STRATEGIC RESILIENCE AND COMPETITIVE EDGE IN DURBAN'S HEALTHCARE: NAVIGATING THROUGH PANDEMIC DISRUPTIONS

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Abstract

This study investigates the strategic response of Durban’s healthcare industry to the COVID-19 pandemic, focusing on the development of innovative strategies that could provide a competitive advantage. Through a robust mixed-methods approach combining literature review and empirical analysis, the research identifies key adaptive strategies employed by healthcare organisations, such as strategic partnerships, digital transformation, and supply chain resilience. The findings reveal the critical role of agile strategic planning in navigating the unprecedented challenges posed by the pandemic, contributing to the body of knowledge by demonstrating the practical application of strategic management theories in crisis conditions. This study underscores the importance of flexibility, innovation, and stakeholder collaboration in crafting strategies that not only address immediate challenges but also position organizations for post-crisis resilience and growth.

Keywords

Adaptive Strategies, Competitive Advantage, COVID-19, Healthcare Industry, Strategic Formulation

JEL Classification

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L22 Firm Organization and Market Structure
M10 Business Administration: General
O32 Management of Technological Innovation and R&D

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Introduction

In the complex and fast-paced world of healthcare, the formulation of strategic initiatives is not merely advantageous but essential for organizational success. The process of crafting a well-considered strategy is critical for navigating the multifaceted and ever-evolving healthcare sector. Such strategic planning acts as a beacon, steering organizations towards the establishment of clear goals, the judicious allocation of resources, and the agility needed to adapt to the sector's dynamic shifts. The essence of strategy formulation in healthcare transcends routine planning; it forms the cornerstone of enhancing patient care quality, streamlining operational processes, adhering to regulatory mandates, and driving innovation. Within the intricate web of healthcare, where every decision can significantly impact human lives, a well-crafted strategy is more than a lever for competitive advantage—it becomes a moral obligation. It provides a comprehensive roadmap that not only aims at financial resilience but also emphasizes the paramount importance of patient well-being, community health, and the adoption of sustainable healthcare practices. The role of strategic planning in healthcare is pivotal as it sketches a path for organizations to flourish even in the face of adversity, enabling them to harness emerging opportunities. Strategy formulation is an ongoing, iterative process that involves a broad spectrum of stakeholders including management teams, healthcare professionals, patients, business partners, regulatory bodies, and the community at large. This collaborative approach ensures that the strategies are comprehensive, addressing the multifaceted challenges and opportunities within the healthcare environment, thereby fostering a culture of continuous improvement and innovation. This strategic groundwork is indispensable for healthcare providers to navigate the complexities of the sector, deliver cost-effective and high-quality care, and secure a competitive edge in the marketplace. The advent of the COVID-19 pandemic has cast a spotlight on the critical nature of strategic agility within Durban's healthcare sector. Faced with unparalleled challenges such as the exponential increase in patient numbers, shortages in medical supplies, evolving regulatory landscapes, and the pressing need for operational pivots to meet emerging health demands, the sector's strategic framework has been put to the test. In response, healthcare entities in Durban have been compelled to rethink and recalibrate their strategies to tackle these hurdles effectively, ensuring the continuity and quality of patient care. The crisis has necessitated a reevaluation of priorities, with a significant emphasis on safeguarding the health and safety of both patients and healthcare workers, while also maintaining operational efficacy. The strategic responses have encompassed a wide array of initiatives, from optimizing resource distribution and enhancing capacity planning to fostering effective communication with key stakeholders. Moreover, the rapid adoption of telehealth solutions and the strengthening of infection prevention protocols highlight the sector's proactive and innovative approach to crisis management. These strategic adaptations not only underscore the sector's resilience but also set a precedent for navigating future healthcare challenges with foresight and agility.

