (e.g., health professionals), the innovation (e.g., complexity) and the sociopolitical context (e.g., legislation) (Lombardi et al., 2018). A study by Schultz et al. (2021) examined tools a business can use to align employee objectives with its own and motivate staff to engage in the innovation plan. The results demonstrated that the extent and degree of originality in the innovation activities are influenced by both formal (such as rewards) and informal (such as employee incentive) techniques.

Glover et al. (2020) examined the relationship between creativity and hospital unit complexity. Because team interactions can lead to unexpected and unique behavior, hospital units are described as complicated. This is because linear thinking alone is unable to fully understand them. To achieve high levels of invention in these innovation projects, units with higher degrees of complexity should respond by reducing staff autonomy (e.g., independence) and increasing performance orientation (e.g., demonstrating competence). Hunter et al. (2021) in their study on a program based on competition, aimed to hasten unique, early-stage health care concepts from inside the healthcare organization. To speed up their initiatives, participants were urged to propose innovative ideas and, if selected, received assistance with business, legal, technical and scientific project management.

Low admission hurdles, a focus on outreach, encouraging innovators and small, dynamic project manager-led teams were the four pillars upon which the program was built. The most important aspects of the innovation program, according to the survey, were project management and mentorship for innovators. Consequently, Hunter et al. (2021) established that project and business planning improve the success of innovation initiatives. While project planning describes the course of a program, business planning guarantees that the innovative idea, strategy and organizational competencies are all in alignment.

2.3.4 Performance Monitoring, Evaluation Practices and Competitive Advantage

Using key performance indicators (KPIs) to systematically assess an organization's procedures, practices and results is known as performance measurement (Amer et al., 2022; Van Looy et al., 2016). It is extensively used in both the public and private sectors to prioritize actions, assess quality and find inefficiencies (Amer et al., 2022). Performance

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measurement in the healthcare industry has historically focused on stand-alone measures such as operational efficiency metrics and mortality rates. Performance assessment tools have become more popular in the healthcare industry as a means of detecting structural weaknesses, enhancing the distribution of resources and evaluating the results of clinical and organizational interventions (Langton et al., 2020).

By examining the relationships between indicators and their reciprocal effects, performance assessment systems go beyond individual measures (Mio et al., 2022). These structured systems provide more thorough insights, showing the comparable or non-comparable influence of one KPI on another. Performance measurement systems are crucial for managing complex services because they provide comprehensive perspectives beyond snapshot evaluations (Mio et al., 2022). It is essential to focus on hospital performance indicators in order to accomplish the hospital's internal and external goals, utilize available resources effectively and efficiently, enhance service quality, and provide a clear image of hospital effectiveness and efficiency. On the basis of fresh data, these metrics should be routinely examined, though, considering the ongoing shifts in hospital performance (Gartner, 2022).

In addition to enhancing an organization's responsiveness, effectiveness and efficiency and fostering public faith in it, identifying performance indicators aids in the planning and creation of strategies to address complex environmental changes (Gartner, 2022). According to Rahimi (2017), some studies have focused on specific areas of hospital performance, while others have used techniques such as the BSC, Data Envelopment Analysis, and the Pabon Lasso model. Efficiency, efficacy and equity were the main criteria Davis et al. (2013) utilized to assess and rate hospitals in New Zealand. Pink et al. (2017) used a review panel to study hospital performance, evaluating hospitals' financial indicators and reporting on them across the five dimensions of financial sustainability: liquidity, capital, efficiency, and human resources.

Gu and Itoh (2016), in their study on hospital performance indicators, categorized eight factors and assessed the opinions of 228 managers and 894 employees. Survival and death rates, operational efficacy, patient/staff safety, financial effectiveness, work-life balance, staff development, patient-centered care and patient/staff satisfaction were among these criteria. Xenos et al. (2018) evaluated Greek hospitals' efficiency and productivity under a financial crisis. In a "mixed-method" study, Nikjoo et al. (2013) selected key performance indicators

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(KPIs) for hospitals in the areas of quality-effectiveness, financial-efficiency, and access equity.

In their research, Khalifa and Khalid (2015) found 58 hospital KPIs and divided them into the following categories: patient satisfaction, documentation compatibility, infection control, patient safety, hospitalization utilization, outpatient utilization, operating room utilization, emergency utilization, and general utilization. There is no universally accepted method for assessing how well health services are performing. Accordingly, developing a variety of techniques, models, and metrics to gauge hospital performance can provide a comprehensive understanding of hospital capacities (Langton et al., 2020; Mio et al., 2022). By integrating management research findings into health system managers' decision-making, evidence-based management seeks to prevent or reduce the overuse, underutilization, and misuse of managing activities.

Additionally, by bridging the gap between research and practice, this style of management makes it possible to leverage the experiences of other businesses and raises the standard of decision-making (Amer et al., 2022). Level six hospitals must have a competitive advantage, evaluation procedures and performance monitoring in order to succeed, especially in a dynamic and competitive healthcare setting like Nairobi County, Kenya. Level six hospitals, which provide sophisticated and specialised medical services, need to implement strong performance management systems to guarantee sustainability, operational effectiveness, high-quality treatment and ultimately be competitive enough in the dynamic environment they are operating in.

2.3.5 Competitive Advantage

Competitive advantage describes the unique position an organization occupies in its market by offering services or capabilities that are not easily replicated by competitors. Albarri (2024) emphasizes that competitive advantage is supported when hospitals adopt strategic intelligence to interpret market signals and respond proactively. Similarly, Gana and Andemariam (2020) show that disciplined management practices at a mission hospital in Kenya translated into improved patient retention and performance, confirming the role of a structured strategy in building an edge. Tj, Wibowo, and Widjaja (2025) link human capital development to competitive strength, arguing that skilled personnel form a rare and valuable

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resource. Quan and Khan (2024) further establish that quality management not only boosts performance but also acts as a key driver of competitive positioning in healthcare.

Quality-based competitive advantage is a recurring theme across healthcare literature. When hospitals integrate effective quality management systems, they enhance both the tangible and intangible aspects of service, which are central to attracting and retaining patients. Quan and Khan (2024) note that in Chinese hospitals, quality processes increased staff satisfaction, which in turn mediated gains in sustainable performance and competitive positioning. Khanfar, Nafei, and Mujtaba (2024) highlight that digital twinning strengthens quality by ensuring efficiency and accuracy in service delivery, thereby supporting a hospital's distinctiveness. Zaid, Othman, Qubbaj, and Asaad (2025) add that Industry 4.0 tools, when anchored in total quality management, translate technological investment into long-term advantage. Shebeshe and Sharma (2025) also demonstrate, in the manufacturing sector, that sustainable supply chain practices reinforce reliability and reputation, which are equally vital sources of a competitive edge in hospitals.

Competitive advantage is also influenced by market-facing strategies, where positioning and patient engagement play central roles. Juju and Supriadi (2024) argue that a thoughtful marketing mix and strong relationship marketing strategies provide organizations with differentiation that strengthens their performance. Gana and Andemariam (2020) found similar evidence in Kenyan hospitals, showing that deliberate strategic practices enabled facilities to compete effectively despite resource limitations. Albarri (2024) notes that in Palestine, hospitals that leveraged strategic intelligence achieved stronger alignment between services and patient expectations, enhancing competitive strength.

Quan and Khan (2024) similarly argue that patient-centered service quality creates loyalty, which is an essential pathway to a defensible competitive position. The human element remains at the core of sustainable advantage in hospital settings. Tj et al. (2025) contend that investment in human capital, including skills, leadership, and organizational culture, directly supports the creation of rare capabilities that underpin competitive success. Oweidat, Abu Shosha, Al-Harazneh, Al-Mugheed, Alzoubi, Alabdullah, and Abdelaliem (2025) further demonstrate that nurses' perceptions of job security contribute to improved performance, which indirectly strengthens hospital reputation and competitiveness.

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Gana and Andemariam (2020) affirm that well-managed staff functions translate strategic planning into practical outcomes that patients value. Quan and Khan (2024) also stress that improved job satisfaction supports continuity of quality, reinforcing a hospital's distinctive advantage. Moreover, competitive advantage is increasingly shaped by technology adoption and sustainability practices. Zaid et al. (2025) show that advanced technologies such as Industry 4.0 are only useful for differentiation when embedded within strong quality frameworks that ensure consistent learning and improvement.

Shebeshe and Sharma (2025) emphasize that sustainability practices, especially in supply chains, help institutions secure long-term trust and continuity, giving them an edge in competitive markets. Albarri (2024) reminds us that strategic intelligence is essential in identifying the right technologies and practices that align with hospital goals. Gana and Andemariam (2020) also illustrate that without deliberate strategic management, the potential of technology and sustainability remains untapped, underlining the importance of structured approaches in converting resources into lasting competitive advantage.

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2.4 Summary of Research Gaps

Table 1 below summarises the research gaps emanating from the reviewed studies.

Table 1: Summary of reviewed literature

Author	Focus of the Study	Methodology	Finding	Gap
Rodriguez & Patel (2024)	"Strategic Partnerships and Competitive Positioning"	Quantitative survey of 250 firms; network analysis	Strategic partnerships and alliances enhanced competitive positioning by enabling access to new markets, technologies, and resources. Collaboration was particularly impactful in emerging markets.	The study used strategic partnership as an independent variable and competitive positioning as a dependent variable, depicting a conceptual gap.
Wilson (2024)	"Cost Leadership vs. Differentiation Strategies"	Comparative case study of 12 firms across industries	Firms employing differentiation strategies (e.g., unique product features) achieved higher profitability compared to cost leadership strategies, especially in saturated markets.	The study focused on comparative case study of 12 firms hence presenting contextual gap and methodological gap.
Wanjiru & Ndung'u (2024)	"The Role of Branding and Marketing in Enhancing Patient Loyalty in Kenyan Hospitals"	Mixed methods (surveys & focus groups)	Branding and patient-centric marketing significantly boost patient loyalty.	The study addressed branding in marketing, the conceptual gap was addressed in the current study using Strategic Management practices as an independent variable.
Ochieng & Muturi (2023)	"Financial Management	Quantitative (financial	Kenyan private hospitals with	Since the study focused on

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	Practices and Profitability in Kenyan Private Hospitals"	data analysis)	efficient financial systems report higher profitability.	all private hospitals, it presents a contextual and geographical gap as the current study focused only on level 6 hospitals in Nairobi.
Patel & Gupta (2023)	"Sustainability Practices in Global Healthcare Organizations"	Qualitative (case studies)	Sustainable practices enhance long-term competitiveness in healthcare globally.	The study presented conceptual, contextual and methodological gaps given that it used suitable practices as an independent variable, focused on global health organisations, and used purely qualitative data.
Kumar et al. (2023)	"Strategic Agility in Turbulent Markets"	Longitudinal study of 50 firms over 5 years; panel data analysis	Strategic agility (e.g., rapid decision-making, adaptive strategies) was crucial for maintaining competitive advantage in volatile markets. Firms with higher agility outperformed less agile competitors.	Since the study used strategic agility as an independent variable and used secondary data adopting a longitudinal design, both conceptual and methodological gaps were identified.
Okafor & Thompson (2023)	"Sustainability Practices and Competitive Advantage"	Case study analysis of 15 firms in the manufacturing sector	Firms integrating sustainability into their strategic practices gained a competitive edge through improved brand reputation and cost savings from eco-efficient processes.	Since the study concentrated in the manufacturing sector and uaed slightly larger sample size than the current study, both contextual and methodological gaps were evident.

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Nkrumah & Mensah (2022)	"Public-Private Partnerships in African Healthcare: Opportunities and Challenges"	Mixed methods (surveys & interviews)	PPPs improve service delivery and resource allocation in African hospitals.	This study addressed Strategic Management practices in private healthcare facilities as opposed to Public-Private Partnerships using mixed method design, presenting conceptual and methodological gaps.
Chen (2022)	"Digital Transformation and Competitive Edge"	Quantitative analysis of 300 firms; structural equation modeling (SEM)	Digital transformation initiatives (e.g., AI, big data) significantly improved operational efficiency and market responsiveness, leading to a stronger competitive position.	Given that the predictor variable was digital transformation and the study focused on a larger sample size of 300 firms, both conceptual gand methodlogical gaps were present.
Kipchumba & Chebet, (2021)	"Patient Experience and Service Quality in East African Hospitals"	Quantitative (patient satisfaction surveys)	Improved patient experience directly correlates with competitive advantage.	Since the study mainly relied on qualitative data, methodological gap is evident.

Source: (Researcher, 2025)

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2.5 Conceptual Framework

The relationship between the independent and dependent variables is presented figuratively in the conceptual framework. This is illustrated in Figure 2.

