ALLIANCE MOTIVES TOWARDS DYNAMIC CAPABILITIES AND THE COMPETITIVENESS OF HEALTHCARE ORGANIZATIONS

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KHALED MOHAMMED RASHED SALEM AL KAABI

A thesis submitted in fulfillment of the requirements for the degree of Doctor of Philosophy

Institute of Technology Management and Entrepreneurship

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2023

DECLARATION

I declare that this thesis entitled “Alliance Motives towards Dynamic Capabilities and the Competitiveness of Healthcare Organizations” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

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APPROVAL

I hereby declare that I have read this thesis and in my opinion, this thesis is sufficient in terms of scope and quality for the award of Doctor of Philosophy.

Signature : .....

Supervisor Name : Dr. Samer Ali Al Shami

Date : 14-2-2023

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DEDICATION

I dedicate this thesis to my family.

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ABSTRACT

Strategic alliance is increasingly gaining attention in healthcare service provision. However, there is a lack of understanding on alliance motives among healthcare institutions and how they affect several aspects of healthcare organizations' dynamic capabilities and competitiveness. The aim of the present study is to identify alliance motives and critically examine how they drive the competitiveness of the UAE healthcare organizations. Contextualised within the UAE healthcare sector, this study adopted a mixed methods research design, which involved two phases. In the first phase, a qualitative research method driven was conducted to identify and describe alliance motives and the dynamic capabilities of the healthcare organizations. For this purpose, a semi-structured interview with 25 alliance project leaders located in the Abu Dhabi and Dubai healthcare organizations was conducted. In the second phase, a quantitative method using a survey was conducted to examine the relationship between alliance motives, value-based dynamic capabilities and healthcare institutions' competitiveness. A sample of 279 employees of healthcare institutions responded to the survey questionnaire and the data were analysed using Amos. The finding revealed that alliance motives driven by transactional cost economy, industry-relationship and partners competencies are important factor for the development of healthcare dynamic capabilities, particularly in coordination, integration and reconfiguration capabilities, which influence healthcare institutions' competitiveness. This research provides an integrative model that explains how to improve alliance motives towards value creation in the dynamic capabilities, which consequently improve alliance competitive performance. This research is one of the few researches explores how knowledge sharing drives strategic alliances practices that contribute to competitive performance of the UAE healthcare institutions.

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MOTIF PERIKATAN KE ARAH KEUPAYAAN DINAMIK DAN DAYA SAING ORGANISASI PENJAGAAN KESIHATAN

ABSTRAK

Pakatan strategik semakin mendapat perhatian dalam penyediaan perkhidmatan penjagaan kesihatan. Walau bagaimanapun, terdapat kekurangan pemahaman tentang motif pakatan dalam kalangan institusi penjagaan kesihatan dan bagaimana ia mempengaruhi beberapa aspek keupayaan dinamik dan daya saing organisasi penjagaan kesihatan. Matlamat kajian ini adalah untuk mengenal pasti motif pakatan dan mengkaji secara kritis bagaimana ia memacu daya saing organisasi penjagaan kesihatan UAE. Berdasarkan konteks dalam sektor penjagaan kesihatan UAE, kajian ini menggunakan reka bentuk penyelidikan kaedah campuran, yang melibatkan dua fasa. Pada fasa pertama, kaedah penyelidikan kualitatif yang didorong telah dijalankan untuk mengenal pasti dan menerangkan motif pakatan dan keupayaan dinamik organisasi penjagaan kesihatan. Untuk tujuan ini, temu bual separa berstruktur dengan 25 pemimpin projek perikatan yang terletak di organisasi penjagaan kesihatan Abu Dhabi dan Dubai telah dijalankan. Dalam fasa kedua, kaedah kuantitatif menggunakan tinjauan telah dijalankan untuk mengkaji hubungan antara motif pakatan, keupayaan dinamik berasaskan nilai dan daya saing institusi penjagaan kesihatan. Sampel 279 pekerja institusi penjagaan kesihatan menjawab soal selidik tinjauan dan data dianalisis menggunakan Amos. Dapatan itu mendedahkan bahawa motif pakatan yang didorong oleh ekonomi kos transaksi, hubungan industri dan kecekapan rakan kongsi adalah faktor penting untuk pembangunan keupayaan dinamik penjagaan kesihatan, terutamanya dalam keupayaan penyelarasan, penyepaduan dan konfigurasi semula, yang mempengaruhi daya saing institusi penjagaan kesihatan. Penyelidikan ini menyediakan model integratif yang menerangkan cara menambah baik motif pakatan ke arah penciptaan nilai dalam keupayaan dinamik, yang seterusnya meningkatkan prestasi daya saing pakatan. Penyelidikan ini adalah salah satu daripada beberapa penyelidikan yang meneroka bagaimana perkongsian pengetahuan mendorong amalan pakatan strategik yang menyumbang kepada prestasi kompetitif institusi penjagaan kesihatan UAE.

