

# Using the Competitive Dimensions to Achieve Competitive Advantage

## A Study on Jordanian Private Hospitals

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### **Abstract**

This study aims to know, if the Jordanian private hospitals using the competitive dimensions to achieve competitive advantage, the Study populations consists of all managers at the Jordanian private hospital, were as the sample consisting of (200) managers. The simple statistical methods were used like repetitions, percentages, means, standard deviations, and multiple liner regression .The results showed that the Jordanian private hospitals used all the competition dimensions to achieve competitive advantages ,the competition dimensions :( cost, flexibility, and delivery) influencing on quality of medical services,and they don't use the competition dimensions: (cost, quality, flexibility, and delivery) at the same degree.on the light of results the researcher recommends to make more attention to used all the competition dimensions at the same level ,and introduce other and new competition dimensions to achieve more competition advantages.

**Keywords:** Competitive Advantage, Competitive Dimensions, Private Hospitals, Jordan

### **1. Introduction:**

Jordan has a great development in the field of health services, and manifestations of these developments, increased the number of hospitals in the private sector, reaching around seventy Hospitals. <sup>(1)</sup>

Because of the increased in the hospitals numbers, competition among them it also increased, trying to gain extra competitive advantage than other hospitals.

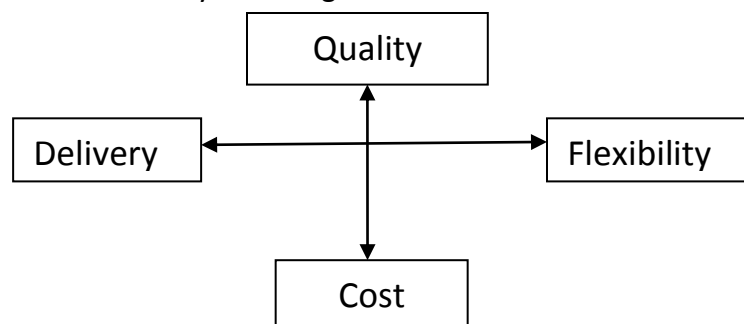
It has become noticeable that there's an increasing in the competition between private hospitals in Jordan to get one or more of competitive advantages (market share, more returns, and increase in the level of customers (patients) satisfaction on medical services provided in these hospitals).

Therefore the private hospitals trying to use any vehicle to gain one or more of the competitive advantages, so they may use competitive dimensions (cost, flexibility, delivery, and quality) taking in there consideration the level of medical services provided. <sup>(2)</sup> So this study came to see, to what extent the Jordanian private hospitals Using the Competitive Dimensions (cost, flexibility, delivery, and quality) to achieve, one or all competitive advantages: (market share, more returns, and increase in the level of customers (patients) satisfaction about the medical services provided in these hospitals), in addition to know which one of these dimensions - if used - is most widely used in the private hospitals in Jordan.

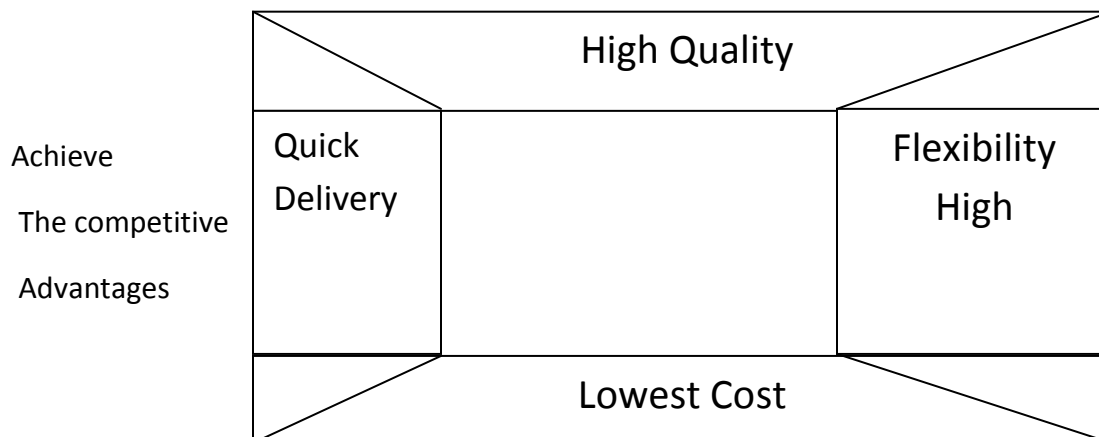
On the other hand the researcher desire to know if the (cost, flexibility, and delivery) effecting on the quality of medical services provided.