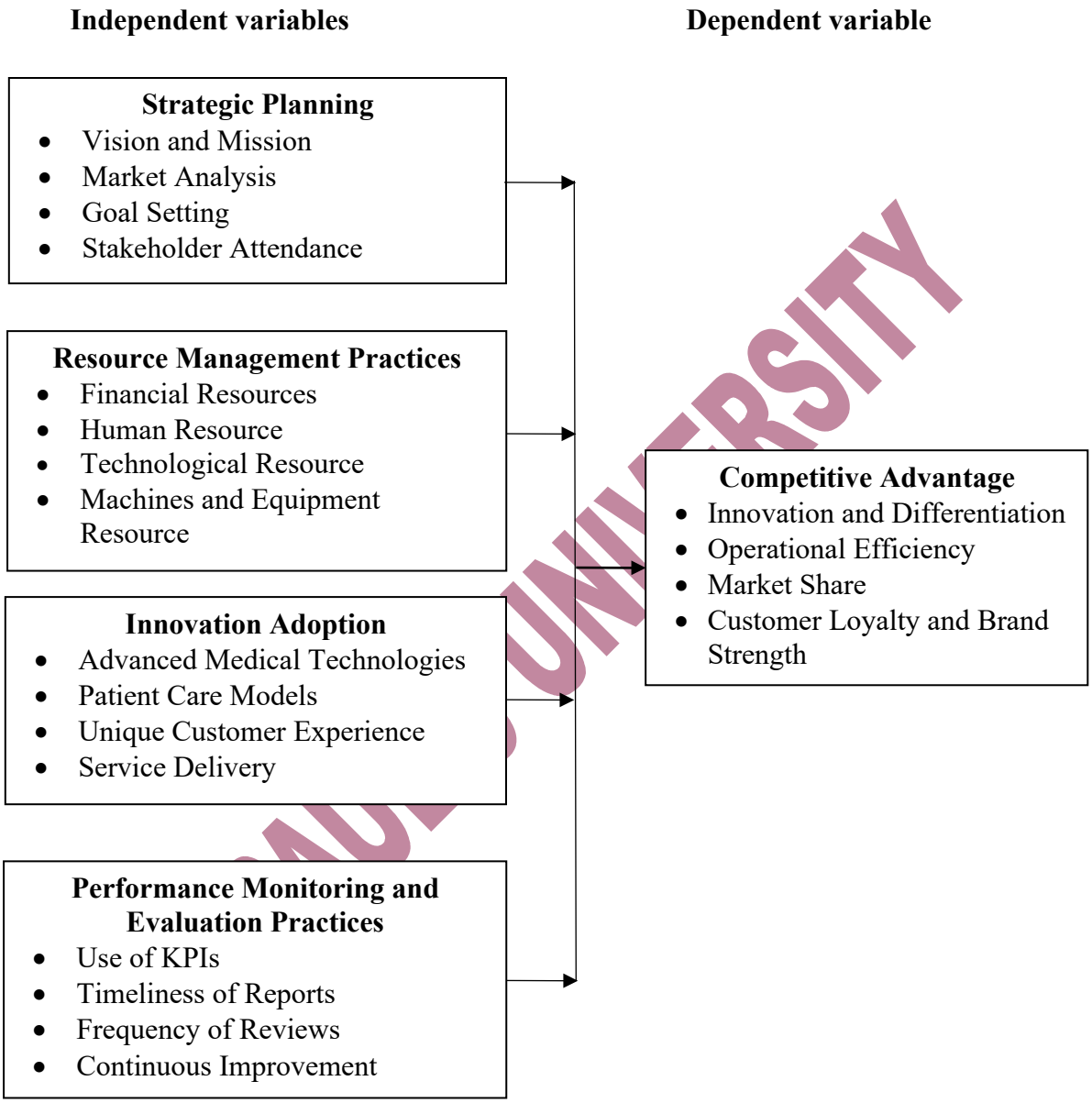


Figure 1: Conceptual Framework

Source: Author (2025)

Strategic management practices are integral in defining competitive advantage in private hospitals by aligning organizational practices with long-term goals and market demands. Strategic planning, as highlighted by Albarri (2024), enables hospitals to anticipate environmental changes and align resources toward sustainable objectives, thereby

strengthening their market position. Resource management practices further ensure that both financial and human resources are effectively deployed, which Gana and Andemariam (2020) identify as essential for enhancing hospital performance and competitiveness. Innovation is another central driver, with Khanfar, Nafei, and Mujtaba (2024) showing how digital technologies such as digital twinning enhance service quality and support sustainable differentiation. Performance monitoring and evaluation also provide continuous feedback, enabling institutions to refine strategies and improve efficiency, a link that Quan and Khan (2024) associate with improved satisfaction and long-term competitiveness.

Competitive advantage, the dependent variable in the framework, is measured through market share, differentiation, and financial success outcomes that reflect both operational strength and patient-centered value. Tj, Wibowo, and Widjaja (2025) emphasize that human capital development feeds directly into differentiation by fostering rare skills that support superior service delivery. Juju and Supriadi (2024) further argue that competitive positioning is reinforced when marketing strategies leverage unique organizational capabilities to attract and retain clients. Sustainable practices also play a role, with Shebeshe and Sharma (2025) demonstrating that effective supply chain management supports reliability and resilience, which translate into long-term growth. Collectively, these perspectives affirm that when strategic planning, resource utilization, innovation, and monitoring are effectively integrated, hospitals are better equipped to achieve financial sustainability, expand market share, and maintain distinctiveness in highly competitive environments.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodology for the study is described in this chapter. It comprises the study's target population, research design, sample size, sampling strategy, data collection process and method, pre-testing of data collection instruments and data collection and analysis techniques. It also provides a synopsis of the chapter and highlights the ethical considerations that should be made throughout the investigation.

3.2 Research Design

According to Sharma et al. (2023), a research design is an organized idea that guides the collection, analysis, and interpretation of data in a study. This research employed a quantitative cross-sectional survey design with descriptive and explanatory components. As noted by Kumar (2016), a descriptive design is used to provide an accurate account of characteristics, behaviours, or conditions, as they exist in their natural setting. This method works well for the current investigation since it enables a thorough analysis of strategic management practices and their observed effects within the target population. It enables the researcher to gather factual, current information that can be used to describe the extent and nature of these practices. Furthermore, descriptive research facilitates the generation of a clear and comprehensive picture of the subject under investigation without manipulating the study environment (Leedy & Ormrod, 2018).

This research used a quantitative descriptive approach, using structured questionnaires to gather data from participants. This methodology allowed the researcher to measure the prevalence and trends of strategic management practices among top managers at sixth-level private hospitals in Nairobi, Kenya. According to Braun and Clarke (2022), employing closed-ended questions guarantees uniformity, impartiality and simplicity in analyzing data. The descriptive design was suitable since it facilitated the collecting of cross-sectional data at one particular moment. The technique was effective and offered an overview of contemporary practices, views and issues associated with strategic management.

Utilizing this strategy, this study was able to spot patterns, draw comparisons and formulate educated judgments about the population of interest. The selected methodology enhanced

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external validity because the census method included all 64 senior managers, thereby eliminating sampling bias and making the findings more relevant to comparable hospital environments. The descriptive research approach corresponds with the study's objectives, which aim to examine and describe the nature, scope, and effects of strategic management practices in healthcare organizations, rather than to ascertain causal linkages.

3.3 Population of the Study

According to Creswell (2018), a study population is a broad collection of components from which references are sought. Understanding the population's characteristics is fundamental to population analysis. The Staff in level six private hospitals in Nairobi County, Kenya, formed the target population. These hospitals were picked because they are thought to use cutting-edge strategic management practices and represent the pinnacle of private healthcare delivery. The study targeted 64 senior managers, eight drawn from different departments in each hospital, including Administration, Clinical, Nursing, Finance, Human Resources, Procurement and Transport, Marketing and Business Development, and Engineering. Table 2 below shows the target population.

Table 2: Target Population

Name of the Hospital	Total Senior Managers per Hospital
Coptic Hospital	8
MP Shah Hospital	8
Nairobi South Hospital	8
Nairobi West Hospital	8
Mater Misericordia	8
The Aga Khan Hospital	8
The Karen Hospital	8
The Nairobi Hospital	8
Totals	**64**

Source: (Research Data, 2025)

This study used a census approach, focusing on all 64 senior managers at eight level-six private hospitals in Nairobi, Kenya, who held critical roles in strategic management. Given that the research seeks to comprehend strategy planning, resource management methods, innovation uptake, and performance monitoring and evaluation, a census approach was suitable as it enabled exhaustive data collection from each stakeholder without the need for sampling. Senior managers shape the strategic direction in their domains, embodying the whole spectrum of strategic influence and supervision inside the business. This methodology

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ensured that the findings authentically represent the viewpoints of all departments and leadership, thereby augmenting the validity and relevance of the results for all six Level Six private hospitals in Nairobi County, Kenya.

However, the original frame of 64 units was a finite, well-defined group. Of these, only 48 respondents were drawn from the 64, i.e., they were the accessible portion of the entire target population. According to Creswell and Poth (2018) and Tashakkori et al. (2021), treating the achieved sample as the de facto study population was the most methodologically sound approach under the circumstances, as this was not a probability sample in the traditional sense. Any attempt to sub-sample from these 48 (e.g., randomly selecting 40 of them) would be statistically inefficient and would unnecessarily reduce the precision of this study and the power of its analysis. This is supported by Creswell and Poth (2018) who state that the primary threat to validity is no longer sampling error (which is zero when you survey the entire available group) but non-response bias.

3.3.1 Inclusion Criteria

i. Must be a senior manager currently employed in one of the eight Level Six private hospitals in Nairobi County.
ii. Must hold a managerial position in one of the identified departments: Administration, Clinical, Nursing, Finance, Human Resources, Procurement and Transport, Marketing and Business Development, or Engineering.
iii. Must have served in their current role for at least one year to ensure familiarity with strategic management practices in the institution.
iv. Must be willing to voluntarily participate in the study and provide informed consent.

3.3.2 Exclusion Criteria

i. Managers serving in an acting or interim capacity for less than three months will be excluded due to limited strategic influence.
ii. Staff who are not part of the hospital's senior management team will be excluded to maintain focus on strategic-level insights.
iii. Senior managers who are on leave, secondment, or sabbatical during the data collection period will be excluded.
iv. Any senior manager who declines to participate or withdraws consent at any point in the study will be excluded from the final dataset.

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3.4 Data Collection Tools and Procedures

3.4.1 Data Collection Tools

This study relied purely on primary data, which was collected through self-administered questionnaires. Data was therefore gathered using structured questionnaires.

3.4.2 Data Collection Procedures

Before collecting the data, consent to conduct the study was sought through the Post Graduate office from the Institutional Scientific and Ethics Review Committee (ISERC) for ethical review, and the researcher obtained a permit from NACOSTI in order to collect data. Once approval was granted, the researcher contacted each of the 6 Level Six private hospitals in Nairobi County to schedule data collection visits. The questionnaires were distributed to all the 64-targeted respondents through the use of 'drop and pick'. The goal of the study was explained to the participants, and they got guarantees of anonymity and confidentiality. Prior to participation, written informed consent was acquired. The respondents had enough time to complete the surveys in order to get accurate data.

Once questionnaires were received back, they were checked for acceptability, completeness and quality (Braun & Clarke, 2022). Physical copies of all gathered data were kept under lock and key, and all digital data was safely saved in a password-protected format. The raw data was accessible only to the researcher. To maintain anonymity, identities were erased throughout analysis, and only the researcher had access to the raw data. Eight weeks were taken for the data collection process.

3.5 Pilot Testing

Pre-testing is a technique used to refine data collection tools (Cooper and Schindler, 2018). Validity and reliability were conducted with 5 senior management staff from Kenyatta National Hospital, 1 of the level six public hospitals within Nairobi County, which was not part of the core study. The study used 10% of the sample size equivalent to 6 respondents for pilot testing. The participant that took part in the pilot testing were not included in the final analysis.

3.5.1 Validity of the Research Instruments

Cooper and Schindler (2018) assert that when the questions are accurate and legitimate, both interviews and questionnaires yield valuable data. The capacity of the tool to test what it is

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intended to test, that is, if accurate interpretations are drawn and appropriate action is performed in response to the conclusions, is known as validity. Braun and Clarke (2022) state that evaluating whether a survey, test or scale actually measures the construct it is meant to assess is known as measurement validity. These included content validity, which looked at how well the measurement method captured all pertinent facets of the construct, while face validity established whether the measures were appropriate for their intended use.

Research design validity is concerned with the soundness of study findings and their generalizability outside of the immediate research setting. Among these are external validity, which evaluates whether results were extrapolated to different populations, environments or eras, and internal validity, which describes the assurance that changes in the dependent variable (DV) were exclusively attributable to the independent variable (IV), free from confounding variables (Cooper & Schindler, 2018).