Methodology

This study adopted a pragmatic research paradigm to guide its mixed methods methodology. Pragmatism, characterized by methodological pluralism (Borrego, Douglas & Amelink, 2020), allows for the flexible use of quantitative and qualitative research methods based on the specific research questions and the nature of the phenomenon under investigation. In this case, employing both positivist and interpretivist paradigms provided complementary insights and a more comprehensive understanding of how COVID-19 influenced strategy formulation for sustainable competitive advantage among select healthcare companies in Durban. Interpretivism, a philosophical approach prevalent in qualitative research (Newman & Gough, 2020), emphasizes understanding and interpreting human behaviour, experiences, and social phenomena within their natural and social contexts. Recognizing the complexity of individuals and their interactions, interpretivism rejects the reduction of human
experience to objective laws or universal generalizations (Newman & Gough, 2020). In this study, interpretivism aided in soliciting diverse interpretations of research questions related to participant perceptions of factors influencing strategy formulation and the specific strategies adopted by healthcare companies in response to COVID-19. The choice of interpretivism stemmed from the anticipated variety of subjective meanings and interpretations surrounding these questions, given the inherent complexity of stakeholder perspectives and the dynamic nature of the pandemic context. The research also incorporated positivism, a philosophical approach common in quantitative research that emphasizes empirical evidence, objectivity, and the scientific method (Vasileiou, Barnett & Thorpe, 2018). Positivists argue that social phenomena can be objectively observed, measured, and analysed using rigorous scientific principles, assuming the existence of independent realities that can be studied beyond individual interpretations (Vasileiou et al., 2018). This paradigm was applied to research questions examining the causal relationship between COVID-19 and strategy formulation, as well as the subsequent impact of these strategies on sustainable competitive advantage. Data for this study was collected through a self-administered online survey and a standardized open-ended interview guide. Quantitative data was analysed using inferential and descriptive statistical methods, while qualitative data underwent thematic analysis.

Results

Presentation and analysis of strategies adopted by healthcare companies in Durban during COVID-19. Both quantitative survey research findings and qualitative interview findings suggested that most healthcare companies adopted several strategies such as strategic collaboration and partnerships, human resources optimisation and redesignation of business operating models. The findings from both quantitative survey research findings and qualitative interview indicated that companies resorted to collaborating and forming supplier partnership agreements as a strategy of ensuring and steady supplies of inventory to mitigate the negative effects of supplier disruption brought about by the Covid-19 pandemic. This finding illustrates how the company responded strategically to the supply chain disruptions caused by COVID-19. By prioritizing deliveries, securing long-term supply agreements, and paying priority fees, the company aimed to ensure a steady and reliable source of products, attract more customers, and gain a competitive edge in a challenging business environment. The study findings indicates that healthcare companies adopted a strategy of collaborating with well-established overseas suppliers from countries such as India, Singapore, China, Europe and others for technical assistance in building up technological capabilities for online trading, digitalised business and service process transformation as strategies for gaining competitive. Healthcare companies adopted a strategy of collaboration, offering equity, preferential procurement, and various inducements to encourage global competitors to share their knowledge and skills. This approach was seen as a way to strengthen their own capabilities and stay competitive in an increasingly digital and globalised business environment. Also healthcare companies also adopted the strategy of collaborating with industry players to join in the advocacy for relaxing some of the covid-19 policies and regulations to allow for smooth functioning of their business especially for the movement of healthcare products. Covid-19 restrictions forced some healthcare companies to introduce flexible working conditions such as remote working or working from home and provision of feedback using virtual channels as a strategy to minimise travel, and physical contact thereby also ensuring the safety of staff and customer alike. This meant that some categories of employees were allowed to work from home during the time that the covid-19 pandemic was intensifying and affecting large numbers of people. Healthcare companies resorted to retraining staff during times so as to facilitate easy migration to digitised health services which was becoming more dominant during the Covid-19. Healthcare companies adopted the strategy of accelerated transformation towards digitalisation of their business models and ensured that all business processes
were transferred to digital platforms to help enhance customer convenience and experience and to also help cut costs associated with brick mortar businesses. The COVID-19 pandemic served as a driving force (impetus) for change in the business models of the company. The challenges posed by the pandemic, such as restrictions on physical movement and face-to-face interactions, necessitated a re-evaluation of how business was conducted. Also healthcare companies adopted a strategic approach. They leveraged information technology services, online channels, and high-quality product offerings to differentiate themselves and gain a competitive advantage. This strategy was driven by a commitment to enhancing the customer experience and delivering innovative, high-value healthcare solutions.

