Marketing Strategy and Organisational Strategy: A Study of Regional Private Hospitals

A dissertation submitted by

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Abstract

This study has focused on marketing strategy and organisational strategy in the context of regional private hospitals located in southern Queensland and northern New South Wales. It expands on the body of knowledge by formulating propositions that examine the relationship between marketing strategy and organisational strategy.

By employing theoretical concepts of marketing strategy and organisational strategy, the study set out to answer the research question: How does marketing strategy influence organisational strategy in regional private hospitals? The results showed that an influential relationship between marketing strategy and organisational strategy does exist, that this influence derives from several concepts related to both strategy types, and that the interactions among these concepts are both complex and diverse.

The research methodology used in this research consisted of a qualitative approach through case study research. Eight case studies were conducted on regional private hospitals — four in Queensland and four in New South Wales. Data were collected through semi-structured interviews with the strategic decision makers from each organisation. These decision makers consisted of the Chief Executive Officers, Directors of Nursing, administration and finance staff, and professional medical staff. The data collected were analysed using the qualitative analysis program Leximancer supported by additional content analysis.

In the health care settings studied, influencing concepts were found to include the desire to provide quality health services, the role of the Director of Nursing in the organisation, strategic orientation perspectives held by staff at different levels in the organisation, patient management systems, and the formation and maintenance of positive relationships with key stakeholders through strategy communication.

In terms of marketing strategy, the concepts that were most influential included word-of-mouth communication, doctor recruitment, community awareness, communication of services and organisation existence, positive reputation, medical specialty strategies, doctor relationships and retention, GP support, patients, private health insurance and government policy on private hospitals.

This study found that strategy communication plays a particularly large role in the marketing strategy of regional private hospitals and includes both external strategy communication (physician and community relationships) and internal strategy communication (employee relationships).

An exploration of a strategic orientation continuum and its application in health care was conducted during the course of this research. Findings indicated that when marketing strategy and organisational strategy are related to the strategic orientation continuum, CEOs and other strategic decision makers showed uncertainty and indecisiveness about various organisational characteristics.

Certification of Dissertation

I certify that the ideas, experimental work, results, analyses, software and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that the work is original and has not been previously submitted for any other award, except where otherwise acknowledged.

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Signature of Candidate Date

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Signature of Supervisor Date

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Signature of Supervisor Date

Publications and Proceedings Arising From This Dissertation

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Chapter 1 Introduction

There is a gap in the health care research in terms of not only the roles of marketing strategy, organisational strategy and organisational performance but also the interrelationships among these concepts. While there is research about organisational strategy within the context of the health care industry, there is, in contrast, research on marketing strategy and its use within health care organisations. Even here, however, the concepts that influence these strategies (such as environment, implementation, and evaluation and control) have not been addressed in research to date. An additional reservation for Australian health care is that most research studies have been based on the United States health care system.

This introductory chapter provides a background to the research reported in this dissertation and states the research problem addressed. A justification for the research is then provided in the context of both theoretical and practical considerations. A dissertation outline and the definitions of key concepts are also provided in this first chapter, which concludes by outlining the scope of the research and summarising key points made throughout the chapter.

1.1 Background to research

There are past studies in the field of marketing strategy, organisational strategy and organisational performance; however, these studies were conducted in contexts other than Australia. These studies have identified a positive association between an organisation's marketing strategy and organisational performance (McKee, Varadarajan & Vassar 1986; Smith, Piland & Funk 1992). In terms of the concept of sustainable high level organisational performance that leads to community and social well being, Dunphy, Benveniste, Griffiths and Sutton (2000), as well as Griffiths (2004), argue that human capability and skill need to be built to strengthen human sustainability. This dissertation proposes that strategic decision makers in health care organisations need to build capability in formulating organisational strategies, as

well as constructing marketing strategies that impact on organisational strategies that serve community groups.

There is, however, limited information available regarding strategic marketing planning's effectiveness in health care (Smith, Piland & Funk 1992). Organisational performance in the health care industry has stimulated attention in recent years (Hibbard, Stockard & Tusler 2003). Due to this attention, the reporting process of organisational performance in the industry has become increasingly important, and a large quantity of resources has been spent on quality reporting and measurement (Hibbard, Stockard & Tusler 2003). This dissertation proposes that strategic decision makers in health care organisations need to go beyond quality reporting and management, to building capabilities in ensuring that their marketing strategy impacts positively on their organisational strategy to serve the community.

This dissertation has been based on the proposition that strategic decision makers in regional private hospitals need to strengthen human sustainability in their organisations by building capabilities to ensure that their marketing strategy impacts positively on their organisational strategy to serve the community. This study has therefore sought to address this gap by determining how marketing strategy influences organisational strategy in regional private hospitals.

1.4 Research question

This study has addressed the following research question: How does marketing strategy influence organisational strategy in regional private hospitals? It can be argued that each of these strategies influences the other, so that there is a cause-and-effect directionality to be considered. This directionality was explored through an investigation of three key concepts: marketing strategy, organisational strategy and organisational performance in the context of regional private hospitals. It can be argued that one needs longitudinal data to make any meaningful comments about any form of causality and that the finer nuances that explain how different aspects of business practice ensure the successful integration of strategy at different organisational levels need to be investigated. However, the overriding proposition

of this study has been that organisational strategy can be positioned on a strategic orientation continuum (Aaker & Mills 2005) and that marketing strategy has a role to play in the development of organisational strategy. The assumption is that if there is better alignment between marketing strategy and organisational strategy within regional private hospitals, organisational performance will probably improve and will contribute to both human and corporate sustainability (Dunphy et al. 2000; Griffiths 2004).

The key conundrum of this research study revolves around the strategic orientation continuum outlined by Aaker and Mills (2005) (see Table 1.1). At one end, this continuum illustrates strategic vision; at the other end, strategic opportunism. A strategic vision perspective undertaken by an organisation requires focus and discipline (Aaker & Mills 2005) compared to a strategic opportunistic perspective which tends to generate 'vitality and energy' and deals with opportunities and threats as they appear (Aaker & Mills 2005). This terminology is similar to that of emergent and deliberate strategies, with strategic vision being closely aligned to deliberate or intended strategies and strategic opportunism being closely aligned to emergent strategies. Reference will also be made to some of the sustainability phase models (Griffiths 2004) that contain similar indicators which allows strategic decision makers to chart where the organisation is on a continuum (or path or phase). This continuum, in accordance with both emergent and intended/deliberate strategies, is discussed at length in Chapter 2, along with a comparative analysis of underlying theoretical models.

Table 1.1 The strategic orientation continuum

Organisational Characteristics	Strategic Vision	Strategic Opportunism
Perspective	Forward looking	Present
Strategic Uncertainties	Trends affecting the future	Current threats and opportunities
Environmental sensing	Future scenarios	Change sensors
Information system	Forward looking	Online
Orientation	Commitment Build assets Vertical integration	Flexibility Adaptability Fast response
Leadership	Charismatic Visionary	Tactical Action oriented
Structure	Centralised Top-down	Decentralised Fluid
People	Eye on the ball	Entrepreneurial
Economic advantage	Scale economies	Scope economies
Signalling	Strong signals sent to competitors	Surprise moves

Source: (Aaker & Mills 2005, p. 6).

1.5 Justification of research

The overall justification of this study is based on the need to broaden the scope of research conducted in the Australian health care sector, specifically on regional private hospitals, with regards to marketing strategy and organisational strategy. The reporting of the results from this study will enable future academics and practitioners to advance this field of research through establishing research hypotheses that further examine the relationship between marketing strategy and organisational strategy. This justification can be broken down into two key areas: (1) theoretical contributions and (2) practical contributions.

Theoretical contributions

This study contributes to marketing theory in a variety of areas, with specific reference given to marketing strategy, organisational strategy, organisational performance, strategy communication, environment, implementation, and evaluation and control. Organisational strategy will be examined in the context of the strategic

orientation continuum (Aaker & Mills 2005). Relationships in the health care industry between the strategic vision perspective and the strategic opportunistic perspective will be investigated in accordance with emergent and intended/deliberate strategies also being explored in the context of health care organisational strategy. In addition, the factors that influence the relationship between organisational strategy and marketing strategy will also be explored to contribute to theory.

The construct of marketing strategy will be investigated with regards to its relationship with organisational strategy in health care. Specifically, the role that marketing strategy has to play in the development of organisational strategy will be established. A proposal is that strategic decision makers in regional private hospitals need to strengthen human sustainability in their organisations by building capabilities in designing marketing strategies that positively impact on organisational strategy to better serve their communities (Griffiths 2004). This role of marketing strategy will be explored through the concepts of environment, implementation, and evaluation and control.

This research will examine both the internal and external health care environments and determine their influence on marketing strategy and view the emergence of the environment in regional private hospitals' marketing plans. Implementation concepts and how they emerge in the hospitals' marketing plans will also be investigated. How the construct of strategy evaluation and control emerges in regional private hospitals' marketing plans will also be investigated through this research.

Communication in marketing strategy will also be discussed in this research, including the role that communication with community groups plays in the marketing strategy of regional private hospitals to ensure corporate sustainability (Hofman, Elzen & Geels 2004). Organisational performance will also be explored in this study, through the influence that marketing strategy and organisational strategy have on the performance of regional private hospitals.

Theoretical contributions will also be offered in a new conceptual model that is being developed, and which will depict the relationship between marketing strategy and organisational strategy and the influencing variables in this relationship.

Practical contributions

This study will contribute to Australian health care, with particular regards to regional private hospitals. This research will determine where organisational strategy and marketing strategy can be positioned on the strategic orientation continuum, and allow management to make strategic decisions accordingly. These strategic decisions will be based on different characteristics of organisational strategy and marketing strategy that will be identified to assist health care managers in their decision making, and improve the performance of these regional organisations, see also (Benn & Dunphy 2004; Dunphy et al. 2000). Environmental aspects to consider in decision making will also be determined, enabling managers to make informed decisions based on what is occurring internally and externally to their organisation. This research will improve the success of implementations, as it will identify aspects that managers should consider when they are implementing a health care marketing strategy. Similarly, in the evaluation and control of health care marketing strategies, aspects for consideration will also be determined enabling a successful strategy to continue within regional private hospitals. Importantly, this research will also identify whom regional private hospital management is required to communicate with on a regular basis to ensure the success of both the marketing strategy and organisational strategy within their organisations.

1.8 Outline of dissertation

The following presents an outline of the chapters featured in this dissertation. *Chapter 1* provides an introduction to this research and focuses on the background to the research, justification of the research, the research problem, and the theoretical and practical contributions to be made by this research. *Chapter 2* provides a review of the related literature. This review discusses each construct of relevance based on the research problem identified in *Chapter 1* and also develops the theoretical

framework upon which this study will be based in accordance with the research issues and propositions. *Chapter 3* discusses the research design and methodology of this study. Specifically within *Chapter 3* the method of case study research and the relevant scientific paradigm are discussed, as are validity and reliability, the use of multiple case studies, the data collection method of semi-structured interviews, the data collection instrument and any limitations or ethical issues that have required consideration. *Chapter 4* will discuss the study's results and findings. Each selected hospital case will be analysed in *Chapter 4* in accordance with the cross-case analysis to identify both related and unrelated processes for consideration. *Chapter 5* provides the conclusions and recommendations of this study. Throughout *Chapter 5*, the analysis from *Chapter 4* is related back to the research problem, issues and propositions. The position of these conclusions and recommendations within the body of knowledge as discussed in *Chapter 2* is also determined.

1.9 Definitions

The following definitions provide a basis on which the remaining chapters of this dissertation will be undertaken.

Effectiveness: how well the strategy is meeting the objectives set for it (Aaker & Mills 2005).

Efficiency: how well the strategy is returning value and profitability to shareholders (Aaker & Mills 2005).

Emergent strategy: the long-term direction of the organisation, which developed over time (Johnson & Scholes 2002).

Evaluation and control: involve the assessment of a strategy after it has been implemented (Hill, Jones & Galvin 2001).

Implementation: involves turning marketing strategies and plans into marketing actions and therefore accomplishing marketing objectives (Kotler et al. 2001)

Intended/Deliberate strategy: an expression of desired strategic direction deliberately formulated or planned by managers (Johnson & Scholes 2002).

Marketing strategy*:* involves the planning and coordinating of marketing resources and the integration of the marketing mix with the purpose of achieving a desired result in the target markets (Kotler et al. 2001).

Organisational strategy*:* defines what business an organisation is in or wants to be in and what kind of business the organisation desires to be (Robbins et al. 1998).

Relationship marketing: a way of doing business that is focused on keeping and improving relationships with current customers rather than on obtaining new customers and can be viewed as a strategic orientation (Zeithaml, Bitner & Gremler 2006).

Strategy communication: the role of communication in facilitating the strategy-making process (Moss & Warnaby 1998).

Strategy formulation: marketing strategy formulation is made up of six areas: (a) target market, (b) product, (c) price, (d) placement, (e) promotion (Kotler et al. 2001) and (f) the business environment.

1.10 Delimitations of scope

There are several industry factors that have been placing pressures on both Queensland and New South Wales health care, and the need to address these provides further justification for this research. To begin with, Queensland is the fastest growing state in Australia with more than two-thirds of Queenslanders living within the south-east corner of the state (Nuttall & Buckland 2004). Second,

Queensland's population is ageing as a result of increased life-expectancy and declining birth rates (Nuttall & Buckland 2004). Third, the Aboriginal and Torres Strait Islander people account for approximately three per cent of Queensland's population (Nuttall & Buckland 2004). Aboriginal and Torres Strait Islander people have high fertility rates, higher mortality rates and experience poorer health than the general population (Nuttall & Buckland 2004). Fourth, people living in rural and remote areas require consideration (Nuttall & Buckland 2004). The population of these people is declining and ageing; as a result Queensland Health must strive to provide adequate resources to rural and remote areas. Other factors that are impacting on Queensland Health include changes in employment (such as an increase in female health professionals), workforce growth, workforce patterns, workforce mix, rural workforce, increasing costs of health care, private health insurance and the demand for hospital services (Nuttall & Buckland 2004). All these factors have the potential to reduce the quality of health services provided in regional Queensland.

New South Wales health care shares several of these developing problems with Queensland, and this provides further justification for the need for this research. First, within New South Wales there is an increasing prevalence of chronic disease (Hatzistergos & Kruk 2007). Second, the Aboriginal population is generally at a higher level of health risk in terms of poorer health and shorter life expectancy (Hatzistergos & Kruk 2007). Third, in New South Wales the rural and remote communities in general tend to have poorer health (Hatzistergos & Kruk 2007). Fourth, there are a number of factors that can be regarded as contributing to the health differences within the New South Wales population; these include 'socio-economic status', 'health risk behaviours', and 'access to and use of preventative health services' (Hatzistergos & Kruk 2007, p. 9). Fifth, health costs continually increase in spite of availability of finite resources (Hatzistergos & Kruk 2007). Sixth, the continuous rise of community expectations regarding health services (Hatzistergos & Kruk 2007). Other factors that are impacting on New South Wales health include health workforce shortages, the growth and ageing of the population, diversity of culture and language groups, changes within the physical environment and their effect on people's health, changing work patterns, changing family

structures, and advances in medical, communications and information technology (Hatzistergos & Kruk 2007). All of these industry factors that are occurring within New South Wales have the potential to negatively influence the distribution of, and quality of, health services in regional New South Wales.

The case studies that will be selected for this research will originate from Queensland and New South Wales regional private hospitals. The purpose of this research is to determine how marketing strategy influences organisational strategy in regional private hospitals. The unit of analysis for this research is therefore at the firm level, and not at the executive staffing level.

It is important to note that the scope of this research is to investigate the influence that marketing strategy has on organisational strategy. Based on this scope, related concepts to both marketing strategy and organisational strategy will also be explored. These include performance, strategy communication, environment, implementation, and evaluation and control.

1.11 Conclusion

Chapter 1 *Introduction*, has provided the foundation for this dissertation and introduced the research. This has been achieved by stating the research problem, by providing a justification for the research in terms of both theoretical and practical contributions to be made by the study, by outlining the dissertation to come in the following chapters, by providing key definitions and by stating the delimitation of the research scope.

Chapter 2 Literature review

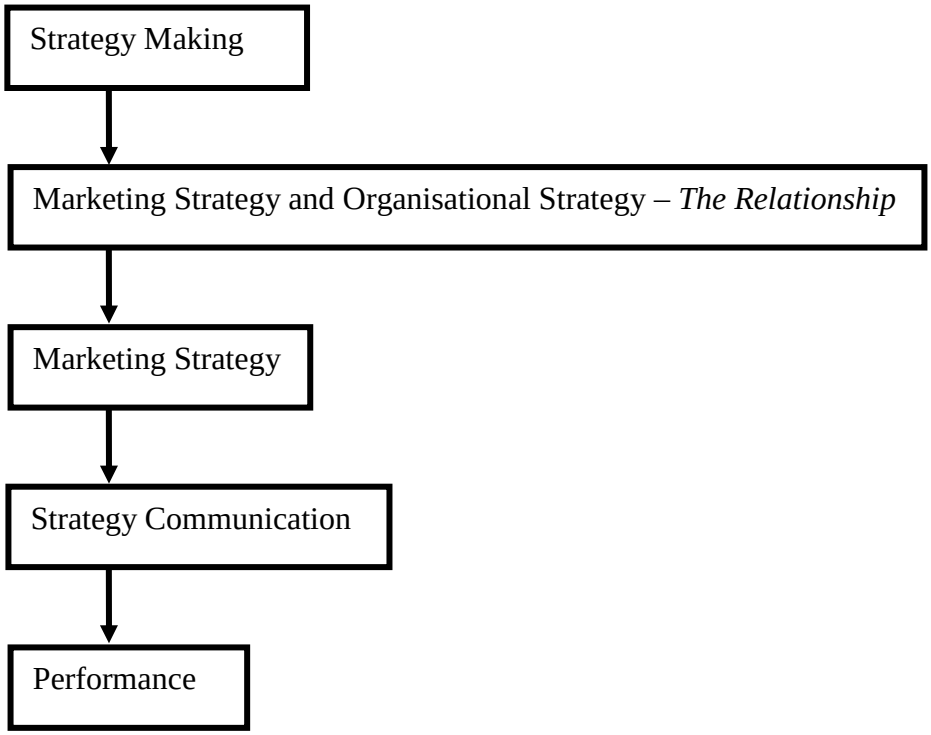
2.1 Chapter overview

The previous chapter provided an introduction to the research with the inclusion of a dissertation outline. This chapter provides an overview of the literature specifically focused on the theoretical concepts of organisational strategy, marketing strategy and organisational performance.

2.2 Introduction

An organisation is dependent on strategy to survive and prosper (Barney & Hesterly 2008) as it is concerned with its long term direction, while focusing on competitive advantage (Johnson & Scholes 2002; Wagner Weick 2005). An organisation should also recognise that building corporate sustainability requires the integration of two alternative views about sustainability - human and ecological (Dunphy et al. 2000). The focus in this research is on human sustainability; namely, to build 'human capability and skills for sustainable high level organisational performance and for community and societal well being' (Griffiths 2004, p. vii). This chapter proposes a link between marketing strategy and organisational strategy, as strategic decision makers in health care organisations need not only to build capability in formulating organisational strategy, but also to construct marketing strategy that impacts on organisational strategy to serve community groups. In examining the link between marketing strategy and organisational strategy (1) aspects of strategy making, underlying theoretical models in strategy, organisational strategy, marketing strategy, strategy communication and organisational performance are discussed and (2) gaps affecting the relationship between marketing strategy and organisational strategy are highlighted (see Figure 2.1).

Figure 2.1 Classification framework



In constructing the conceptual framework for this research, the following key theoretical strategy-making concepts are discussed: marketing strategy, organisational strategy, organisational performance and strategy communication. In exploring marketing strategy and organisational strategy the different aspects of strategy making and the underlying theoretical models of strategy are discussed. Strategy communication is examined on the basis that this is essential for any strategy to survive in an organisation. The notion of organisational performance has been extensively researched in association with strategy and requires consideration as an influential variable in the relationship between marketing strategy and organisational strategy.

Section 2.3 discusses strategy making in relation to strategy development, quality management and improvement, strategic consensus, corporate and business level strategy, deliberate and emergent strategy and strategy development on different organisational levels.

Section 2.4 examines the underlying theoretical models in strategy, focusing on Ansoff's growth matrix, the BCG product portfolio analysis matrix, Porter's generic

strategies, Miles and Snow's typology, Mintzberg's three central themes to strategy formation, the marketing mix, Aaker and Mills' strategic orientation continuum, and concludes with a comparison of these models.

Section 2.5 addresses the central construct of organisational strategy and explores the body of literature surrounding the scope and mission of the organisation and strategy synergy/fit. Marketing strategy is then addressed in Section 2.6 with focus given to the environment in which organisations operate, the implementation of marketing strategy and the evaluation and control of the strategy. Strategy communication is explored in Section 2.7 with specific focus given to marketing strategy communication due to the marketing nature of this study.

Section 2.8 discusses the construct of performance and how this will affect the relationship between marketing strategy and organisational strategy. Section 2.9 provides the basis for the remainder of this research study. The research question that this study seeks to address is recognised in Section 2.9, based on the gaps in the literature identified in the previous sections. The research model is also depicted in accordance with the research issues and research propositions related to each construct in the model being highlighted.

2.3 Strategy-making

The formation of strategy in organisations, whether it be organisational strategy or marketing strategy, has been critiqued and researchers have made suggestions of new frameworks for strategy-making processes. They have also investigated strategic intent, competition in strategy, strategy types and their effect on firm performance as well as strategic issue management in both organisational strategy and marketing strategy. In addition, many have discussed Mintzberg's continuous and insightful commentary and observations on strategy, strategic planning and strategy formulation.

The strategy making process was investigated by Miller and Friesen (1978) through an examination of the organisational and environmental context in which the process

takes place. In examining this process, ten archetypes of organisations were described by Miller and Friesen (1978) with successful archetypes including the adaptive firm under moderate challenge, the adaptive firm in a very challenging environment, the dominant firm, the giant under fire, the entrepreneurial conglomerate and the innovator. Failure archetypes were seen to involve the impulsive firm, the stagnant bureaucracy, the headless giant and the aftermath. An integrative framework for strategy-making process was suggested by Hart (1992) through examining the roles of top managers and organisation members in the strategy-making process. The final suggested framework from Hart (1992, p. 333) was constructed around the complementary roles that top managers and organisational members play in the making of strategy. This framework was based on five modes: command, symbolic, rational, transactive and generative. In this dissertation the focus is also on the strategic orientation of strategic decision makers in private sector hospitals. Hamel and Prahalad (1989) explored planning for global leadership through the application of strategic intent within organisations. They noted that strategic intent is not just another approach to formal planning and that 'global leadership is an objective that lies outside the range of planning' with the challenge of global leadership lying within the deliverance of goals (1989, p. 41). Hamel and Prahalad (1993) investigated the *why* of competitiveness and highlighted the importance of understanding competitiveness for an organisation to be in front. Through examining the *why* of competitiveness, resources within organisations were discussed with the point being made that abundant resources will not ensure leadership within industry. Different strategy types were investigated by Galbraith and Schendel (1983), who identified six strategy types for consumer products (harvest, builder, cashout, niche, climber and continuity) and four types for industrial products (low commitment, growth, maintenance and niche). Interestingly, Galbraith and Schendel (1983) also asserted that different strategy types were associated with different business performance outcomes. Ansoff (1980) explored a systematic approach to early identification and fast response to trends and events impacting on firms through strategic issue management (SIM), otherwise known as a systematic procedure for early identification and fast response. A number of advantages of SIM regarding early identification and fast response to trends and

events were determined by Ansoff (1980); however, the point was made clear that managers need to play a central role in the system for SIM to work.

Mintzberg has provided an abundance of academic research into the concepts of strategy, strategic planning and strategy formulation. In a two-part article, Mintzberg (1994b, 1994c) examined the pitfalls and fallacies of strategic planning by stating that strategic planning was an oxymoron. He (1994c) further determined that planners have important roles to play through discovering emerging strategies, providing information that can be overlooked by managers, and overall encouraging strategic thinking and acting within an organisation. Mintzberg (1994a, p. 107) noted that 'planning is about analysis – about breaking a goal into steps, formalising those steps and articulating the expected consequences' in addition to again identifying the pitfalls and fallacies of strategic planning. Mintzberg (1987a, pp. 66-75), when discussing the possibility of strategy being 'crafted' as compared to 'planned', proposed that (a) strategies result from plans for the future and patterns from the past', (b) strategies don't have to be deliberate; they can also emerge, (c) effective strategies develop in all kinds of ways, (d) strategic reorientation can happen in brief but quantum leaps and (e) to manage strategy is to craft thought and action, control and learning, stability and change. Mintzberg (1987b) further proposed that strategy can be defined through a plan, ploy, pattern, position, and perspective and these definitions can be interrelated, with each definition increasing the understanding of strategy. He (1987c) argued that the need for strategy in organisations consisted of setting direction, focusing the effort of activity, defining the organisation, and reducing uncertainty and providing consistency. Mintzberg (1978) found that strategies are not fixed within organisations, that change in strategy does not occur systematically on the basis of management direction, and that strategy formation occurs often and without conscious or deliberate thought. Decision making in organisations and the linkage of decisions to form strategies have also been explored by Mintzberg (1973). He concluded that strategic planning is not a solution for all problems associated with strategy making, but rather an organisation should employ a model of strategic planning that fits the situation. Ten schools of strategy formation were also examined by Mintzberg and Lampel (1999) but they could not, however, determine for certain if the different schools

represented different approaches to strategy formation. Hall and Vredenburg (2004) recognise that Mintzberg and his colleagues' learning and capability-accumulation approaches to the social component or human sustainability in corporate sustainability are important for strategic decision makers to maintain a competitive advantage for their organisations.

It can be inferred from the above studies that strategy-making is a highly involved process with numerous aspects requiring extensive consideration. The following sections provide further insight into the broad discussion above on strategy-making and focus on specific aspects of strategy making discussed in the body of literature.