3.5.2 Reliability of Research Instruments

Reliability measures the accuracy and precision of the questions included in the questionnaire. Reliability is an important factor in assessment (Braun & Clarke, 2022). Pre-testing the questionnaire and providing clear instructions on it increased the research instrument's reliability. Yin (2018) acknowledges that questionnaires are advantageous as they are cost-effective and free from bias; they also give the participant ample time to answer questions, and a large number of respondents can be cross-examined.

The reliability of the questionnaire items was examined in this study using Cronbach's alpha. This helped determine whether the constructs were understandable and whether various respondents interpreted the questions similarly. This study took into account a Cronbach alpha coefficient of 0.7 or above in order to realize this from the test results. According to Tashakkori et al. (2021), questions in a questionnaire with a Cronbach alpha (α) of 0.7 or higher are considered reliable because of their relatively high internal consistency. The findings revealed that all the variables had a Cronbach's alpha value greater than 0.7 and therefore were suitable for analysis.

3.6 Data Analysis and Presentation

Until data is analyzed to answer the study questions, it is worthless. The process of preparing acquired data for analysis included editing, coding, classifying and tabulating the data. Following that, data cleaning was the last step in ensuring that all data was accurate, free of

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errors, comprehensive, consistent and validated (Cooper & Schindler, 2018). Data analysis was aided by SPSS. Data analysis involved both descriptive statistics and inferential statistics.

The numerical data finally was scrutinized using descriptive statistics tools which are mean, median and mode. Regression analysis was used as the inferential statistics method.

The findings were presented in the form of tables.

$Y=\beta 0+\beta 1 X 1+\beta 2 X 2+\beta 3 X 3+\beta 4 X 4+\varepsilon$

Yi=dependent variable

xi=explanatory variables

$\beta 0$=y-intercept (constant term)

ϵ=the model's error term (also known as the residuals)

Where:

Y= Competitive Advantage

B_1 β_2 β_3 β_4 =Coefficients that illustrate the rate at which competitive advantage is influenced by SM practices.

X_1= Strategic planning

X_2= Resource management practices

X_3= Innovation adoption

X_4= Performance monitoring and evaluation practices

ε denotes other factors not included in the model.

3.7 Ethical Considerations

Creswell (2018) asserts that safeguarding the subject's identification is the most obvious priority when it comes to preserving their interests and general welfare. This guaranteed that respondents' confidentiality and anonymity were maintained throughout the data processing and display process. Prior to participation, respondents were asked for their consent, and the researcher emphasized that participation would be completely voluntary and handled with the highest care to prevent respondents from experiencing any bodily harm, embarrassment, or pain. Respondents were told that there would be no consequences if they decided to withdraw from the process at any point. Permission was sought from ISERC for ethical review and the researcher also obtained a permit from NACOSTI in order to collect data.

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CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

4.1 Introduction

Existing research has established that strategic management practices to a greater extent influence the competitive advantage of healthcare institutions by influencing their efficiency, adaptability, and service quality. The purpose of this study was therefore to assess the effect of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County. Specifically, the study sought to determine the effects of strategic planning on competitive advantage in Level Six private hospitals in Nairobi County, evaluate the effects of resource management practices on competitive advantage in Level Six private hospitals in Nairobi County, examine the effects of innovation adoption on competitive advantage in Level Six private hospitals in Nairobi County, and establish the effects of performance monitoring and evaluation practices on competitive advantage in Level Six private hospitals in Nairobi County. This chapter presents the findings from the analysis, interpretation, and discussion of results. It begins with an overview of the response rate and the reliability of the collected data. This is followed by background information on the respondents, which provides context for understanding the study population. Subsequently, the chapter outlines descriptive statistics, correlation analyses, and regression results, which collectively demonstrate the relationships between the independent variables and competitive advantage.

4.2 Response Rate

Response rate is the proportion of respondents who successfully complete and return the research instrument out of the total number targeted. A high response rate is crucial because it enhances the representativeness of the data, reduces non-response bias, and increases the reliability of the study's conclusions. In this research, the response rate was assessed to determine the adequacy and quality of data collected for meaningful analysis. The study targeted all 64 senior managers drawn from the eight Level Six private hospitals in Nairobi County, Kenya. Questionnaires were distributed to this entire population using a census approach. Response rate results are presented in Table 3.

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Table 3: Response Rate Results

Questionnaires	Frequency	Percentage
Filled and Returned	48	75.0
Unreturned	16	25.0
Total	**64**	**100.0**

Source: Field Data (2025)

Of the 64 questionnaires administered, 48 were duly completed and returned, while 16 were not. The researcher was unable to secure permission to collect data in some facilities, which partly contributed to the unreturned questionnaires. The study initially aimed to conduct a census of all 64 identified members of the population. A response rate of 75% (48 respondents) was achieved. Consequently, this analysis is based on a complete enumeration of all willing participants. The primary limitation was potential non-response bias; the study therefore achieved a response rate of 75.0%. This rate is above the average response levels typically observed in organizational research surveys. According to Tashakkori et al. (2021), the average response rate for such studies is approximately 52%, while Creswell (2018) suggests that a rate of 60% or higher is generally acceptable for social science research. Therefore, the 75.0% response rate achieved in this study can be considered satisfactory, representative and sufficient for making valid generalizations about the effect of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County.

4.4 Demographic Analysis

The demographic information of respondents was presented in the first section of the questionnaire. This study collected data on key background characteristics including gender, marital status, position held in the institution, age bracket, highest academic qualification, and work experience in the current position. Collecting and analyzing these demographic characteristics was essential for understanding the composition of the sample and evaluating how respondent backgrounds may have influenced the study findings. Table 4 on page 45 presents the demographic characteristics of the 48 respondents.

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Table 4: Demographic Characteristics of Respondents

Characteristic	Category	Frequency (n=48)	Percentage
Gender	Male	18	37.5%
	Female	30	62.5%
Marital Status	Single	12	25.0%
	Married	36	75.0%
Position in Institution	Director	9	18.8%
	Head of Department	38	79.2%
	Other	1	2.1%
Age Bracket	15–34 years	3	6.3%
	35–44 years	17	35.4%
	45–54 years	17	35.4%
	55 years and above	11	22.9%
Highest Academic Qualification	Diploma	7	14.6%
	Bachelor's Degree	21	43.8%
	Master's Degree	20	41.7%
Years in Current Position	Less than 5 years	15	31.3%
	6–10 years	15	31.3%
	Over 16 years	18	37.5%

Source: Field Data (2025)

The gender distribution results indicate that most respondents were female (62.5%) compared to 37.5% male. This reflects the strong representation of women in senior management positions across private healthcare facilities, particularly in clinical, nursing, and administrative roles. The balanced gender mix ensured that perspectives from both male and female leaders were captured, enriching the findings. In terms of marital status, the majority of respondents were married (75.0%), while 25.0% were single. This suggests that most senior managers in Level Six private hospitals are individuals with family responsibilities, which may shape their perspectives on resource management, innovation, and performance monitoring in hospital settings.

Regarding positions held, the majority (79.2%) were heads of departments, followed by directors (18.8%), with one respondent classified under "other." This distribution shows that the study largely engaged departmental heads who directly oversee strategic functions, ensuring that responses reflected practical operational experiences across multiple domains, including finance, human resources, and clinical services. The age distribution shows that most respondents were between 35 and 54 years, with 35.4% each in the 35–44 and 45–54 categories. Respondents aged 55 years and above accounted for 22.9%, while only 6.3% were aged 15–34.

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This indicates that senior management in private hospitals is dominated by mature professionals with extensive experience, which adds credibility to their input on strategic management practices. Academic qualification results reveal that most respondents possessed at least a bachelor's degree (43.8%) or a master's degree (41.7%). Only 14.6% had diploma-level qualifications. This reflects the high educational standards required for senior management roles in Level Six private hospitals, ensuring that the respondents were well-equipped with the academic background to implement and assess strategic practices effectively.

Concerning work experience in current positions, 37.5% had worked for over 16 years, 31.3% for 6–10 years, and another 31.3% for less than 5 years. This distribution shows that the sample included both seasoned managers with extensive institutional knowledge and relatively newer leaders who may bring innovative approaches. Such diversity enriched the study by capturing perspectives shaped by both long-term experience and fresh outlooks. The demographic profile demonstrates that the study respondents were diverse in gender, age, education, and work experience, while being concentrated in positions of strategic authority. This composition provided a solid foundation for analyzing the effects of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County.

4.5 Pilot Testing Results

Prior to the commencement of the actual data collection exercise, a pilot test was conducted on 10% of the sample size to assess the suitability of the research instrument for studying the effects of strategic management practices on competitive advantage in Level Six private hospitals in Nairobi County. The pilot exercise involved both reliability testing and validity testing, to ensure that the research tool was consistent and accurate in capturing the required data.

4.5.1 Reliability Test

Reliability was assessed using Cronbach's alpha coefficient with the aid of SPSS software. Cronbach's alpha values greater than 0.7 were considered acceptable, indicating that the items under each construct were internally consistent. The reliability results are presented in Table 5.

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Table 5: Reliability Analysis

Variable	Number of Items	α > 0.7	Comment
Strategic Planning	6	0.781	Reliable
Resource Management Practices	6	0.765	Reliable
Innovation Adoption	5	0.742	Reliable
Performance Monitoring & Evaluation	5	0.754	Reliable
Competitive Advantage	5	0.772	Reliable

Source: Field Data (2025)

The results in Table 5 above show that the Cronbach's alpha values for all variables were above the recommended threshold of 0.7. Strategic planning had an alpha of 0.781, indicating that the items consistently captured this construct. Resource management practices recorded 0.765, while innovation adoption posted 0.742, both indicating satisfactory internal consistency. The alpha value for performance monitoring and evaluation was 0.754, showing that the measurement items were reliable for this dimension. Finally, competitive advantage achieved a Cronbach's alpha of 0.772, suggesting that the dependent variable was measured consistently. Overall, the reliability results confirm that the instrument was reliable and appropriate for further data collection.

4.5.2 Validity Test

Validity describes the extent to which an instrument measures what it purports to measure. In this study, validity was assessed using both content and construct validity methods. Content validity was ensured through expert review by academic supervisors and field practitioners in healthcare management. Construct validity was assessed using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity. The results are presented in Table 6 below.

Table 6: Validity Test

Variable	KMO	P-Value
Strategic Planning	0.721	.000
Resource Management Practices	0.735	.000
Innovation Adoption	0.708	.000
Performance Monitoring & Evaluation	0.716	.000
Competitive Advantage	0.729	.000

Source: Field Data (2025)

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The validity results in Table 6 indicate that all variables recorded KMO values above 0.70, signifying adequate sampling adequacy for factor analysis. Strategic planning and resource management practices recorded values of 0.721 and 0.735, respectively, reflecting strong construct validity. Innovation adoption (0.708) and performance monitoring and evaluation (0.716) also demonstrated adequacy, while competitive advantage posted 0.729, confirming suitability for factor analysis. In all cases, Bartlett's Test of Sphericity was highly significant ($p = .000$), indicating strong inter-item correlations. Collectively, these findings confirm that the data collection instrument met the required validity standards and was well-suited to capture the intended constructs related to strategic management practices and competitive advantage in Level Six private hospitals.

4.6 Descriptive Analysis

Descriptive statistics provide a structured way to summarize and interpret data, allowing patterns, trends, and important characteristics of the study variables to be highlighted. This section presents the descriptive analysis results for each of the variables of the study, namely strategic planning, resource management practices, innovation adoption, performance monitoring and evaluation, and competitive advantage in Level Six private hospitals in Nairobi County. The responses were measured on a five-point Likert scale where 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree.

4.6.1 Strategic Planning

The first objective of the study was to determine the effects of strategic planning on competitive advantage in Level Six private hospitals in Nairobi County. Respondents were asked to indicate their level of agreement with statements relating to strategic planning practices, including the existence of clear organizational goals, alignment of departmental objectives with hospital strategy, stakeholder involvement in planning, and the use of structured decision-making frameworks. The results are presented in Table 7.