## 2. Literature Review

**2.1 The Relationship Between Competition Dimensions :** The relationship between the dimensions of competition are either cumulative, or correlation, when are high quality, they are usually coupled at a higher price and vice versa, as well as high flexibility, it is usually combined with the ability of slow delivery as the figure below: <sup>-(3)</sup>



On the other hand, when the relationship cumulative (joint) where many Systems contributed, as example, material requirement planning (MRP) increased the ability of the organizations to adopt keep competition dimensions at one time and thus became each dimension affected positively on other dimensions for example increase quality leads to low cost and high flexibility leads to quick delivery, and so on. As in the figure below: <sup>-(4)</sup>



**2.2 Competitive Advantages:** The competitive advantage considering one of the components of the organization marketing strategy which consist from a mixture of things tangible and non-tangible. Any organization can be owned a competitive advantage if it used the resources available and its capabilities in the right investment opportunities in the market. Competitive advantage means: - Organization's ability to attract customers and build prestige for the organization or its products and increase perceived value by customers and achieve their satisfaction, which is also the ability to provide variety value to the customer. <sup>(5)</sup>

The competitive advantage is not fixed, but its need continuous developing to keep in touch with the various developments, economic, political, social, and technological. <sup>(6)</sup>

**2.3 Competitive Advantages Buildings:** The process of building a competitive advantage need to offer capabilities, resources( material and human), market and customers requirements, and acknowledge about the degree of competition in the market. <sup>(7)</sup>

competitive advantage building may done through internal style building, which depends on the capabilities and resources of the organization, or external style of building, which depends basically on external environment, in this case the focus is on market opportunities and governmental legislation and regulation. Competitive advantages may be also achieved through scarce resources, and the human resources qualification, skill, and experience. <sup>(8)</sup>

**2.4 Competitive Advantages Measurement:** To measure competitive advantage it can be through the measure of the quality, which it's focused on measuring the customer satisfaction.

The degree of customer satisfaction it's the most dependent tools used by the organizations, which focuses on measuring the quality of the new product. This study concentrate on measuring the following competitive advantages: (Market share, more returns, and increase in the level of customers (patients) satisfaction on medical services). <sup>(9)</sup>

**2.5 Competitive Dimensions:** Most literatures in this subject determined different number of competition dimensions, but the adopted by the researcher in this study are four dimensions can be summarized in: (Cost, flexibility, delivery, and quality). <sup>(10)</sup>

**2.5.1 Cost, as a Competitive Dimensions:** The focus on cost reduction is the most commonly dimension used by the organizations, especially those in markets where the customers are sensitive to prices. The factors that lead to lower costs; increased experience, qualifications, and education, successful investment, initiated suitable policies for production and distribution, and the exploitation of resources available. <sup>(11)</sup>  
The organizations that have this dimension often allow to control on the market, and have the ability to outperform competitors. In addition we can say that the organizations have a competitive advantage, when the accumulated costs related to productive activities less than those of competitors. <sup>(12)</sup>

**2.5.2 Flexibility, as a Competitive Dimensions:** In the organization's ability to provide a variety and different levels in the target market through its ability to keep pace with developments in technology, and design products and services according to customer expectations. <sup>(13)</sup>