2.3.1 Strategy development

Strategy development has been explored in the service, public and manufacturing sectors by Bailey and Johnson (1995) who ascertained that the configurations of the strategy development process are discernable and that they relate to contextual variables at an industry level and an organisational level. Similarly, Bailey, Johnson and Daniels (2000) discussed strategy development in the service, public and manufacturing sectors and developed an instrument that was found to be both valid and reliable on the strategy development dimensions of planning, incrementalism, culture, politics, command and enforced choice. While studying strategy content and process in strategy development in manufacturing firms, Swamidass, Baines and Darlow (2001) found that manufacturing managers operate under a wider range of strategic priorities compared to marketing managers, but participate less in the strategy development process compared to marketing managers. Allio (2006) in reviewing the characteristics of strategy development and the impact these characteristics have on the performance of organisations determined that a strategy which was to positively influence performance should be balanced, rational, practical and account for stakeholders (see Table 2.1).

Table 2.1 'Good' and 'Bad' characteristics of strategy development

Good Characteristic	Description	Bad Characteristic	Description
Focused	Must be a rigorous and punctuated process that moves from analysis to formulation to ratification within two months. Should involve input from a range of sources and use a two or three day offsite workshop. Finally, prior to implementation a final session with the entire management team focused on ratification should occur.	**The edict**	The strategy is handed down unilaterally from the CEO. It has limited market, competitive and functional perspective as the business grows in complexity.
Balanced and Rational	The need to acquire input from a broad set of stakeholders and involve both internal and external analysis from (a) industry structure and market trends, (b) competitor profiles, dynamics and trends, (c) customer profiles, dynamics and trends and (d) internal benchmarks.	**Budget**	The budget is the actual plan. Through setting the budget parameters for the year, the CEO then ensures that managers force-fit strategies into what the company can afford.
Participative	Combining education, analysis and teambuilding. Involves demolishing hierarchical levels during strategy development and shaping constructive action plans, whilst then assigning strategy managers to each of the organisations strategies.	**The data mine**	The senior management team conducts an exhaustive review of their numbers and develops a list of new programs for funding. There is minimal input from functional or division peers and managers prepare their sections of the program separately.
Energising	Inject enthusiasm and energy into the strategy development process through: (a) carefully structuring the agenda; (b) combining action-orientated problem solving and team-building exercises; (c) using analogies to solve problems; (d) make clear and immediate decisions regarding priorities and programs; and (e) be honest and deal with issues, then design corrective actions.	**The goals and mission fest**	The CEO convenes the senior management team and embarks on a two or three day process where a new mission or vision is developed and goals are set. The focus is internal, not external and the input is skewed by the senior management team. The outcome is usually broad aspirations that are difficult to implement.
Practical	Ensuring that the outcome of a strategy workshop is a set of clear choices regarding the future direction of the organisation, including: (a) a new vision statement; (b) a small set of strategies; (c) target performance metrics; and (d) preliminary implementation plans.		

Source: Developed for this research based on (Allio 2006).

It is apparent that strategy development configurations exist and are applicable at different structural levels. Further, the strategy development elements of planning, incrementalism, culture, politics, command and enforced choice are essential within organisations giving an internal focus to development. In relation to managerial participation in strategy development, marketing managers have a key role to play, which indicates the importance of marketing to organisations. Further, a strategy that positively influences performance is seen to be specific in its characteristics and how these relate to the overall organisation. Other industry sectors, such as the health care industry, have also investigated strategy development. These are discussed in the following section.

Strategy development in health care: This topic was explored by Wells, Lee, McClure, Baronner and Davis (2004) through investigating hospital CEOs and their views on how their strategy emerged. Wells et al. (2004) determined that most strategic ideas came from CEOs and their key managers in conjunction with governing boards and medical staff. It is apparent from the above that key managerial levels in health care organisations play an important role in hospital strategy development. Therefore, in order for successful strategies to be developed the CEO, their key managers, in conjunction with the organisation's board and medical staff, need to be involved.

However, the studies discussed above have focussed on the overall strategy of organisations, while marketing strategy development has been explored to a lesser extent. Thus, this research will explore the specific aspects of marketing strategy development in health care organisations with a view of identifying how marketing strategy influences organisational strategy. Once the strategy has been developed, the management and improvement of quality in organisations should be considered.

2.3.2 Quality management and improvement

Quality management and improvement were discussed by Richardson and Gurtner (1999) through quality management improvement strategies being identified as value enhancement strategies. A link between the role of technology and people was

proposed by Richardson and Gurtner (1999) in achieving quality improvement strategies and it was argued that quality management requires investment into both technology and people. It was established by Larson and Muller (2002) that hospitals have quality health care systems that comply with regulatory and accreditation requirements and that quality management in health care is an iterative process. Smith and Offodile (2008) stated that Total Quality Management (TQM) should be included in quality assurance programs in health care organisations. The study's findings, however, suggested that different views on TQM implementation and practice exist within the health sector. Dey and Hariharan (2006) developed an integrated quality management model offering an alternative perspective on quality management in health care. The model determined that quality management in health care is both complex and multi-dimensional and that quality improvement should be considered from the initial strategy concept through to strategy implementation. Quality management implementation with a focus on health care policies has been explored by Wagner, Gulacsi, Takacs and Outinen (2006), who noted that the law or financial reimbursement influenced the implementation activities of quality management if the activities were specific enough. The lack of formal quality programmes was investigated by Ennis and Harrington (1999) who determined that through the implementation of quality programmes, the quality of care that was delivered improved.

It is apparent that technology and people play a role in the management and improvement of quality health care and thus require substantial investment and should be considered in the organisational and marketing strategies of health care organisations. An iterative process takes place in quality management, with regulatory and accreditation requirements being cited as essential components of compliance; as such, these regulatory and accreditation requirements would require inclusion in the organisational strategy and marketing strategy. Further, TQM implementation in quality assurance programs has been met with mixed reactions in the health sector and may or may not be given consideration in the organisational and marketing strategies of health care organisations. The complex and multi-dimensional nature of quality improvement should also be given consideration throughout the development of organisational and marketing strategies. Overall, it is

evident from the literature that quality management and improvement is complex in its nature, is organisationally dependent as to how this aspect of strategy is implemented, should be considered throughout the strategic process, and influences the quality of health care delivery. Despite these characteristics of quality management and improvement, it is essential that this be considered in the formulation of organisational strategy and marketing strategy in health care organisations.

While the overall view of quality management and improvement has been established within the context of health care organisation strategy from a broad organisational level, the application of quality management and improvement in health care marketing strategy has been investigated only to a limited degree. Therefore, this research will explore quality management and improvement in the marketing strategy of health care organisations and how this will affect the organisational strategy of these organisations. The quality and improvement of marketing strategy in organisations will be reliant on the strategic consensus among employees of the organisations.

2.3.3 Strategic consensus

Strategic consensus was discussed by Carney (2004), with reference to health care staff such as the Directors of Nursing (DON) exercising this aspect. Carney (2004) asserted that there is a direct positive relationship between the involvement in strategy development by the DONs and the enhanced communication with members below the DON level within the organisation, resulting in greater management cohesion and effective communication. Carney (2007) further investigated the aspect of strategic consensus among clinician and non-clinician managers, who are different from the DONs, and established that a positive relationship existed between strategic involvement and strategic consensus, and secondly that the strength of the association between strategic involvement and strategic consensus could be influenced by organisational commitment. While studying the importance of gaining strategic support at the marketing functional level, Rapert, Lynch and Suter (1996) found that organisations should actively engage support at a functional level in order

to accomplish desired functional performance. Middle management's relationship with strategic consensus was investigated by Pappas, Flaherty and Wooldridge (2003) and it was determined that a manager's knowledge of the internal capabilities and the external environment of an organisation, and the manager's social position in a management structure, influence strategic consensus.

It is clear that involvement in the development of strategy results in higher levels of consensus, indicating that employee involvement in organisational strategy and marketing strategy development should be encouraged. The level of this employee involvement in organisational and marketing strategy will dictate the strength of the positive consensus relationships. Thus, in order to achieve strategic consensus in organisational strategy and marketing strategy, managers should be involved in the strategy development right from the beginning and involve employees at functional levels, thus allowing the organisational strategy and marketing strategy to positively influence performance.

While organisational strategy appears to have been explored in-depth, focus to a lesser extent has been given marketing strategy and employee levels in the organisation. Thus, this research will explore the specific aspects of exclusion and inclusion of senior staff in marketing strategy with a view to identifying how the marketing strategy will influence organisational strategy. Levels within organisations can also be extended to the types of strategies based on the functions of the organisation, specifically corporate and business level strategies.

2.3.4 Corporate and business level strategy

Corporate level strategy operates when the organisation is in more than one business and answers the question of 'in what set of businesses should an organisation be?' (Robbins & Barnwell 1994, 1998). Comparatively, business level strategy is essential for larger organisations that have 'multiple businesses'. Each division of an organisation must have its own strategy that assists in the definition of its products and services as it answers the question of 'how should an organisation compete in each of its businesses?' (Robbins & Barnwell 1994, 1998). It is apparent from the

above that both corporate level strategy and business level strategy have a role to play in the effective functioning of an organisation.

The notion of corporate level strategy was addressed by Bowman and Ambrosini (2007) who discussed the concept of an organisation's set of businesses. It was determined that corporate strategy plays two roles in organisations through the enhancement of value via astute decision making and through the establishment of appropriate processes to effect the required degree of coordination between value activities. The linkage between corporate and business level strategy and firm performance was operationalised by Beard and Dess (1981) who determined that both levels of strategy are important in explaining variations in a firm's profitability. Further, it appears that corporate level strategy can enhance an organisation's value, and both corporate and business level strategies affect an organisation's profitability. Therefore, both corporate and business level strategies affect the overall strategic position of the organisation through value adding and performance.

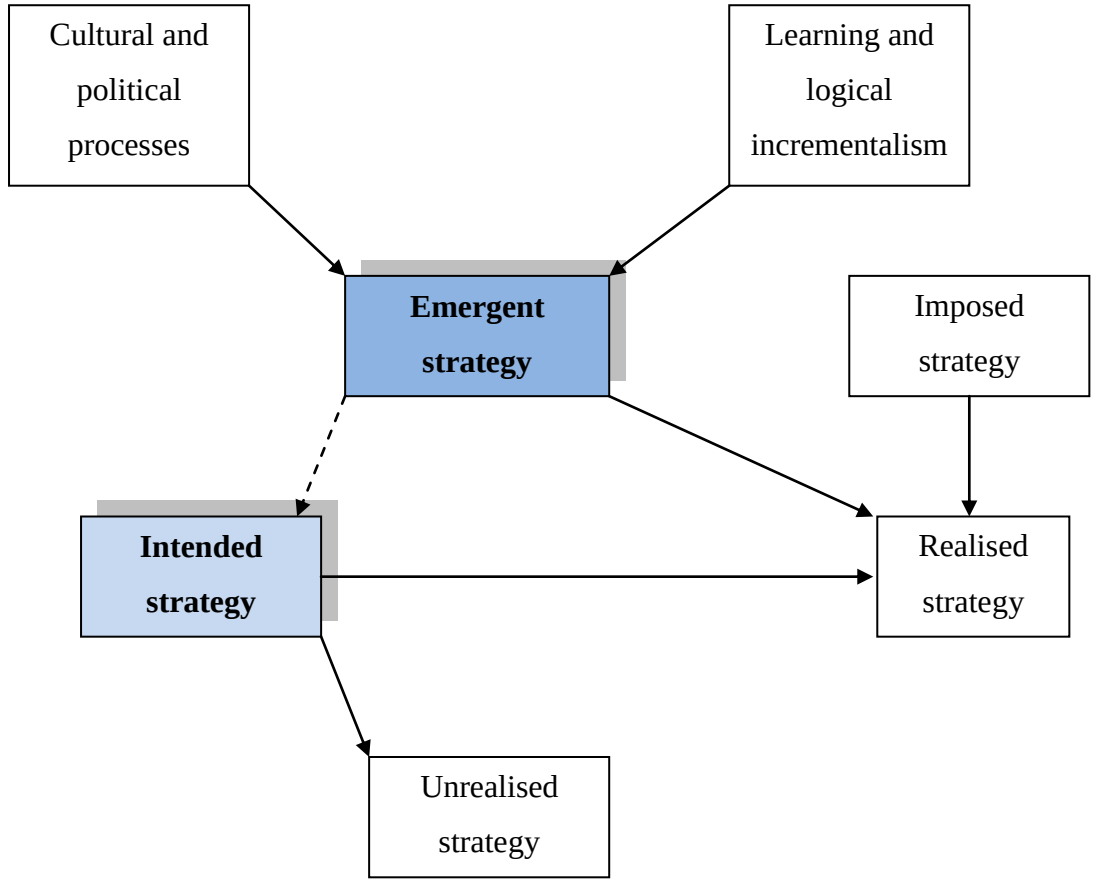
However, the studies that have been reviewed above have explored corporate level strategy and business level strategy from the overall organisational perspective. The linkage to marketing strategy appears to have been explored to only a limited degree. Thus, this research will explore linkages between marketing strategy and corporate and business level strategies with the aim of identifying how marketing strategy influences organisational strategy. In addition to corporate and business level strategies, another two forms of strategy also exist within organisations, this being deliberate and emergent strategy.

2.3.5 Deliberate and emergent strategy

An organisation's *intended* or *deliberate* strategy is defined by Johnson and Scholes (2002, p. 75) as being 'an expression of desired strategic direction deliberately formulated or planned by managers'. Conversely, an organisation's emergent strategy has been defined as 'the long-term direction of the organisation, which developed over time' (Johnson & Scholes 2002, p. 75). Figure 2.2 depicts possible

strategy development routes within an organisation; of interest are the emergent and deliberate (or intended) strategies, both of which are highlighted in Figure 2.2.

Figure 2.2 Strategy development routes



Source: Johnson & Scholes (2002, p. 76).

The deliberate versus the reactive elements of strategy have been explored by Fuller-Love and Cooper (2000). Strategies aimed towards information technology management were determined by Fuller-Love and Cooper (2000) to be emergent rather than deliberate, with strategy in organisations being imposed as a result of circumstances outside of its control and having to react to these circumstances. Covin, Green and Slevin (2006) focused on strategy emergence and its relationship with performance through an investigation into strategic decision making participation, strategy formation mode and strategic learning from failure. It was asserted by Covin, Green and Slevin (2006) that a positive relationship existed between performance and autocratic decision making in an organisation that

exhibited an emergent strategy formation process. Resource allocation and its role in emergent strategies was explored by Carr, Durant and Downs (2004), through examining the development, abduction and pragmatism of emergent strategies. It was determined that decisions regarding resource allocation can be difficult to reverse and thus emergent strategy can assist in this area of decision making.

Emergent and deliberate strategies in health care: This topic has been explored by Mason, Heaton and Morgan (2004) through examining health service trusts and investigating the strategies that management and trade unions adopted in their approach towards social partnerships. They found that health care organisations that used a deliberate top-down approach to strategy produced sustainability in both employment and industrial relations; on the other hand, health care organisations that implemented emergent strategy that was highly constrained did not move beyond the survivability approach.

From the above studies it can be seen that the use of emergent and deliberate strategies in organisations can produce different results. It appears that information technology management can be associated with an emergent strategic approach rather than a deliberate one. Additionally, it can also be seen that both autocratic decision making and emergent strategy positively affect performance, each in its own way. Resource allocation and emergent strategy were also seen to assist in resource decision making. Interestingly, a highly constrained approach to emergent strategy in health care did not yield overwhelming positive results. Thus, the use of emergent strategies in organisations, when not highly constrained, positively affects information technology management, performance and resource decision making.

While emergent and deliberate strategies have been explored from the overall organisational point of view, the marketing strategy of the organisation and its linkage with emergent or deliberate strategy has not been investigated to the same degree. Thus, this research will explore the emergent or deliberate nature of marketing strategy with the purpose of identifying how marketing strategy influences organisational strategy. In addition to the different types of strategies developed in

organisations, it is also important to discuss the role of different organisational levels in this development.

> This confirms ***Research Issue 1:*** *What is the role of marketing strategy within organisational strategy in regional private hospitals?*

2.3.6 Strategy development at different organisational levels

Porter (2005) examined the role of CEOs in organisations in relation to strategy. It was suggested (Porter 2005) that a CEO should 'lead the cause and be the chief strategist' making the ultimate choice, while still empowering employees and educating them as to what the organisation stands for. However, O'Shannassy (2003) explored the notion that all individuals in an organisation can think strategically, not just the CEO, if given autonomy and responsibility. It was determined by O'Shannassy (2003) that the roles of boards of directors, CEOs, strategic planners and line managers have changed with flexibility becoming evident, and a realisation that staff have the ability to think strategically. In a similar line of thought, Ketokivi and Castaner (2004) explored the possibility that by involving employees in the strategic planning process and communicating to them priority areas, the achievement of goals would be enhanced. Wooldridge and Floyd (1990) determined that organisational performance is improved: if there is substantive involvement from middle managers, if top management direction is provided and if employees have the ability to question strategic decisions within their organisation. Hanford (1995) came to a similar opinion through discussing strategic competencies of Directors in organisations. He found that competences can be increased through an increase in strategic thinking and that it is essential to empower other employees in the organisations to bring out their creativity and commitment to organisational goals. Similarly, DiVanna and Austin (2004) were of the opinion that employees should be engaged strategically within an organisation and have the understanding to do so, through goals and objectives, policies and actions to accomplish the goals.

2.3.7 Organisational strategy

In discussing the construct of organisational strategy it is important to keep in mind Mintzberg's studies, discussed previously in Section 2.3. Mintzberg's work is relevant to the construct of organisational strategy because strategic planning forms the basis for the design of the overriding strategy in any organisation.

Organisational strategy assists in defining what business an organisation is in, or wants to be in and what kind of business the organisation desires to be (Robbins et al. 1998). The role of strategy in an organisation as a whole encompasses a variety of aspects. For example, an organisation's strategy outlines the goals of the organisation and the methods for attaining these goals. Advantages in having an organisational strategy include aspects such as cost reductions, quality improvement and market share expansion (Robbins et al. 1998). Aaker and Mills (2005, pp. 12-13) — whose continuum was briefly mentioned in Chapter 1 and will be discussed in greater depth in Section 2.4.8 — have highlighted several key components that should be considered and included in any strategy specification. These are outlined below, with greater focus given to (a) scope and mission and (b) synergy, due to the body of literature surrounding these components. The remaining components are then explained and briefly discussed.

2.3.7.1 Scope and mission

Both scope and mission in an organisation's strategy should be interlinked. From investigations into different definitions of organisational scope and mission the following have been chosen for the purposes of this study. The organisation's mission is focused on the long-term purpose of the organisation (Barney & Hesterly 2008, p. 4). Accordingly, the scope of an organisation is concerned with the 'breadth and depth' of the space in which an organisation can compete, and thus must be a direct reflection of the organisation's mission (Aaker & Mills 2005, p. 12).

Mission statements and their meaning were examined by Pearce II (1982) through a development framework. The framework suggested that mission statements can

assist an organisation in addressing conflicting demands through the components of product, service, market, technology, company goals and company philosophy. Pearce II and David (1987) also examined the components of mission statements and attempted to link these components to performance. Eight components of mission statements were determined by Pearce II and David (1987): (a) target customers and markets, (b) principal products and service, (c) geographic domain, (d) core technologies, (e) commitment to survival, growth and profitability, (f) key elements in the company philosophy, (g) company self-concept and (h) firm's desired public image. It became apparent that the inclusion of these components in an organisation's mission statements led to superior performance, especially in regards to philosophy, self-concept and public image. The validity of this study was challenged by O'Gorman and Doran (1999) through a study replication. O'Gorman and Doran (1999) suggested that the inclusion of specific mission statement components is not necessarily correlated with superior SME performance. However, consistent findings between the two studies were determined through the possibility of deriving components of SME mission statements through a survey. Sidhu (2003) also investigated the mission statement–performance link through an examination of content and process in mission statements. In support of Pearce II and David (1987), Sidhu (2003) also determined that the inclusion of mission statements in an organisation can lead to superior performance.

Mission statements in health care: This topic has been addressed by Bart and Hupfer (2004) who examined mission statements in Canadian hospitals with the purpose of improving the understanding of mission statements' strategic value in health care organisations. Their findings suggested that a mission statement's components are equally important, and that the previously discussed mission statement theory may need to be reconsidered in the health care context. It was also recommended that a hospital mission statement should contain purpose, vision, values, competitive strategy, orientation, distinctive competence, concern for society, concern for employees and products.

It can be inferred from the above that there are numerous components that form an organisation's mission statement. Combining these components will lead to

recognition of superior performance, although this has been disputed in the body of literature. Interestingly, mission statements in the context of health care require special consideration, with the inclusion of unique components. Thus, the inclusion of mission statements in organisational strategy can lead to superior performance in an organisation, with health care mission statements needing uniquely specific content.

However, the studies discussed above have not examined mission statements and their effect of the relationship between marketing strategy and organisational strategy. Focus has been given to the content of mission statements and their linkage to organisational performance. Therefore, this research will explore the inclusion of mission statements in health care organisational strategy with the purpose of identifying how marketing strategy influences organisational strategy.

2.3.7.2 Strategic synergy/fit

The synergistic effects of organisational strategy, or the fit of the strategy within the organisation, have been discussed by Aaker and Mills (2005) in relation to their impact across businesses or markets. Synergy and fit across multiple business or service-offering will provide an organisation with a competitive advantage over organisations that fall short in the area of synergy achievement. Mische (2001) has described synergy of purpose in organisational strategy as being created through the integration of vision, consistent purposes and strategies. According to Mische (2001) synergy of purpose in organisational strategy can be obtained through focusing on the realisation of long-term business and social benefits; integrating social responsibility with business strategies, policies and governance; implementing financial, cultural, educational, and social commitments in the communities in which they are doing business, plan to do business, sell products, or draw resources; and working to develop effective levels of social affiliation between the organisation and the local communities. As discussed previously in Section 2.3, Hamel and Prahalad (1989) investigated global leadership planning through the application of strategic intent within organisations. It was noted that strategic fit has often assisted the process of competitive decline and that strategic intent is not just another approach to

formal planning. Hamel and Prahalad (1993) also investigated the *why* of competitiveness; they focused on understanding competitiveness and its importance in keeping and organisation ahead of its competitors. It was suggested by Hamel and Prahalad (1993) that the concept of *stretching* strategy can supplement the idea of strategic fit, with this being seen through the leveraging of resources and focusing on the long term through consistency of effort and purpose. As mentioned previously, the remaining components of strategy specification as depicted by Aaker and Mills (2005) are discussed briefly below.

Level of investment: A key element to an organisation's strategy, either implicit or explicit, is the level of investment made by management, which is an indicator of management's commitment to growth in the market (Aaker & Mills 2005, p. 12). In applying this element of organisational strategy, management can invest to grow, invest to maintain an existing position, minimise investment and 'milk' the business, or recover assets and liquidate and divest the business.

Assets and competences: In developing a strategy, an organisation must consider the cost and feasibility that are related to the maintenance or generation of assets and competences (Aaker & Mills 2005). If an organisation is exceptional at manufacturing, management must consider the cost and feasibility of manufacturing in relation to the organisation sustaining a competitive advantage in the market place.

Goals and objectives: An organisational strategy should contain both goals and objectives (Aaker & Mills 2005). Goals should provide strategic direction to an organisation, while objectives will provide management with specific, time-bound, measurable dimensions of performance on which strategies can be controlled and evaluated.

Resource allocation: In the context of developing strategy, both financial and non-financial resources require consideration. Financial resources may be generated either internally or externally, while non-financial resources could include plant, equipment or even people (Aaker & Mills 2005). The point is made by Aaker and

Mills (2005) that the allocation of these resources is key to strategy and must be given consideration throughout strategy development.

It is apparent from the above discussion that in the specification of organisational strategy six components require consideration: scope and mission, strategic synergy and fit, level of investment, assets and competences, goals and objectives and the allocation of resources. Further, it also appears that the components of scope and mission and strategic synergy have been investigated throughout the body of literature.

However, overall the components of specifying organisational strategy have been explored to a limited extent. While scope and mission and strategic synergy and fit have been examined extensively in the literature, other components require further consideration. Therefore, this research will explore to a limited extent the role of these components in organisational strategy, with the aim of identifying how marketing strategy influences organisational strategy. The construct of marketing strategy, being the key focus of this study, requires discussion and further investigation.

2.4 Underlying theoretical models in marketing strategy and organisational strategy

In examining marketing strategy in organisations it is important to discuss different theoretical models that provide the basis from which strategic theory has been developed. For the purposes of this study the models that will be contrasted with the Aaker and Mills (2005) approach (see Chapter 1 and Section 2.4.8) include Ansoff's growth matrix in marketing strategy, Boston Consulting Group product portfolio analysis matrix in marketing strategy, Porter's generic strategies in marketing strategy, the Miles and Snow typology in marketing strategy, Mintzberg's three central themes in organisational strategy, the sustainability phase model in organisational strategy, the marketing mix and the Aaker and Mills (2005) strategic orientation continuum.

2.4.1 Ansoff's growth matrix

Four basic strategies to achieve business growth were identified by Ansoff (1957): (a) market penetration (i.e. increasing sales without departing from an original product market strategy), (b) market development (i.e. attempting to adapt the current product line to new missions), (c) product development (i.e. the development of products with new and different characteristics, but with still the same mission) and (d) diversification (departure from current product line and market structure). The point was made by Ansoff (1957) that an organisation may pursue more than one of these strategies simultaneously — such as market development, product development and market penetration — indicating that the business is progressing and would survive in economic competition. However, the diversification strategy is different in that new resources such as skills, techniques and facilities are required to pursue a diversification strategy successfully. He concluded that in the face of diversification strategy an organisation should carefully consider probable business success and only then develop a long-range strategy. The link between Ansoff's growth strategies and the Aaker and Mills (2005) strategic orientation continuum is discussed in Section 2.4.9.