Table 7: Descriptive Statistics on Strategic Planning

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree	Mean	Std. Dev.
There is clarity of organizational vision and mission which are clearly defined and communicated	0.00%	0.00%	6.30%	39.60%	54.20%	4.48	0.62

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There is a degree to which team or departmental goals align with the overall strategic objectives of the organization	8.30%	0.00%	16.70%	39.60%	35.40%	3.94	1.14
There is regularity/frequency in which the strategic plan is reviewed and updated (e.g., annually, biannually).	8.30%	0.00%	8.30%	31.30%	52.10%	4.19	1.16
There is stakeholder (e.g., employees, customers, partners) involvement and participation in strategic planning processes.	0.00%	0.00%	14.60%	31.30%	54.20%	4.4	0.74
The is a significant proportion of resources (financial, human, technological) allocated to high-priority strategic initiatives.	0.00%	0.00%	22.90%	18.80%	58.30%	4.35	0.84
The strategic plans developed are realistic, achievable and contribute to the hospital's success.	0.00%	0.00%	31.30%	22.90%	45.80%	4.15	0.87

Source: Field Data (2025)

Based on the results in Table 7, the majority of respondents (93.8%) agreed that their hospitals had a clearly defined and well-communicated organizational vision and mission. This statement yielded a high mean of 4.48 and a low standard deviation of 0.62, indicating very strong consensus among respondents. This implies that clarity of vision and mission serves as a cornerstone of strategic planning in Level Six private hospitals, creating shared direction and purpose which enhances competitiveness in the healthcare sector. Regarding the degree of alignment between departmental goals and the hospital's overall strategic objectives, 75.0% of respondents agreed. This item recorded a mean of 3.94 and a standard deviation of 1.14, suggesting moderate consensus with some variability in perceptions. The implication is that while most hospitals ensure departmental objectives are tied to overarching strategies, inconsistencies may exist across units. Misalignment in a few departments could

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potentially weaken the overall effectiveness of strategic planning and hinder competitive positioning.

Regarding the frequency of reviewing and updating strategic plans, 83.4% of respondents agreed that hospitals review their plans annually or biannually. The item yielded a mean of 4.19 and a standard deviation of 1.16, indicating general agreement but greater spread in responses. This implies that although strategic plan reviews are a widespread practice, some hospitals may lack uniformity in review cycles, which could reduce their ability to adapt quickly to dynamic healthcare challenges and competitive pressures.

Regarding stakeholder involvement in planning processes, 85.5% of respondents agreed that employees, customers, and partners were actively engaged. The statement posted a mean of 4.40 and a standard deviation of 0.74, showing strong agreement with limited variation. The implication is that participatory planning is a common feature in Level Six private hospitals, fostering inclusivity, ownership, and more effective implementation of strategies that reflect the interests of key stakeholders. When asked whether resources were allocated to high-priority strategic initiatives, 77.1% of respondents agreed. The item had a mean of 4.35 and a standard deviation of 0.84, reflecting strong support and relatively consistent views.

These findings suggest that resource allocation practices are generally aligned with strategic priorities, enhancing hospitals' capacity to invest in areas such as technology, human capital, and infrastructure, which directly strengthen their competitive edge. Moreover, 68.7% of respondents agreed that strategic plans developed were realistic, achievable, and contributed to hospital success. The statement yielded a mean of 4.15 and a standard deviation of 0.87, suggesting strong agreement but with more variation than other items. This implies that while most hospitals develop practical and impactful strategic plans, a portion of managers may perceive gaps between planning and implementation, possibly due to challenges in execution or resource limitations.

The descriptive results for strategic planning showed high agreement across all statements, with means ranging from 3.94 to 4.48 and standard deviations mostly below 1.0. This indicates that respondents generally agreed that strategic planning practices are effective in Level Six private hospitals, and their views were relatively consistent. These findings suggest that strategic planning enhances competitive advantage by providing clarity of vision, aligning departmental goals, involving stakeholders, ensuring resource prioritization, and

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creating realistic plans that can be effectively implemented. According to Bryson (2018), well-structured strategic planning not only improves internal alignment but also positions organizations to respond effectively to external pressures, a critical factor in highly competitive healthcare environments.

These findings are also consistent with the assertions by Mitaki and Gitonga (2018) that strategic planning is the process of deciding on the organization's message and then establishing goals, plans and policies to ensure that resources are allocated to achieve these objectives. Strategic planning is choosing the most effective methods to assist an organization in realizing its objectives. Promoting organizational-wide commitment to the selected strategy plan is crucial for successful performance (Mitaki & Gitonga, 2018). A corporation must so clearly express its objective and promote employee involvement. For the strategic planning course to be successful, all three of its steps (1) position determination, (2) strategy creation and (3) plan building must be followed. A well-thought-out plan does not guarantee that objectives will be reached on its own (Arokodare & Asikhia, 2020).

4.6.2 Resource Management Practices

The second objective of the study was to evaluate the effects of resource management practices on competitive advantage in Level Six private hospitals in Nairobi County. Respondents were asked to indicate their level of agreement with statements relating to different aspects of resource management, including efficiency in resource utilization, prioritization of financial resources, adherence to budgets, management of workforce productivity, inventory turnover, and the use of technology to optimize resource management processes. The results are presented in Table 8 below.

Table 8: Descriptive Statistics on Resource Management Practices

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree	Mean	Std. Dev.
There is efficient use of resource utilization to achieve organizational goals.	8.30%	0.00%	39.60%	35.40%	16.70%	3.52	1.05
Financial resources are prioritized for critical departments.	0.00%	6.80%	43.20%	31.80%	18.20%	3.61	0.87
There is budget adherence (i.e., extent to which actual spending aligns with	0.00%	22.90%	35.40%	14.60%	27.10%	3.46	1.13

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the planned budget).							
The level of workforce productivity (i.e., the level of output per employee) are effectively managed.	0.00%	12.50%	50.00%	37.50%	0.00%	3.25	0.67
There is frequent replacement of inventory turnover rate reflecting efficient management of physical resources.	0.00%	14.60%	41.70%	27.10%	16.70%	3.46	0.94
Technology utilization is leveraged to optimize resource management processes.	14.60%	16.70%	50.00%	18.80%	0.00%	2.73	0.94

Source: Field Data (2025)

Based on the results in Table 8, 52.1% of respondents agreed that there was efficient utilization of resources to achieve organizational goals. This statement yielded a mean of 3.52 and a standard deviation of 1.05, suggesting moderate agreement with noticeable variation in responses. The implication is that while more than half of the managers believe resources are utilized efficiently, a significant proportion expressed neutrality, possibly indicating inconsistencies in how resource efficiency is practised across hospitals. This could impact overall competitiveness, as efficient resource allocation is essential in high-demand healthcare settings.

On the prioritization of financial resources for critical departments, 50.0% of respondents agreed, with 43.2% remaining neutral. The mean score was 3.61 with a standard deviation of 0.87, reflecting moderate agreement with less variability. This finding implies that although financial prioritization is recognized, the large proportion of neutral responses suggests that hospitals may not consistently allocate funds to critical areas. Such uncertainty may weaken the ability of hospitals to strengthen their competitive edge through targeted financial investment in high-impact departments such as emergency care and specialized clinical units.

Concerning budget adherence, 41.7% of respondents agreed that actual spending aligned with planned budgets, while 35.4% were neutral and 22.9% disagreed. The statement recorded a mean of 3.46 and a standard deviation of 1.13, indicating moderate agreement but with considerable variability. This suggests that budget discipline is not uniformly practised across

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the hospitals. The implication is that weak budget adherence in some hospitals could expose them to financial inefficiencies and undermine their ability to sustain competitive strategies.

Regarding workforce productivity management, 37.5% of respondents agreed that employee output was effectively managed, while half of the respondents (50.0%) remained neutral, and 12.5% disagreed. The mean score was 3.25 with a standard deviation of 0.67, reflecting moderate but less enthusiastic agreement and limited variability. The implication is that although workforce productivity is recognized as important, the lack of strong agreement suggests that mechanisms for monitoring and enhancing employee output may not be fully established or uniformly applied. This could limit the hospitals' ability to leverage human capital as a source of competitive advantage.

In terms of inventory turnover management, 43.8% of respondents agreed that inventory replacement was frequent and reflected efficiency in managing physical resources. However, 41.7% remained neutral, and 14.6% disagreed. The mean was 3.46 with a standard deviation of 0.94, reflecting moderate agreement with some variation in views. This suggests that while inventory management practices exist, they may not be consistently applied across all hospitals. The implication is that inefficiencies in physical resource management could result in delays, stockouts, or wastage, thereby weakening operational competitiveness.

Furthermore, on leveraging technology for optimizing resource management, only 18.8% of respondents agreed, while a majority of 50.0% remained neutral, 16.7% disagreed, and 14.6% strongly disagreed. The item recorded the lowest mean of 2.73 with a standard deviation of 0.94, suggesting general disagreement and moderate variability. This finding implies that technology utilization for resource management remains weak in many hospitals. Given the growing importance of digital systems in managing finances, supply chains, and workforce, limited technological adoption could hinder efficiency and reduce the hospitals' capacity to compete effectively in the private healthcare sector.

The descriptive results on resource management practices yielded mean scores ranging between 2.73 and 3.61, with several items showing high neutrality. This indicates that while some practices, such as financial prioritization and efficient resource use, are moderately established, others, such as technology utilization and workforce productivity management, are less consistently implemented. The results suggest that strengthening budget adherence, enhancing workforce productivity monitoring, and adopting advanced technological tools

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could significantly improve resource management and thereby enhance the competitive advantage of Level Six private hospitals in Nairobi County.

These descriptive results concur with the conclusion of Iranmanesh et al. (2019b) that several factors have a substantial impact on performance, including social, economic, and environmental performance. These factors include customer pressure, anticipated business benefits, environmental ambiguity and environmental regulatory pressure.

Also, studies by Elrhanimi and EL Abbadi (2020) and Wurzer and Reiner (2018) have looked at resource management in a variety of approaches. Scholars have investigated methods and strategies to reduce energy, waste, and resources in order to attain competitive advantage (Orazalin & Mahmood, 2018). Taelman et al. (2018), have looked at the many difficulties in managing resources to gain a competitive edge. In addition, studies have shown that organizations primarily use human resource strategies to shape and cultivate human abilities, values, and behaviours in order to achieve organizational objectives.

In programs aimed at reducing environmental pollution, human resource practices are essential (Saad et al., 2019). These results are supported by the observations by Habidin et al. (2013) that employees who have received training and instruction are better equipped to use materials efficiently and reduce wastage. Other human resource strategies, such employee engagement and collaboration, give workers the ability to act responsibly and reduce waste and pollution, which can improve a company's performance. Human resource techniques support waste, energy and resource management by increasing human capital and enhancing the environment.

4.6.3 Innovation Adoption

The third objective of the study was to examine the effects of innovation adoption on competitive advantage in Level Six private hospitals in Nairobi County. Respondents were asked to indicate their level of agreement with statements about innovation practices, including the introduction of new processes and services, employee participation in innovation programs, the allocation of resources to research and development, the establishment of turnaround times for launching new products and services, and customer satisfaction with innovations. The results are presented in Table 9.

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Table 9: Descriptive Statistics on Innovation Adoption

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree	Mean	Std. Dev.
There are new processes/services launched or introduced within a specific timeframe.	0.00%	16.70%	16.70%	35.40%	31.30%	3.81	1.07
There is a high percentage rate of employees contributing innovative ideas or participating in innovation programs in the department.	0.00%	18.80%	22.90%	50.00%	8.30%	3.48	0.9
There is a significant investment of R&D as a percentage of revenue (the proportion of revenue) allocated to research and development activities.	14.60%	25.00%	41.70%	10.40%	8.30%	2.73	1.11
The institution has put in place a Turn Around Time-the average time taken to develop and launch new products or services.	16.70%	14.60%	35.40%	16.70%	16.70%	3.02	1.3
Our customers are satisfied with our innovations/their adoption rates for new products or services is high.	8.30%	14.60%	31.30%	29.20%	16.70%	3.31	1.17

Source: Field Data (2025)

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According to the results in Table 9, most (66.7%) respondents agreed that their hospitals introduced new processes or services within a specific timeframe. This statement yielded a mean of 3.81 and a standard deviation of 1.07, indicating general agreement but with moderate variability in responses. The implication is that many hospitals are proactive in launching new services, but the variation suggests that the pace and consistency of innovation introduction differ across facilities. Hospitals that regularly introduce new processes are better positioned to remain competitive in the healthcare market.

On employee involvement in innovation, 58.3% of respondents agreed that a high percentage of employees contributed innovative ideas or participated in departmental innovation programs. The mean score was 3.48 with a standard deviation of 0.90, suggesting moderate agreement and relatively clustered responses. This implies that while staff engagement in innovation is present, it may not be as widespread or deeply embedded across all departments. Limited employee participation may restrict the potential for bottom-up innovations that often enhance organizational competitiveness.

Regarding investment in research and development (R&D), only 18.7% of respondents agreed that a significant proportion of revenue was allocated to R&D, while 41.7% were neutral and 39.6% disagreed. This statement had the lowest mean of 2.73 and a standard deviation of 1.11, indicating weak agreement with moderate variability. The implication is that R&D is not a strong focus for most hospitals, which may limit their ability to generate new medical technologies, advanced treatment approaches, or innovative service delivery models. Since R&D investment is a critical driver of sustained innovation, this weakness could undermine hospitals' long-term competitive positioning.