4.2 Factors influencing the formulation of these strategies for competitive advantage.

There was greater convergence between quantitative survey research findings and qualitative interview findings. Both quantitative survey research findings and qualitative interview findings suggest that social distancing regulations have had a substantial influence on the strategy formulation of healthcare companies in Durban. These regulations prompted healthcare organizations to adapt their strategies to ensure patient care and safety while complying with governmental guidelines. The findings also revealed that technological also influenced strategy formulation for sustained competitive advantage of selected healthcare companies in Durban. A key area of convergence between both quantitative survey research findings and qualitative interview results pertains to the influence of technology on strategy formulation whereas quantitative survey results showed that an overwhelming majority of respondents highlighted that Covid-19 regulations influenced strategy formulation interview results also highlighted that the regulations influenced company management to optimise their websites and SEO as a precautionary measure to divert transaction online and to increase online traffic and search queries as a measure to help assist customers to get all the information they needed to do business with healthcare companies in a restricted environment. Thus technological changes have been instrumental in helping organisations adapt to the challenges posed by the pandemic, enhancing their ability to deliver healthcare services, and ensuring patient safety. Both quantitative survey research findings and qualitative interview findings highlighted that restrictions on people movement necessitated that companies develop new technologies meant to ensure that they continue to conduct their businesses within the confines of the Covid-19 environment. The finding from the survey also indicated that though most people supported and appreciated the enforcement of sanitisation regulations, there were also some challenges and barriers to achieving full compliance and acceptance among all segments of society. However regarding enforcement of stay at home regulations, quantitative research results indicated that they were not a significant influencing factor for the strategy formulation by healthcare companies in Durban leading to failure to reject the null hypothesis that there is no association between the Covid-19 stay at home regulations and the strategy formulation by healthcare companies in Durban. Whereas interview research results indicated that stay at home regulations played a key role in influencing strategy formulation.
Whereas the quantitative research finding indicated that competitor innovation during Covid-19 were not a significant influencing factor for the strategy formulation by healthcare companies in Durban, by virtue of the fact the p-value of the chi-squared test was 0.910, which was greater than the common significance level of 0.05, qualitative interview results showed that the threat posed by competitor innovations greatly influenced strategy formulation. This demonstrates differences between perceptions by non-managerial staff and managerial staff. This meant that the study failed to reject the null hypothesis that there is no association between the competitor innovation during Covid-19 and the strategy formulation by healthcare companies in Durban. The study findings also revealed that the majority of the respondents generally agreed that changes in the operating environment had an influence on strategy formulation by healthcare companies in Durban. A key outstanding finding from both quantitative survey research findings and qualitative interviews was that COVID-19 presented opportunities that influenced their strategy formulation demonstrating that that healthcare companies in Durban had been proactive in identifying and capitalising on opportunities that arose during the pandemic.

The research findings highlight several key strategies adopted by healthcare companies during the COVID-19 pandemic notably the notion of strategic collaboration and partnerships. In an attempt to mitigate disruptions, companies formed partnerships with established suppliers, prioritized deliveries, and secured long-term agreements. This ensured steady supply, attracted customers, and provided a competitive edge (Ponnusamy (2021); Song & Lee (2020); Kuckertz et al. (2020:187)). Furthermore collaboration with established overseas suppliers enabled access to technical expertise for online trading, digitalization, and business process transformation. This strengthened competitiveness in a globalised and digital healthcare landscape. Additionally collaborative lobbying with industry players aimed to relax COVID-19 restrictions and facilitate the smooth movement of healthcare products (George et al. (2020:31); Walker et al. (2020:228)). To ensure staff and customer safety, companies introduced flexible work arrangements like remote work and virtual feedback channels (Rodriguez-Antón et al., (2020); Barro (2020)). Retraining programs equipped employees to adapt to the rapidly growing demand for digitised health services (Xu et al. (2020:149); Siyal et al. (2019:4); Amesho et al. (2021).

The pandemic served as a catalyst for accelerating business model digitalization, moving all processes to online platforms to enhance customer convenience, experience, and cost efficiency (Dodgson, Ash, Andrews & Philips, 2021).

By leveraging and utilising information technology, online channels, and high-quality product offerings allowed companies to differentiate themselves and gain a competitive advantage. This strategy focused on enhancing customer experience and delivering innovative healthcare solutions (Xu et al. (2020); Bestsennyy et al., (2021)).

These findings have several implications for healthcare companies. For instance the COVID-19 pandemic acted as a significant force for change in the healthcare industry, pushing companies towards collaborative, proactive, and technology-driven approaches. Also strategic partnerships, supply chain resilience, digitalisation, and a focus on customer experience emerged as key success factors in the new business environment. The adaptability and agility demonstrated by healthcare companies offer valuable lessons for navigating future disruptions and remaining competitive in an evolving healthcare landscape.
The research highlights several key points about the impact of COVID-19 on healthcare companies’ strategy formulation in Durban. Both quantitative and qualitative data (surveys and interviews) converged on the significant influence of social distancing regulations, technology, and changing operating environments on strategy formulation. This strengthens the overall validity of the findings.

Key Influences on strategy included social distancing regulations, technology and changing operating environment. Social Distancing Regulations prompted adaptations to ensure patient care and safety while following guidelines. Companies optimized websites and SEO to manage online traffic and information access whilst technological advancements helped companies adapt, deliver services, and ensure patient safety. New technology development was crucial for functioning within COVID-19 restrictions. Healthcare companies generally agreed that environmental changes influenced their strategy formulation.