2.4.2 BCG product portfolio analysis matrix

The Boston Consulting Group (BCG) developed the product portfolio matrix as a method of analysing an organisation's businesses and managing cash flow in 1970 (Edwards Nutton 2007). This matrix consists of four cells into which a business can be classified: (a) star (i.e. high growth, big share), (b) cash cow (i.e. low growth, big share), (c) problem child (i.e. high growth, small share) and (d) dog (low growth, small share). It was determined by Edwards Nutton (2007) that the BCG is a useful tool for analysing the product portfolio, but it does have limitations associated with it. Edwards Nutton (2007) warned that product portfolio management requires detailed understanding of the market, competitive position of the product and its place in the portfolio. Hambrick, MacMillan and Day (1982) explored the performance tendencies and strategic attributes of businesses within the four cells of the BCG matrix and noted that there are significant differences among the four

business types on performance measures, and also that in strategic attributes the four types of businesses differed markedly. From their findings, Hambrick, MacMillan and Day (1982) were able to build a profile for each type of business discussed in the BCG matrix, and indicated that businesses within organisations differ in both their performance and strategic attributes. A comparison between the BCG matrix and the Aaker and Mills (2005) continuum is conducted in Section 2.4.9.

2.4.3 Porter's generic strategies

Michael Porter in 1980 developed three generic competitive strategies: (a) differentiation (creating a product or service that is unique), (b) overall cost leadership (lowest cost producers in an industry) and (c) focus (circumscribed and specialised segment of a market) (Miller & Friesen 1986). An empirical taxonomy of business level strategies was performed by Miller and Friesen (1986) to determine if Porter's strategies would emerge in consumer durable industries. Interestingly, Miller and Friesen (1986) ascertained that none of Porter's pure types of strategies were reflected in their results; however, some strengths of differentiation and cost leadership were evident, this being attributed to the selection of the consumer durable industry on which the study was based. Miller and Friesen (1986) examined the performance of firms that exhibited, in part, cost leadership and/or differentiation, and stated that firms indicating competences in differentiation, cost leadership and focus outperformed other firms. An examination of the association between Porter's generic strategies and the Aaker and Mills (2005) strategic orientation continuum is conducted in Section 2.4.9.

2.4.4 Miles and Snow typology

The Miles and Snow typology was developed in 1978 and involved the organisations' strategy types being placed on a continuum that included (a) *defender* (i.e. enacts and maintains an environment for which a stable form of organisation is appropriate and prevents competitors from entering the market), (b) *prospector* (i.e. has the ability to find and exploit new product and market opportunities) and (c)

analyzer (i.e. combines the defender and prospector organisational characteristics and sits in the middle of the continuum, attempting to minimise risk while maximising profit opportunity) (Miles et al. 1978; Peng, Tan & Tong 2004). An additional aspect of this particular typology continuum has been suggested in the form of *reactors*, which are essentially organisations who have no particular strategy and do not belong on the continuum (Peng, Tan & Tong 2004). Peng, Tan and Tong (2004) suggested that ownership type can be important in managers cognitively classifying organisations into different strategy groups and that ownership types can in fact be used successfully to predict group memberships. An exploration of the linkage between the Miles and Snow typology and the Aaker and Mills (2005) strategic orientation continuum can be seen in Section 2.4.9.

2.4.5 Mintzberg's three central themes to strategy formation

As briefly touched on in Section 2.3, Mintzberg (1978) explored strategies that were intended and strategies that were realised. Mintzberg (1978) found that strategies are not fixed within organisations, that change in strategy does not occur systematically on the basis of management direction, and that strategy formation occurs often and without conscious or deliberate thought. Based on these findings, Mintzberg (1978) described three central themes to strategy formation: (a) formation is essentially the interplay between a dynamic environment and a bureaucratic momentum, with the mediating factor of leadership, (b) strategy formation follows important patterns in organisations, such as life cycles and distinct change-continuity cycles within the life cycles and (c) the study of interplay between intended and realised strategies may lead to the centre of strategy formation. The association between Mintzberg's three central themes to strategy formation and the Aaker and Mills (2005) strategic orientation continuum is discussed in Section 2.4.9.

2.4.6 Sustainability phase model

Dunphy et al. (2000), as well as Griffiths (2004), developed a sustainability phase model applied to organisations that compares innovation strategies on two levels:

human sustainability phases and ecological sustainability phases. In their sustainability change matrix they track how many organisations incrementally may evolve from a rejection phase to a non-responsive phase and a compliance phase. They point out that more transformative changes in innovation strategies occur when the organisation's human and ecological sustainability evolves through efficiency, strategic proactivity phases and eventually may reach the 'sustaining corporation' phase (Griffiths 2004, p. xi). They note that overcoming industry barriers and institutional systems are important in developing the human and ecological competencies for the creation of sustaining organisations. Section 2.4.9 discusses the association between the sustainability phase model and the Aaker and Mills (2005) strategic orientation continuum.

2.4.7 The marketing mix

Borden (1984) reviewed the concept of the marketing mix and its evolution, and suggested that an organisation's manager has to balance behavioural forces and marketing mix elements, with the marketing mix being helpful in problem solving and generally an aid to thinking about marketing. Earlier, Kotler (1964) had explored ways of determining the 'best' marketing mix for new product development when there was only limited information, and recognised that the development of new products had to be based on profit potential. Kotler (1974) also found that the marketing mix plays a role in determining the answers as to what would keep a company afloat, through a focus on opportunities created by shortage. More recently, Gummesson (1994) examined the role of the marketing mix with a focus being given towards relationships, networks and interactions; however, Gummesson (1994) was clear in stating that the marketing mix will always be required. This paradigm shift was endorsed by Gronroos (2002) who also argued that the foundation of the marketing mix paradigm was weak, and was based on the lack of focus given to relationships. Gronroos (2002) suggested that the marketing mix does not allow any personalised relationships with producers and marketers, which does not fit with the reality of industrial marketing and the marketing of services.

From the above it is evident that the marketing mix plays an important role in the marketing of organisations, and that the balance between product, price, placement and promotion is evident in organisations. Regarding new products, the marketing mix should have a focus on their potential profitability and is important in making decisions within organisations and taking advantage of opportunities. A shift in marketing paradigms has also become evident with the focus turning towards relationship marketing.

However, the studies discussed above have not examined the marketing mix in relation to health care marketing strategies; that is, focus has been given to the overall marketing mix in organisations, while health care marketing strategy has been less investigated. Therefore, this research will explore the marketing mix in health care organisations with a view of identifying how marketing strategy influences organisational strategy. The linkage between the marketing mix and the Aaker and Mills (2005) strategic orientation continuum is highlighted in Section 2.4.9.

2.4.8 Aaker and Mills strategic orientation continuum

A new strategic paradigm has been suggested by Aaker and Mills (2005) in the form of the strategic orientation continuum. This continuum is suggested as being directly related to an organisation's strategy. It conceptualises an organisation's flexibility to enable more efficient and effective global strategy decisions as organisations tend to have different strategic orientations (Mills 2009). This continuum (see Table 2.2) at one end illustrates strategic vision, and at the other end, strategic opportunism. Strategic vision is primarily focused on the future, is forward looking and has a long-term perspective with the horizon of planning being two, five, ten or more years into the future (Mills 2009). In contrast, the other end of the continuum depicts strategic opportunism, which is focused on strategies that make sense today; it is concerned with markets that are uncertain and very dynamic (Mills 2009).

Table 2.2 illustrates organisational characteristics, and shows how organisations can be placed on a continuous scale ranging from *strategic vision* to *strategic*

opportunism. The organisational characteristic of *perspective* is observed along the continuum between (a) a forward looking perspective undertaken by strategic decision makers in the organisation and (b) the decision makers being more focused on the present. Strategic uncertainties can be explored by assessing trends that affect the future or through the opportunistic end of the continuum by assessing current threats and opportunities found in the environment. The organisational characteristic of environmental sensing is related to the strategic vision end of the continuum, in future scenarios that may occur within the environment, while opportunism is depicted in change sensors found in the environment. Environmental sensing is related to the characteristic of information systems as these systems assist in understanding the future environment (Mills 2009).

Table 2.2 The strategic orientation continuum

Organisational Characteristics	Strategic Vision ⟷	Strategic Opportunism
Perspective	Forward looking	Present
Strategic uncertainties	Trends affecting the future	Current threats and opportunities
Environmental sensing	Future scenarios	Change sensors
Information system	Forward looking	Online
Orientation	Commitment Build assets Vertical integration	Flexibility Adaptability Fast response
Leadership	Charismatic Visionary	Tactical Action oriented
Structure	Centralised Top-down	Decentralised Fluid
People	Eye on the ball	Entrepreneurial
Economic advantage	Scale economies	Scope economies
Signalling	Strong signals sent to competitors	Surprise moves

Source: (Aaker & Mills 2005, p. 6)

This study will focus on the Aaker and Mills (2005) strategic orientation continuum throughout the investigation on how marketing strategy influences organisational strategy. This focus has been chosen as the strategic orientation continuum has not been empirically tested thus far in the body of literature in either a quantitative or qualitative study. This continuum is also of interest and relevance due to the variety

of organisational characteristics that are addressed through the continuum and then linked to either end of the continuum through visionary or opportunistic aspects. Focus is also being given to the Aaker and Mills (2005) continuum based on the health care context in which this study is being conducted. Through applying this continuum to health care, insight into marketing strategy and organisational strategy will be achieved and the influence marketing strategy has on organisational strategy in health care determined. A comparison of the underlying theoretical models in marketing strategy and organisation is conducted in the following section, and provides justification for the focus of this study in the form of the Aaker and Mills (2005) strategic orientation continuum.

2.4.9 A comparison of the underlying theoretical models in marketing strategy and organisational strategy

In comparing the underlying theoretical models of strategy noted in Section 2.4.1 through to Section 2.4.8 it is essential to consider the various aspects that are addressed by the different continuums illustrated in the models. Table 2.3 highlights these aspects and how each theoretical model addresses or does not address the aspects. It is clear that the different strategy models address different strategic aspects. Ansoff's growth matrix has a focus on products and services and the achievement of growth, while the BCG is focused on market growth. Porter's generic strategies addressed the need for products and services and the achievement of market growth through these products and services. The Miles and Snow typology has also focused on products and services while being concerned with the market and environment in which these products and services are distributed. The Dunphy et al. (2000) sustainability phase model focused on ecological sustainability in terms of environments, environmental sensing strategic uncertainties and markets. It also integrates human sustainability in terms of growth in competencies to deliver services to stakeholders in the market as well as leadership, people as well as structure. Mintzberg's central themes to strategy formation focused on products and services in accordance with the environment in which an organisation operates, and the marketing mix is concerned with products and services as well as the market. Interestingly, the strategic orientation continuum that provides the basis for this

study's focus is not concerned with the products and services of an organisation, but rather, with the external growth that an organisation can achieve in the marketplace while considering the environment in which it operates.

This continuum notion within marketing strategy and organisational strategy will be investigated through ***Research Issue 2:*** *What organisational characteristics differentiate regional private hospitals on a strategic orientation continuum?;* ***P1:*** *The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum;* and ***P3:*** *Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum.*

Table 2.3 Comparative analysis of the underlying theoretical models in strategy

	Strategic Aspects			
	Product/service	**Growth**	**Market**	**Environment**
Ansoff's growth matrix	√	√		
BCG		√	√	
Porter's generic strategies	√	√	√	
Miles and Snow typology	√		√	√
Mintzberg's central themes	√			√
Dunphy et al. (2000) sustainability phase model	√	√	√	√
Marketing mix	√		√	
Aaker and Mills strategic orientation continuum		√	√	√

Source: Developed for this research.

2.5 Marketing strategy

The following section provides an overview of marketing strategy and what this construct involves, in accordance with a discussion of marketing strategy in health care and the identification of gaps in the literature. Greenley (1993) explored the concepts of marketing strategy and strategic marketing and the differences in these concepts. It was determined by Greenley (1993) that marketing strategy could be viewed as a broad term that encompasses general marketing activity, while strategic marketing is an unfamiliar construct to most organisations and does not appear to be included in organisations' marketing activities. The differences in marketing strategies and operational tactics in surviving and failing organisations are that successful firms were associated with managerial expertise, grew in a focused manner, and did not react to their environment without careful consideration and focus (Colarellia O'Connor 1994). Strategic fit between marketing strategy and organisational culture has been investigated by Baker, Hunt and Hawes (1999), in accordance with examining how combining organisational culture and marketing strategy influences organisational performance. Although specific types of organisational culture and marketing strategy, if used, are significantly and positively related to organisational performance, a contingency relationship between marketing strategy and culture was, however, not established.

Marketing strategy in health care: Accountability in the marketing of health care systems has been discussed by Berkowitz (1992a) and it has been suggested that this accountability is critical in the future evolution of marketing in health care. The difference between marketing and sales in health care has also been investigated by Berkowitz (1992b) who noted that the marketing notion was largely misunderstood by health organisations and that their marketing orientation was diffused. The intersection between the use of fear appeals, marketing to the elderly and the marketing of health care services and products in relation to ethical implications has been explored by Benet, Pitts and LaTour (1993). Results from their study indicated that the elderly are not more vulnerable, that they spend a substantial amount of money on health insurance and prescription medications and that fear-based marketing appeals can be used in both a positive and humane manner. Benet and

Bloom (1998) studied senior consumers' reactions to mock advertisements relating to long-term care insurance, and recommended that marketers should provide advertising materials that are educational and informative, especially to educated groups of seniors. Porter and Olmsted Teisberg (2007) propose a strategy for health care reform that is claimed to improve health and health care value for patients. The basis of this strategy is the role physicians play in leading the medical teams that are providing the care, and thus increasing the value for patients, having an organised practice around medical conditions and care cycles and measuring results. The application of social marketing in health care has been explored by Evans and McCormack (2008), with a focus on strategies that can be applied to both health care and consumer behaviour. Social marketing has the potential for expansion into health care and if done so will span a range of situations and is overall an effective behaviour change approach that can be undertaken by organisations. A systematic review of public health care branding has been conducted by Evans, Blitstein, Hersey, Renaud and Yaroch (2008) indicating that past literature on health branding provided information on planning, development and evaluation of the branding, while the messages typically focused on behaviour change effectiveness in relation to tobacco, nutrition and HIV/AIDS. In examining the strategic marketing planning practices of Australian private hospitals, Hopper (2004) reviewed specific marketing strategies related to growth strategies, positioning strategies, differentiation strategies, competitive strategies, service strategies, pricing strategies and advertising strategies. It was found that the strategies pursued to the greatest extent by the private hospitals — according to Ansoff (1988), Brown (1997), Johnson & Scholes (2002), Kotler et al. (1994) and Tang Chen Hsin (1997) — included pricing strategies, advertising strategies, positioning strategies, differentiation strategies, growth strtegies and competitive strategies. In terms of pricing strategies, prices were set according to Private Health Fund/Government regulation requirements and were aimed at maintaining stable prices while emphasising something other than prices. In terms of advertising strategy they recommend advertising service offerings through the local newspaper and the Yellow Pages. Regarding positioning strategy, it is recommended that the health care organisations create a positive relationship with medical practitioners and position the organisation by creating an image based on the advantages that their services offer. In differentiation strategies,

the authors recommend concentrating on selling services to a variety of specific groups of customers within the total market, as well as selling services to the whole market (e.g. everyone in the region and/or city). The identification and development of a new market segment for current services is recommended for growth strategies in accordance with offering new or modified services to current market segments. In terms of competitive strategies, it is suggested that organisations should focus on a minority of market segments and not the entire market, as well as ensuring their services can be differentiated from those of their competitors.

With a focus on health care marketing strategy, it is evident that marketing strategy encompasses a wide contingent of activities, that accountability in an organisation is essential and that marketing is often misunderstood and underestimated in organisations. It is also apparent that there are numerous marketing 'tactics' or 'methods' that can be applied in health care such as fear-based marketing and social marketing, as well as specific strategies such as pricing, advertising, positioning, differentiation, growth and competition.

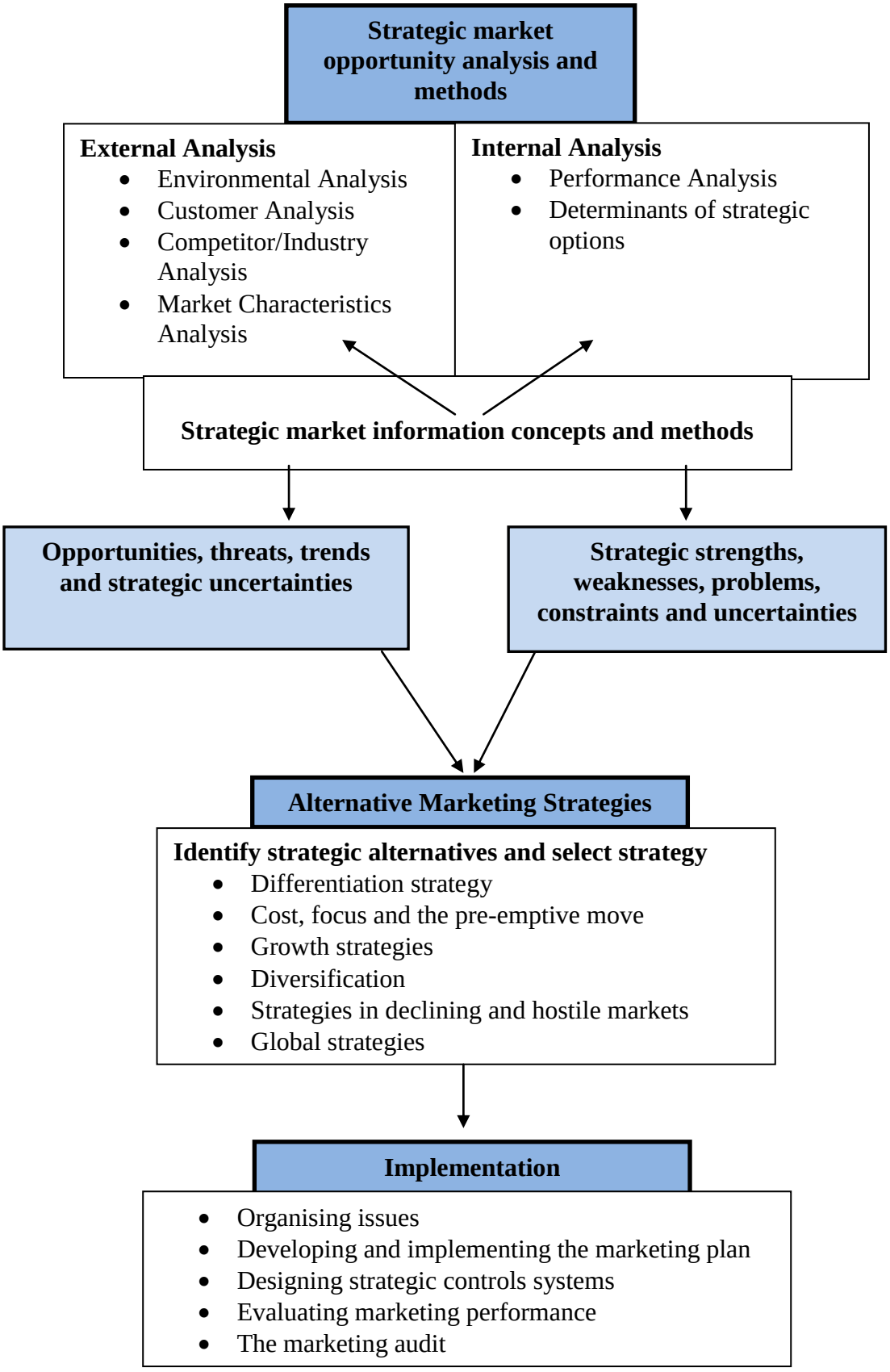
While the specifics of marketing in health care organisations has been explored to some extent, the overall view of marketing strategy and its influential relationships in health care organisations have not been investigated fully. This research will, therefore, explore marketing strategy in health care organisation from an overarching organisational viewpoint and determine how this will affect the organisational strategy of health care organisations.

> This confirms ***Research Issue 3:*** *Which types of marketing strategy formulation concepts emerge within regional private hospitals?*

An overview of marketing strategy has been depicted in Figure 2.3 (Aaker & Mills 2005) and endorsed by Ansoff (1988), Brown (1997), Johnson and Scholes (2002), Kotler et al. (1994) and Tang Chen Hsin (1997). It can be seen that marketing strategies may exist in the form of differentiation strategy, cost, focus, pre-emptive strategies, growth strategies, diversification strategies, strategies in declining and hostile markets, and global strategies. Marketing strategy consists of various

concepts, all of which contribute to its formulation in an organisation. In discussing what is involved in a marketing strategy, Aaker and Mills (2005) have focused on strategic market opportunity analysis and methods, alternative marketing strategies and implementation. From Figure 2.3 it is apparent that both internal and external analyses perform key roles in the development of an organisation's marketing strategy, as do the development of alternative strategies and the implementation of those strategies.

Figure 2.3 Marketing strategy overview



Source: Adapted from (Aaker & Mills 2005, p. 16).

To examine marketing strategy and its use in health care, three key concepts directly related to marketing strategy require consideration. These concepts have been determined through Aaker and Mills' (2005) model (see Figure 2.3) and consist of the environment in which regional private hospitals operate, the implementation activities undertaken by regional private hospitals and the evaluation and control activities used by regional private hospitals. Literature relating to the above three components of the marketing strategy field will be reviewed in the following sections.

2.5.1 Environmental analysis

After considering different definitions in the body of literature in relation to environmental analysis, it was determined that for the purposes of this study, Segev's (1979, p. 58) explanation would provide the basis for the following discussion, where the author states that the analysis of the environment 'is the study of the diverse forces in the environment, the relationship among them over time, and their effects or potential effects on the organisation.' Focus will also be given in this study to the micro-environment (internal environment) and the macro-environment (external environment) (Aaker & Mills 2005; Bryson 1995; Hill, Jones & Galvin 2001; Kotler et al. 1994). In assessing both the micro- and macro-environments, an organisation is required to consider a variety of factors specifically related to each environmental area. Table 2.4 outlines the factors relevant to the micro- and macro-environments.

The factors described as belonging to both the micro- and macro-environments have been specifically adapted to fit within this current study's context of regional private hospitals. For example, customer satisfaction in the context of this study would involve ensuring that both the doctors and patients are completely satisfied with the service they have received from a regional private hospital. Services portfolio analysis would involve the hospital management team in assessing what services they currently offer, whether these services are still viable and whether they should be adding new ones. Similarly, macro-environmental factors would involve identifying competitors and being aware of other private hospitals' activities within

the local region. In considering demographic factors, hospital management would be required to review the characteristics of the region in which they operate and assess whether they have the capability to meet these demographic characteristics in the services that they offer.

Table 2.4 Micro-environmental and macro-environmental factors

Micro-environmental Factors	Macro-environmental Factors
Research and Development	Competitors
Purchasing	Suppliers
Marketing	Technology
Human resources	Government
Profitability	Economic
Income	Culture
Shareholder value/community stakeholder value	Demographics
Customer satisfaction	Examining scenarios that could occur in the external environment
Service quality	
Customer association	
Service delivery costs	
Introduction of new services	
Employee capability and performance	
Services portfolio analysis	

Sources: Adapted from (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997).

The relationship between environmental scanning undertaken by organisational executives and the organisation's strategies was examined by Hambrick (1982), within the context of private liberal arts colleges, voluntary general hospitals and life insurance organisations. It was found that executives in these organisations did not necessarily scan the environment in accordance with their organisation's strategies and it was suggested that executives will only engage in environmental scanning; consequently, the strategy relies on information that is not accessible. Miller and Friesen (1983) examined the relationship between environment and strategy-making, with a focus on dynamism, hostility and heterogeneity in relation to innovation and strategic analysis. The findings of the study determined that environmental dynamism and hostility increase an organisation's information processing tasks, and

that stronger relationships between heterogeneity and innovation exist in successful organisations. Ansoff and Sullivan (1993) explored the optimisation of profitability in organisations that operate in turbulent environments. Strategic success was found by Ansoff and Sullivan (1993) through the profitability of an organisation being optimised when the strategic behaviour of the firm is aligned with its environment, with a different contingent success formula being evident for each environmental turbulence level. Wilson (1999) has explored strategy development processes in conditions of environmental volatility, based on informal and formal approaches to strategy development. The study determined that competitive marketing strategy can be viewed as an organisational response to competitive threats in the environment; that when conducting a competitive assessment and analysis, focus should be given to the perceptions and paradigms of those involved, and be conducted at various hierarchical levels in the organisation; and that when facing a competitive threat, focus should be given to fresh systems and approaches.

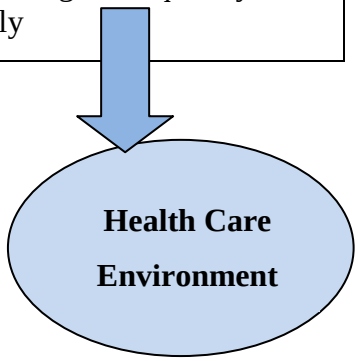
Environment in health care: This topic has been addressed by Ashmos, Duchon and McDaniel (2000), who examined how health care organisations' respond to dynamic, complex and turbulent environments affected the financial performance of a hospital, through assessing goal complexity, strategic complexity, interaction complexity, structural complexity and financial performance. Results indicated that when operating in a complex environment, hospitals that had a greater internal complexity outperformed those with less internal complexity. The notion that the health care environment is dynamic, complex and highly uncertain is further endorsed by Begun and Kaissi (2004), who associated dynamism in the health care environment with frequency of change and the predictability of change. The health care environment complexity refers to the number of elements in the environment, their dissimilarity and the degree of interconnectivity between them. Complexity absorption and its relationship with organisational performance has been explored by Walters and Bhuian (2004), with complexity absorption being the degree to which an organisation responds to increases in environmental dynamism through complicating themselves internally. It was determined that acute care hospitals that undertook complexity absorption practices experienced a higher level of organisational performance, endorsing the previously discussed findings of Ashmos, Duchon and

McDaniel (2000). The nature of the health care environment has been summarised concisely by Ozcan and Luke (1993), who examined the relationship between hospital characteristics and variations in hospital technical efficiencies. The study found that uncertainty remains over the effects of even the most commonly examined factors within the health care environment.

From the above discussion it is evident that the health care environment has been described consistently as dynamic, complex, turbulent and uncertain. Health care organisations are viewed as complex entities with a large number of elements within the health care environment. Complexity absorption is viewed as a positive practice for health care organisations, while it has been made clear that uncertainty will always remain in the health care environment. Wilson and Gilligan (2005) provide further information on the degrees of environmental complexity, expanding on the views of Ashmos, Duchon and McDaniel (2000), Begun and Kaissi (2004), Walters and Bhuian (2004) and Ozcan and Luke (1993), indicating that the health care environment has large numbers of external elements, which are dissimilar and unpredictable (see Table 2.5).