Concerning turnaround time in developing and launching new products or services, only 33.4% of respondents agreed, while 35.4% remained neutral and 31.3% disagreed. This item had a mean of 3.02 and the highest standard deviation, 1.30, indicating relatively low consensus. The implication is that some hospitals may lack structured processes or benchmarks to guide the timely introduction of new services. Delays in launching innovations could limit responsiveness to patient needs and market opportunities, ultimately weakening competitiveness.

Finally, regarding customer satisfaction and adoption of innovations, 45.9% of respondents agreed that customers were satisfied and adopted new services, while 31.3% were neutral and 22.9% disagreed. The statement posted a mean of 3.31 and a standard deviation of 1.17, suggesting modest agreement with moderate variation. This finding implies that while hospitals are making efforts to innovate, patient satisfaction and adoption levels are not uniformly high, possibly due to affordability, accessibility, or effectiveness of the innovations introduced.

The descriptive results on innovation adoption yielded mean scores ranging from 2.73 to 3.81, with generally higher agreement on the introduction of new services and lower

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agreement on R&D investment and turnaround times. These results suggest that while innovation adoption is evident in Level Six private hospitals, it is more service-oriented and less supported by systematic R&D and structured innovation processes. Strengthening employee involvement, increasing R&D allocations, and improving turnaround mechanisms could significantly enhance hospitals' ability to innovate and, in turn, sustain their competitive advantage. According to Tidd and Bessant (2021), organizations that embed innovation across structures, processes, and culture are more likely to achieve sustained competitiveness in dynamic environments such as healthcare.

These findings concur with the conclusion made by Atkinson and Singer (2021) that organizational constraints, the role of senior management and champions, the readiness of quantifiable evidence, inter-personal and inter-organizational networks, the presence of a favourable inner and outer context and knowledge management are all factors that have been studied and found to be pertinent to the innovation process. Two categories of organizational constraints were studied by Atkinson et al. (2021). They are hierarchical constraints (opposition from managers and higher-level stakeholders) and heterarchical constraints (opposition from various professional groups and units within the organization). The findings revealed that teams use a variety of strategies to overcome limitations at different phases of innovation.

4.6.4 Performance Monitoring and Evaluation Practices

The fourth objective of the study was to establish the effects of performance monitoring and evaluation practices on competitive advantage in Level Six private hospitals in Nairobi County. Respondents were asked to indicate their level of agreement with statements relating to various aspects of monitoring and evaluation, including the frequency of performance reviews against set targets, the achievement of key performance indicators (KPIs), integration of stakeholder feedback into evaluation processes, timeliness of monitoring and evaluation report preparation, and the implementation of corrective actions for identified gaps. The results are presented in Table 10.

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Table 10: Descriptive Statistics on Performance Monitoring and Evaluation Practices

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree	Mean	Std. Dev.
Performance reviews are regularly assessed against set targets (e.g., quarterly, and annually).	0.00%	2.10%	29.20%	16.70%	52.10%	4.19	0.94
Completion rate of KPIs is successfully achieved within a given period.	8.30%	6.30%	16.70%	43.80%	25.00%	3.71	1.17
Stakeholder feedback integration is incorporated into evaluation processes.	6.30%	2.10%	27.10%	39.60%	25.00%	3.75	1.06
There is promptness with which monitoring and evaluation reports are prepared and shared.	8.30%	6.30%	25.00%	41.70%	18.80%	3.56	1.13
There is corrective action and prompt implementation of identified issues or gaps in the performance management practices	0.00%	8.30%	52.10%	14.60%	25.00%	3.56	0.97

Source: Field Data (2025)

The descriptive statistics results in Table 10 depict that the majority (68.8%) of respondents agreed that performance reviews were regularly assessed against set targets on a quarterly or annual basis. This statement yielded a mean of 4.19 and a standard deviation of 0.94, indicating strong agreement and relatively close clustering of responses. The implication is that regular performance reviews are a well-established practice in Level Six private hospitals, helping to ensure that organizational goals remain on track and that competitive positioning is strengthened through continuous performance tracking.

On the completion rate of KPIs, 68.8% of respondents agreed that targets were successfully achieved within a given period, while 16.7% were neutral, and a combined 14.6% disagreed. This item recorded a mean of 3.71 with a standard deviation of 1.17, showing general

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agreement but with more variation in responses. The implication is that while many hospitals achieve their performance indicators, challenges in consistency or resource constraints may prevent all KPIs from being fully realized, thereby affecting competitiveness in certain operational areas.

Regarding stakeholder feedback integration, 64.6% of respondents agreed that stakeholder views were incorporated into evaluation processes, while 27.1% remained neutral. The mean score was 3.75 with a standard deviation of 1.06, reflecting general agreement with moderate spread in responses. This suggests that hospitals value stakeholder perspectives and consider them when evaluating performance, an approach that enhances accountability, responsiveness, and patient-centered competitiveness. Nonetheless, the neutral responses imply that integration is not uniform across all institutions.

On the promptness of preparing and sharing monitoring and evaluation reports, 60.5% of respondents agreed, 25.0% were neutral, and 14.6% disagreed. The item yielded a mean of 3.56 and a standard deviation of 1.13, suggesting moderate agreement with some variability. The implication is that while timely reporting is practiced in many hospitals, delays in a few institutions may weaken the usefulness of M&E reports in guiding decision-making and corrective measures, thus reducing potential competitive gains.

Finally, on corrective action and prompt implementation of identified issues, 39.6% of respondents agreed, 52.1% were neutral, and 8.3% disagreed. This statement had a mean of 3.56 and a standard deviation of 0.97, indicating moderate agreement with a strong tendency toward neutrality. This implies that although corrective actions are recognized as important, in practice they may not be consistently or promptly applied across hospitals. The lack of strong consensus suggests a gap in translating monitoring and evaluation findings into actionable improvements, which could weaken competitiveness.

The descriptive results for performance monitoring and evaluation practices yielded mean scores ranging from 3.56 to 4.19, indicating general agreement across items, with varying degrees of consistency. Regular reviews and KPI achievement emerged as relatively strong practices, while corrective action and timely reporting showed areas needing improvement. These findings suggest that while Level Six private hospitals in Nairobi County recognize the value of monitoring and evaluation in sustaining competitive advantage, greater emphasis is

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required on timely follow-through and corrective action to maximize the benefits of monitoring and evaluation practices.

According to Armstrong and Taylor (2020), effective performance monitoring strengthens organizational learning and adaptability, which are vital for competitiveness in dynamic sectors such as healthcare. These findings agree with those of Pink et al. (2017), who used a review panel to study hospital performance in terms of financial performance, evaluating hospitals' financial indicators and reporting on them in terms of the five dimensions of financial sustainability, liquidity, capital, efficiency and human resources. Gu and Itoh (2016) also, in their study on hospital performance indicators, categorised eight factors and assessed the opinions of 228 managers and 894 employees. Survival and death rates, operational efficacy, patient/staff safety, financial effectiveness, work-life balance, staff development, patient-centered care and patient/staff satisfaction were among these criteria.

4.6.5 Competitive Advantage

The dependent variable was the level of competitive advantage in Level Six private hospitals in Nairobi County. Respondents were asked to indicate their level of agreement with statements relating to various aspects of competitive advantage, including the ability to consistently introduce new products, services, or processes that set industry standards, the capacity to deliver services at lower costs while maintaining profitability, the uniqueness of value propositions, the level of repeat customers as a reflection of brand strength, and the overall awareness and positive perception of the hospital brand among customers and stakeholders. The results are presented in Table 11 on page 62.

Table 11: Descriptive Statistics on Competitive Advantage

Statement	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree	Mean	Std. Dev.
The organization has the ability to consistently introduce new products, services, or processes that set industry standards and outpace competitors.	0.00%	0.00%	14.60%	8.30%	77.10%	4.62	0.73
The organization has the ability to offer products or services at a lower cost than competitors while	0.00%	0.00%	14.60%	35.40%	50.00%	4.35	0.73

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maintaining or improving profit margins, indicating operational excellence.							
The organization's products or services offer unique benefits or features (Unique Value Proposition) that are not easily replicated by competitors.	14.60%	0.00%	14.60%	37.50%	33.30%	3.75	1.33
There is a large number of repeat customers who continue to choose the organization's products or services over competitors, reflecting brand strength and customer satisfaction.	0.00%	0.00%	0.00%	43.80%	56.30%	4.56	0.5
The is a high level of awareness and positive perception of the organization's brand among customers and stakeholders.	6.30%	8.30%	18.80%	33.30%	33.30%	3.79	1.18

Source: Field Data (2025)

Based on the results in Table 11, 85.4% of respondents agreed that their hospitals were able to consistently introduce new products, services, or processes that set industry standards and outpace competitors. This statement recorded the highest mean score of 4.62 with a relatively low standard deviation of 0.73, indicating strong agreement with minimal variation in responses. The implication is that Level Six private hospitals in Nairobi County are perceived as innovation leaders in the healthcare sector, actively setting benchmarks and maintaining a competitive edge by regularly introducing industry-leading practices and services.

Regarding operational excellence, 85.4% of respondents also agreed that their hospitals were able to offer products or services at lower cost than competitors while maintaining or improving profit margins. This item posted a mean of 4.35 and a standard deviation of 0.73, showing high agreement with closely clustered responses. The implication is that hospitals are adopting efficient operational systems that enable them to manage costs while ensuring

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profitability, thereby enhancing their market competitiveness through affordability without compromising quality.

Regarding the uniqueness of products and services (unique value proposition), 70.8% of respondents agreed, while 14.6% were neutral and 14.6% strongly disagreed. The mean score was 3.75 with a higher standard deviation of 1.33, suggesting general agreement but with notable variability. The implication is that while many hospitals believe their services provide unique benefits that cannot be easily replicated, a portion of respondents expressed skepticism. This variability suggests that differentiation strategies are strong in some hospitals but less clear or distinctive in others, which could affect brand positioning and long-term competitive advantage.

On customer loyalty, an overwhelming 100% of respondents agreed that their hospitals had a large number of repeat customers who continued to choose their services over competitors. This statement achieved a very high mean of 4.56 and the lowest standard deviation of 0.50, indicating very strong consensus and tightly clustered responses. The implication is that brand strength and customer satisfaction are critical drivers of competitive advantage in these hospitals. High levels of repeat customers reflect not only patient trust and satisfaction but also long-term sustainability in a competitive healthcare market.

Finally, regarding brand awareness and perception, 66.6% of respondents agreed that their hospitals enjoyed a high level of awareness and positive perception among customers and stakeholders, while 18.8% were neutral and 14.6% disagreed. The mean was 3.79 with a standard deviation of 1.18, reflecting moderate agreement with noticeable variability. The implication is that while brand visibility and perception are generally positive, hospitals differ in how strongly their brand is positioned in the market. Some hospitals enjoy a high reputation and visibility, while others may need to invest more in marketing, community engagement, and brand-building initiatives.

The descriptive results for competitive advantage showed consistently high agreement across most items, with mean scores ranging from 3.75 to 4.62. Respondents strongly endorsed hospitals' innovation capabilities, operational excellence, and customer loyalty, which were supported by relatively low standard deviations, indicating consensus. Areas such as unique value propositions and brand perception showed more variability, highlighting opportunities for improvement. The findings suggest that Level Six private hospitals in Nairobi County

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enjoy strong sources of competitive advantage, particularly in innovation and customer retention, while continued investments in brand differentiation and visibility will further enhance their market leadership.

According to Porter (1990), sustainable competitive advantage is achieved by continuously strengthening innovation, cost efficiency, customer loyalty, and brand positioning, dimensions that are well reflected in these findings. Andemariam (2020) found similar evidence in Kenyan hospitals, showing that deliberate strategic practices enabled facilities to compete effectively despite resource limitations. Albarri (2024) notes that in Palestine, hospitals that leveraged strategic intelligence achieved stronger alignment between services and patient expectations, enhancing competitive strength. Quan and Khan (2024) similarly argue that patient-centered service quality creates loyalty, which is an essential pathway to a defensible competitive position.

4.7 Inferential Analysis Results

In addition to the descriptive statistics, the study conducted inferential analysis to establish the statistical relationships between strategic management practices and competitive advantage in Level Six private hospitals in Nairobi County. Pearson correlation analysis was employed to measure the strength and direction of association between the independent variables, strategic planning, resource management practices, innovation adoption, and performance monitoring and evaluation and the dependent variable, competitive advantage. Furthermore, multiple regression analysis was undertaken to determine the extent to which these strategic management practices collectively and individually explain variations in competitive advantage. The results of these inferential tests are presented and discussed in the subsequent subsections.