In addition to the ability of the organizations respond to the changes in the customer demand either increases or decreases. The flexibility is important dimensions for the purposes of

competition by quick responding to the customer's needs. <sup>(14)</sup>

(Karajewski and Ratzman, 2005, 65), defined flexibility as a property company's operations that enable it to respond to the needs of its customers quickly and efficiently. <sup>(15)</sup>

(Dillworth, 1996, 66) Confirms flexibility; is adjust services to respond to customers' requirements and to avoid their complaints and then to achieve high levels of customer satisfaction. In addition to that, the organization's owned a largest market share than other competitors, in order to reduce the overall costs. <sup>(16)</sup>

**2.5.3 Delivery, as a Competitive dimensions:** The speed of service and response to customer demand has become one of the factors of competitions between organizations, this is linked to the customer's willingness to pay higher cost for the services or products he\she needs in a timely. <sup>(17)</sup>

Whenever the organization was able to respond to the needs and requirements of the customer quickly and shortest time over competitors whenever Organization received a larger market share and charging higher prices for their services, at least until the arrival of competitors to the market. <sup>(18)</sup>

(Noori and Redford, 1995,53),say that the organizations can produced (product or services)faster delivery than its competitors whenever achieved a reduction in costs and managed to get a large market share, speed delivery can be measured as a time taken between receipt of customer demand and meet the needs by that request on time. <sup>(19)</sup>

**2.5.4 Quality, as a Competitive dimensions:** Services and products organizations focused on the quality of those services and products, which it's in turn, achieve the customer satisfaction and meet expectations through quality of design of the product or service in addition to the quality of the service itself. <sup>(20)</sup>

Many organizations work to achieve high quality for their services or products in order to remain and continuous working in the competition market. Uses quality as a tool for competition requires organizations to consider the quality as the entrance to satisfy customers, not just as a way to solve problems and reduce costs. <sup>(21)</sup>

Any organization can be achieve a larger market share and a high rate of returns on investment, and achieve customer satisfaction, in addition to control the prices of services provided through the provision of high quality

Service or product offered through that organization. <sup>(22)</sup>

### **3. Previous Studies :( Conclusions)**

**3.1** Studies of ((Thomas, and Gul, 2003), "getting competitive advantage for industrial hospitals,"the study concluded that the delivery as one-dimensional competitive in hospitals Industrial was the most widely used, this dimension (delivery) increased significantly the quality of medical services provided by Industrial hospitals. <sup>(23)</sup>

**3.2** Studies of (Natalia, 2010), "A conceptual framework to analyze hospital competitiveness," the study found that the dimensions of the competitiveness, quality, and delivery are the most competitive dimensions used in Portuguese hospitals to achieve competitive advantages. <sup>(24)</sup>

**3.3** Studies of (Ghanem, 2010), "the relationship between the dimensions of operations strategy and the marketing performance: A Pilot study for the managers opinions in the state

company for the drugs industry and medical appliances in Nineveh".The study conclude that there's a strong relationship between the level of performance of pharmaceutical companies in the city of Nineveh and the use of competitiveness dimensions.<sup>(25)</sup>

**3.4** Studies of (Nadim, 2011)," Pro-activity in NPD as competitive environment A study on services organizations industry of Pakistan ".The study showed that the use of competitive dimensions by the services organizations in Pakistan lead to increased the competitive advantages of these organizations.<sup>(26)</sup>

**3.5** Studies of (Agha, and others, 2012): "effect of core competence on competitive Advantage and organizational performance ".the study found a strong correlation between the used of competitive dimensions and the increased of the level of performance of those organizations.<sup>(27)</sup>

**3.6** Studies of (Rousan, Mahmoud, 1997): "the relationship between competitive advantage and strategic option on export performance - an analytical study of the views of a sample of managers working in some pharmaceutical companies Jordanian) " the study found that the cost as competitive dimension is the most widely used and focused by leaders in Jordanian pharmaceutical companies, which its seeking to achieve competitive advantage by focusing also on quality.<sup>(28)</sup>

**3.7** Studies of (David, 2007): "an economic model of competition between general hospitals and physicians-owned specialty facilities "the study shows that the cost and delivery of the medical services are the most competitive factors used by both hospitals.<sup>(29)</sup>

**4. Study Objectives:** The objectives of the study are:

- To answer the questions of the study, whether the Jordanian private hospitals used competition dimensions - (cost, quality, flexibility, and delivery) to achieve competitive advantages (market share, more returns, and increase in the level of customers (patients) satisfaction about the medical services provided in these hospitals).