Both quantitative and qualitative data revealed that companies identified and capitalized on opportunities arising during the pandemic. This proactive approach demonstrates resilience and adaptability.

However there were points of divergence regarding some factors that influenced strategy formulation. With respect to Stay-at-home Regulations, Quantitative data showed no significant association with strategy formulation, while qualitative data suggested otherwise. This may reflect differences in perception between managerial and non-managerial staff. As regards to competitor innovation, quantitative data showed no significant association with strategy formulation, while qualitative data suggested it influenced company strategies. This again highlighted potential perception differences between managerial and non-managerial levels.

These findings have several implications for healthcare companies. For example the COVID-19 significantly impacted healthcare companies’ strategies in Durban, forcing adaptation and innovation. Technology also played a vital role in enabling adaptation and service delivery during the pandemic. It is also important to note that companies identified and capitalised on opportunities arising from the pandemic, demonstrating resilience. Furthermore differences in perceptions between managerial and non-managerial staff were identified regarding factors influencing strategy formulation.

Further Research is therefore needed to investigate the reasons behind the divergence in perceptions regarding stay-at-home regulations and competitor innovation, Explore the specific opportunities identified and capitalised upon by healthcare companies during the pandemic and to analyze the long-term impacts of these strategic shifts on the healthcare landscape in Durban. By understanding these implications and pursuing further research, managers can gain valuable insights into how healthcare organizations can adapt and thrive in the face of future challenges.

**4.3 Effectiveness of Strategies for Future Crisis Periods**

Based on the provided information, this section assesses the effectiveness of several strategies adopted by healthcare companies during COVID-19 for potentially adapting to future crisis periods. Effective strategies for future crises includes strategic collaboration and partnerships, flexible workforce, digital transformation and a customer-centric approach.
Strategic collaboration and partnerships fosters resilience through supply chain stability, knowledge\ntransfer, advocacy and policy influence. Partnering with reliable suppliers and securing long-term\nagreements mitigates disruption risks. This is valuable for any crisis affecting resource acquisition.\nCollaboration with established players in areas like digitalization empowers companies to adapt and\nstay competitive. This approach can be effective in acquiring new skills and technologies relevant to\nfuture crises. Furthermore collaboration with industry peers to influence regulations can ease business\ncontinuity during crises. This strategy holds potential for adapting to future policies impacting\nhealthcare operations.

Remote working and virtual communication proved effective in maintaining operations while ensuring\nsafety. This adaptability can prove valuable in future crises requiring similar measures. The accelerated\nshift towards digital platforms enhanced customer convenience, reduces costs, and improved service\ndelivery. This is a future-proof strategy applicable to various crisis scenarios. A customer-centric\napproach is crucial for leveraging technology and high-quality offerings to differentiate and improve\ncustomer experience remains crucial for competitive advantage in any crisis or non-crisis period.

4.4 Strategies with considerations for future adaptability

While retraining for digitized health services was effective during COVID-19, the specific skills may not\nbe directly applicable to future crises. Analysing future potential disruptions and tailoring training\naccordingly would be crucial. While the study’s findings were inconclusive, monitoring and adapting to\ncompetitor innovations remains important during any crisis to maintain competitiveness.

4.5 Additional Considerations for Future Crises

Different crises may require adjustments to these strategies. Analysing the nature of the crisis and\ntailoring responses accordingly is key. Strategies like digital transformation might need adjustments\ndepending on the scale and duration of the crisis. Ensuring resource availability and long-term\nsustainability is crucial. Also the ability to learn from previous experiences and adapt strategies based\non evolving situations is critical for effective crisis management.

In conclusion, healthcare companies' strategies during COVID-19 offer valuable insights for future crisis\npreparedness. By focusing on collaboration, flexibility, digitalisation, customer-centricity, and\ncontinuous learning, healthcare organisations can build resilience and maintain competitive advantage\nin the face of unforeseen challenges. It is also important to remember that specific adaptation and\ntailoring of these strategies are crucial for optimal effectiveness in different crisis scenarios.