Table 2.5 Degrees of environmental complexity

	Low (simple)	High (complex)
Low/Stable	**Simple + stable = low uncertainty**	**Complex + stable = low – moderate uncertainty**
	A small number of external elements, with these elements being similar Elements remain the same or change only slowly	A large number of external elements and elements are dissimilar Elements remain the same or change slowly
High/Unstable	**Simple + unstable = high – moderate uncertainty**	**Complex + unstable = high uncertainty**
	A small number of external elements and elements are similar Elements change frequently and unpredictably	Large numbers of external elements and elements are dissimilar Elements change frequently and unpredictably



Source: (Wilson & Gilligan 2005, p. 125).

The studies highlighted in the preceding discussion have explored and focused on the dynamic, complex, turbulent and uncertain nature of the health care environment. This has allowed for the overall nature of the health care environment to be investigated; however, the linkage this environment has to marketing strategy has been explored to a limited degree. This research will, therefore, explore linkages between the health care marketing environment and marketing strategy with the purpose of identifying how marketing strategy influences organisational strategy (see below). In addition to the environment, the marketing strategy component of implementation also requires investigation.

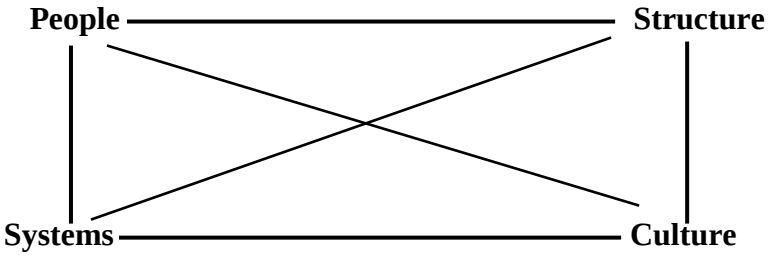
> ***Research Issue 3a:*** *How does the health care environment emerge in the marketing plan of regional private hospitals?*

Research Proposition 7: *Different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations.*

2.5.2 Marketing strategy Implementation

Aaker and Mills (2005) concisely identify and describe four key organisational components that are essential in successful implementation of not only organisational strategy but also marketing strategy: structure, systems, people and culture (see Figure 2.4). First, structure is identified by Aaker and Mills (2005, p. 339) as defining 'lines of authority and communication and specifies the mechanism by which organisational tasks and programs are accomplished'. Organisational structure can be described through a number of aspects, including centralisation versus decentralisation, borderless organisations, alliance networks and the virtual corporation (Aaker & Mills 2005).

Figure 2.4 Components of successful implementation



Source: (Aaker & Mills 2005, p. 339).

The second organisational component, systems, is discussed by Aaker and Mills (2005) in terms of the use of management systems in strategy implementation. Budgeting, accounting, information, measurement and reward, and planning systems are all considered to be strategically relevant in strategy implementation. Third, the use of people in strategy implementation is discussed by Aaker and Mills (2005). Aaker and Mills (2005) make the point that strategy is based on an organisation's competency, which in turn is reliant on the people it has employed. In essence it is essential for an organisation to consider the employees' experience, depth of

knowledge and skills within the functional areas of the organisation (Aaker & Mills 2005). This people component will be further explored in Section 2.6 with regards to strategy communication and its role in marketing strategy. Fourth, the organisational culture needs to be considered when strategy is being implemented. The culture of an organisation is described by Aaker and Mills (2005) as consisting of three elements: (a) shared values or dominant beliefs, (b) norms of behaviour and (c) symbols and symbolic activities. All of these affect strategy implementation within an organisation.

Organisational structure and process and their role in strategy implementation have been examined by Galbraith and Nathanson (1979). It was determined that organisational structure will influence strategy, and that a CEO is required to change to enable change in strategy and structure, and hence for implementation to occur successfully. Spector and Beer (1994) examined the concept of Total Quality Management (TQM) in organisations, with specific focus being given to the examination of missteps in its implementation and the link these missteps have to its long-term effectiveness. The study suggests six steps that can be undertaken to ensure implementation success in an organisation: (a) combine external competitive pressure with clearly defined direction from the CEO, (b) agree and commit to quality improvement, which is a key strategic task of the organisation, (c) form ad hoc teams around processes to be improved, (d) create an oversight team which promotes learning and systemic change and assists in overcoming resistance, (e) enable teams to analyse and take action on decision-making delegation, provision of necessary team skills and the information necessary to understand, analyse and re-engineer processes. In an examination of organisations' internal situations, Beer and Eisenstat (1996) uncovered barriers to strategy implementation. These barriers consisted of (a) poor coordination or teamwork, (b) unclear strategies and priorities, (c) ineffective top management teams, (d) leadership styles that are top-down, (e) inability to speak truthfully to top managers and (f) inadequate leadership skills and development at middle levels. These inhibiting implementation factors were reinforced by Beer and Eisenstat (2000), who proceeded to discuss the 'silent killers' of strategy implementation that exist within organisations. It has been suggested that these 'silent killers' consist of (a) top-down or laissez-faire senior management style,

(b) unclear strategy and conflicting priorities, (c) ineffective senior management team, (d) poor vertical communication, (e) poor coordination across functions, businesses or borders and (f) inadequate down-the-line leadership skills and development (Beer & Eisenstat 2000, p. 31). Beer (2003) examined the longevity of TQM programmes in organisations and why they do not persist. Again, the 'silent killers' identified by Beer and Eisenstat (2000) were examined extensively in Beer (2003), with the quality of strategic direction and the quality of learning being identified as key concepts influencing effective implementation.

Implementation in health care: This topic has been addressed by Dooley, Fryxell and Judge (2000), who explored the effects that strategic decision consensus and commitment in United States hospitals have on decision implementation speed and success. It was established that the level of consensus associated with a strategic decision will increase the level of commitment to the decision in the decision team, that the level of decision-team commitment to a strategic decision will increase the likelihood of successfully implementing the decision and that the relationship between the level of consensus associated with a strategic decision and implementation speed will be mediated by the decision team's commitment. Hopper (2004) discussed the extent to which specific marketing implementation activities were carried out by Australian private hospitals (Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005). It was found that marketing strategy implementation in these organisations included stating the activities to be implemented, defining the deadlines for implementing the strategies, establishing annual objectives, developing policies to guide the implementation process, allocating resources needed to implement strategies, enhancing organisational culture, managing potential conflict that may result from the implementation process, making any necessary changes to the organisation's structure, communicating to employees when and how the strategies would be carried out, providing incentives for employees to carry out the strategies effectively, consistently monitoring to ensure that all activities were co-ordinated and assigning people who were to be responsible for implementing the strategies.

It can be inferred from the above studies that effective strategy implementation relies on structure, teamwork, management style, information gathering and processing, and communication. Further, in relation to health care specific implementation, the speed of implementation appears to be of importance.

While the success of implementation and how to achieve this have been investigated in the literature, the application of this success in health care marketing strategy has only been briefly examined. This research will therefore investigate the successful implementation of marketing strategy and how this affects organisational strategy (see below). Once a strategy has been effectively implemented, it is essential that an organisation evaluate and control activities to ensure its continuing success.

> ***Research Issue 3b:*** *How does strategic marketing implementation emerge in the marketing plan of regional private hospitals?*

> ***Research Proposition 6:*** *The implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.*

2.5.3 Evaluation and control

For the purposes of this study, evaluation and control will be focused mainly on the views of Aaker and Mills (2005) who emphasised the importance of effectiveness and efficiency (see Sections 2.4.6 and 2.4.7). These authors described strategy *effectiveness* as 'how well the strategy is meeting the objectives set for it' and strategy *efficiency* as 'how well the strategy is returning value and profitability to shareholders' (Aaker & Mills 2005, p. 358). The need for strategy evaluation and control within an organisation is also reflected in the health care related literature, which will be the focus of the following section.

Evaluation and control in health care: This topic has been addressed by Lim, Tang and Jackson (1999) who explored the applicability of Quality Function Deployment (QFD) in health care and its use as a performance tool. Lim, Tang and

Jackson (1999) determined that it is essential for hospitals to monitor their performance to improve the overall quality of the services offered. The relationship between performance and the roles of board members has been investigated by Ditzel, Strach and Pirozek (2006). It was found that Czech Republic hospitals were managed in an 'ad-hoc' way while New Zealand hospitals were managed in a 'collegiate' manner by an elected District Health Board. Ditzel, Strach and Pirozek (2006) discovered that the hospital board plays a key role in strategy evaluation with the board members ideally being responsible and accountable for the overall performance of the organisation. A framework to help match the components of a company's control system to its market strategy has been developed by Slater and Olson (1997), highlighting the notion that control systems provide a critical linkage between strategy execution and strategy adjustment. Slater and Olson (1997, p. 43) argued that 'no strategy, regardless of how brilliantly designed it is, can be effective for very long without refinement or adjustment', while describing the measurement of performance as a mechanism of control. Specific control activities (David 2003; Kotler 1997; Kotler et al. 2001; Slater & Olson 1997) relevant in Australian private hospitals have also been described by Hopper (2004) while examining the strategic marketing planning practices of private hospitals and their effect on organisational performance. The activities described by Hopper (2004) included (a) contingency planning (coming up with alternative strategies/actions for a 'what if' situation), (b) auditing (examining the environment, objectives, strategies and activities to identify opportunities or problem areas), (c) budgetary control (examining and monitoring the organisation's budget at regular intervals), (d) management by objectives (setting objectives and measuring performance), (e) marketing research (investigating a specific problem or issue with the purpose of finding a solution) and (f) sales analysis.

From the above discussion it is apparent that evaluation and control in health care involves a variety of activities. These activities may consist of performance monitoring, different management styles being applied internally, frameworks for linking with strategy, and more specific activities such as contingency planning and management by objectives.

It is apparent from the literature that the internal activities of evaluation and control have been explored; however, the linkages between implementation activities and marketing strategy have been examined only to a limited degree. Consequently, this research will explore the activities of evaluation and control in marketing strategy and how these affect organisational strategy. An additional aspect of marketing strategy that requires consideration in the health care context is the communication of strategy both internally and externally to the organisation.

> ***Research Issue 3c:*** *How does strategic marketing evaluation and control emerge in the marketing plan of regional private hospitals?*

> ***Research Proposition 5:*** *The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.*

2.6 Strategy communication

In the context of this study, the communication of strategy can be seen to take place in two different domains: organisational strategy and marketing strategy. Due to the focus on marketing strategy in this research, the communication of marketing strategy will be the primary focus of the following discussion. It is, however, worth noting Mintzberg's thoughts on the communication of *organisational* strategy. Mintzberg (1980) addressed both formal and informal communication between the CEO and employees in organisations through the five strategic structures encouraging constant communication about strategic change. Mintzberg (1987a) suggested that CEOs should promote the changes resulting from strategy throughout organisations and encourage employees to think strategically and communicate with each other. .

Marketing strategy communication within health care organisations can be seen in terms of relationship marketing. In this section, various definitions of relationship marketing will be examined, culminating in the decision that this study should focus on Zeithaml, Bitner and Gremler's (2006) viewpoint that relationship marketing is

essentially a way of doing business and can be viewed as a strategic orientation. These authors explain that this form of marketing is focused on keeping and improving relationships with current customers rather than on obtaining new customers, hence the need for constant communication with current customers.

Paul (1988) examined relationship marketing in terms of the usefulness of health care providers targeting employers as direct purchasers of health care services, with a focus on (a) why employers' rhetoric about health care purchasing practices has so far exceeded the reality of change and (b) ways in which relationship marketing can be adopted by providers to influence the health care purchasing practices of organisational buyers. It was concluded that health care providers can achieve penetration with employers through three key methods: (a) word-of-mouth communication between employees, which is favourable, (b) leveraging employee choices in favour of designated providers and (c) encouraging more employees to purchase services directly. The importance of United States health care organisations employing a staff of highly trained and loyal physicians — a form of relationship marketing — has been discussed by Peltier, Boyt and Westfall (1997), who reported that health care organisations became concerned at the high rates of physician turnover, especially in rural environments (Peltier, Boyt & Westfall 1997, p. 12). The study highlighted the three levels of relationship marketing: financial bonds, social bonds and structural bonds. They concluded that structural relationship marketing bonds provided the greatest opportunity for sustaining a competitive advantage. The construct of relationship marketing in strategy communication has also been examined by Gray and Ghosh (2000) as a means of analysing the purchaser–provider relationships within the United Kingdom National Health Service (NHS) internal market. It was found that the higher the number of competitors or occurrences of relationship marketing, the greater was the probability of contracts providing extra services over and above the basic requirement. An alternative perspective to relationship marketing can be derived from Taylor, Wilkinson and Cheers' (2006) discussion on consumer and community participation in Australian rural health services, through the notion that community participation in rural health services planning should be representative in terms of participants having knowledge about consumers and the ability to represent their needs. It was

suggested that country hospitals in Australia provide an important focus for their communities with local residents sitting on hospital and health service boards. They also noted a willingness of communities to become involved in rural health planning. A brief discussion on the environment in which health care organisations operate and its significance to relationship marketing has been provided by Nowak (2000). It was determined that health care organisations, in strategy communication, are using relationship marketing (a) to reach market segments more effectively, (b) to strengthen physician–patient relationships, (c) to improve customer loyalty and (d) to maximise marketing resources.

From the above discussion it can be inferred that relationship marketing plays an important role in the communication of strategy in health care organisations. The construct of relationship marketing in health care is evident through the purchasers of health care being the customers, the importance being placed on the role of physicians in health care organisations, relationship marketing improving the provision of services, community participation in rural health organisations and the different roles relationship marketing can play in a health care organisation.

It is apparent from the literature that relationship marketing and its role in strategy communication have been well established. The application of communication in health care marketing strategy has not, however, been investigated to any great depth. Communication in marketing strategy and how this affects organisational strategy will therefore be investigated in this research (see Research issue 4 and Research proposition 8, below). The impact that the relationship between marketing strategy and organisational strategy has on organisational performance also requires investigation.

> ***Research Issue 4:*** *What is the role of strategy communication within the marketing strategy in regional private hospitals?*

> ***Research Proposition 8:*** *Different management levels' understanding of strategy communication in regional private hospitals impact on the marketing strategy within the organisations.*

2.7 Performance

Performance measurement is an essential element in strategic marketing planning (Joyce & Woods 2001). This is a result of management being required to demonstrate effective performance to stakeholders (Bryson 1995) and performance reflecting how the management of the organisation view the competitive task (Urban & Star 1991). Consequently, this research will examine the different facets of the strategy and performance relationship.

Dess, Lumpkin and Covin (1997) explored the nature of entrepreneurial strategy making (ESM) and its relationship with performance. They suggested that in order to understand the relationship between ESM and performance it is essential to analyse the context in which the relationship occurs, indicating the extent to which the association between the two concepts does and does not interact. An attempt to close the gap between marketing strategy and performance was undertaken by Wong and Merrilees (2007) with a focus on brand-orientation. It was determined that marketing strategy and innovation positively influence brand performance, while brand orientation was found to be a moderating factor in the strategy–performance relationship.

Hawes and Rao (1985) analysed the importance–performance relationship of hospital obstetric services with the purpose of developing health care marketing strategies. Their findings indicated attributes of importance to obstetrics patients (such as 'clean accommodations'). It was suggested that based on these attributes, marketing strategies can be developed that focus on patients' expectations. Garcia-Altes et al. (2009) applied a framework for country-level performance assessment to the cities of Montreal (Canada) and Barcelona (Spain) with the aim of understanding differences between the two health systems. They revealed differences in the requirement of home care services, generic drug prescription, major ambulatory surgery, caesarean deliveries, waiting times and hospitalisation rates.

The literature shows that the *performance* construct can be divided into individual facets that include (a) financial and non-financial performance measures, (b) a broader view of performance, or a more balanced one and (c) other performance differences and variations.

Financial and non-financial performance measures: There are two key methods depicted as being essential in measuring organisational performance: financial and non-financial measures (Ballou, Heitger & Tabor 2003; Short, Palmer & Ketchen Jr 2002; Watkins 2003); and objective and subjective measures (Yavas & Romanova 2005). Objective and financial measures are closely related, as are subjective and non-financial measures (Yavas & Romanova 2005). The United States health care system features predominately in the health care performance measurement literature, with the relationship between non-financial measures and financial measures of performance being widely explored.

Watkins (2003) examined the possibility that the financial performance indicators could adequately convey information about the operational performance of health care organisations in a service-oriented economy. Watkins' results indicated that financial and non-financial measures of performance do not capture the same information, and for this reason it is imperative that both indicators be included when measuring an organisation's performance. It was also discovered that, through routinely measuring certain key non-financial indicators, the financial analysis of an organisation could be enhanced. Ballou, Heitger and Tabor (2003) explored the objectives relating to non-financial performance measurement in a not-for-profit community hospital. Their findings support those of Watkins (2003), by determining that by focusing on the non-financial measures, financial measures could be improved as a result, and that non-financial measures assisted in the evaluation and improvement of health care delivery, business, and support processes. An alternative perspective of health care performance measurement was taken by Short, Palmer and Ketchen (2002) by assessing resources and strategic group membership and their effect on performance. It was established that resource bundles influence performance, that strategic group membership explains performance variance and

that strategic group membership moderates the influence of resources on performance.

Broader and balanced performance scope: Limitations associated with traditional financial measures of performance have been noted by Chang, Lin and Northcott (2002). Results from Chang, Lin and Northcott's (2002) study indicated that a broader and balanced perspective of organisational performance must be taken by firms. This viewpoint is endorsed by Martin and Smith (2005) who discussed an alternative method of modelling organisational performance through placing specific emphasis on the relationships between individual performance indicators and seeking to model these indicators simultaneously within the public services context. It was determined that this balanced and broader method of performance measurement was helpful to organisations in targeting performance areas that have a priority for improvement.

Performance differences and variations: Some evidence of factors attributing to variation in health care performance measurement has been provided by Ginn and Lee (2006) in their study examining community orientation and strategic flexibility and the effect of accounting measures of financial performance in acute care hospitals. Their findings indicated that community orientation did not contribute to short-term financial performance in highly competitive environments associated with environmental turbulence and that at least some elements of strategic flexibility were positively associated with hospital performance. In developing a model for process-based performance measurement, through an analytical hierarchy process (AHP), Hariharan et al. (2004) examined performance in health care. These authors concluded that the performance differences they found in Barbados and Indian hospitals could be attributed to technology and argued that AHP was a useful tool for process-based performance measurement. A review of public performance reports by medical providers conducted by Robinowitz and Dudley (2006) has illustrated the small (but very real) impacts on provider attempts to improve quality, as well as the impression of, and selection of, providers held by consumers. It was discovered that 'noise', in the form of variation due to random choice, the failure of risk adjustment to compensate for all case mix differences, gaming (overcoding patient risk factors)

and accidental errors in data collection (mis-entry of patient characteristics), reflected performance differences among hospitals. Stockard and Tusler (2003) examined the long-term effects of reporting hospitals' performance ratings with publicly available data versus privately held data. Their findings indicated that the use of public data led to performance improvements and that making the performance information available to the public tended to stimulate the activities associated with quality improvement and hence explained differences and variations in hospitals' performance. More recently, a study conducted by Hopper (2004) explored performance measures relevant to Australian health care (Ballou, Heitger & Tabor 2003; Cleverley & Harvey 1992; Eastaugh 1992; Short, Palmer & Ketchen Jr 2002; Smith, Piland & Funk 1992; Tang Chen Hsin 1997; Watkins 2003) and examined strategic marketing planning practices and their influence on organisational performance. These performance measures included market share, strategic planning effectiveness, service orientation' productivity' average occupancy' growth in the past two years, growth in revenue, profitability, return on investments and return on equity.

From the above discussion it is apparent that the strategy and performance relationship has a number of influencing concepts that require consideration. These concepts include financial and non-financial measures, a broader and balanced performance scope, and performance differences and variations. The financial and non-financial measures were found to capture different information, with a focus on non-financial measures leading to an improvement in financial measures of performance. It can also be seen that a broader and balanced performance scope should focus on the relationships between performance indicators, with differences and variations in performance being attributed to community orientation, strategic flexibility, technology, quality improvement, public data and 'noise' in health care organisations.

It is also apparent from the literature that the strategy and performance relationship has been explored with an emphasis on financial and non-financial measures, and a broader performance scope, in revealing differences and variations in performance. Specifically, the literature has not investigated the application of performance to

marketing strategy. This research will therefore, seek to investigate the relationship between marketing strategy and performance and how this will affect the organisational strategy of organisations (see below).

> ***Research Proposition 2:*** *Different management levels' understanding of the relationship between organisational strategy and organisational performance can be positioned on a performance continuum.*

> ***Research Proposition 4:*** *Different management levels' understanding of the relationship between marketing strategy and organisational performance can be positioned on a performance continuum.*

2.8 Research questions

Based on the overview of research provided in the preceding sections this study seeks to answer the following research question:

How does marketing strategy influence organisational strategy in regional private hospitals?

Expanding on the research question, the following research issues assist in investigating the relationship between marketing strategy and organisational strategy:

1) What is the role of marketing strategy within the organisational strategy in regional private hospitals? (See Section 2.3.5).

2) What organisational characteristics differentiate regional private hospitals on a strategic orientation continuum? (See Section 2.4.9)

3) Which types of marketing strategy formulation concepts emerge within regional private hospitals? (See Section 2.5)

3a. How does the health care environment emerge in the marketing plan of regional private hospitals? (See Section 2.5.1)

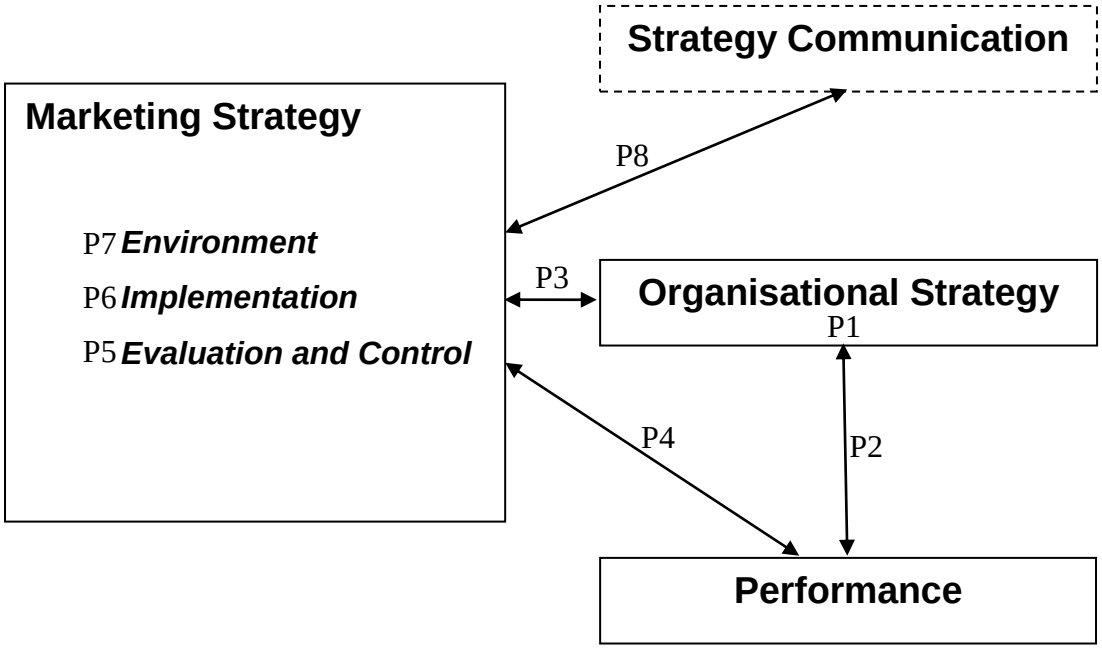
3b. How does strategic marketing implementation emerge in the marketing plan of regional private hospitals? (See Section 2.5.2)

3c. How does strategic marketing evaluation and control emerge in the marketing plan of regional private hospitals? (See Section 2.5.3)

4) What is the role of strategy communication within the marketing strategy in regional private hospitals? (See Section 2.6)

Figure 2.5 represents the conceptual framework that has been developed on the basis of the gaps that have been identified in the literature. The directionality of the relationships between the concepts depicted in this framework can be debated, see Section 1.4. The review of the literature has, however, assisted in the identification of specific research propositions, which will be used to investigate the directionality of these relationships between the concepts as depicted in Figure 2.5.

Figure 2.5 Conceptual research framework



Source: Developed for this research.

Marketing strategy is depicted in Figure 2.5 as incorporating the themes of environmental analysis, implementation of strategy, and evaluation and control. Regarding organisational strategy this theoretical construct will be explored through the previously mentioned strategic orientation continuum with focus given to the concepts of strategic vision and strategic opportunism. Figure 2.5 also acknowledges that a relationship exists between organisational strategy communication (or communication of strategy) and marketing strategy communication, in addition to the relationship between marketing strategy and organisational strategy. Linkages to the performance construct are also depicted in the conceptual research framework. The propositions, as depicted in Figure 2.5, are as follows:

P1: The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum (see Section 2.4.9);

P2: Different management levels' understanding of the relationship between organisational strategy and organisational performance can be positioned on a performance continuum (see Section 2.7);

P3: Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum (see Section 2.4.9);

P4: Different management levels' understanding of the relationship between marketing strategy and organisational performance can be positioned on a performance continuum (see Section 2.7);

P5: The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations (see Section 2.5.3);

P6: The implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations (see Section 2.5.2);

P7: Different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations (see Section 2.5.1); and

P8: Different management levels' understanding of strategy communication in regional private hospitals impact on marketing strategy within the organisations (see Section 2.6).

2.9 Conclusion

Chapter 2, *Literature review*, has provided a review of the literature pertaining to the theoretical concepts of organisational strategy, marketing strategy, strategy communication and performance. Within the marketing strategy discussion the

concepts of environment, implementation, and evaluation and control have also been examined. Gaps within the current body of literature have been identified and as a result throughout the chapter research issues and research propositions have been developed. A conceptual research framework has been provided at the end of Chapter 2; this summarises the research question, research issues and research propositions. The following chapter will provide a detailed explanation of the methods that this research will use.