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LIST OF SYMBOLS

R^2	-	Coefficient of Determination
f^2	-	Effect Size

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LIST OF ABBREVIATIONS

DHA	-	Dubai Health Authority
DOH	-	Department of Health – Abu Dhabi
MOHAP	-	Ministry of Health and Prevention
SEHA	-	The Abu Dhabi Health Services Company
SA	-	Strategic Alliance
TCE	-	Transaction Cost Economics
RBV	-	Resource-Based View
CBV	-	Competence-Based View
DC	-	Dynamic Capabilities
IC	-	Integration Capabilities
VRIO	-	Value, Rare, Inimitable, Organisation
NGOs	-	Non-Governmental Organizations
GTM	-	Grounded Theory Method
ML	-	Maximum Likelihood
CMV	-	Common Method Variance

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LIST OF PUBLICATIONS

The followings are the list of publications related to the work on this thesis:

1. Alkaabi, K. M., Al-Shami, S. A., Rafeea, S. J., and Adil, H., 2021. Causes Of Strategic Alliance Failure Among Healthcare Partners: The Role Of Knowledge Sharing In Alliance Performance-A Review Paper. *Journal Of Legal, Ethical And Regulatory Issues*, 24, pp.1-10.

2. Salama Jamal, Samer Ali Al-Shami, Khaled Mohammed Alkaabi, and Nurulizwa Rashid, 2021. "Healthcare Industry Challenges And Potential Opportunities In The Uae. A Review Paper." *Academy Of Strategic Management Journal*, 20, pp. 1-9.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Prior to further elaboration on the need for achieving competitiveness in healthcare strategic alliance, it is important to mention that general evidence indicates that over 50% of all alliances fail to achieve the purpose of the alliances (Tjemkes, Vos, and Burgers, 2017; Rajan, Dhir, and Sushil, 2020). A number of reasons have been cited; however, the fundamental concern is that the alliance motives are often different and the achievement of common grounds benefiting to all parties is difficult to attain. It is often difficult to measure the contribution of parties, whilst other parties act as free riders either due to perceived importance over counterparts (Bhatti, 2011; Choi, 2020). Other factors including differences in culture, management values, markets and the lack of clear coordinating mechanisms threaten the success of alliances.

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A critical combination of the internal and external environments covering the common and opposing interests at the same time is essential to properly conceptualise this area. In the UAE, strategic alliances are equally new to the healthcare systems and the government has re-emphasized the need to strengthen competition through international alliances between entities within the UAE and other overseas corporations. The trend towards consolidation in the healthcare sector of the UAE has been highlighted in several report forecasts (Gooch, 2016; Kyongpitzer, 2019a; Kyongpitzer, 2019b).

Pursuing this study within the context of the UAE healthcare sector is in the right direction to establish evidence within a context that is still maturing, has proven rather resourceful economically, and is becoming heavily reliant on imported competencies and

international partnerships (U.S – UAE Business Council, 2018). Existing alliances between the local and other international parties have often been considered marginal, invaluable, and cosmetic. They often lack cooperation and experience serious administrative challenges, mainly due to the lack of consensus on how each of the alliance parties will achieve their respective motives with the contribution of the other parties.

1.1.1 Overview of the UAE Healthcare Sector and Policy Structures

As healthcare expenditure continues to expand, it is not unusual that the United Arab Emirates (UAE) and other global economic regions are faced with one or more of challenging situations including the maturing and rising populations, the pervasiveness of chronic diseases, market growth, infrastructure enhancements, and progresses in treatment technologies (Morris et al., 2015). As these factors support growth in the healthcare sector, the UAE has faced its own share of unique challenges including over 30% and 20% of the adults being obese or diabetic respectively (U.S. International Trade Administration, 2018).

The UAE government's focus has been directed at developing a healthcare industry to cater for the growing demand. The formation of alliance healthcare is therefore among some of the most significant objectives of the government of the UAE and, as a result, the sector has witnessed advancement and considerable progress in the past four decades (Koornneef et al., 2017). This has remained evident since the early 2000s; the UAE has been keen on developing the health system (Koornneef et al., 2017). As shown in Figure 1.1, building a competitive healthcare sector is paramount to the very achievement of the UAE Vision 2021 Policy Actions on World Class Healthcare (Patel et al., 2013; UAE Government, 2019).