Recommendations for strategic improvements or adaptations post-covid-19 pandemic

Based on the provided information, several key areas offer opportunities for strategic improvement\nand adaptation in the post-COVID-19 landscape. Healthcare companies need to expand their supplier\nnetwork beyond single countries or regions to mitigate future disruption risks. The companies should\nsecure reliable partnerships with key suppliers through long-term agreements and strategic\ninvestment. Healthcare should also consider implementing data-driven inventory management\nsystems to optimise stock levels and minimise potential shortages. It is further recommended that\nhealthcare companies should leverage data and analytics to inform strategic decisions and ensure\nevidence-based practices in a continuously evolving healthcare environment.
Apart from implementing data driven inventory management systems and leveraging data analytics, there is need for healthcare companies to maintain the momentum of digitalisation by investing in new technologies and improving existing platforms is crucial as it helps to enhance continuous innovation. This strategy must be strengthened by the provision of ongoing training and support to employees to adapt to evolving digital tools and processes. Further to this, the government should continuously assess and update employee skills to ensure adaptability to future changes in healthcare delivery and technology. Industry-wide cooperation is also recommended. Healthcare companies can also do well if they continue partnerships with technology and innovation leaders to learn best practices and accelerate digital transformation. This strategy can be complemented by exploring strategic partnerships with educational institutions to attract and retain skilled professionals for the digital healthcare workforce.

Healthcare companies should develop robust scenario planning strategies to anticipate and prepare for potential future disruptions and crises complemented by a strategy of fostering a culture of agility and continuous improvement within the organisation to adapt quickly to changing healthcare landscapes.

By focusing on these areas, healthcare companies can build upon the lessons learned during the COVID-19 pandemic and thrive in the post-pandemic world. In essence successful adaptation requires ongoing analysis of evolving healthcare needs, technology advancements, and market trends. It’s also important to note that the specific recommendations might need to be customised depending on the size, focus, and resources of each healthcare company.

**Conclusion and discussion details**

The COVID-19 pandemic served as a potent catalyst for strategic change in Durban's healthcare sector, revealing key findings with significant implications for future planning. Strong supplier partnerships, long-term agreements, and diversified sourcing proved crucial in mitigating disruption risks. These strategies should be enshrined in future supply chain planning. International partnerships with established tech and healthcare players for digital transformation and skill acquisition fostered competitiveness. Continued collaboration beyond the pandemic remains essential. Collaboration with industry peers to influence regulations impacting healthcare operations is a valuable tool for ensuring smooth functioning and adapting to future policy changes.

The pandemic forced a rapid shift towards digital platforms, enhancing customer convenience and reducing costs. This momentum should be maintained, with continuous investment in technology innovation and cyber security. It can also be concluded that optimizing and expanding telehealth services is crucial for improving patient access and convenience, ensuring post-pandemic sustainability.

Leveraging data analytics to understand patient needs and personalise healthcare experiences will be key to delivering high-value solutions and differentiating in a competitive market. The article also concludes that implementing a hybrid work model fosters employee well-being and productivity while attracting talent. This model should be considered for long-term implementation. Reskilling and upskilling programs must be prioritized to ensure the workforce adapts to future changes in technology and healthcare delivery. Cultivating a culture of organizational agility and continuous improvement will enable quicker responses to evolving threats and opportunities in the healthcare landscape.
These findings highlight the importance of building a future-proof healthcare sector in Durban. Strategic planning should focus on. For example building robust supply chains, diversifying and strengthening partnerships, and fostering proactive adaptation to navigate future disruptions. By capitalising on these lessons and proactively embracing change, Durban's healthcare sector can emerge from the pandemic stronger, more resilient, and better equipped to deliver high-quality, accessible healthcare for its citizens in the years to come. This study revealed significant convergence between quantitative and qualitative data regarding the factors influencing healthcare companies' strategy formulation in Durban during the COVID-19 pandemic. Social distancing regulations and technological advancements emerged as key drivers of strategic adaptation. Social distancing regulations prompted organizations to prioritize patient care and safety while complying with guidelines. This resulted in website optimization, increased online traffic, and the development of new technologies to facilitate business within pandemic restrictions. Technological shifts played a crucial role in adapting to challenges, enhancing service delivery, and ensuring patient safety. Companies leveraged technology for online transactions, information access, and new service delivery models.

Despite convergence, some divergences in findings offer valuable insights. Quantitative data showed no significant association with strategy formulation, while qualitative data suggested otherwise. This highlights potential differences in perception between managerial and non-managerial staff, requiring further investigation. Similar to stay-at-home regulations, quantitative data didn’t show a significant association, while qualitative data indicated its influence. This underscores the importance of considering diverse perspectives within organisations during strategic planning. Importantly, the study revealed that healthcare companies in Durban were proactive in identifying and capitalizing on opportunities arising during the pandemic. This highlights the resilience and adaptability of the sector.

References