4.7.1 Correlation Analysis Results

Correlation analysis is a statistical method used to measure the strength and direction of the relationship between two quantitative variables. In this study, Pearson correlation analysis was carried out to examine the associations between the independent variables strategic planning, resource management practices, innovation adoption, and performance monitoring and evaluation and the dependent variable, competitive advantage in Level Six private hospitals in Nairobi County. The analysis explained whether these strategic management practices are positively or negatively related to competitive advantage and the degree of

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association among them. Table 12 presents the correlation results, arranged in line with the study's specific objectives.

Table 12: Correlation Analysis Results

		Competitive Advantage	Strategic Planning	Resource Management	Innovation Adoption	Performance Monitoring & Evaluation
Competitive Advantage	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Strategic Planning	Pearson Correlation	.621**	1.000			
	Sig. (2-tailed)	0.000				
Resource Management	Pearson Correlation	.587**	.563**	1.000		
	Sig. (2-tailed)	0.000	0.000			
Innovation Adoption	Pearson Correlation	.604**	.556**	.539**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.000		
Performance M&E	Pearson Correlation	.592**	.574**	.527**	.543**	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

Source: Field Data (2025)

Correlation results in Table 12 above show a strong positive and significant association between strategic planning and competitive advantage ($r = 0.621$, $p < 0.05$). This indicates that when hospitals engage in effective strategic planning, they are more likely to enhance their competitive positioning. These results are supported by studies such as Mwangi and Otieno (2023), who noted that structured planning enables healthcare organizations to set clear goals and optimize resource allocation for competitive outcomes. The results also demonstrate a positive and significant correlation between resource management practices and competitive advantage ($r = 0.587$, $p < 0.05$). This implies that efficient utilization and management of financial, human, and physical resources contribute meaningfully to competitive strength.

These findings are in agreement with the assertions of Achieng and Kamau (2021), who emphasized that prudent resource allocation improves operational efficiency and service delivery in healthcare settings. Further, innovation adoption was positively and significantly associated with competitive advantage ($r = 0.604$, $p < 0.05$). This suggests that hospitals that embrace new technologies, processes, and service innovations are more likely to gain a

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stronger competitive edge than those that do not. The findings agree with the conclusions of Kimani and Waweru (2022), who found that technological adoption fosters adaptability and sustainability in the healthcare sector.

Lastly, performance monitoring and evaluation exhibited a positive and significant relationship with competitive advantage ($r = 0.592$, $p < 0.05$). This implies that hospitals that consistently track and evaluate their performance metrics are better positioned to maintain competitiveness. These results align with the observations of Kilonzo and Kariuki (2024), who highlighted that continuous assessment and feedback mechanisms enhance accountability, learning, and long-term performance improvement.

4.7.2 Regression Analysis Results

In addition to correlation analysis, which assessed the nature and strength of associations between variables, this study conducted multiple regression analysis to determine the effect of strategic management practices (strategic planning, resource management, innovation adoption, and performance monitoring and evaluation) on the competitive advantage of Level Six private hospitals in Nairobi County. Table 13 presents the model summary results.

Table 13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.785a	0.617	0.588	0.42137

a. Predictors: (Constant), Strategic Planning, Resource Management, Innovation Adoption, Performance Monitoring & Evaluation

The results in Table 13 show a coefficient of determination (R Square) of 0.617, implying that strategic planning, resource management, innovation adoption, and performance monitoring and evaluation jointly explain 61.7% of the variation in competitive advantage among Level Six private hospitals in Nairobi County. The remaining 38.3% of the variation in the dependent variable can be attributed to other factors which were not part of the current model.

Table 14: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.624	4	4.656	26.246	.000[b]
	Residual	11.536	43	0.268		
	Total	30.160	47			

a. Dependent Variable: Competitive Advantage

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b. Predictors: (Constant), Strategic Planning, Resource Management, Innovation Adoption, Performance Monitoring & Evaluation

Source: Field Data (2025)

The findings in Table 14 above show the analysis of variance results. The findings show that the regression model was statistically significant in explaining the relationship between the independent variables and the dependent variable, with an F-value of 26.246 and a p-value of 0.000, which is less than the conventional significance level of 0.05. These indicate that the combined effect of strategic planning, resource management, innovation adoption, and performance monitoring and evaluation significantly predicts competitive advantage. This implies that improvements or deficiencies in these practices significantly influence the competitiveness of Level 6 private hospitals.

Table 15 depicts the results of the regression coefficient.

Table 15: Regression of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.298	0.157		1.897	0.065
	Strategic Planning	0.284	0.059	0.324	4.814	0.000
	Resource Management	0.261	0.057	0.303	4.579	0.000
	Innovation Adoption	0.276	0.052	0.331	5.308	0.000
	Performance M&E	0.212	0.048	0.267	4.417	0.000

a. Dependent Variable: Competitive Advantage

Source: Field Data (2025)

The findings show that strategic planning had a positive and significant effect on competitive advantage ($\beta = 0.284$, $p = 0.000 < 0.05$). This was supported by a t-statistic of 4.814, greater than the critical value of 1.96, confirming its significance. This implies that a unit improvement in strategic planning practices results in a 0.284-unit increase in competitive advantage.

This suggests that structured planning enables hospitals to allocate resources effectively, anticipate challenges, and achieve sustainable growth, consistent with the conclusions of Otieno (2023), who emphasized the importance of strategic foresight in healthcare organizations. In addition, Osintsev and Khalilian (2023) examined whether innovation and strategic planning improve organizational performance and found that mutually strategic

planning and innovation had a good effect on organizational performance. By encouraging innovation and putting strategic planning techniques into practice, managers and decision-makers in the healthcare industry may improve organizational performance, according to these findings.

The results also show that resource management had a positive and significant influence on competitive advantage ($\beta = 0.261$, $p = 0.000 < 0.05$). With a t-statistic of 4.579, the finding confirms that efficient utilization of resources enhances hospitals' operational strength and market positioning. This is consistent with Achieng and Kamau (2021), who found that prudent resource allocation improves efficiency and competitiveness in healthcare delivery. Taelman et al. (2018) have looked at the many difficulties in managing resources to gain a competitive edge. Organizations primarily use human resource strategies to shape and cultivate human abilities, values, and behaviors in order to achieve organizational objectives. In programs aimed at reducing environmental pollution, human resource practices are essential, according to Saad et al. (2019).

Further, innovation adoption had a positive and significant effect on competitive advantage ($\beta = 0.276$, $p = 0.000 < 0.05$). This was supported by a t-statistic of 5.308, which exceeded 1.96, confirming its importance. The result suggests that embracing technological and process innovations strengthens hospitals' ability to respond to market changes and deliver differentiated services. These findings resonate with Kimani and Waweru (2022), who argued that healthcare institutions adopting innovations improve service quality and patient satisfaction, thereby gaining a stronger competitive edge. According to Greenhalgh et al. (2019), a variety of elements interact to determine the success of innovation, and planning is necessary. Organizations in the health care sector vary greatly in their capacity for innovation. Increasing healthcare organisations' innovation readiness is necessary to tackle their problems (Kievit et al., 2018). Leal-Rodriguez et al. (2013), evaluated the efficiency of knowledge management and the innovation process.

Finally, performance monitoring and evaluation demonstrated a significant positive effect on competitive advantage ($\beta = 0.212$, $p = 0.000 < 0.05$), with a supporting t-statistic of 4.417. This implies that hospitals with effective monitoring and evaluation frameworks can identify gaps, ensure accountability, and drive continuous improvement, thereby enhancing competitiveness. This agrees with Kilonzo and Kariuki (2024), who emphasized that performance tracking creates responsiveness and sustainability in healthcare organizations.

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According to Rahimi (2017), some studies have focused on specific areas of hospital performance, while others have used techniques such as the BSC, Data Envelopment Analysis, and the Pabon Lasso model. Efficiency, efficacy and equity were the main criteria Davis et al. (2013) utilized to assess and rate hospitals in New Zealand.

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CHAPTER FIVE: DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings, conclusions, recommendations, and suggestions for further research. The summary presents the main findings in relation to the study's specific objectives, which examined the effects of strategic planning, resource management practices, innovation adoption, and performance monitoring and evaluation on competitive advantage in Level Six private hospitals in Nairobi County. The conclusions are derived from the interpretation of the results obtained through descriptive and inferential analysis. In addition, practical recommendations are made to guide hospital managers, policymakers, and other stakeholders in strengthening strategic management practices to enhance competitiveness in the healthcare sector. Finally, the chapter outlines areas for further research that can broaden understanding and build on the contributions of this study.

5.2 Summary of the Findings

The purpose of this study was to assess the effects of strategic management practices on the competitive advantage of Level Six private hospitals in Nairobi County, Kenya. The specific objectives were to determine the effects of strategic planning, evaluate the effects of resource management practices, examine the effects of innovation adoption, and establish the effects of performance monitoring and evaluation practices on competitive advantage. The study was guided by the Resource-Based View theory, the Dynamic Capabilities theory, the Diffusion of Innovations theory, and the Balanced Scorecard Framework.

The research adopted a descriptive research design to provide an accurate account of strategic management practices and their influence on competitive advantage. The study targeted all 64 senior managers drawn from eight Level Six private hospitals in Nairobi County, representing departments such as Administration, Clinical, Nursing, Finance, Human Resources, Procurement and Transport, Marketing and Business Development, and Engineering. A census approach was used since all senior managers play critical roles in shaping strategic directions within their hospitals.

Data was collected using structured questionnaires, and both validity and reliability were ensured through expert review and pilot testing. The analysis of the data involved descriptive statistics such as frequencies, percentages, means, and standard deviations, which helped to

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summarize the extent to which each strategic management practice was applied within the hospitals. Inferential statistics, including correlation and multiple regression analysis, were employed to establish the nature and significance of relationships between strategic planning, resource management, innovation adoption, performance monitoring and evaluation, and competitive advantage. The key findings of the study are presented in line with the study objectives. The results demonstrate how each of the four strategic management practices contributed to competitive advantage within Level Six private hospitals in Nairobi County. The findings also show the extent to which the combined practices explained variation in competitive advantage, offering valuable insights for hospital leaders and policymakers to strengthen competitiveness in private healthcare delivery.

5.2.1 Strategic Planning on Competitive Advantage

The first objective of the study was to determine the effects of strategic planning on competitive advantage in Level Six private hospitals in Nairobi County. Findings revealed that 93.8% of respondents agreed that their hospitals had a clearly defined and communicated organizational vision and mission (Mean = 4.48, SD = 0.62). Additionally, 75.0% agreed that departmental goals aligned with the hospital's overall strategies (Mean = 3.94, SD = 1.14). Moreover, 83.4% confirmed that hospitals regularly reviewed and updated their strategic plans (Mean = 4.19, SD = 1.16). Stakeholder involvement in planning processes was supported by 85.5% of respondents (Mean = 4.40, SD = 0.74), while 77.1% agreed that resources were allocated to high-priority initiatives (Mean = 4.35, SD = 0.84). Lastly, 68.7% of respondents indicated that the strategic plans developed were realistic and contributed to hospital success (Mean = 4.15, SD = 0.87).

Correlation analysis results showed a strong positive and significant relationship between strategic planning and competitive advantage ($r = 0.621$, $p < 0.05$). This implies that effective strategic planning practices, such as aligning goals, involving stakeholders, and ensuring resource prioritization, contribute to enhancing hospitals' market positioning. These findings align with Mwangi and Otieno (2023), who emphasized that structured planning improves efficiency and competitiveness. Regression analysis results indicated that strategic planning had a positive and significant effect on competitive advantage ($\beta = 0.284$, $p = 0.000$), with a t-statistic of 4.814 that exceeded the critical value of 1.96. The results imply that a unit increase in strategic planning leads to a 0.284-unit improvement in competitive advantage.

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5.2.2 Resource Management Practices on Competitive Advantage

The second objective of the study was to evaluate the effects of resource management practices on competitive advantage in Level Six private hospitals in Nairobi County. Findings showed that 52.1% of respondents agreed that resources were efficiently utilized (Mean = 3.52, SD = 1.05), while 50.0% agreed that financial resources were prioritized for critical departments (Mean = 3.61, SD = 0.87). Only 41.7% confirmed strong adherence to budgets (Mean = 3.46, SD = 1.13), while 37.5% agreed that workforce productivity was effectively managed (Mean = 3.25, SD = 0.67). In terms of inventory turnover, 43.8% agreed it was efficient (Mean = 3.46, SD = 0.94). The lowest score was for technology use in resource management, with only 18.8% agreeing (Mean = 2.73, SD = 0.94).