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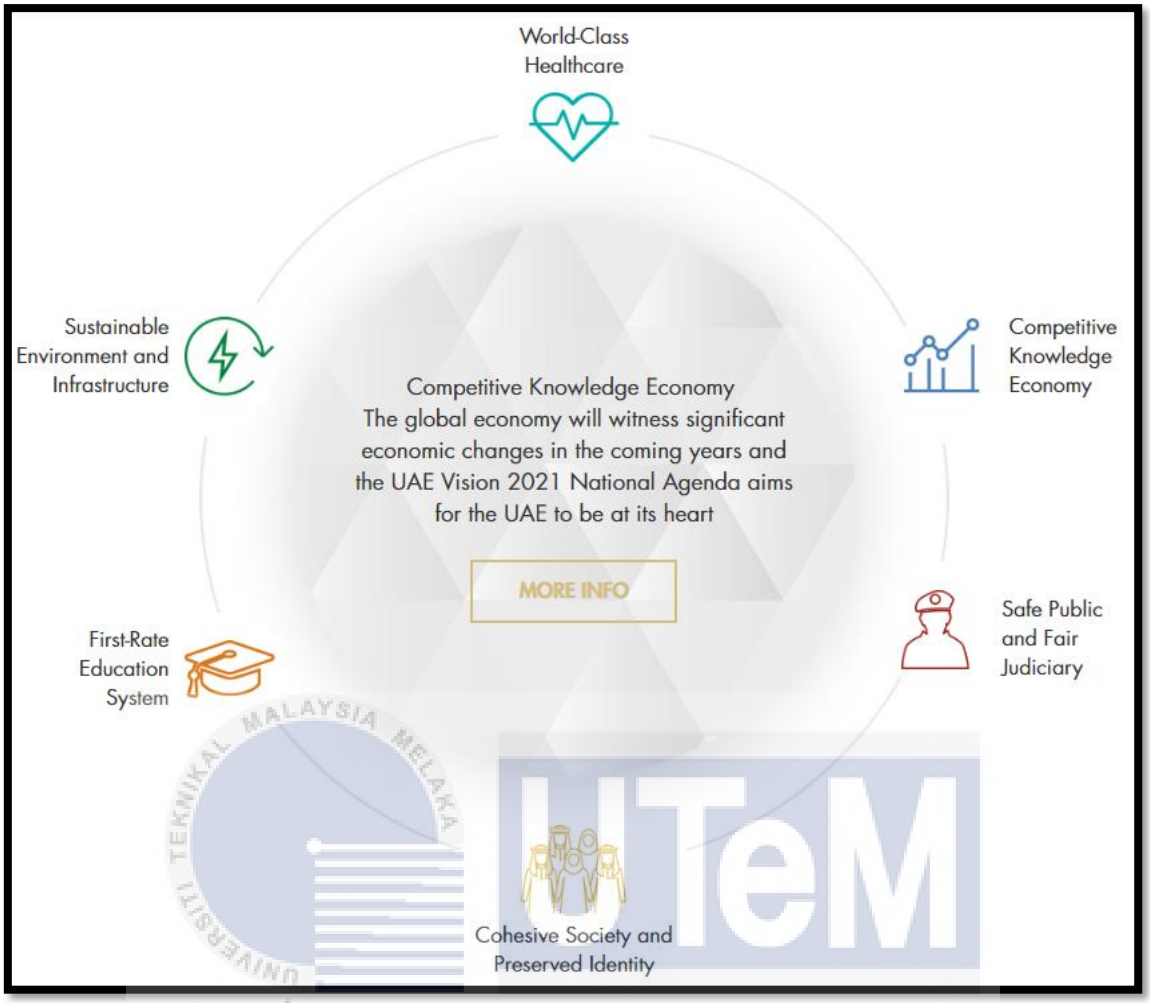

Figure 1.1: UAE Vision 2021 Sectors Source: The UAE Government Report 2019

According to BMI (2018) the UAE healthcare industry is well-established and has an active interplay of public and private investments infused to sustain expenditure over the next decades. These investments support the sector and place it as attractive, with developing opportunities in the areas of medical tourism, international healthcare partnerships and the intrusion of foreign drug makers. In an attempt to meet the rising demand, and to ensure that private healthcare organisations earn their fair share of the expanding demand due to high expatriates and tourist influx, mandatory healthcare insurance, and careful cuts in drug spending have been witnessed in the face of staggering oil and gas economy. The current growth and expected forecast of UAE are presented in Figure 1.2 below.