- To know if there's an impact of the use of competitive dimensions (cost, flexibility, and delivery) - if used - on the quality of health services provided in the Jordanian private hospitals.

- To know which one of these competitive dimensions is most widely used in the private hospitals in Jordan.

- Providing a theoretical framework and Make appropriate recommendations in the light of the findings about the dimensions competitive uses to achieve competitive advantages.

**5. The Problem and Importance of the study:** The Importance of the study could be determined by the following:

- The study will help to identify and understand if the Jordanian private hospitals used competition dimensions (all or one ) - to achieve competitive advantages ,which helps in addressing and correcting weaknesses, and supporting strengths in used of those

dimensions- if were used -, and which one is most widely used to achieve the competitive advantages.

- Knowledge about the impact of the use of competitive dimensions (cost, flexibility, and delivery) on the quality of health services provided.
- This study is considered one of the first studies that investigate this subject at the Jordanian private hospitals.

## 6. Study's hypothesis:

### 6.1 First hypothesis:

H0: the Jordanian private hospitals don't use the competition dimensions- all or one - (cost, quality, flexibility, and delivery) to achieve competitive advantages (market share, more returns, and increase the level of customers (patients) satisfaction on medical services provided).

H1: the Jordanian private hospitals use the competition dimensions- all or one - (cost, quality, flexibility, and delivery) to achieve competitive advantages (market share, more returns, and increase the level of customers (patients) satisfaction on medical services provided)

### 6.2 Second hypothesis:

H0: competition dimensions :( cost, flexibility, and delivery) has no significance influence on quality of medical services provided.

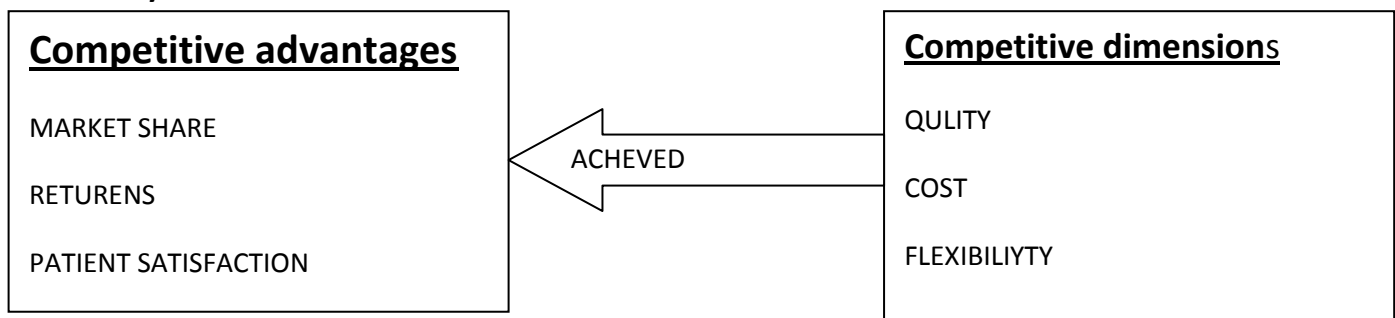
H1: competition dimensions: (cost, flexibility, and delivery) has appositive significance influence on quality of medical services provided.

### 6.3 Third Hypothesis:

H0: the Jordanian private hospitals don't use the competition dimensions: (cost, quality, flexibility, and delivery) at the same degree.

H1: the Jordanian private hospitals use the competition dimensions :( cost, quality, flexibility, and delivery) at the same degree.