Correlation analysis results showed a positive and significant relationship between resource management practices and competitive advantage ($r = 0.587$, $p < 0.05$). This indicates that efficient use of financial, human, and physical resources enhances competitiveness, consistent with the findings of Achieng and Kamau (2021). Regression analysis confirmed that resource management significantly influenced competitive advantage ($\beta = 0.261$, $p = 0.000$), with a t-statistic of 4.579, exceeding the 1.96 threshold. This result implies that better resource management leads to measurable improvements in hospitals' competitive positioning.

5.2.3 Innovation Adoption on Competitive Advantage

The third objective of the study was to examine the effects of innovation adoption on competitive advantage. The results indicated that 66.7% of respondents agreed their hospitals regularly introduced new services (Mean = 3.81, SD = 1.07), while 58.3% agreed employees actively contributed innovative ideas (Mean = 3.48, SD = 0.90). On investment in R&D, only 18.7% agreed (Mean = 2.73, SD = 1.11), indicating limited emphasis. Regarding turnaround time for launching new services, only 33.4% agreed (Mean = 3.02, SD = 1.30), whereas 45.9% agreed that customers were satisfied with innovations (Mean = 3.31, SD = 1.17).

Correlation analysis revealed a strong positive and significant relationship between innovation adoption and competitive advantage ($r = 0.604$, $p < 0.05$). This suggests that hospitals embracing innovation are better positioned to respond to changing patient needs and market demands. The finding aligns with Kimani and Waweru (2022), who highlighted the role of innovation in enhancing adaptability and competitiveness. Regression analysis results

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further showed that innovation adoption had a positive and significant effect on competitive advantage (β = 0.276, p = 0.000), with a t-statistic of 5.308, above 1.96. This implies that a unit increase in innovation adoption results in a 0.276-unit improvement in competitive advantage.

5.2.4 Performance Monitoring and Evaluation on Competitive Advantage

The fourth objective of the study was to establish the effects of performance monitoring and evaluation practices on competitive advantage. Findings showed that 68.8% of respondents agreed performance reviews were regularly conducted (Mean = 4.19, SD = 0.94). On KPI achievement, 68.8% agreed (Mean = 3.71, SD = 1.17). Stakeholder feedback integration was supported by 64.6% (Mean = 3.75, SD = 1.06). Regarding the timeliness of reports, 60.5% agreed (Mean = 3.56, SD = 1.13). Finally, 39.6% agreed that corrective actions were promptly implemented (Mean = 3.56, SD = 0.97), with over half of respondents neutral. Correlation analysis indicated that performance monitoring and evaluation were positively and significantly related to competitive advantage ($r = 0.592$, $p < 0.05$).

This suggests that consistent monitoring and feedback mechanisms contribute to improved competitiveness. These findings resonate with Kilonzo and Kariuki (2024), who emphasized that evaluation and feedback enhance organizational learning and adaptability. Regression analysis confirmed that performance monitoring and evaluation significantly influenced competitive advantage (β = 0.212, p = 0.000), supported by a t-statistic of 4.417, above 1.96. This implies that improvements in monitoring and evaluation practices lead to measurable increases in competitive advantage.

5.3 Conclusion

Strategic planning is significant in strengthening competitive advantage in Level Six private hospitals. Clear vision and mission statements, alignment of departmental goals with hospital-wide objectives, stakeholder involvement, and periodic reviews of strategic plans provide a strong framework for positioning hospitals effectively in a competitive healthcare environment. Without well-structured planning processes, hospitals risk operational inefficiencies, fragmented efforts across departments, and limited adaptability in a rapidly evolving healthcare sector. Therefore, institutionalizing structured, participatory, and regularly reviewed strategic planning processes is essential for sustainable competitiveness.

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This is in line with the conclusions drawn by Mitaki and Gitonga (2018) that strategic planning is the process of deciding on the organization's message and then establishing goals, plans and policies to ensure that resources are allocated to achieve these objectives. Strategic planning is choosing the most effective methods to assist an organisation in realising its objectives. Resource management has been found to be a decisive factor in sustaining hospital performance and competitiveness. Effective utilization of financial, human, and physical resources ensures that hospitals operate efficiently, maintain service quality, and achieve cost advantages. Prioritization of critical departments, adherence to budgets, workforce productivity monitoring, and the adoption of technology-driven management systems are central to leveraging resources optimally.

Weaknesses in these areas can expose hospitals to inefficiencies, wastage, and declining market strength. Strengthening disciplined, technology-enabled resource management practices is therefore vital to enhancing hospitals' ability to deliver high-quality, cost-effective healthcare services. This is consistent with the observations by Taelman et al. (2018) that organizations primarily use human resource strategies to shape and cultivate human abilities, values, and behaviours in order to achieve organizational objectives. In programs aimed at reducing environmental pollution, human resource practices are essential. Moreover, innovation adoption stands out as a driver of differentiation and responsiveness in private healthcare.

Introducing new services and processes, encouraging employee involvement in innovation, and ensuring customer satisfaction with new offerings enable hospitals to remain competitive in a demanding market. Yet, limited investments in research and development and delays in launching innovations constrain the transformative potential of innovation. Hospitals that integrate innovation into their core strategies and allocate resources toward systematic R&D are better positioned to sustain relevance, attract patients, and outperform competitors in a dynamic healthcare sector. Greenhalgh et al. (2019) observe that a variety of elements interact to determine the success of innovation, and planning is necessary. Organizations in the health care sector vary greatly in their capacity for innovation. Increasing health care organizations' innovation readiness is necessary to tackle their problems

Performance monitoring and evaluation are indispensable in ensuring accountability, learning, and continuous improvement. Regular reviews against targets, achievement of key performance indicators, integration of stakeholder feedback, and timely corrective actions

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enable hospitals to track progress and close performance gaps effectively. Inconsistent follow-through on corrective measures risks undermining otherwise well-conceived strategies. Embedding strong monitoring and evaluation systems that emphasize timeliness, responsiveness, and stakeholder engagement is essential for driving sustained competitive gains in the private healthcare sector. According to Mio et al. (2022), it is essential to focus on hospital performance indicators in order to accomplish the hospital's internal and external goals, utilize available resources effectively and efficiently, enhance service quality, and provide a clear image of hospital effectiveness and efficiency.

Furthermore, the integration of strategic planning, resource management, innovation adoption, and performance monitoring and evaluation collectively determines the competitive advantage of Level Six private hospitals. Each practice reinforces the others, creating a holistic framework that enables hospitals to thrive in an increasingly competitive healthcare market. Building sustainable advantage requires hospitals to adopt a systemic, coordinated approach that combines foresight, efficient resource allocation, innovation-driven differentiation, and effective performance tracking. By embedding these strategic management practices into all levels of decision-making and execution, private hospitals in Nairobi County can achieve enduring competitiveness and deliver superior value to their patients and stakeholders.

5.4 Recommendations

In light of the findings, the study recommends that Level Six private hospitals should institutionalize comprehensive and participatory strategic planning practices. Hospitals should ensure that organizational vision and mission statements are not only clearly defined but also communicated effectively to all departments. Departmental goals must be continuously aligned with the hospital's overall strategy through structured planning frameworks that include measurable milestones. Strategic plans should be reviewed regularly, preferably annually or biannually, to ensure they remain relevant in a dynamic healthcare environment. In addition, hospitals should create inclusivity by involving employees, customers, and partners in the planning process. Such practices will enhance ownership, improve implementation, and create agility in responding to changing patient needs and competitive market conditions.

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With respect to resource management, the study recommends that hospitals should strengthen efficiency and accountability in the use of financial, human, and physical resources. Budget discipline should be institutionalized through strict monitoring systems that ensure resources are allocated and spent in line with strategic priorities. Hospitals should also prioritize investments in critical departments such as emergency care, specialized units, and diagnostic services where the competitive advantage can be maximized. Furthermore, workforce productivity should be enhanced through continuous performance tracking and incentive-based mechanisms.

To address gaps identified in the study, hospitals should embrace technology-driven resource management systems that automate processes such as inventory management, financial monitoring, and staff scheduling. Such investments will improve efficiency, reduce wastage, and ensure that hospitals achieve cost advantages while maintaining high-quality care. Moreover, the study recommends that hospitals should place deliberate emphasis on incorporating innovation into their organizational culture and processes. This includes allocating a meaningful share of revenue to research and development, particularly in areas such as medical technology, digital healthcare, and patient service delivery models. Hospitals should also establish structured innovation programs that encourage staff to generate and implement new ideas, supported by recognition and rewards systems.

Clear benchmarks and turnaround times for developing and launching new services should be set to enhance responsiveness to market changes. Moreover, hospitals should actively measure customer satisfaction with innovations to ensure that new products and services meet patient expectations. By systematizing innovation processes, hospitals can maintain their competitive edge and ensure long-term sustainability in an increasingly dynamic healthcare market. The study further recommends that hospitals should consider strengthening the consistency and timeliness of performance reviews against set targets. Key Performance Indicators (KPIs) should be clearly defined, regularly tracked, and integrated into departmental and hospital-wide performance frameworks. Hospitals must also institutionalize feedback loops by incorporating input from both staff and patients into evaluation processes, ensuring that services remain patient-centered and responsive.

Additionally, monitoring and evaluation reports should be prepared and disseminated promptly to support evidence-based decision-making. Corrective actions arising from M&E findings should be prioritized and implemented without delay to close gaps effectively.

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Establishing strong monitoring and evaluation systems will not only enhance accountability but also support continuous learning and improvement, reinforcing hospitals' competitive advantage. Similarly, hospital leaders, policymakers, and regulators should consider creating an enabling environment that promotes the integration of strategic management practices across private healthcare institutions.

Policymakers should consider developing regulatory frameworks that encourage hospitals to invest in structured planning, efficient resource management, systematic innovation, and effective performance monitoring. At the institutional level, senior management should collaborate across departments to create synergy in implementing these practices, ensuring that strategies are not developed in isolation but as part of a coordinated approach. Moreover, professional associations and government agencies should promote capacity-building programs that enhance managerial competencies in strategic management. By embedding these practices into governance, policy, and operational frameworks, Level Six private hospitals will be better positioned to sustain competitiveness, improve patient outcomes, and strengthen their role in the healthcare sector.

5.5 Recommendation for Further Research

Based on the above findings, this study suggests that future research should explore additional factors affecting the competitive advantage of Level Six private hospitals beyond strategic management practices. Although strategic planning, resource management, innovation adoption, and performance monitoring and evaluation collectively explained 61.7% of the variation in competitive advantage, 38.3% remains unexplained. Future studies should therefore consider investigating other potential predictors such as leadership styles, digital health integration, quality assurance systems, healthcare financing models, and patient relationship management practices. Exploring these additional factors will provide a more comprehensive view of the drivers of competitiveness in private healthcare institutions operating in dynamic, highly competitive environments.

Additionally, this study did not incorporate either moderating or mediating variables in examining the relationship between strategic management practices and competitive advantage. Future research should therefore consider investigating moderating effects such as government regulations, hospital ownership structures, or organizational culture, which may strengthen or weaken these relationships. Similarly, mediating variables such as staff

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motivation, patient satisfaction, and technology adoption efficiency could be explored to deepen understanding of how strategic management practices translate into sustainable competitive advantage.

Incorporating such variables will enrich both the theoretical framework and the practical understanding of competitiveness in private healthcare. Furthermore, this study focused on immediate associations and direct effects; however, understanding how strategic management practices affect long-term sustainability and growth is crucial. Longitudinal studies will help reveal trends, emerging challenges, and evolving market dynamics, thereby guiding healthcare leaders in designing more adaptable and resilient strategies. Future research should also examine the comparative effectiveness of different strategic management models across public and private hospitals in Kenya. Such comparisons could highlight best practices, reveal unique challenges faced by private institutions, and provide valuable lessons for policy and practice.

Future research should also consider cross-country comparative studies to evaluate how private hospitals in Kenya differ from or resemble those in other African countries with similar or more advanced healthcare markets. For instance, comparisons between Kenyan Level Six private hospitals and institutions in South Africa, Rwanda, or Ghana could yield important lessons on the role of innovation, financing models, and governance structures in shaping competitiveness. Such studies would not only strengthen generalizability but also provide regionally relevant insights for healthcare policymakers and practitioners.

Lastly, the study recommends that researchers expand methodological approaches by integrating qualitative methods such as case studies, interviews, and focus group discussions with patients and staff. These approaches would provide richer insights into the lived experiences and perspectives that quantitative surveys may not fully capture. By incorporating mixed-method designs, future studies can build a more holistic understanding of how strategic management practices shape competitive advantage, addressing both measurable outcomes and contextual realities.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

St. Paul's University

P. O. Box Private Bag

00217

Limuru

May 2025

Dear participant,

I will be carrying a study to ***Establish the Strategic Management Practices on Competitive Advantage in Level Six Private Hospitals in Nairobi County, Kenya***. The completion of this research will be in partial fulfillment of the Award of the Degree of Masters of Business Administration at St Paul University. To guarantee the success of this study, your information is highly sought, valued and will be kept confidential. I therefore request you to spend part of your time to answer the questions in this questionnaire attached.