Chapter 3 Methodology and research design

3.1 Chapter overview

The previous chapter provided a review of the literature on which this research is based. This chapter provides an explanation and justification for the research methodology and design undertaken during the course of this research project.

3.2 Introduction

A conceptual framework was developed in Chapter 2 and was based on a review of the literature relating to three key theoretical concepts: (1) organisational strategy, (2) organisational performance and (3) marketing strategy. However, the review revealed that there is minimal evidence in the context of health care research to support a relationship between organisational strategy and organisational performance, organisational strategy and marketing strategy, and marketing strategy and organisational performance. As a result of the gaps in the body of knowledge, eight propositions were formulated (see Chapter 2, Section 2.8).

This chapter outlines the methodology that has been used to answer the research issues and address the propositions identified in Chapter 2. Specifically, this chapter discusses 'realism' paradigm (Perry 1998) and the use of case studies in this research. The validity and reliability of the data are addressed in accordance with case selection, procedures, protocol, the interview instrument and the piloting of the case studies. Case study research procedures are also addressed, with sample selection, analysis procedures, limitations and ethical considerations all being discussed.

This research used the scientific paradigm of *realism* (Perry 1998), which is characterised by researcher objectivity, contemporary research areas and commensurability . The method of multiple cases has been used with a total of eight

regional private hospitals participating in this research. Further details of the research design and methodology are provided in the following sections.

3.3 Quantitative and qualitative research

The selection of the appropriate method is based on determining the best way to address the research question. To answer the research question *'How does marketing strategy influence organisational strategy in regional private hospitals?'* this current study has used a qualitative-based approach, including a quantitative aspect (see Figure 3.1, Quadrant 4). There are a number of reasons that justify the use of qualitative methods in this research study. First, the research question is primarily exploratory, in that there is little known about the influence that marketing strategy has on organisational strategy in regional private hospitals. Second, in addressing the research question and its exploratory nature it is important to note that qualitative investigations are situation-oriented and explore unexpected outcomes (Stake 1995). Third, these investigations also have a focus, centred on processes and meanings with regards to the key concepts of marketing strategy and organisational strategy (Denzin & Lincoln 2005). Fourth, the exploratory nature of the research question has assisted in the development of new propositions that are explored by qualitative methods, as opposed to the testing of hypotheses in quantitative research methods (DeRuyter & Scholl 1998).

For selecting an appropriate approach, Morgan (1998, p. 362) noted that 'different methods have different strengths'. Quantitative research, according to Malhotra (2006, p. 137), is focused on quantifying data and applying a form of statistical analysis. Qualitative research on the other hand involves the collection, analysis and interpretation of data that cannot be summarised in the form of numbers (Parasuraman, Grewal & Krishnan 2004). Morgan (1998) points out that health researchers have been especially interested in combining qualitative and quantitative research methods due to the complexity of the factors that influence health. It is also acknowledged that health researchers are 'particularly likely to try and connect the strengths of different methods to address the complexity of their research topics –

especially when a project's goals include both pure research and applied uses in practice setting' (Morgan 1998, p. 365).

The focus of qualitative research methods in this health care research, with a quantitative aspect, is on case studies and conducting semi-structured interviews with key informants within the regional private hospitals. Qualitative research is sometimes referred to as 'soft research'; however, despite this terminology, qualitative research is of no less value than quantitative research (Parasuraman, Grewal & Krishnan 2004). According to Yin (2003), by using a case study method the researcher can directly interview people involved in the events being studied, and also examine a large range of evidence including documents, articles, interviews and observations. This indicates, therefore, a great depth of information being obtained about each particular case. According to Marshall and Rossman (1999) there are four key characteristics of qualitative research: (a) takes place in the natural world, (b) uses multiple methods that are interactive and humanistic, (c) is emergent rather than tightly prefigured and (d) is fundamentally interpretive. These characteristics are seen in this research as the case studies were conducted in the hospital's natural environment and the interviews were interactive and humanistic. Emergence was also evident as the case study analysis and interview protocol allowed for the participants' ideas to surface and generate information throughout the entire process. Interpretation was used through the researcher interpreting the information obtained from a variety of sources within each hospital. In view of others' research, however, the quantitative approach has also been included in this study's research design.

The quantitative aspect was incorporated in this research design by including some 'quantitative type' questions throughout each semi-structured interview to assist in 'evaluating and interpreting results from the principally qualitative study' (Morgan 1998, p. 368) (see Figure 3.1). These questions touched on all theoretical concepts discussed in Chapter 2. In summary, this study has used the principle research method of qualitative research, but with a quantitative aspect.

3.4 Justification of realism paradigm

According to Patton (2002, p. 69):

> A paradigm is a worldview – a way of thinking about and making sense of the complexities of the real world. Paradigms are also normative, telling the practitioner what to do without the necessity of long existential or epistemological consideration.

Realism is the preferred paradigm for case study research (Perry 1998) and hence this research. This is a result of the paradigm being objective, inductive and commensurable. Yin (2003, p. 13) states:

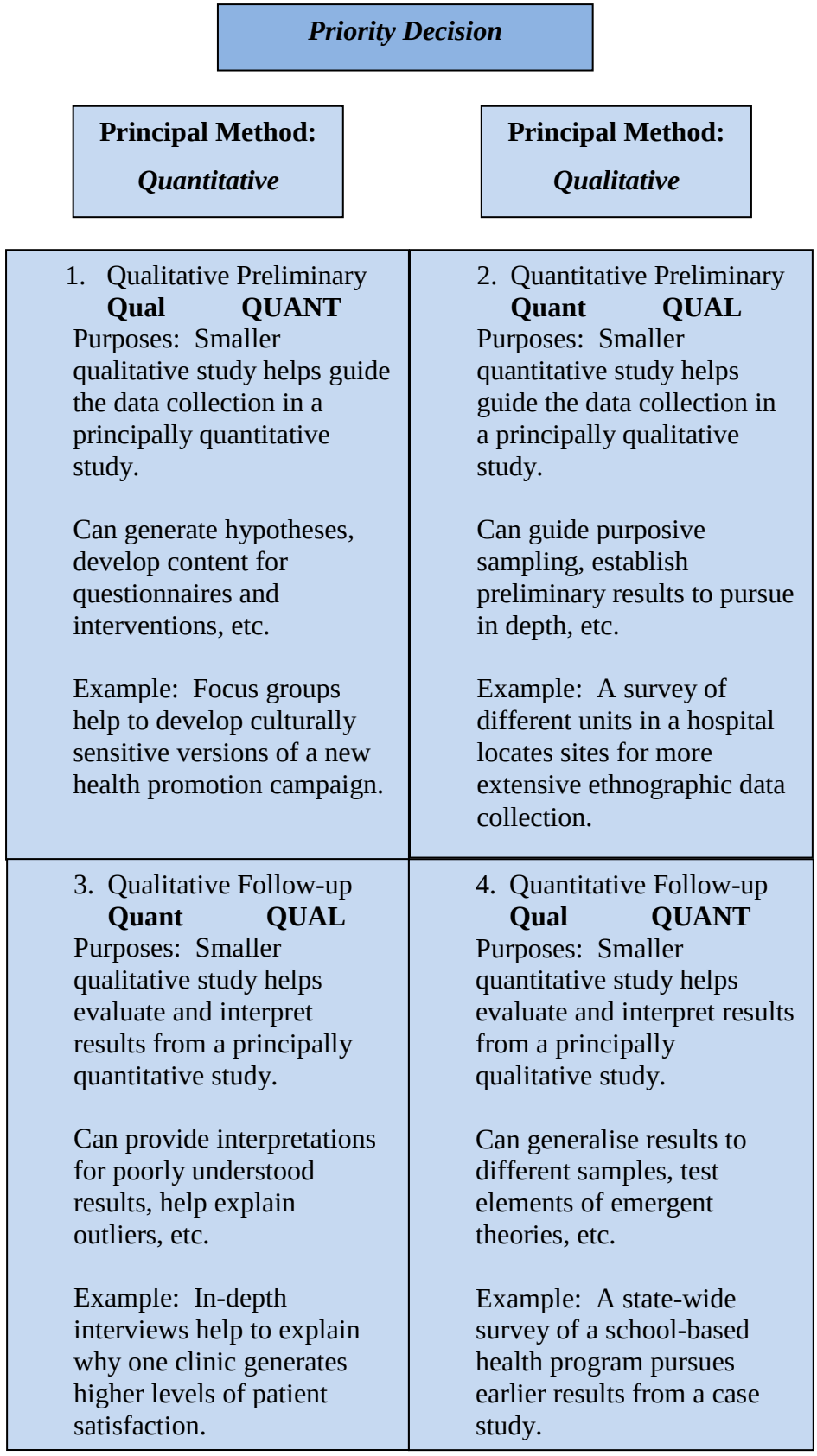
> A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident.

This research study can be classified as objective as the researcher is external to the study; that is, investigating phenomena such as regional private hospitals. The research study is also inductive, as the researcher has not manipulated the environment in which the study was conducted. Finally, the commensurability of this study was attempted by exposing the study to critical peer review obtained throughout the research process, through conference presentations and University research colloquiums. This research has been presented at the Australia and New Zealand Marketing Academy Conference as well as three University research colloquiums, at the Faculty level and at School level. Feedback from the international conference and the research colloquiums was taken into consideration during the research process.

Different research methods used within the realism paradigm include in-depth interviewing and focus groups, instrumental case study research and survey and structural equation modelling (Healy & Perry 2000). This study has specifically focused on case study research, as previously outlined, while incorporating a form of in-depth interviews and semi-structured interviews within each case.

The concept of using both qualitative and quantitative methods in health care research has been discussed by both Morgan (1998) and Morse (1991). Morgan (1998) recommended combining quantitative and qualitative methods in health research and primarily focused on the priority sequence model (see Figure 3.1). This model depicts four quadrants, each describing a complementary method of research design. The point is also made by the author that a practical strategy towards combining qualitative and quantitative methods is to have one of the methods as the principal means of data collection and the other as a complement to assist the principal one. The fourth cell of Figure 3.1, which is of most relevance to this research, uses a qualitative approach as its principal method, and this has been the approach adopted in this study, with semi-structured interviews throughout the eight case studies. As highlighted in the fourth quadrant, a quantitative aspect was incorporated into the qualitative research design to follow-up, evaluate and interpret the results of the qualitative study.

Figure 3.1 Priority sequence model



Source: (Morgan 1998, p. 368).

The use of both qualitative and quantitative methods simultaneously has been expanded on by Morse (1991), who examined different approaches to methodological triangulation. Morse suggested that a project must be theoretically driven, supported by either qualitative methods that also incorporate a complementary quantitative component, or theoretically driven by a quantitative method. The research reported in this thesis has been theoretically driven by qualitative research methods while incorporating a quantitative aspect.

3.5 Research method

The following section discusses the rationale for the use of the qualitative research method of case studies. The first section provides a justification for using case study research in this project. Validity and reliability are also explained, addressing construct validity, internal validity, external validity and reliability with regard to case study research.

3.5.1 Justification for using case study research in this qualitative research

There have been a number of criticisms made of the case study method, and it is surrounded by some degree of scepticism. According to Parkhe (1993, p. 258) this scepticism is due to the fact that the method of case study involves 'critical, initial phases in the proposed program and because they represent a fundamental shift in research orientation for many researchers'. In justifying the use of case study research it is essential that the following three conditions be addressed: (a) the type of research question posed, (b) the extent of control an investigator has over actual behavioural events and (c) the degree of focus on contemporary as opposed to historical events (Yin 2003).

Regarding the type of research question posed, case study research addresses the questions of 'how' and 'why' and is generally explanatory in nature. The 'how' and 'why' questions, according to Yin (2003), relate to operational links and therefore require tracing over time, in contrast to frequencies or incidence. Control over

behaviour and the focus on contemporary events both assist in distinguishing between the use of experiments, history and case studies. The use of case studies is preferred when the study is examining contemporary events and yet the behaviours cannot be manipulated (Yin 2003, p. 5). It is important to note that through using the case study method, a researcher has the ability to directly observe the events being studied and may conduct interviews with the people involved in these events (Yin 2003). Through using the method of case study, this study has been able to examine a wide range of evidence such as documents, articles, interviews and observations (Yin 2003). Consequently, an extensive amount of information was obtained.

3.5.2 Case study selection and number of cases

Single versus multiple case studies

Case study research may be implemented through either single case studies or multiple case studies. Single case designs should be undertaken when any of the five rationales described by Yin (2003) are met; however, they were not applicable in this study.

Multiple case studies were undertaken in this research, as suggested by Eisenhardt (1989) and Eisenhardt and Graebner (2007) and are recorded in Appendices C, D, E and F. The recording of case studies is expanded on in Section 3.7.1. When selecting cases for the multiple case study method, both Yin (2003) and Parkhe (1993) have highlighted the need for the cases to either predict similar results to one another, or predict contrasting results for a predictable reason. Overall, multiple case studies follow a replication logic, rather than a sampling logic (Parkhe 1993). The cases in this study were the individual hospitals, and focused on regional private hospitals within the geographic parameters of regional South-East Queensland and regional New South Wales. A total of eight cases were selected (see Table 3.1). These eight hospitals were selected for several reasons, including: (a) Toowoomba is the second largest inland centre in Australia, (b) New South Wales is facing challenges related to health care in the future involving health equity, financial

sustainability and changes within the external environment (Hatzistergos & Kruk 2007), (c) age, size, funding availability and the variety of services offered by each hospital (see Table 3.1), (d) there were both 'rural and remote' and 'urban' hospitals included in the case selection in both Queensland and New South Wales and (e) the sophistication of the marketing strategies undertaken.

Table 3.1 Case selection

Case	Year Established	Services Offered	Rural and Remote versus Urban
CASE STUDY 1	1984	Two operating suites; Four-bed recovery room; Six reclining lounges for Day Ward; Private and shared rooms with ensuite; Television and telephones; Veterans' special medical lounge; Chemotherapy ward; General Surgery; Gastroenterology; Gynaecology; Urology; General Dentistry; Facio-Maxillary Surgical Services; Ear, Nose and Throat Surgery; Ophthalmology; Plastic and Reconstructive Surgery; Consultant Physician/Cardiologist; Cardiac Stress Testing; Orthopaedic; Haematology / Oncology.	Urban, Queensland
CASE STUDY 2	2002	General Medicine; General Surgery; Ophthalmology; Gynaecology; Urology; Paediatrics; and Orthopaedics.	Rural and Remote, Queensland
CASE STUDY 3	1978	General Medicine; Physiotherapy; Pathology; Residential Care; and Independent Living.	Rural and Remote, Queensland
CASE STUDY 4	1966	ICU; Cardiac Catheterisation; Mental Health; Renal Dialysis; Cancer Care Centre; Day Surgery, Pathology; Sleep Studies; Gastroenterology; Ear Nose and Throat; Vascular; Urology; Orthopaedics; Gynaecology; Dental; Neurology; Plastic Reconstructive Surgery	Urban, Queensland
CASE STUDY 5	1921	Ear Nose and Throat Surgery; General Surgery; Gynaecology; Ophthalmology; Oral / Maxillo Facial Surgery; Orthopaedics; Urology and Vascular Surgery; Day Surgery Unit; Palliative Care; Rehabilitation Unit; Physiotherapy and Occupational Therapy Unit; Dietician; Cardiology, Gastroenterology, Plastic Surgery, Vascular Surgery, Orthopaedics; Chapel Services; Pharmacy; Pathology; Radiology.	Urban, New South Wales

Table 3.1 (continued) Case selection

Case	Year Established	Services Offered	Rural and Remote versus Urban
CASE STUDY 6	1978	Cardiothoracic Surgery; Cardiac and Vascular Angiography; 24-hour Chest Pain Emergency Service; Hospital Day Procedure Unit; Pre-admission Clinic.	Rural and Remote, New South Wales
CASE STUDY 7	1991	General Surgery - Colorectal Surgery; Obstetrics - Birthing Suites - Neonatal Nursery; Gynaecology; Ears, Nose and Throat; Orthopaedics; Plastic Surgery; Vascular Surgery; Urology; Thoracic Surgery; Faciomaxillary Surgery; Endoscopic Procedures; Rehabilitation; Chronic Pain Management.	Urban, New South Wales
CASE STUDY 8	1997	General Surgery ; Ear, Nose and Throat; Ophthalmology; Orthopaedic; Gynaecology ; Dental; Pain Management; Cosmetic Surgery; Physiotherapy; Dietician; Radiology; Pathology; Diabetes Education; Aged Care Assessment Team; District Nursing Services; Pastoral Care; District Nursing; Aged Care Services; Diabetes Education, Dietician; Podiatry Services.	Rural and Remote, New South Wales

Source: Developed for this research.

The use of multiple case studies requires resources and time (Yin 2003), but the evidence obtained from them is often compelling, and the robustness of the study is considered to yield higher quality results (Yin 2003). Parkhe (1993) endorses Yin's (2003) viewpoint by highlighting previous case study research that has produced results that offer credibility, rigor and persuasive power when compared to other research methods. By working with a total of eight regional private hospitals, this study provided end results that are both compelling and robust in their theoretical and practical contributions (see Table 3.4).

This research project has provided a depth of information about regional private hospitals which previously had not been available. Through working with key hospital employees at the executive management level, a clear and accurate picture of regional private health care was acquired and the use of marketing strategies in this context understood (see Tables 3.2 and 3.3). Table 3.2 provides an overview of the managerial positions of those interviewed in this research. During the data collection phase of this research it was discovered that the most suitable people to

interview varied between hospitals, based on the hospitals' management and decision making structures.

Decision makers were classified, based on the literature that has argued all levels of management should be included in strategy making within an organisation (Divanna & Austin 2004;, Hanford 1990; Ketokivi & Castaner 2004; O'Shannassy 2003; Porter 2005; Wooldridge & Floyd 1990). The importance of this was confirmed during interviews, when it was observed that the interviewees placed emphasis on what they thought important, according to their different management levels. Table 3.2 reflects this reasoning.

Table 3.2 Reasoning behind interviewee selection

Interviewee group	Selection reasoning	N Value
General Manager/Chief Executive Officer	• Managerial level • Control over strategic decisions • Ability to oversee all organisational functions	N = 8 (2 roles are dual with the role of DON)
Director of Nursing/Director of Clinical Services	• Hold a different view-point on strategy • Direct access to patients • Daily hands-on approach with the implementation of the strategic plan	N = 4 (2 roles are dual with the role of GM/CEO)
Administration/Financial staff/Other strategic roles	• Different form of contact with patients • Understand the business functions of the organisation • Knowledge of financial and administrative processes within the organisation • Understand the target market	N = 10

Table 3.2 (continued) Reasoning behind interviewee selection

Interviewee group	Selection reasoning	N Value
Professional medical staff (for example: doctors)	• Direct contact with patients • Understand the medical impact of business decisions • Influence over business decisions made within the organisation	N = 1

Source: Developed for this research.

Taking into consideration the information provided in Table 3.2, a more comprehensive overview of each case study and the related interviews is provided in Table 3.3.

Table 3.3 Case studies and interviews conducted

Case Study	Employees Interviewed	Gender	Age
CASE STUDY 1 - Queensland	Chief Executive Officer	Male	40 years but less than 50 years
	Chief Medical Officer	Male	40 years but less than 50 years
	Accountant	Female	40 years but less than 50 years
CASE STUDY 2 - Queensland	General Manager/Director of Nursing	Female	50 years but less than 60 years
	Accountant	Female	40 years but less than 50 years
CASE STUDY 3 - Queensland	Chief Executive Officer	Male	40 years but less than 50 years
	Business Manager	Male	40 years but less than 50 years
	Administrative Officer	Female	40 years but less than 50 years

Table 3.3 (continued) Case studies and interviews conducted

Case Study	Employees Interviewed	Gender	Age
CASE STUDY 4 - Queensland	Chief Executive Officer	Male	50 years but less than 60 years
	Director of Clinical Services	Female	40 years but less than 50 years
	GP Liaison Officer	Female	50 years but less than 60 years
CASE STUDY 5 – New South Wales	Chief Executive Officer	Male	60 years and over
	Financial Manager	Male	30 years but less than 40 years
CASE STUDY 6 – New South Wales	General Manager/Director of Nursing	Female	40 years but less than 50 years
	Financial Manager	Male	30 years but less than 40 years
	Quality and Risk Manager	Female	40 years but less than 50 years
CASE STUDY 7 – New South Wales	Chief Executive Officer	Male	40 years but less than 50 years
	Director of Nursing	Female	50 years but less than 60 years
	Financial Manager	Male	40 years but less than 50 years
CASE STUDY 8 – New South Wales	General Manager/Director of Nursing	Female	30 years but less than 40 years
	Manager of Outreach Services	Female	50 years but less than 60 years

Source: Developed for this research.

Table 3.4 Research matrix

Theoretical Replication **Literal Replication**

	REGIONAL PRIVATE HOSPITALS							
	Queensland				**New South Wales**			
General Manager/Chief Executive Officer	Case Study #1 *(1 Interview)*	Case Study #2 *(1 Interview)*	Case Study #3 *(1 Interview)*	Case Study #4 *(1 Interview)*	Case Study #5 *(1 Interview)*	Case Study #6 *(1 Interview)*	Case Study #7 *(1 Interview)*	Case Study #8 *(2 Interviews)*
Director of Nursing	Not available	**Dual Role**	Not available	Case Study #4 *(1 Interview)*	Not available	**Dual Role**	Case Study #7 *(1 Interview)*	**Dual Role**
Administration/ Finance Staff	Case Study #1 *(1 Interview)*	Case Study #2 *(1 Interview)*	Case Study #3 *(2 Interviews)*	Case Study #4 *(1 Interview)*	Case Study #5 *(1 Interview)*	Case Study #6 *(2 Interviews)*	Case Study #7 *(1 Interview)*	Not available
Professional medical staff (for example: doctors)	Case Study #1 *(1 Interview)*	Not available	Not available	Not available	Not available	Not available	Not available	Not available

Source: Developed for this research

3.5.3 Sample selection

Table 3.1 outlines the sample selection for this research project. The geographical area in which these hospitals are located was taken into consideration when selecting the cases, such as whether the hospitals were located in Queensland or New South Wales and their geographical proximity to major metropolitan areas. Four hospitals were selected from each state, giving a total of eight cases being analysed in this study.

The decision to use eight cases was based upon evidence from the literature. Carson, Gilmore, Perry and Gronhaug (2001) outline the number of cases required for inclusion in a research study. As cited in Carson et al. (2001), Romano (1989) points out that the literature seldom specifies an exact number of cases required in the research design. They argue, rather, that this decision should be left up to the researcher. The notion of 'theoretical saturation' is explored by Eisenhardt (1989), who recommends that cases should continue to be added until 'theoretical saturation' is reached — that is, that identical concepts consistently emerge. Theoretical saturation was reached in this research, as identical concepts did indeed emerge consistently from the interviews across all cases. A parallel to Eisenhardt's (1989) suggestion had been provided by Lincoln and Guba (1985), who recommended increasing the number of samples selected until the point of redundancy was reached. Again, this point of redundancy in the data obtained was reached at the completion of eight cases in this research. Patton (1990, p. 184) summarises the views of the above authors about sample selection by claiming that 'there are no rules for sample size in qualitative inquiry'. The sample size is influenced by what you want to know, the inquiry's purpose, what is at stake, what would be useful, what will be credible, and what can be achieved with the time and resources available (Patton 1990, p. 184). The eight case studies included in this research therefore provide sufficient evidence, through theoretical saturation and redundancy, on which to base this study's key findings.

It is important to take into consideration the nature of the Australian hospital system, especially regional private hospitals. These facilities are often small, and offer

limited patient beds and services in comparison to large metropolitan cities. Due to the size of the organisations the key strategic decision makers are limited to a few key people in the executive team of the hospitals. In the eight case studies, all of these people were interviewed for the purposes of this research, with the exception of the Director for Clinical Services in case study 5, whose workload did not permit participation. The researcher also analysed all of the hospitals' websites to provide additional information, which was taken into account when interpreting the interview findings. All hospitals that had a documented strategic plan provided the researcher with access to a copy, whether it was during the interview or post-interview stage. All case studies have been documented in Appendices C, D, E and F.

Literal and theoretical replications were both taken into consideration when selecting the cases to be analysed in this research project. Literal replication is illustrated within each cell of the research matrix (for example: Case Study 6 and Case Study 7; see Table 3.4) and involves predictable similarity. This predictable similarity can be made within these two cells (as highlighted in Table 3.4) as both hospitals were within relatively close geographic proximity to each other within the same state. Theoretical replication, on the other hand, refers to contrary results for predictable reasons and is illustrated through the analysis of the cases horizontally (see Table 3.4). The 'contrary results for predictable reasons' are due to the fact that regional private hospitals for two states, Queensland and New South Wales, operate differently.

3.5.4 Number of interviews

Because of time and funding constraints, interviews were conducted with only key groups of respondents within each case. The hierarchical position of these respondents, however, varied between hospitals. The basic structure of the interviewees' positions within the organisations included: (a) General Manager or Chief Executive Officer, (b) Director of Nursing, (c) Administration or Financial Staff and (d) Professional Medical Staff (for example: doctors). It is important to note, however, that within some of the eight cases, due to human resource

constraints, one interviewee may have been filling two of the executive roles at the time; for example, one Director of Nursing was also the General Manager. This situation also affected the total number of interviews conducted at some of the research sites.