## 7. Study model



## **8. Methods and Procedures:**

**8.1 Study's Methodology:** Statistical descriptive method was used to cover the theoretical frame of this study, while the analytical method was used to cover the study's practical side.

**8.2 Study's Population and Sample:** Study's population consists of managers at the Jordanian private hospital, since a questionnaire will be distributed a sample consisting of (200) managers.

**8.3 Data Collection Methods:** The main instrument of this study relays on the questionnaire.

**8.4 Study's Instrument:** A study instrument was developed in the front of a questionnaire after reviewing previous studies in the field of the study.

It consisted of two parts:

- 1) Preliminary data including (Age, Gender, social status.....).
- 2) Measuring the competition dimensions: (cost, quality, flexibility, and delivery) at the Jordanian private hospitals.

This part was designed according to likart scale, and consists of (25) clauses with the answers (strongly disagree, disagree, don't know, agree, strongly agree,) given the weights (1, 2, 3, 4, 5).

**8.5 Internal Consistency between the Measures Clauses:** Grynback Alpha confections were obtained for internal consistency between the clauses attitudes scale, as Grynback coefficients reached 88.3%, and it is a high value that indicates to the study's instrument constancy.

**8.6 Statistical Methods Used:** Statistical methods that fit the study's variables were used and questioned; simple statistical methods were used like repetitions, percentages, arithmetical means, and standard deviations. Also multiple liner regression, were used.

**8.7 Study Determinants:** The study measuring the used of the competition dimensions: (cost, quality, flexibility, and delivery) by the Jordanian private hospitals), the representatives hospitals from all the Jordanian private hospital (around 70 hospitals) are four hospitals:

Ibin Al-Hytham, Al-Israa Hospital, Jordan Hospital, Istaklal Hospital, Specialty hospital.

## **9. Results and. Testing Study's Hypothesis**

**Table No. (1):-** It appears from this table that the Study sample are male (55%) while the female reached (45%). It's seen that the greater percentage is (44%) for those whose age between (41-50) years old, but the highest percentage (83%) from the study sample were married. It is noticed that the higher percentage (48%) of the sample whom has (6-10) years experience. The higher percentage was (50%) for those holding Bachelor degree.

**Table No (2):-** It is seen the (T) results for Multi liner regression with statistical significance at level ( $\alpha \leq 0.05$ ), the calculated (T) value reached (8.12), the (t) indexed value (1.68), the rules says when the value of (t) calculated greater than (t) indexed, which means the alternative hypothesis is accepted, the Jordanian private hospitals used the competitive dimensions to

achieve competitive advantages ,on the other hand the value of (f)calculated(45.4),and the value of (f)indexed(4.08) which lead to the same result to accept the alternative hypothesis the Jordanian private hospitals used the competitive dimensions to achieve competitive advantages.

**Table No (3):-**shows the multi liner regressions for each competitive dimensions, it seen that all (f)calculated value are greater than (f)indexed value ,which it confirmed the previous result on table no.(2) ,the Jordanian private hospitals used the competitive dimensions to achieve competitive advantages .

**Table No (4):-**It is shows the (f) calculated results of multi liner regressions with statistical significance at level ( $\alpha \leq 0.05$ ) ,for the cost(2.88),flexibility (4.21), and delivery(5.11),which are greater than the (f)indexed value(1.96), and at the same time all the sig. value for the cost(0.011),flexibility (0.003), and delivery(0.000), is less than (0.05). Which mean accepted the alternative hypothesis, competition dimensions: (cost, flexibility, and delivery) has apposite significance influence on quality of medical services provided.

**Table No (5):-** explains the means and standard deviations for the competitive dimensions, it is noticed that the mean for the cost(4.65),quality(4.40),flexibility (3.19), and delivery(3.09), so, according to the mean value the highest is the most used competitive dimensions by the Jordanian private hospitals, so we accept the null hypothesis ,the Jordanian private hospitals don't use the competition dimensions: (cost, quality, flexibility, and delivery) at the same degree.