Thank you in advance for your help and co-operation.

Esther Wanjiru Mugo

ST. PAUL'S UNIVERSITY

APPENDIX II: DATA COLLECTION TOOL

This questionnaire seeks to collect data on **Strategic Management Practices on Competitive Advantage in Level Six Private Hospitals in Nairobi County, Kenya**. You are requested to participate in the study by providing answers to the items in the sections as indicated. Kindly fill your response in the space provided. The data will be used for academic purpose only, and will be treated with utmost confidentiality and for the purpose of this research ONLY.

Please tick (√) where appropriate.

1. Please indicate your gender Male ☐ Female ☐
2. Marital status Single ( ) Married ( )
3. What is your position in the institution?
   - i. Director ( )
   - ii. Head of Department ( )
4. What is your age bracket?
   - i. 25- 34 years ( )
   - ii. 35-44 years ( )
   - iii. 45-54 years ( )
   - iv. 55 and above years ( )
5. Indicate your highest academic qualification.
   - i. Diploma ( )
   - ii. Bachelor's degree ( )
   - iii. Master's degree ( )
   - iv. Other (specify) _____
6. How many years have you worked in your current position?
   - i. Less than 5 years ( )
   - ii. 6-10 years ( )
   - iii. 11-15 years ( )
   - iv. Over 16 years ( )

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SECTION B:

Strategic Planning

By use of a tick, indicate your extent of agreement and/or disagreement on the following statements regarding strategic planning at the hospital **(Where 5 is strongly agreed, 4 agreed, 3 neutral, 2 disagree and 1 strongly disagreed)**

	Statement	**5**	**4**	**3**	**2**	**1**
7.	There is clarity of organizational vision and mission which are clearly defined and communicated					
8.	There is a degree to which team or departmental goals align with the overall strategic objectives of the organization					
9.	There is regularity/frequency in which the strategic plan is reviewed and updated (e.g., annually, biannually).					
10.	There is stakeholder (e.g., employees, customers, partners) involvement and participation in strategic planning processes.					
11.	The is a significant proportion of resources (financial, human, technological) allocated to high-priority strategic initiatives.					
12.	The strategic plans developed are realistic, achievable and contribute to the hospital's success.					

a. What do you consider the most significant factor influencing the success of strategic planning in your hospital?

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b. In your opinion, how can the hospital improve its strategic planning processes to enhance performance?

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B. Resource Management Practices

By use of a tick, indicate your extent of agreement and/or disagreement on the following statements regarding resource management at the hospital **(Where 5 is strongly agreed, 4 agreed, 3 neutral, 2 disagree and 1 strongly disagreed)**

	Statement	**5**	**4**	**3**	**2**	**1**
13.	There is efficient use of resource utilization to achieve organizational goals.					
14.	Financial resources are prioritized for critical departments.					
15.	There is budget adherence (i.e., extent to which actual spending aligns with the planned budget).					
16.	The level of workforce productivity (i.e., the level of output per employee) are effectively managed.					
17.	There is frequent replacement of inventory turnover rate reflecting efficient management of physical resources.					
18.	Technology utilization is leveraged to optimize resource management processes.					

a. What challenges, if any, does your hospital face in managing its financial, human, or physical resources?

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b. What recommendations would you make to enhance effective resource management?

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C. Innovation Adoption

By use of a tick, indicate your extent of agreement and/or disagreement on the following statements regarding innovation adoption at the hospital **(Where 5 is strongly agreed, 4 agreed, 3 neutral, 2 disagree and 1 strongly disagreed)**

	Statement	**5**	**4**	**3**	**2**	**1**
19.	There are new processes/services launched or introduced within a specific timeframe.					
20.	There is a high percentage rate of employees contributing innovative ideas or participating in innovation programs in the department.					
21.	There is a significant investment of R&D as a percentage of revenue (the proportion of revenue) allocated to research and development activities.					
22.	The institution has put in place a Turn Around Time-the average time taken to develop and launch new products or services.					
23.	Our customers are satisfied with our innovations/their adoption rates for new products or services is high.					

a. What types of innovations have had the greatest impact on your hospital's operations or service delivery?

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b. How does management encourage or support employees to engage in innovative practices?

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D. Performance, Monitoring and Evaluation Practices

By use of a tick, indicate your extent of agreement and/or disagreement on the following statements regarding performance, monitoring and evaluation practices at the hospital **(Where 5 is strongly agreed, 4 agreed, 3 neutral, 2 disagree and 1 strongly disagreed)**

	Statement	5	4	3	2	1
24.	Performance reviews are regularly assessed against set targets (e.g., quarterly, and annually).					
25.	Completion rate of KPIs is successfully achieved within a given period.					
26.	Stakeholder feedback integration is incorporated into evaluation processes.					
27.	There is promptness with which monitoring and evaluation reports are prepared and shared.					
28.	There is corrective action and prompt implementation of identified issues or gaps in the performance management practices					

a. In your view, how effective are the current monitoring and evaluation systems in improving hospital performance?

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b. What changes would you suggest to strengthen performance tracking and accountability?

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E. Competitive Advantage

By use of a tick, indicate your extent of agreement and/or disagreement on the following statements regarding Competitive Advantage at the hospital (Where 5 is strongly agreed, 4 agreed, 3 neutral, 2 disagree and 1 strongly disagreed

	Statement	**5**	**4**	**3**	**2**	**1**
29.	The organization has the ability to consistently introduce new products, services, or processes that set industry standards and outpace competitors.					
30.	The organization has the ability to offer products or services at a lower cost than competitors while maintaining or improving profit margins, indicating operational excellence.					
31	The organization's products or services offer unique benefits or features (Unique Value Proposition) that are not easily replicated by competitors.					
32.	There is a large number of repeat customers who continue to choose the organization's products or services over competitors, reflecting brand strength and customer satisfaction.					
33.	The is a high level of awareness and positive perception of the organization's brand among customers and stakeholders.					

a. What factors do you believe give your hospital a competitive edge in the healthcare industry?

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.....

b. How can your hospital further strengthen its market position and brand reputation?

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APPENDIX III: LIST OF LEVEL SIX PRIVATE HOSPITALS IN NAIROBI COUNTY

1	Agha-Khan Hospital
2	Coptic Hospital
3	Mater Misericordia Hospital
4	MP-Shah Hospital
5	Nairobi West Hospital
6	Nairobi South Hospital
7	The Karen Hospital
8	The Nairobi Hospital

Source: (Standards for Health Facilities in Kenya, 2024)

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APPENDIX IV: ISERC APPROVAL LETTER

ST. PAUL'S UNIVERSITY

Private Bag 00217 Limuru,
Kenya
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
Mobile: +254 (0) 728-669000
(0) 736-424440

REF: SPU/394/2025 **Date: 19th May 2025**

TO: Esther Mugo
St. Paul's University

Dear Esther,

REF: Strategic Management Practices on Competitive Advantage in Level Six Private Hospitals in Nairobi County, Kenya

Greetings,

This is to inform you that SPU- Institutional Scientific Ethics Review Committee has reviewed the above-named research proposal. **Your ERB approval number is 404, for the period between 19th May 2025 – 19th May 2026 (1 year).**

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SPU- Institutional Scientific Ethics Review Committee.
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 SPU- Institutional Scientific Ethics Review Committee 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

APPENDIX V: LETTER FROM POST GRADUATE SCHOOL

ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
Mobile: +254 (0) 728 - 669000
(0) 736 - 424440

BOARD OF POSTGRADUATE STUDIES

19th May, 2025

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR ESTHER WANJIRU MUGO KIGERA – MBADIST260923 TO CONDUCT RESEARCH

This letter confirms the above-named person is a student in the Master of Business Administration (MBA) Program at St. Paul's University.

After completion of the course work, the student is engaged in major research work leading to a Thesis/Dissertation writing. The student's selected topic is:

"Strategic management practices on competitive advantage in level six hospitals in Nairobi County, Kenya."

Kindly grant this student the required permit.

Yours Faithfully,

DIRECTOR POSTGRADUATE STUDIES ST. PAUL'S UNIVERSITY 19 MAY 2025 PRIVATE BAG - 00217 LIMURU

For

Dr. John Muhoho
Director Board of Postgraduate Studies

St. Paul's University Repository

APPENDIX VI: NACOSTI PERMIT

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 698127

Date of Issue: 08/June/2025

RESEARCH LICENSE



This is to Certify that Ms., Esther Wanjiru Mugo Kigora of St. Paul's 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: STRATEGIC MANAGEMENT PRACTICES ON COMPETITIVE ADVANTAGE IN LEVEL SIX PRIVATE HOSPITALS IN NAIROBI COUNTY, KENYA for the period ending : 08/June/2026.

License No: NACOSTI/P/25/47487

698127

Applicant Identification Number

Deputy Director
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

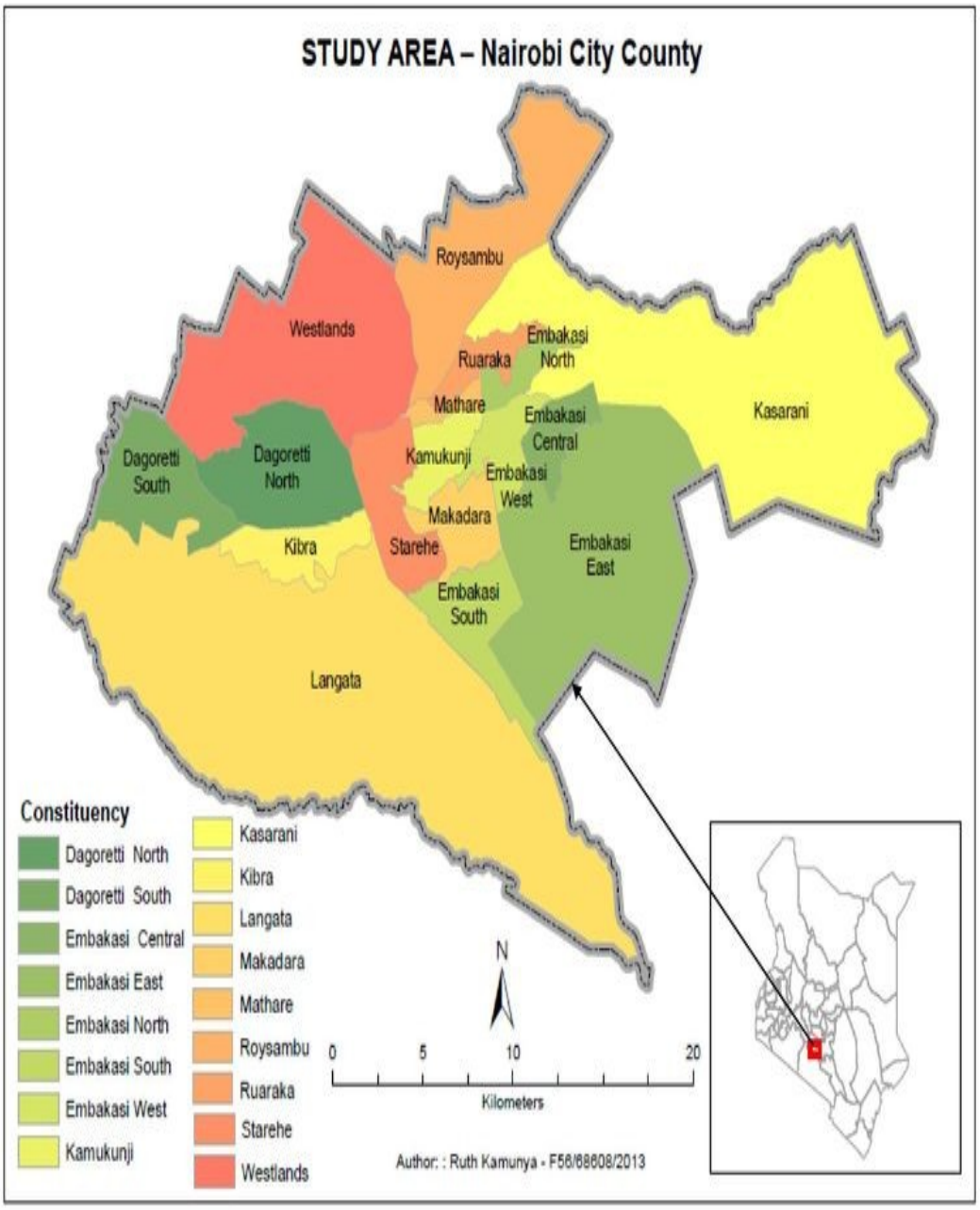
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See overleaf for conditions

APPENDIX VII: MAP OF STUDY AREA

Study Area



Study Area – Nairobi City County

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