The General Manager/Chief Executive Officer was chosen to participate in this research process for a number of reasons. Due to their high managerial level, this group of interviewees have control of the strategic decisions made within their health care organisation. Additionally, the General Manager/Chief Executive Officer also oversaw all organisational functions. The Directors of Nursing (DON) were chosen to participate in the interviewing process as it was anticipated that they may have held a different viewpoint on strategic decisions compared to a General Manager/Chief Executive Officer. This different view-point could have been influenced by the direct access they had to patients, and their daily 'hands-on' approach to implementing the strategic plan. The third group of interviewees, Administration/Finance staff, were chosen to participate as a result their skills, abilities and roles within the regional private hospitals. It was also thought that the Administration/Finance staff would have a different form of contact with patients, compared to the other interviewee groups. Administration/Finance staff also understood the day-to-day business functions of the health care organisations and had knowledge of financial and administrative processes within the organisation. They also understand the target market on a personal level from their day-to-day contact with the market. The final group of interviewees, professional medical staff, were chosen to participate due to their understanding of the medical impact that some strategic business decisions may have. Professional medical staff have direct contact with patients and therefore have a stronger opportunity to understand the direct impact of business decisions on the patients. Finally, professional medical staff held a considerable influence over business decisions made by the health care organisation's management team, as a result of the need for their skills within the organisation.

The number of interviews that were conducted within each of these groups depended on the size of the organisation and the staffing arrangements at that particular

hospital. Due to these variations between the hospitals selected, a total of 21 interviews were conducted. Carson et al. (2001) suggest that '30 or so interviews are required to provide a credible picture in a reasonably sized research project'. Despite this suggestion, previous observations must be taken into consideration. First, theoretical saturation was reached (Eisenhardt 1989), as was the point of redundancy (Lincoln & Guba 1985). Second, as Perry (1998) points out, time and funding constraints need to be taken into consideration in post-graduate research. Given the amount of travel that was required to obtain this data — face-to-face interviews had to be conducted in the widely separated Toowoomba and New South Wales regions — financial strains were placed on the research project. Third, it was imperative that every key strategic decision maker that the hospitals were willing to make available participated in this research; their role in the organisation meant that alternatives or proxies could not be substituted.

3.6 Validity and quality criteria in qualitative research

Validity, the final component in this case study research design, refers to the 'correctness or credibility of a description, conclusion, explanation, interpretation, or other sort of account' (Maxwell 2005, p. 106). Two key threats to the validity of qualitative research are identified by Maxwell (2005): researcher 'bias' and reactivity.

Researcher bias stems from the subjectivity of the researcher and could result from the researcher not following procedures (Yin 2003). A test for this bias involves examining the degree to which the researcher has been open to contrary results (Yin 2003) Reactivity is similar to bias in that it is related to 'the influence of the researcher on the setting or individuals studied' (Maxwell 2005, p. 108). The influence of the researcher in this qualitative study was, however, impossible to eliminate, but the influence has been understood and used productively in the analysis of the study's findings (Maxwell 2005).

In discussing validity in qualitative research design, Maxwell (2005) provides a checklist for researchers to consider. The six checklist components that were

relevant to this study are outlined in Table 3.5. Two of the eight tests that Maxwell (2005, p.110) identified — intensive long-term involvement and intervention — were disregarded due to their irrelevance. The intensive long-term involvement test requires repeated interviews and the sustained presence of the interviewer; this test was not possible in this study due to the geographical location of the regional private hospitals, and both the time and funding limits placed on this study. The intervention test involves the use of information interventions in studies that lack a formal 'treatment' (Maxwell 2005); the interviews were not regarded as formal interventions in this study.

Table 3.5 Qualitative validity checklist

Validity Tests	Test Explanation	Application within the study
Rich Data	Through long-term involvement and intensive interviews rich data were able to be collected.	Intensive interviews were conducted with all key strategic decision makers within the eight regional private hospitals. Due to the size of the hospitals, this being small in comparison to large metropolitan hospitals, the key strategic decision makers were limited to the hospital executive team. Verbatim transcripts were the result of these interviews which provided rich data for this study.
Respondent Validation	Systematically obtaining feedback about your data and conclusions from the people you are studying.	The verbatim transcripts were sent to each interviewee on completion of transcription to obtain feedback and allow the interviewees to make any changes they deemed necessary. Feedback was also obtained once final results were analysed through the study's findings and conclusions being sent to the General Manager or CEO of each hospital for feedback, all of which received was positive.
Searching for Discrepant Evidence and Negative Cases	Identifying and analysing instances that cannot be accounted for by a particular interpretation or explanation can point to important defects in that account.	The results were analysed and any discrepant cases were reported.
Triangulation	Collecting information from a diverse range of individuals and settings, using a variety of methods.	Information was collected through an interview process with a diverse range of interviewees all of whom had a direct involvement in setting the strategic direction of the hospital. Information was also obtained and analysed from the organisations websites and any additional documentation provided, such as newsletters, documented strategic plans and marketing materials (see Appendices E and F).

Table 3.5 (continued): Qualitative validity checklist

Validity Tests	Test Explanation	Application within the study
Triangulation (continued)		The researcher's experiences and perceptions gained in the interviewing process were also taken into consideration when examining the findings of the research and have been documented in the case study write ups (see Appendix C). These were used to expand and triangulate specific nuances identified throughout the interviews. Through the interview process, additional materials, and the researcher's experiences and perceptions triangulation of data was achieved.
Quasi-Statistics	Any claim that a particular phenomenon is typical, rare, or prevalent in the setting or population studies is an inherently quantitative claim and requires some quantitative support.	Within the semi-structured interviews, some quantitative type questions were included. As previously discussed in Section 3.3 and Section 3.4 this research involved the principle method of qualitative research, but with quantitative follow-up (see Figure 3.1). This assisted in the evaluation and interpretation of results from a principally qualitative study (Morgan 1998, p. 368).
Comparison	Interview studies of a relatively homogeneous group of participants often incorporate less formal comparisons that contribute to the interpretability of the results.	Comparisons were made between individual interviewees' responses within each hospital on the basis of staffing level (Divanna and Austin 2004; Hanford 1990; Ketokivi and Castaner 2004; O'Shannassy 2003; Porter 2005; and Wooldridge and Floyd 1990). All sets of interviewees were from the homogeneous group of the hospital executive.

Source: Developed for this research from (Maxwell 2005, p. 110).

The criteria for assessing the quality of research designs are addressed by Yin (2003). This assessment involves the use of four tests. According to the author, all of these are commonly used in any empirical research — case studies included. The four tests are construct validity, internal validity, external validity and reliability. Some of these tests overlap in Maxwell's (2005) validity checklist; however, some areas are expanded on by Yin (2003).

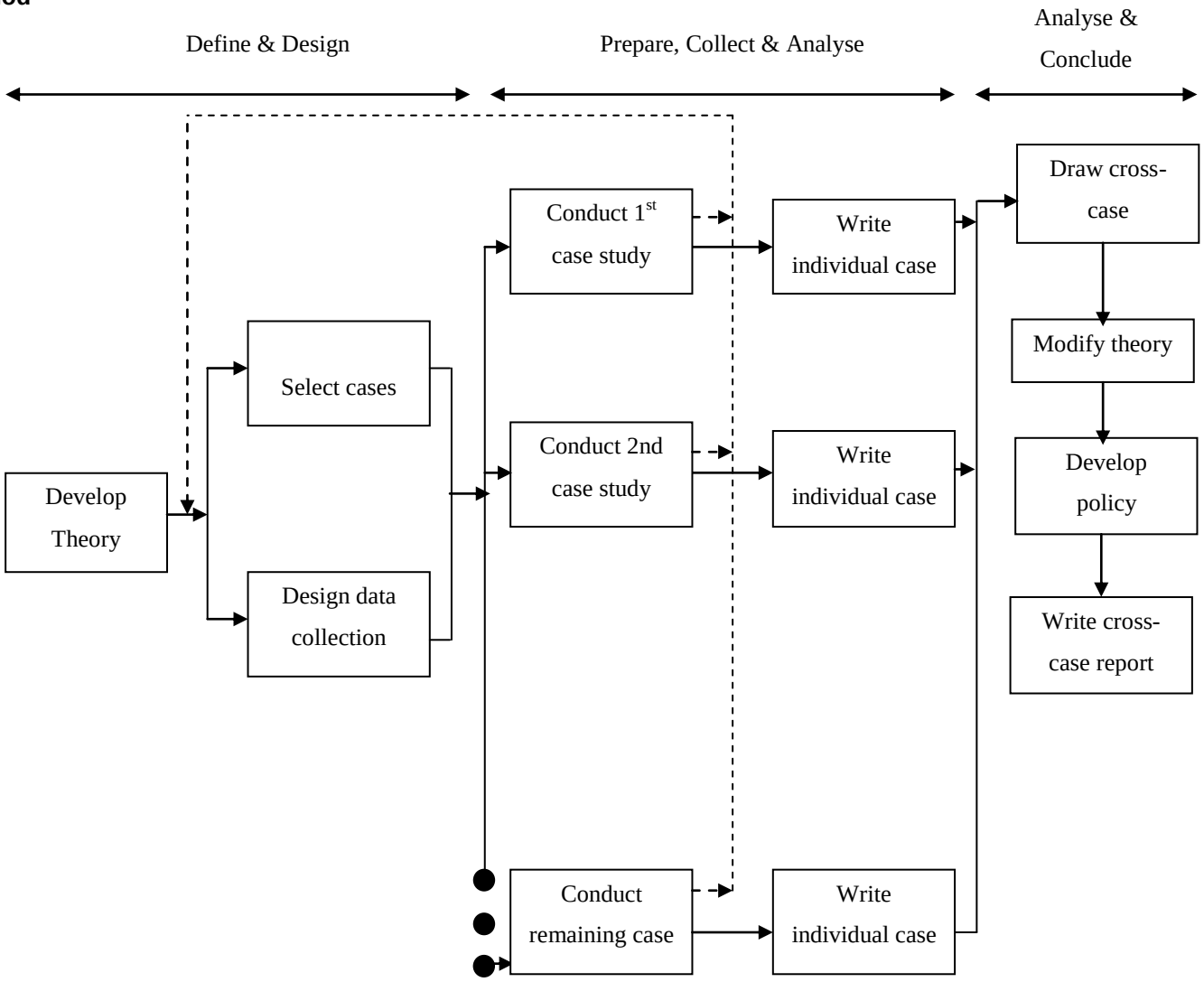
Table 3.6 outlines the different test designs that were undertaken, the relevant case study tactics and the research phase in which these tactics occurred.

Table 3.6 Case study tactics for four design tests

Tests	Case Study Tactics in this study	Research Phase
Construct Validity	• Used multiple sources of evidence • Established chain of evidence • Have key informants review draft case study report	Data Collection Data Collection Composition
Internal Validity	• Did pattern-matching • Did explanation-building • Addressed rival explanations • Used logic models	Data Analysis Data Analysis Data Analysis Data Analysis
External Validity	• Used theory in single-case studies • Used replication logic in multiple-case studies	Research Design Research Design
Reliability	• Used case study protocol • Developed case study database	Data Collection Data Collection

Source: (Yin 2003, p. 34).

Figure 3.2 Case study method



Source: (Yin 2003, p. 50)

3.7 Case study procedures

The initial contact with each hospital was made via a telephone call to its CEO. The purpose of this initial contact was to explain the purpose of the research, its relevance to the hospital and the benefits of participation. For those interested hospitals, an email was then sent outlining the specific details of the research, including an outline of the interview questions. Recipients were invited to read the email and ask any questions. If the hospital wished to participate fully in the study, arrangements were made to set up interviews with its most appropriate members, as outlined in Table 3.3.

The interviews were conducted on-site at the hospitals, with one day being devoted to each hospital. This arrangement was convenient for participants, and allowed them to be comfortable and relaxed in an environment they knew and understood. Each interview was conducted at a time convenient for the interviewee. Despite the continuous communication with each hospital prior to visiting the sites, not all the proceedings occurred as initially anticipated. For example, on one occasion the CEO could not attend work on that day due to flooding; at another hospital the CEO was called away for a meeting. In these instances, when the circumstances were out of the researcher's control, a phone interview was set up for a more appropriate day. Such phone interviews were necessary due to funding and time restraints on the research project and as a result an inability to visit the research site again. If a phone interview was required, however, the verbal questions were conducted via the phone and recorded, with the ranking questions being explained during the interview. The ranking questions were then returned to the researcher through the mail. A phone interview proved to be necessary in five of the twenty-one interviews conducted. These considerations were necessary, as interviews are viewed as one of the most important sources of case study information (Yin 2003).

3.7.1 Write-up of organisational case studies

It has been suggested by Eisenhardt (1989) that case study write-ups (pure descriptions of the case organisation) assist in the generation of insight and allow the researcher to cope with the volume of data collected from each case organisation. Additionally, it has also been suggested by Eisenhardt and Graebner (2007) that summary tables of case evidence can serve to complement descriptions and emphasise the rigor and depth of empirical grounding in the theory. Based on suggestions made in the literature, after each visit to the hospitals, each case study was written up in the form of interview transcriptions and a debrief from the interviewer (Eisenhardt 1989). Case study write-ups have also been provided that illustrate a comprehensive description of the organisation, additional evidence gathered and overall the perceptions held by the interviewer of the organisation (see Appendix C) (Eisenhardt 1989). Summary tables have also been provided in Appendices E and F, as suggested by Eisenhardt and Graebner (2007), based on the interview transcripts and additional documentary evidence obtained from the organisations.

3.8 Case study interview instrument

The overall purpose in conducting case study interviews was to conduct a semi-structured interview with the participants (Yin 2003). Taking this into consideration, the interviewer in this study followed her own line of inquiry and asked conversational questions in an unbiased manner. It has been recommended by Yin (2003) that some case study interview questions be open-ended, allowing for the opportunity to ask respondents both facts and opinions about a specific event or matter. In addition to open-ended questions, ranking questions and other structured sections were also pursued during the course of the interviews. These ranking questions asked respondents to rank specific performance measures stated in the literature as measures of health performance. The interviews followed a logical path, despite the conversational tone is which they were conducted. The overall outline of the interviews is given in Table 3.7, where the relationship to the research issues

previously outlined in Chapter 1 is shown. The semi-structured interviews were recorded and selected open-ended questions were entered into Leximancer, a qualitative data computer analysis program developed by the University of Queensland. Leximancer will be explained in more depth in Section 3.9. Other questions which were answered on a 'ranked' scale within the context of the semi-structured interviews were analysed through SPSS, by conducting basic non-parametric tests. (Note, however, that SPSS was not used for statistical generalisations due to the qualitative nature of this study.) Despite the fact that only 21 interviews were conducted across the eight hospitals, taking into consideration the various elements of interviews as outlined in Table 3.7, a wide variety of information was gathered from a variety of subjects (Marshall & Rossman 1999) and thus has provided a useful depth of information. It is also apparent in Table 3.7 that the scales used in the quantitative questions within the interview instrument were developed from a variety of sources. These scales were tested in the pilot case study. The final interview instrument that was used during the data collection phase of this research can be found in Appendix A.

Table 3.7 Semi-structured interview format

Section	Section summary	Research Issue	Scale Development
Section 1 – Organisational strategy	Role of organisational strategy and its development in regional private hospitals	1 and 2	(Aaker & Mills 2005)
Section 2 – Marketing strategy	Role of marketing strategy and its development in regional private hospitals	1, 3 and 4	(Ansoff 1988; Brown 1997; Hopper 2004; Johnson & Scholes 2002; Kotler et al. 1994; Tang Chen Hsin 1997)
Section 3 – Environment	The health care environment and its influence on marketing strategy	3a	(Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997)
Section 4 – Implementation	Implementation activities and considerations undertaken in regional private hospitals	3b	(Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005)
Section 5 – Evaluation	Issues of importance in evaluating marketing strategy and the effectiveness and efficiency of marketing strategy	3c	(Aaker & Mills 2005; David 2003; Ditzel, Strach & Pirozek 2006; Hopper 2004; Lim, Tang & Jackson 1999; Pride & Ferrell 2003; Tang Chen Hsin 1997)
Section 6 – Control	Control techniques used in regional private hospitals	3c	(David 2003; Hopper 2004; Kotler 1997; Kotler et al. 2001; Slater & Olson 1997)

Table 3.7 (continued) Semi-structured interview format

Section	Section summary	Research Issue	Scale Development
Section 7 – Organisational performance	Monitoring of performance in regional private hospitals	N/A	(Behrman & Perreault Jr 1982)
Section 8 - Marketing strategy and Organisational strategy	The relationship between marketing strategy and organisational characteristics	1	(Aaker & Mills 2005)
Section 9 – Respondent's profile	Interviewee details	N/A	(Hopper 2004; Kotler et al. 2001)
Sections 1, 2, 3, 4 and 8 – Strategy communication	How organisations communicate their strategy to stakeholders	4	(Aaker & Mills 2005; Ansoff 1988; Begun & Kaissi 2004; Brown 1997; David 1999; Dooley, Fryxell & Judge 2000; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Johnson & Scholes 2002; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997; Wilson & Gilligan 2005)

Source: Developed for this research.

Q4 of the interview instrument, *'Please refer to the following criteria and scales. Where would you say that your organisational strategy sits on these scales with regards to the stated organisational characteristics?*, applies the strategic orientation continuum to organisational strategy and Q30, *'Please refer to the following criteria and scales. Where would you say that your marketing strategy sits on these scales with regards to the stated organisational characteristics?*, applies the strategic orientation continuum to marketing strategy, as is evidenced in the question wording. The section on marketing strategy was developed based on the literature, as is evidenced in Table 3.7. The questions on performance were asked during the interviews; however, it was deemed that the organisations could provide only limited information on this aspect and hence they were not used in the analysis. These performance exclusions will be detailed further in Chapter 4.

Probing was conducted on a needs basis. Some interviewees required extra probing; other interviewees required very minimal probing. As explained in Section 3.3, the methodology has employed primarily qualitative methods. This is based on the research question being exploratory in nature, being situation oriented, and being focused on the processes and meanings of marketing strategy and organisational strategy. However, as has also been explained in Section 3.3, a quantitative approach was incorporated into the interview instrument to assist in 'evaluating and interpreting results from the principally qualitative study' (Morgan 1998, p. 368).

3.9 Case study analysis procedures

Data analysis of case studies has been described by Yin (2003, p. 109), as 'consisting of examining, categorising, tabulating, testing and otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study'. This research study used a variety of specific analytical techniques to analyse the data collected from the eight cases. Firstly, pattern-matching was used to analyse the inter-relationships among the theoretical concepts. Secondly, explanation-building was employed to analyse the case data by building an explanation about the case (Yin 2003). This was done by taking a theoretical statement of marketing strategy in hospitals, comparing the findings of an initial case against the statement, revising the statement, comparing other details of the case against the revised statement and comparing the revised statement against other cases. Thirdly, cross-case synthesis was used by creating word tables for each hospital according to a uniform framework. This captured the findings of all eight cases against the conceptual research framework.

Once each case was analysed thoroughly, cross-case techniques were employed to analyse the emerging marketing and other processes for patterns and common themes. The aim of the multiple case analyses was to distinguish the processes and outcomes across many cases and to expand the understanding of similarities and differences across cases. Further, they highlight the particular conditions and generic processes required for explaining how situations are related (Miles & Huberman 1994). Since each case was analysed in depth, the information was

readily available for the creation of a meta-matrix, which stacked the case-level charts (Miles & Huberman 1994). The question-and-answer format used for each formal case report facilitated the examination of cross-case comparisons (Yin 2003). The next step was to reduce the amount of data by using the common codes, displays and reporting formats from each case (Miles & Huberman 1994). That is, the information from the single cases was refined, summarised and reduced by partitioning and clustering the data. In the analyses for this research, both inductive and deductive methods were employed. These methods were seen through the use of Leximancer, a qualitative software tool and traditional content analysis.

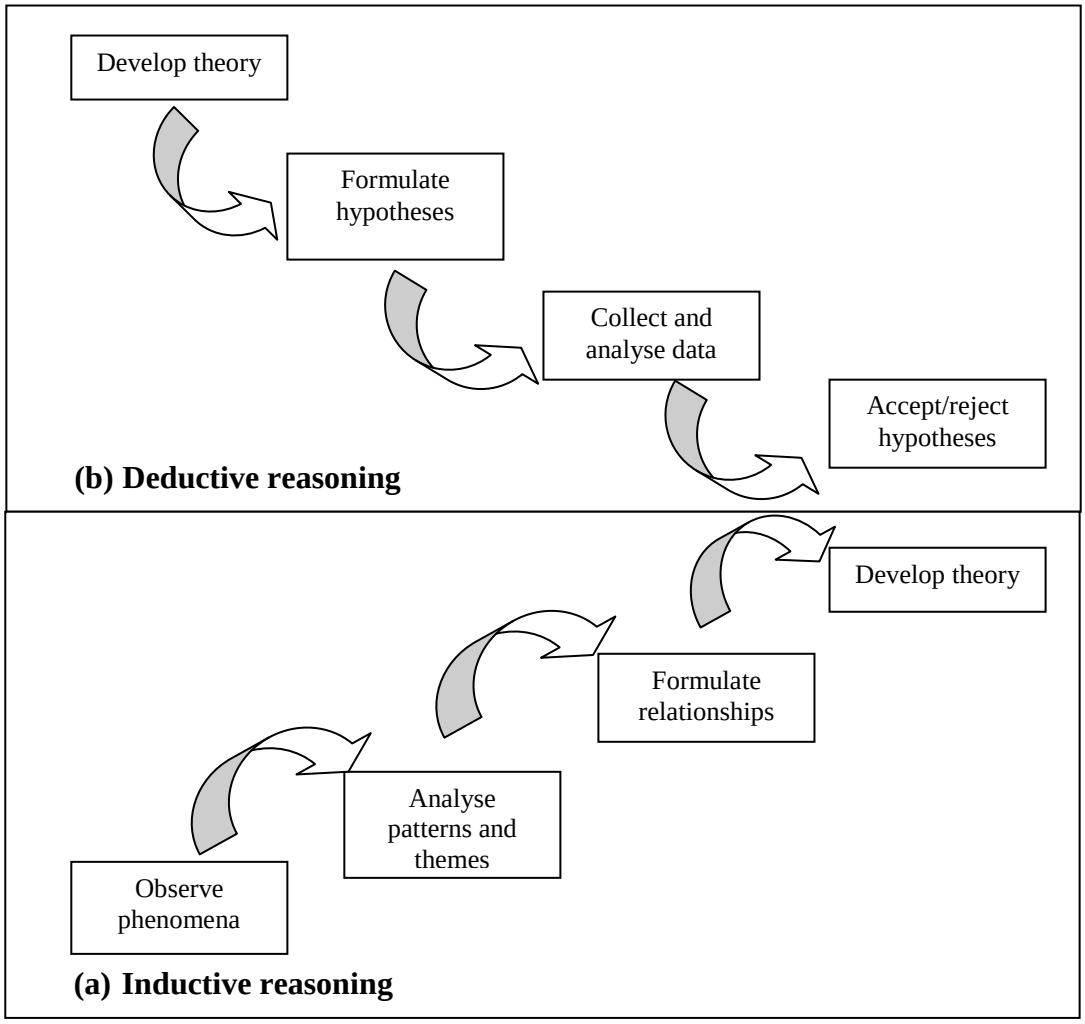
3.9.1 Inductive and deductive research

Inductive and deductive approaches to theory development are widely used, and debated, in the literature. Glasser and Strauss (1967) in Perry (1998) have argued that inductively developed theory is superior to that which is deductively developed; however, more recently, Strauss (1987) in Perry (1998) has taken the stance that it would be difficult for researchers to ignore the theory they have been exposed to before commencing the research process. This leads to the consideration of a combination of inductive and deductive approaches — a combination that has been considered by a number of authors (Miles & Huberman 1994; Parkhe 1993; Perry 1998; Perry, Reige & Brown 1999; Richards 1993; Zhang & Wildemuth 2009), with Parkhe (1993, p. 237) strongly suggesting that there is 'an essential continuity and inseparability between inductive and deductive approaches to theory development'.

This combination of inductive and deductive approaches has been implemented throughout this research to achieve a more structured approach in the data analysis. Leximancer relies heavily on inductive identification of themes (see Figure 3.3) through the observation of phenomena, analysis of patterns and themes, formulation of relationships and development of theory (Cavana, Delahaye & Sekaran 2001). The deductive approach (see Figure 3.3) has provided more structure to the development of theory. This structured approach has been achieved through the use of the theoretical framework developed in Chapter 2 in the Leximancer analysis, using the research propositions related to the key concepts of organisational strategy

and marketing strategy in planning the analysis, conducting further in-depth content analysis, in addition to the initial broad content analysis, and conducting an in-depth examination of the nuances displayed in the interview transcripts and triangulating these with the interviewer's experiences and perceptions. These additional methods have allowed for a more structured approach to the analysis of data, hence combining inductive and deductive theory development to a certain extent.

Figure 3.3 Deductive and inductive reasoning



Source: (Cavana, Delahaye & Sekaran 2001).

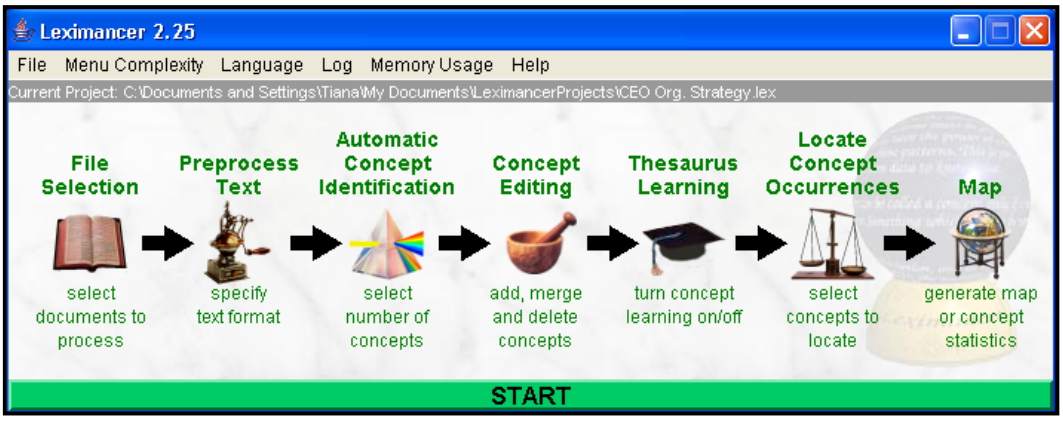
3.9.2 Leximancer

Through undertaking a more structured approach to theory development, a combination of inductive and deductive reasoning, the theoretical model, research propositions and body of literature were taken into consideration when performing the Leximancer analysis. Leximancer is a 'data mining tool that can be used to analyse the content of collections of textual documents and to visually display the extracted information' (Smith 2007, p. 4). The program identifies key terms in documents through the use of word frequency and co-occurrence usage (Stockwell et al. 2009). A conceptual map is provided as the output and illustrates key concepts that are found within the body of text being analysed and groups these concepts into themes. This provides a 'bird's eye view' of the data collected (Smith 2007). The underlying principles of the Leximancer program lie with relational content analysis through episodic co-occurring records and a Bayesian classifier (Stockwell et al. 2009).