## **10. Conclusions (results) and Recommendations**

### **10.1 Results of this study showed the following:**

- 1) The Jordanian private hospitals used all the competition dimensions (cost, quality, flexibility, and delivery) to achieve competitive advantages (market share, more returns, and increase the level of customers (patients) satisfaction on medical services provided).
- 2) The study shows that the competition dimensions :( cost, flexibility, and delivery) influencing on quality of medical services provided by the Jordanian private hospitals.
- 3) The Jordanian private hospitals don't use the competition dimensions: (cost, quality, flexibility, and delivery) at the same degree.
- 4) The Jordanian private hospitals used the competition dimensions as the following: - Cost- First, Quality- second, Flexibility- third, and Delivery –fourth.

### **10.2 The study Recommendation**

On the light of the study results the researcher recommends the following:

- 1) More attention to used all the competition dimensions at the same level (of course higher level).



2) Introduce other and new competition dimensions to achieve more competition advantages.

3) More work and more training to arise the importance of competition dimension to achieve competition advantages.

<b>Job</b>	<b>Number</b>	<b>Percentage</b>	<b>Total</b>
Manager	28	14%	
Assistant manager	32	16%	
Head section	58	29%	
Supervisor	82	41%	
			200(100%)
<b>Gender</b>			
Male	110	55%	
Female	90	45%	
			200(100%)
<b>Age</b>			
Less than 30 years	28	14%	
31-40years	72	36%	
41-50 years	89	44%	
51-60 years	11	6%	
			200(100%)
<b>Social Status</b>			
Married	165	<b>83%</b>	
Single	25	<b>13%</b>	
Divorced / Widowed	10	<b>4%</b>	
			200(100%)
<b>Experience</b>			
Less than a year	2	<b>1%</b>	

1-5 Years	13	<b>7%</b>	
6-10 Years	95	<b>48%</b>	
11-15 year	80	<b>40%</b>	
16 years and more	10	<b>4%</b>	
<b>Scientific Qualification</b>			
Diploma or less	5	<b>2%</b>	
BA/ Bachelor	100	<b>50%</b>	
MA/ Master	15	<b>8%</b>	
PhD\ Medical board	80	<b>40%</b>	
			200(100%)

Table (1) Show General Characteristics of the study sample Individual

<b>(t) value (t)calculated</b>	<b>R2</b>	<b>(F) value (f)calculated</b>	<b>D. OF FREEDOU M</b>	<b>ALPHA</b>
8.12	r.seq .67	45.4	1.46	Alpha .05
(t) value indexed	-	(F) value indexed		
1.68	-	4.08		

Table No (2) Test results for multi linear regression for the first hypotheses

<b>C. Dimensions</b>	<b>Value (f) indexed d.f(11.63) alpha 0.05</b>	<b>Value (f) calculated</b>	<b>Sig. (p)</b>	<b>Result</b>
Cost	1.960	3.9	0.000	Ha Acceptance
Quality	1.960	4.08	0.002	
Flexibility	1.960	3.88	0.026	
Delivery	1.960	4,01	0.014	

Table No (3):-Test results for all(separated) the competitive dimension multi linear regression test

<b>C. Dimensions</b>	<b>Value (f) indexed d.f(4.70) alpha 0.05</b>	<b>Value (f) calculated</b>	<b>Sig.</b>
Cost	2.55	2.88	0.011
Flexibility	2.55	4.21	0.003
Delivery	2.55	5,11	0.000

Table no. (4) Multi linier regression analysis for the second hypothesis

<b>Com. dimension</b>	<b>Mean</b>	<b>Std. deviation</b>	<b>Used priority</b>
Cost	4.65	0.7675	First
Quality	4.40	0.7123	second
Flexibility	3.19	0.8342	third
Delivery	3.09	0.9633	fourth

Table no (5) the result for the third hypotheses

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