Overall, Leximancer provides three key sources of information that the user of the program needs to pay particular attention to: (a) the main concepts featured on the map and their relative importance, (b) the strength (or centrality) of each concept (measured by the number of times it co-occurs with other concepts) and (c) similarities in context in which concepts appear (Bradmore 2007). The information from Leximancer is displayed in both a graphical format and a statistical format. For the graphical presentation the program provides a map that displays both concepts and themes, thus allowing the user to 'perform visually directed searches of concepts of interest in order to quantify and explore concept interrelationships' (Bradmore 2007, p. xii). The statistical format provides the same information in the form of bar charts.

Leximancer has seven stages, referred to as 'nodes', through which it processes the data: (a) file selection, (b) preprocess text, (c) automatic concept identification, (d) concept editing, (e) thesaurus learning, (f) locate concept occurrences and (g) map. (see Figure 3.4). Each of these nodes is described in detail in the following paragraphs.

Figure 3.4 Leximancer nodes



File selection

This first node of Leximancer, File Selection, selects the files to be processed. The program has the ability to select and process multiple files at once. Supported file types include .doc, .html, .htm, .txt, .xml and .pdf. For the purposes of this research the interview transcripts were broken down into files based on the theoretical concept in question. For example, when analysing the *CEO organisational strategy* concept, *questions one, two and three* — as these were the questions linked to organisational strategy — were placed in .doc file for each CEO of each case organisation. All eight .doc files were then selected for analysis in this first stage for the *CEO organisational strategy* analysis. The separation of transcripts into the concepts of interest allowed for a greater depth of information to be obtained, than would have been possible had each transcript been analysed through Leximancer in its entirety.

Preprocess text

This node in the Leximancer process is responsible for converting the raw documents into a format that is suitable for processing. This involves identifying both sentence and paragraph boundaries (Smith 2007). In this phase of the Leximancer process, for the purposes of this research project, the *dialogue* setting was selected, which is appropriate when analysing interview transcripts. This allows

the program to prepare dialogue from the raw documents for processing in future nodes. The sentence boundaries, for the purposes of this research, were set to automatic, no folder tags were made, and stop words were reviewed and removed.

Automatic concept identification

During this phase the program automatically extracts important concepts from the text. At this stage these concepts are simple keywords that occur prominently or frequently within the body of text. For the purposes of this research, concepts were automatically identified, as were the number of concepts and number of names and the sentences per context block were set to '3 (normal)' for all analyses.

Concept editing

Concept editing provides the researcher an opportunity to delete concepts that are not of interest, merge concepts that are similar, or even add extra concepts that the program may not have identified. For the purposes of this research the only concepts that were deleted were those which were considered redundant. For example, a commonly occurring redundant concept was 'think' due to the interviewees saying such things as *'I **think** that our organisation's employees are fairly happy in their jobs'*.

The merging of concepts proved to be an interesting aspect of this research, due to a more structured approach in analysis being taken and the interviewer's experiences and perceptions being taken into consideration. Initially, concepts were merged that were, in the broader body of literature, viewed as being similar. An example of this is provided in Chapter 4 with the theoretical concepts of organisational strategy and marketing strategy. In the initial analysis for the remaining strategic decision makers (RSDMs) on the concept marketing strategy, for example, the concepts *plan*, *planning*, *strategic* and *strategy* were merged into one concept that became *plan.* The same data were then analysed without merging these concepts, and it was determined that a greater depth of information and understanding could be obtained by treating these concepts separately. This determination was based on the concept

maps, to be later discussed in Chapter 4, and the researcher's experiences and perceptions gained in the interviews. Sometimes, singular and plural forms of words appeared as separate concepts. For example, if *organisation* was identified as a concept in accordance with *organisations*, then the two concepts were merged to reflect the one concept *organisation*. No new concepts were added during the concept editing phase.

Thesaurus learning

It is important to understand that concepts in Leximancer are essentially collections of words travelling together throughout the document being analysed (Smith 2007). The Thesaurus phase in the Leximancer process identifies clusters of words that surround the main terms determined in the preceding two phases of the program. For the purposes of this research the Learning Threshold in Leximancer was set to '14 normal' with the Sentences per Context Block set to '3 normal'. Within the Concept Profiling of this node the Themed Discovery was set to 'Concepts in Any'.

Locate concept occurrences

This phase of the program can be compared to the process of manually coding in traditional content analysis. Once the concept definitions have been learned (such as identifying the previously discussed collections of words that travel together throughout the text), each block of text is 'tagged with the names of the concepts that it contains' (Smith 2007, p. 15). The Interviewer tag was selected in the 'Kill Classes' tab of this node and within 'only kill context block', thus deleting the tag. In the 'Classification Settings' tab, Sentences per Context Block were set to '3 normal'.

Mapping

Creating the conceptual map is the last of the program's phases. By creating this map the relationships among the concepts are constructed and displayed, both graphically and statistically. For this research a Linear map was selected, producing

a clustered structure that was less influenced by individual activity (Stockwell et al. 2009); all concepts were illustrated at 100% and the theme size was set at 40%. All concepts were illustrated on the maps so as to provide an accurate picture of the data, while 40% of theme size was deemed to provide the most interesting and meaningful representation of themes.

3.9.3 Manual content analysis

In addition to the analysis conducted in Leximancer, content analysis was conducted on all interview transcripts from all eight case studies. Content analysis is used to analysis written material with meaningful units based on an objective, systematic and quantitative description (Aaker et al. 2007). Excerpts from the interviews were identified by Leximancer as being linked to specific concepts on the conceptual map. The excerpts were then analysed through the content analysis method and the nuances in these excerpts were expanded and triangulated through the researcher's experience and perceptions obtained during the interview. To ensure an objective and systematic method of analysis (Aaker et al. 2007), these experiences and perceptions were recorded, and transcribed immediately after each interview to enable the researcher to compare the Leximancer results with the experiences and perceptions gained during the interviews. This has provided a more structured approach to the theory development, combining inductive and deductive approaches (see Figure 3.3). This approach has been examined recently in the literature (Miles & Huberman 1994; Parkhe 1993; Perry 1998; Perry, Reige & Brown 1999; Richards 1993; Zhang & Wildemuth 2009).

3.10 Pilot case study

Pilot case studies can assist in the refinement of data collection plans, the content of the data to be collected and the procedures to be followed (Yin 2003). Yin proposed three key criteria that require consideration when selecting the pilot case: convenience, access and geographic proximity. Taking these purposes and criteria into account, for this research a regional aged care facility that had previously been

classified as a hospital was selected as the pilot case study. This facility was convenient, easy to access and geographically close. At the beginning of 2007, the facility's status changed to primarily the aged care facility. The pilot case study interview was conducted with the General Manager at the facility. Through this pilot case study, potential misinterpretations of questions were discovered, in accordance with the aim of ensuring that the interview instrument was adequately assessing the relationship between marketing strategy and organisational strategy. Additionally, it was possible to establish how long it would take to complete each interview.

The results of the pilot case study confirmed that for the most part, the interview protocol and research instrument were satisfactory. As a result of the pilot case study it was determined that each interview would run for one hour — the originally designated time for the interviews. The interviewee used the scales in the manner intended and the interview flowed well, illustrating the internal logic of the interview protocol. There were some minor changes required to some questions to clarify terminology or interpretation. These changes were made as a result of the interviewee in the pilot case study not understanding the question, or interpreting it incorrectly. Some areas had additional information added to them on the suggestion of the interviewee in the pilot case study. These additions assisted in adapting certain questions to ensure that they applied to both private and public health care. Some minor alterations were also required on one of the scales to include a ten-point scale, as a result of the method of completion used by the interviewee.

3.11 Limitations of case study research and how they were handled

A number of key limitations of the case study research method have been outlined by Parkhe (1993). These limitations are: (a) overly complex theories, (b) institutional biases against case study research, (c) the nature and degree of commitment required from the researcher, (d) case study research is not considered to be a self-sufficient method and may not be capable of producing a well-rounded theory that maximised the research quality criteria in terms of validity and reliability, (e) gaining access to the organisations (i.e. hospital access in this research required negotiating with

senior hospital management) and (f) the geographical area in which the research is conducted (i.e. this research was conducted in a regional area and does not take into account large metropolitan health care facilities).

These limitations of the case study method were taken into consideration in this research. Through the use of multiple case studies, overly complex theories were minimised, as the cases selected predicted results that were similar to one another, or predicted contrasting results (Parkhe 1993; Yin 2003). Additionally, the replication logic found in the multiple case method eliminated the occurrence of overly complex theories. Although there has been a history of institutional bias against case study research, this resistance is diminishing; for example (Parkhe 1993) has cited several works that have produced credible, rigorous and persuasive results. As Parkhe (1993) has pointed out, case studies have been the target of scepticism due to the fact that they represent a 'fundamental shift' in research orientation for many researchers.

It is also acknowledged that case study research requires a high level of commitment from the researcher. Given the depth and quality of information obtained through this research method and the theoretical and practical contributions made, the workload involved can be worth the effort. Finally, the limitation of research quality criteria in terms of validity and reliability has been addressed previously in Section 3.5.2.

3.12 Ethical considerations

This study adhered to the following ethical guidelines:

1) Informed consent was obtained from the participants of the study through the use of a sign-off sheet (Cooper & Emory 1995; Lincoln & Guba 1985; Patton 2002);
2) The participants could have withdrawn from the study at any stage;
3) Participant anonymity and confidentiality were preserved throughout the research process (Lincoln & Guba 1985; Patton 2002);

4) The data that were obtained during the research process will be stored and retained for a minimum of 5 years (Patton 2002);
5) The contact details of the researcher were given to the participants of the study to enable them to initiate contact if they had any questions regarding the research (Lincoln & Guba 1985);
6) At no stage during the research process were participants placed in any psychological or other form of risk (Patton 2002); and
7) A statement of the purpose of the inquiry was provided to all participants of the study, which outlined the participant's role in the study and how the information they provided was to be used (Lincoln & Guba 1985).

Ethical clearance to conduct this research was obtained from the University of Southern Queensland through the completion of an ethical clearance form and submission of the questionnaire for perusal. The endorsement for this research from the USQ Human Research Ethics Committee is attached in Appendix B.

3.13 Conclusion

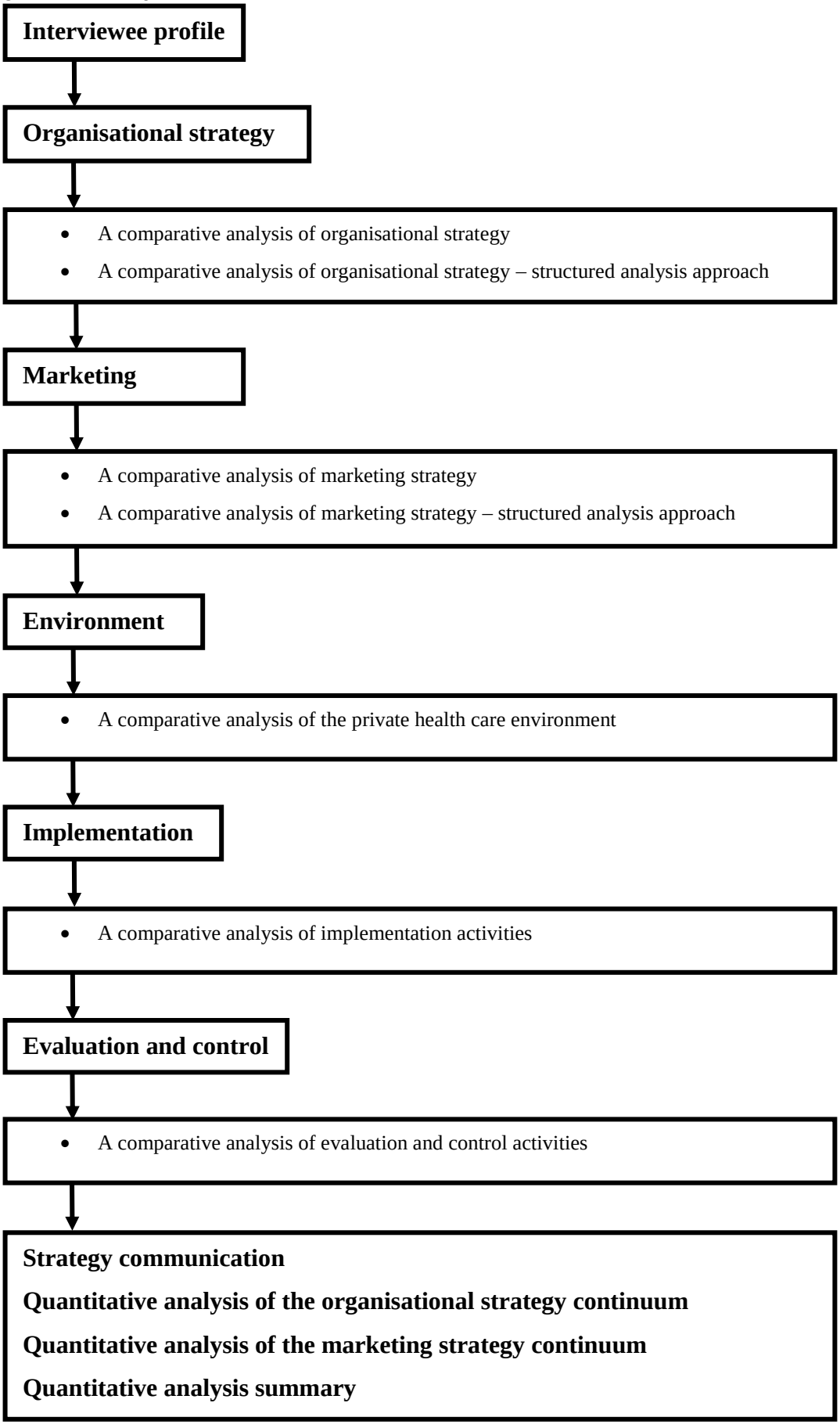
Chapter 3, Methodology and Research Design, has provided the methodology used in this study. The research methods involved the use of case study analysis, which has been justified and described. The following chapter will present the findings from analysis conducted on cases one to eight. These findings will be directly related to those research issues discussed in Section 3.2 and the overriding research propositions formally highlighted throughout Chapter 2.

Chapter 4 Findings

4.1 Chapter overview

The previous chapter provided a comprehensive explanation of the research methods employed in this study. This chapter provides an analysis of the conceptual framework, as depicted in Chapter 2, and each theoretical construct featured in the framework. Figure 4.1 provides the structure for this chapter. In each section the analysis of each concept is displayed by means of Leximancer maps and graphs, followed by a content analysis of the interviews.

Figure 4.1 Chapter 4 structure



4.2 Introduction

From the conceptual framework illustrated in Chapter 2 and a review of the literature relating to the two key theoretical concepts, (a) organisational strategy and (b) marketing strategy, an interview instrument was developed (see Appendix A). This instrument has been used to address all concepts featured in the conceptual framework in the context of regional private hospitals. The overall purpose of this research, as previously discussed in Chapter 2, Section 2.8, is to determine how marketing strategy influences organisational strategy in regional private hospitals.

The analysis in this chapter has been divided into six different areas, based on the theoretical concepts present in the conceptual framework. Specifically these areas are (a) organisational strategy, (b) marketing strategy, (c) environment, (d) implementation, (e) evaluation and control and (f) strategy communication. Questions relating to these areas from the interview transcripts were analysed by Leximancer in isolation, with the exception of strategy communication, as this was seen throughout most sections of the interview protocol. Strategy communication was discussed in Chapter 2, Section 2.6 with reference to relationship marketing. The applicability of relationship marketing can be seen throughout the discussions with interviewees, as strategy communication was addressed in various sections of the interview instrument (see Appendix A). It should also be noted that performance was included in the interview instrument. Interviewees, however, were unable to provide adequate information on this construct, so it has been excluded from the analysis.

The purpose of analysing the questions from the interview transcripts on the basis of individual concepts was to gain a greater depth of information and understanding from the data. If the transcripts had been analysed as an entire document, with all questions from the interview being analysed together, the depth of information and understanding would have been less than is reported here. The questions relating to each construct will be outlined in the following sections. In addition to dividing the interview transcripts into the five theoretical concepts for analysis, the transcripts were also divided into two key groups: (a) the transcripts of all the CEOs of the

hospitals and their responses and (b) the transcripts of the remaining interviewees who played an active role in strategic decision making within each organisation and their responses. For two of the eight case studies (Case 2 and Case 6) the roles of CEO and Director of Nursing (DON) were combined into a dual role undertaken by one person. For these two case studies, interviewees who performed this dual role were included in the CEO analysis rather than in the remaining strategic decision maker analysis (RSDM analysis).

This analysis is focused on the different perspectives of the concepts in the theoretical framework by *management levels* in regional private hospitals, based on discussions by Divanna and Austin (2004), Hanford (1995), Ketokivi and Castaner (2004), O'Shannassy (2003), Porter (2005), and Wooldridge and Floyd (1990). Initially, analysis was conducted between the two states of Queensland and New South Wales; however, no distinct differences were found, on a state level, between Queensland and New South Wales regional private hospitals (see Figure 2 and Figure 4 of Appendix G). Although there appear to be certain differences in these state Leximancer maps, in the actual interviews, and in the content analysis, differences did not emerge on a state level; rather, the interviewees placed emphasis on differences between the management levels. Based on this, the findings moved to management levels within the organisations.

As discussed in Chapter 3, a combination of inductive and deductive approaches has been undertaken in this research. (Miles & Huberman 1994; Parkhe 1993; Perry 1998; Perry, Reige & Brown 1999; Richards 1993; Zhang & Wildemuth 2009), achieving a structured approach in the data analysis. This approach was achieved through the inclusion of (a) the theoretical framework developed in Chapter 2 in the Leximancer analysis, (b) the research propositions related to the key concepts of organisational strategy and marketing strategy being considered, (c) what the body of literature discusses in relation to organisational strategy and marketing strategy being considered, (d) further in-depth content analysis, conducted in addition to the initial broad content analysis and (e) an in-depth examination of the nuances displayed in the interview transcripts and triangulating these with the interviewer's experiences and perceptions. The inclusion of nuances and the interviewer's

experiences and perceptions in the data analysis is also supported by Zhang and Wildemuth (2009) who have indicated that purposively selected texts can assist in the research question investigation, in accordance with descriptions and typologies produced by the qualitative approach.

The initial content analysis was managed in Leximancer, and in the analysis, related concepts within **organisational strategy** and **marketing strategy** were merged. For example, *strategy*, *strategic*, *plan* and *planning* were merged into the concept *plan* for the RSDM analysis of marketing strategy. On viewing the concept maps, after the similarly related concepts had been merged, it was determined that some of the depth of information had been lost. This determination was made by comparing the analysis that had been conducted in Leximancer *without* the merging of concepts compared to the analysis that was conducted in Leximancer *with* the merging of concepts. This method supports the views of Zhang and Wildemuth (2009, p. 2), who indicated that content analysis in qualitative research condenses the raw data into categories or themes based on 'valid inference and interpretation' through the 'researcher's careful examination and constant comparison'. The point has also been made by Hsieh and Shannon (2005) as cited in Zhang and Wildemuth (2009) that a researcher can immerse themselves in the data and allow the themes to emerge from the data.

After reviewing the interview transcripts and specific excerpts identified by Leximancer, the content was further analysed. This content analysis was based on the context in which the excerpts were spoken, with the interviewer's experiences and perceptions in mind (Zhang & Wildemuth 2009). For the remaining concepts in the conceptual research framework, a more structured approach to theory development would be undertaken to enable a greater depth of understanding of the data to be obtained.

Each of the concepts featured in the conceptual research framework from Chapter 2 will now be discussed in turn, with a focus on the two groups of interviewees. The first construct to be discussed from the conceptual research framework is organisational strategy.

4.3 Interviewee profile

A total of 21 interviews were conducted with 20 of these deemed to be useable. Of the 20 interviewees, 35% classified themselves as the Chief Executive Officer/Executive Director/General Manager, 20% were the Directors of Nursing, with the remaining 45% holding other positions within the management team of the regional private hospitals. Of the interviewees, 80% had held their position in the relevant organisation for less than four years, 10% had held their position for more than four years but less than six, and the remaining 10% had held their position in the organisation for six years but less than eight years. Similarly, 70% of interviewees had worked for their organisation for less than four years, with the remaining 30% having worked for the organisation four years or more. Of the 20 interviewees, 45% were male and 55% were female. The interviewees' profiles revealed that the majority (85%) were aged 40 years but less than 60 years. Just under one half (45%) had completed a masters degree or some other form of postgraduate qualification while slightly less than one third (30%) held a university bachelors degree. The remaining 25% of interviewees were high-school graduates or had gone on to attend TAFE or college, or had obtained a university diploma.

4.4 Organisational strategy

Organisational strategy assists in defining what business an organisation is in or wants to be in, and what kind of business the organisation desires to be (Robbins et al. 1998). In analysing this construct of the conceptual framework, the responses to three key questions in the interview were reviewed: (a) *Please outline your experience with strategy development within your organisation,* (b) *Who formulates and plans your organisation's strategy?* and (c) *How does this strategy develop over time?*

As discussed in Chapter 2, the overriding proposition relevant for this construct is 'the approaches to strategic orientation undertaken by different management levels

in regional private hospitals can be positioned on a continuum'. Within this first section of analysis, Section 4.4, all tables and figures have been included. However, for the other theoretical concepts in the remaining sections of this study all tables and figures have been placed in Appendix F and will be referred to as such. Note that Leximancer provides the user with the opportunity to increase/decrease the size of the themes on the concept maps, based on a percentage, thus showing more or fewer themes on the map. For the purposes of this research, all concept maps had the theme size set at 40% as this was determined to offer an appropriate depth of meaning and usefulness to the data.

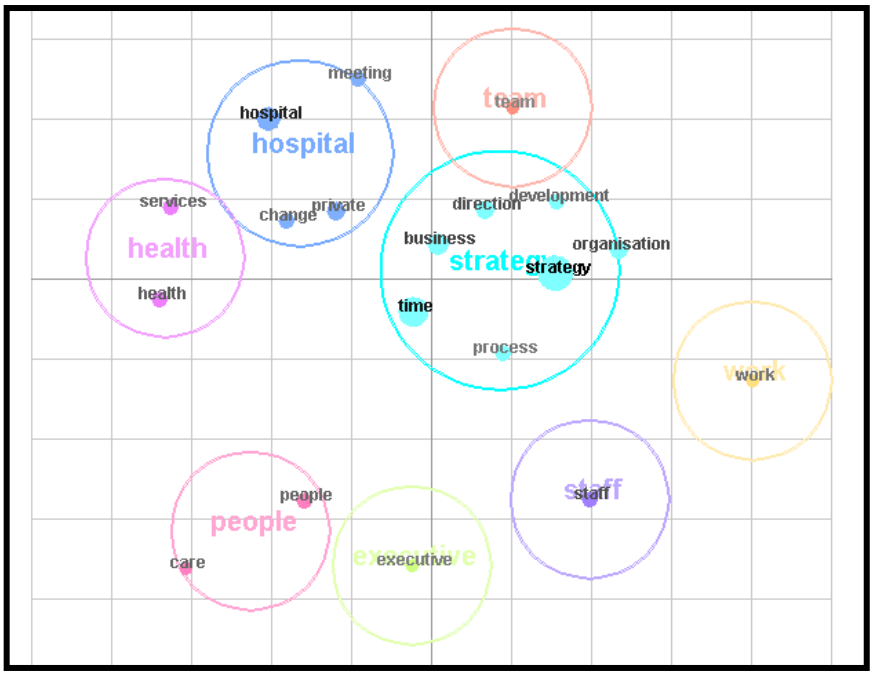
4.4.1 A comparative analysis of organisational strategy

The concept maps for both groups of interviewees, in relation to organisational strategy, are explained in the following section.

The concept maps

Figure 4.2 and Figure 4.3 depict the themes and concepts for both groups of interviewees and their responses in relation to the concept *organisational strategy*. Figure 4.2 illustrates the CEOs' views of organisational strategy in regional private hospitals. The following figure depicts the theme **strategy** as being dominant on the concept map and being linked to the theme **team**. The dominant theme **strategy** encompasses the concepts of *direction, development, organisation, business, strategy, time* and *process.* The concept *time* is shown to be frequently occurring and strongly connected to the theme **strategy.** Other themes illustrated but not connected to the theme **strategy** include **work, staff, executive, people, health and hospital.**

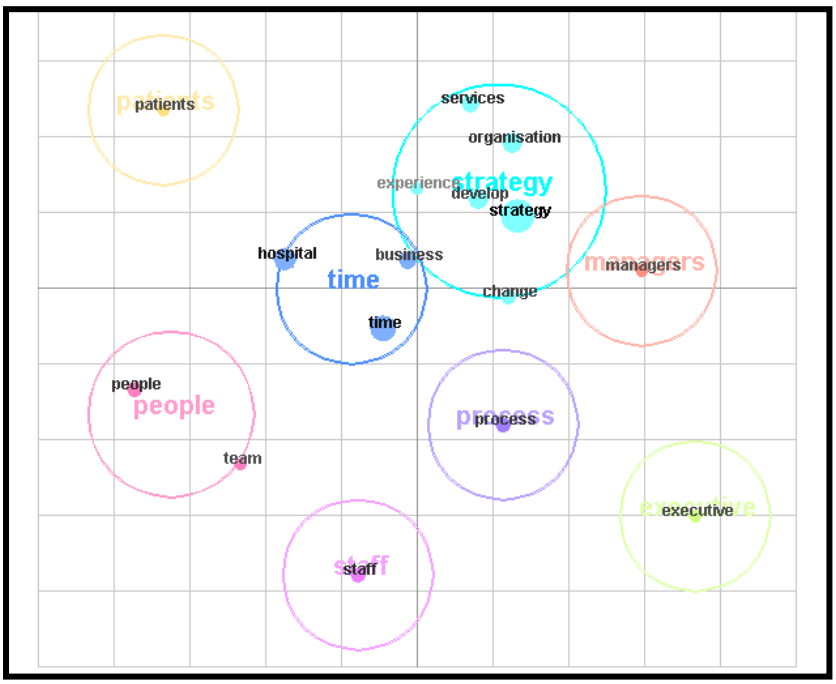
Figure 4.2 Concept map – CEO analysis *(organisational strategy)*



(Points 100%, Themes 40%)

Figure 4.3 depicts the viewpoints of the RSDMs on organisational strategy. In this analysis **time** is illustrated as a theme in its own right with connectivity to the theme **strategy**, which is also connected to **managers. Time** encompasses the concepts *hospital, business and time.* **Strategy** illustrates the concepts *services, organisation, experience, development, strategy and change.* Other themes shown in Figure 4.3 but not connected to other themes include **patients, people, process, staff** and **executive.**

Figure 4.3 Concept map – remaining strategic decision maker analysis *(organisational strategy)*



(Points 100%, Themes 40%)

Summary of themes

A number of themes in the CEO analysis and RSDM analysis of organisational strategy have been identified. In both analyses the theme **strategy** is evident while being connected to a form of management theme. In the CEO analysis this is seen with **strategy** being connected to **team**, while in the RSDM analysis **strategy** is connected to **managers**. An emergence in the RSDM analysis is seen in the theme **time** and its connectivity to strategy. This will be explored in further content analysis.

Concept analysis

Each concept from the previously discussed concept maps has been depicted in a bar chart (see Figure 4.4 and Figure 4.5). It was demonstrated by the CEOs that the top three ranking concepts were *strategy*, *time* and *hospital.* The RSDMs also identified *strategy*, *time* and *hospital* as the top three ranking concepts when discussing organisational strategy. The concept *staff* was discussed by both groups of interviewees; however, the CEOs discussed the staff 25% of the time while the

RSDMs mentioned staff for just over one third (34.4%) of the time when discussing organisational strategy. A large difference between the two groups of interviewees could be seen in the concept *services*. CEOs mentioned services only 16% of the time when discussing organisational strategy, while *services* was the fourth highest ranking concept in the RSDM analysis, being discussed 34.4% of the time.

Figure 4.4 Bar chart – CEO analysis *(organisational strategy)*

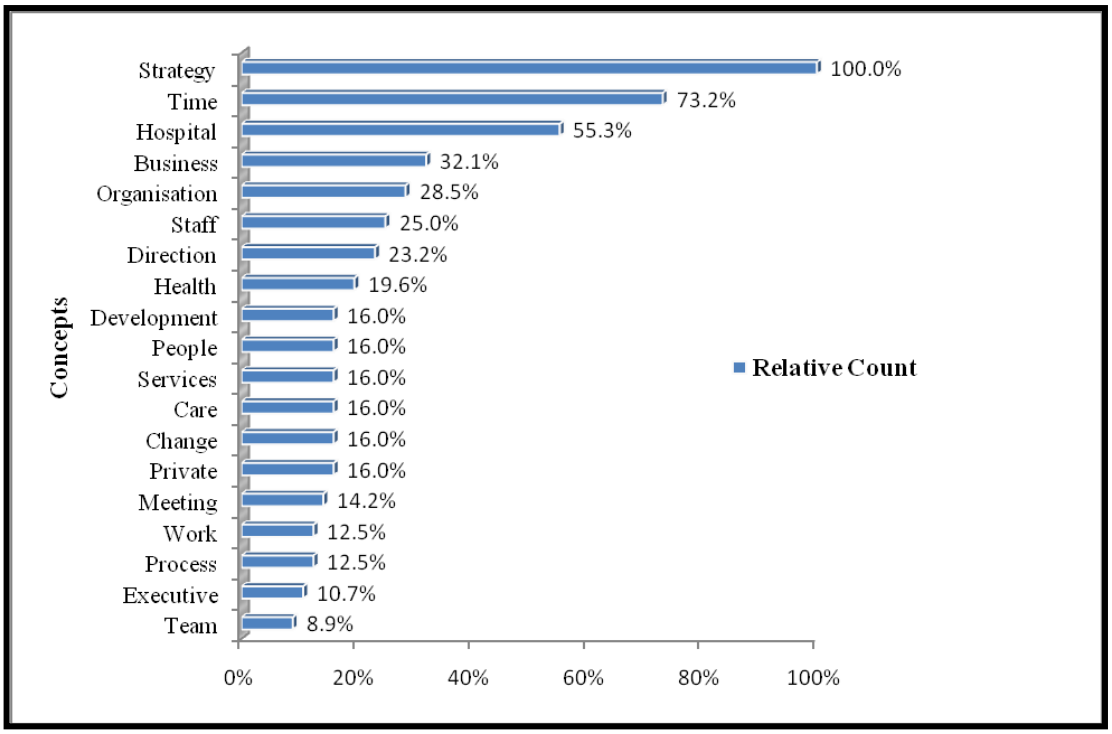
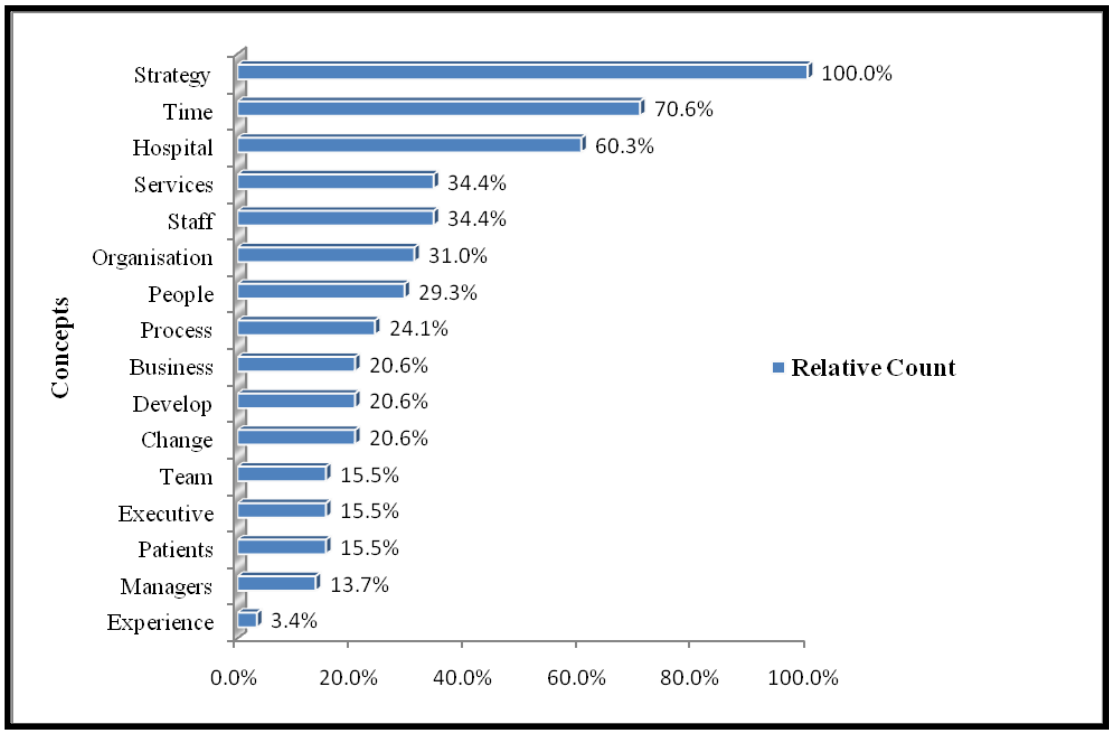


Figure 4.5 Bar chart – remaining strategic decision maker analysis *(organisational strategy)*



4.4.2 A comparative analysis of organisational strategy – structured analysis approach

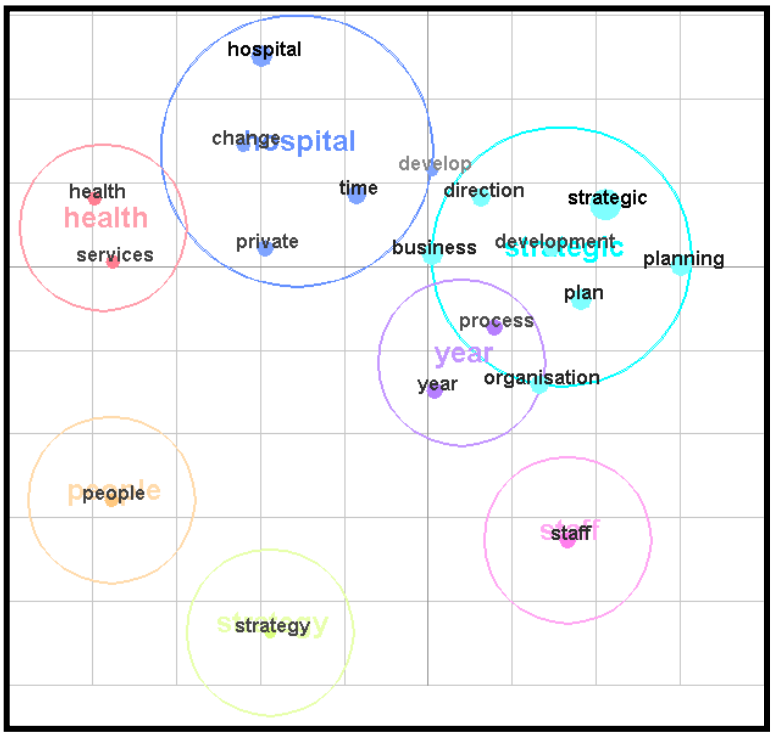
The concept maps for both groups of interviewees, in relation to organisational strategy, are explained in the following section. The more structured analysis approach has been used below, through (a) the application of the theoretical framework developed in Chapter 2 in the Leximancer analysis, (b) the research propositions related to the key concept of organisational strategy being considered, (c) what the body of literature discusses in relation to organisational strategy being considered, (d) conducting further in-depth content analysis, in addition to the initial broad content analysis and (e) conducting an in-depth examination of the nuances displayed in the interview transcripts, and triangulating these with the interviewers' experiences and perceptions.

The concept maps – structured analysis approach

The following concept maps illustrate both the concepts and themes related to each group of interviewees' responses to organisational strategy through a structured analysis approach. Figure 4.6 illustrates the CEO analysis and highlights seven key themes (visible in the data directly related to the three organisational strategy questions featured in the interview instrument). The themes of **health** and **hospital** are depicted in the top left-hand quadrant of the concept map. It is interesting to note that in the theme of **health,** the concept *services* is evident and that within the theme of **hospital**, the concept *change* is evident. Both of these concepts will be explored in further detail later. On the right-hand side of the concept map are the themes **strategic** and **year**. The theme **strategic** encompasses a wide variety of concepts, all of which have to do with the 'business planning' aspect of the organisations. The outlying themes evident in Figure 4.6 include **staff**, **strategy** and **people**. This is of interest as it appears from this 'surface' viewpoint that the human element of the organisations is not integrated within the 'business planning' aspect.

When comparing the structured analysis approach concept map to the previously discussed concept map (see Figure 4.2), **strategy** is illustrated to be unconnected to **strategic** in Figure 4.6. Figure 4.2, however, depicted these two concepts as being related, due to the merging of concepts in the Leximancer analysis. This distinction between strategy and strategic will be explored further in the content analysis.

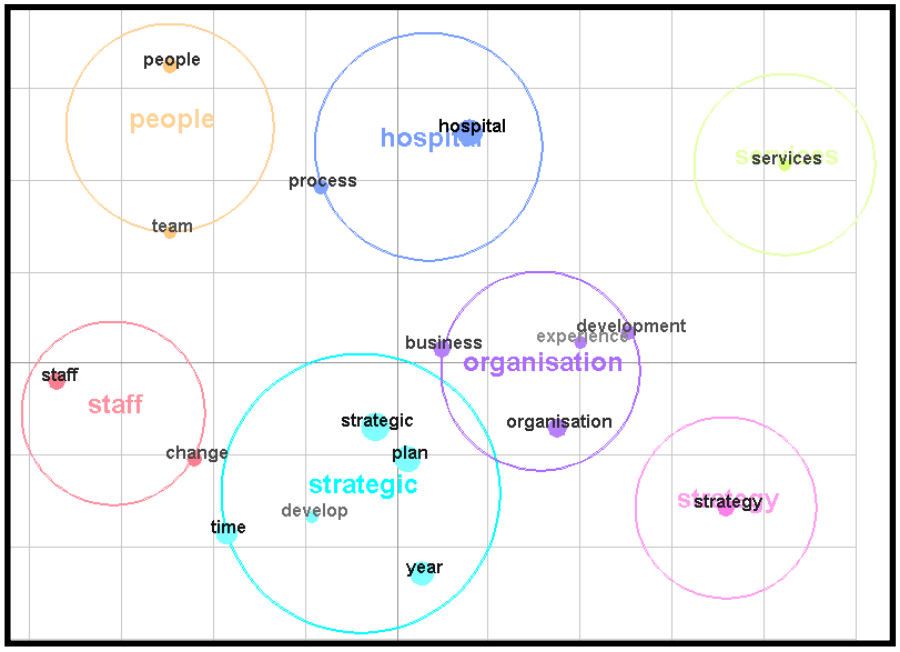
Figure 4.6 Concept map – CEO analysis *(organisational strategy)* – structured analysis approach



(Points 100%, Themes 40%)

The concept map for the RSDMs and their responses to the previously described organisational strategy questions are illustrated in Figure 4.7 from a structured analysis approach. Again, there are seven key themes present in this concept map. In comparison to the CEO concept map (see Figure 4.6), the human element is again seen in the themes of **people** and **staff**, but is still separate to the 'business planning' theme of **strategic**. A feature is introduced through Figure 4.7 in the addition of the **services** theme in the top right-hand quadrant of the map. It appears from this 'surface' viewpoint that the services offered by the hospitals are not integrated with the 'business planning' of the organisation.

Figure 4.7 Concept map – remaining strategic decision maker analysis (*organisational strategy)* – structured analysis approach



(Points 100%, Themes 40%)

Interestingly, when examining Figure 4.7, the structured analysis approach, to the analysis seen previously in Figure 4.3, **time** is emphasised where it was merged with *year* in the Leximancer analysis. Similar to the CEO analysis, **strategy** and **strategic** are unconnected in Figure 4.7, while strategic is not displayed in the previous analysis in Figure 4.3. These issues related to time, and the difference between strategy and strategic, will be examined in the content analysis.

Summary of themes

Overall, from the structured analysis approach, where the research framework developed in Chapter 2 and research propositions were directly applied in the Leximancer analysis, similarities in themes between CEOs and RSDMs can be seen. Both analyses of each group of interviewees have provided the themes **strategic** and **hospital**. Interestingly, in the CEO analysis the timing aspect of strategy becomes apparent through the theme **year**. Also, an observation that will be explored through further content analysis is the separation of the themes **strategic** and **strategy** in both analyses.

Concept analysis – structured analysis approach

P1: The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum.

Each concept identified in the above discussed concept maps has been depicted in a bar chart (see Figure 4.8 and Figure 4.9). Figure 4.8 identifies all concepts recorded by the CEO analysis of organisational strategy. It is apparent that the top three ranking concepts when CEOs discuss organisational strategy included *strategic* (100%), *hospital* (91.1%) and *planning* (58.8%). In comparison, when the RSDMs of the eight case-study organisations discuss organisational strategy (see Figure 4.9) the top ranking concepts were *hospital* (100%), *year* (68.2%), *strategic* (66.6%) and *time* (66.6%). Of interest also is the fact that within the remaining decision maker analysis, the concepts of *staff* (47.6%) and *people* (41.2%) ranked higher than in the CEO analysis (see Figure 4.8) of organisational strategy (*staff* – 41.1%; *people* – 26.4%).

Endorsing previous discussion on the differences between the analysis methods used in this study, differences are also evident in the concept analysis. The top three ranking concepts through the initial analysis of the CEO viewpoints of organisational strategy included *strategy*, *time* and *hospital* (see Figure 4.4). The more structured analysis approach, however, depicts *strategic, hospital* and *planning* as the top three ranking concepts in the CEO organisational strategy analysis (see Figure 4.8). The viewpoints of the RSDMs within the regional private hospitals — *strategy*, *time* and *hospital* — were originally illustrated as being the top three ranking concepts (see Figure 4.5). In the structured analysis approach, however, *hospital, year* and *strategic* were ranked in the top three concepts (see Figure 4.9). These findings indicate a difference in results and level of understanding that can be obtained between the two analysis methods. Further exploration of the findings is required via a content analysis of the interview transcripts.

Figure 4.8 Bar chart – CEO analysis *(organisational strategy)* – structured analysis approach

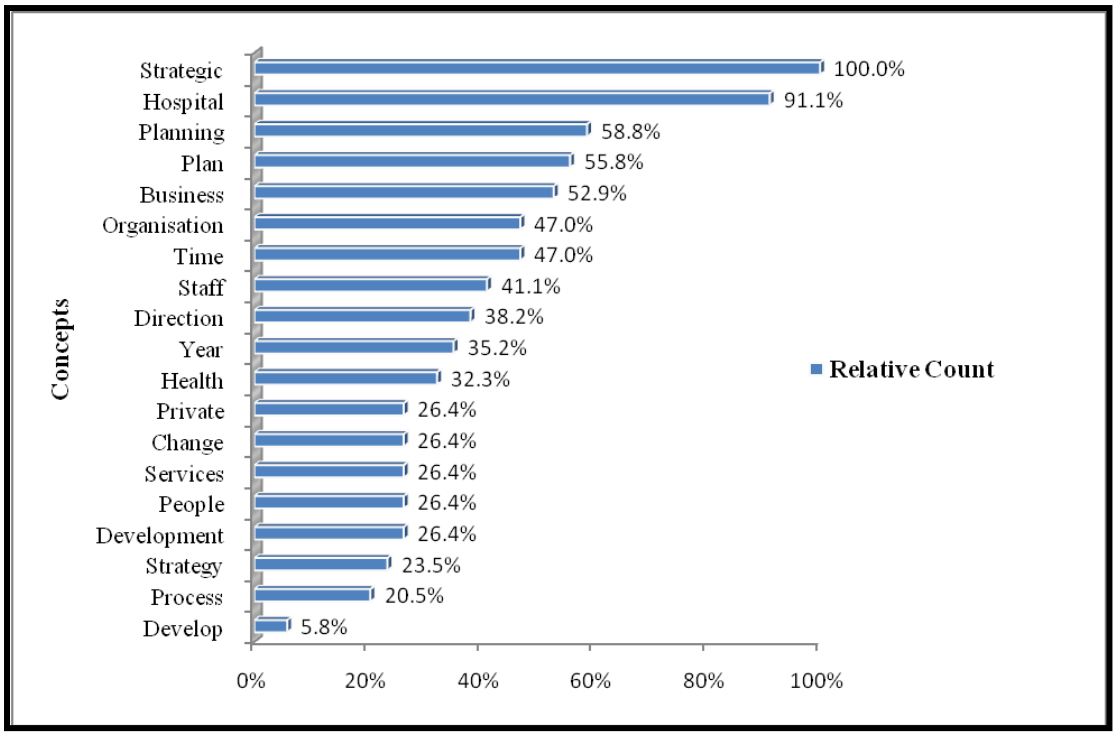
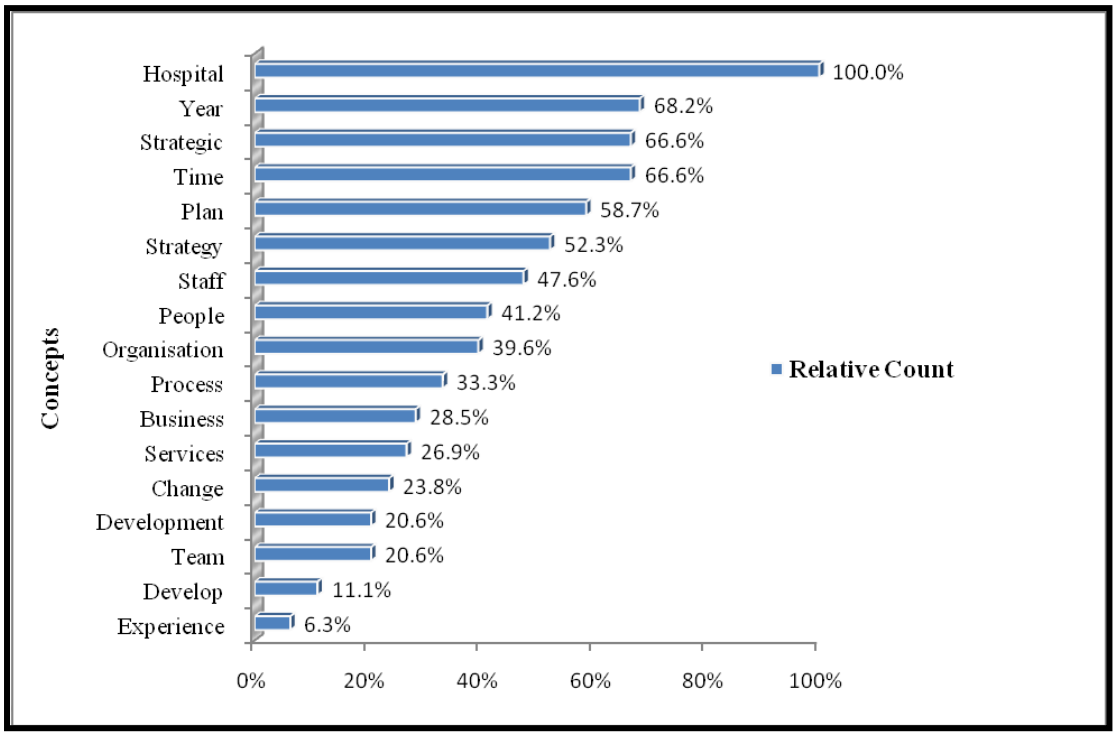


Figure 4.9 Bar chart – remaining strategic decision maker analysis *(organisational strategy)* – structured analysis approach



P1: The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum.

The top three ranking concepts in different analysis methods are discussed below for both groups of interviewees. The CEO analysis identified *strategy, time* and *hospital* through initial analysis, and *strategic, hospital* and *planning* through the structured analysis approach. The RSDM analysis identified *strategy, time* and *hospital* through the initial analysis, and *hospital, year* and *strategic* through the structured analysis approach. As mentioned previously, the differences between *strategy* and *strategic* are explored through further content analysis, as is the concept *time.*

In comparing the concepts and their occurrences in the structured analysis it was apparent that similar concepts occur in both groups of interviewees, such as *staff, people, services* and *change*. It is important to determine the meaning behind these concepts and understand what each group of interviewees was referring to in discussing a specific concept. This will be achieved through further content analysis.

Strategy

The concept *strategy* and its linkages on the concept maps, through the initial analysis, have been illustrated in Figure 4.10 and Figure 4.11. This concept in Figure 4.10 for the CEO analysis is linked to all other concepts on the map. The same applies in Figure 4.11 for the RSDM analysis, with *strategy* being linked to all other concepts. These linkages are to be expected with *strategy* being the top ranking concept for both the CEO and RSDM analysis. The strongest linkages shown in Figure 4.10, the CEO analysis, are (a) between *strategy* and *time* and (b) between *strategy* and *organisation.* Similarly, in the RSDM analysis, Figure 4.11, *strategy* is firstly linked to *time* and secondly to *organisation.* These strengths are, however, expected due to the focus of the research study and the qualitative questions asked, which were related to organisational strategy.

Figure 4.10 ***Strategy*** **and related linkages in CEO analysis** ***(organisational strategy)***

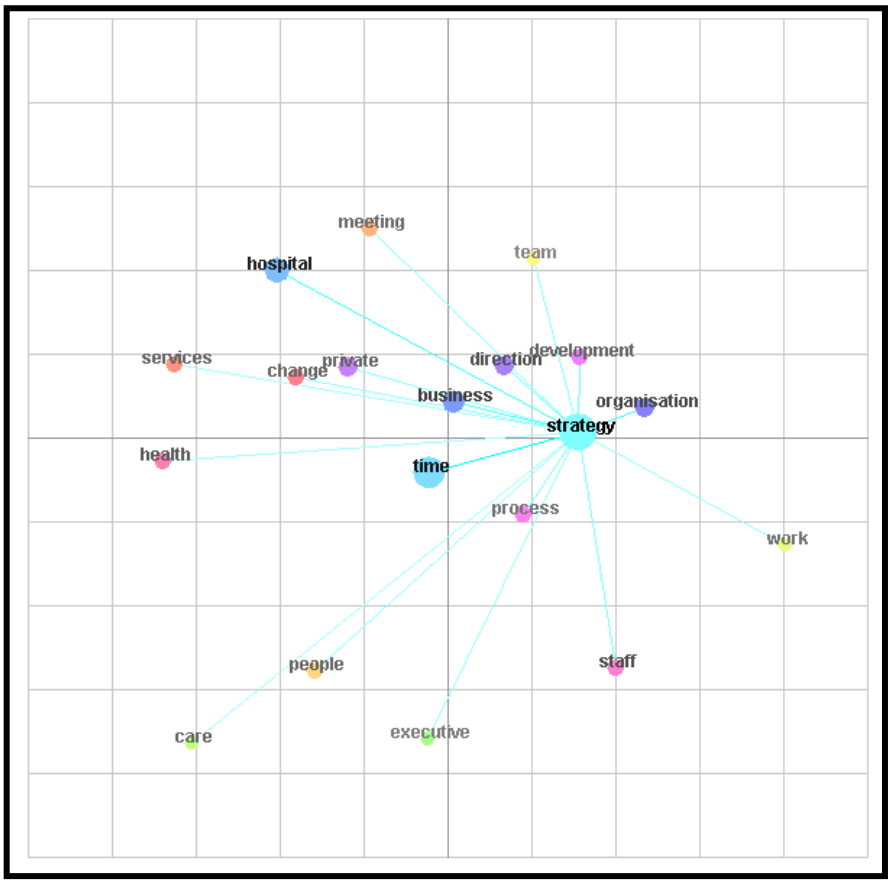
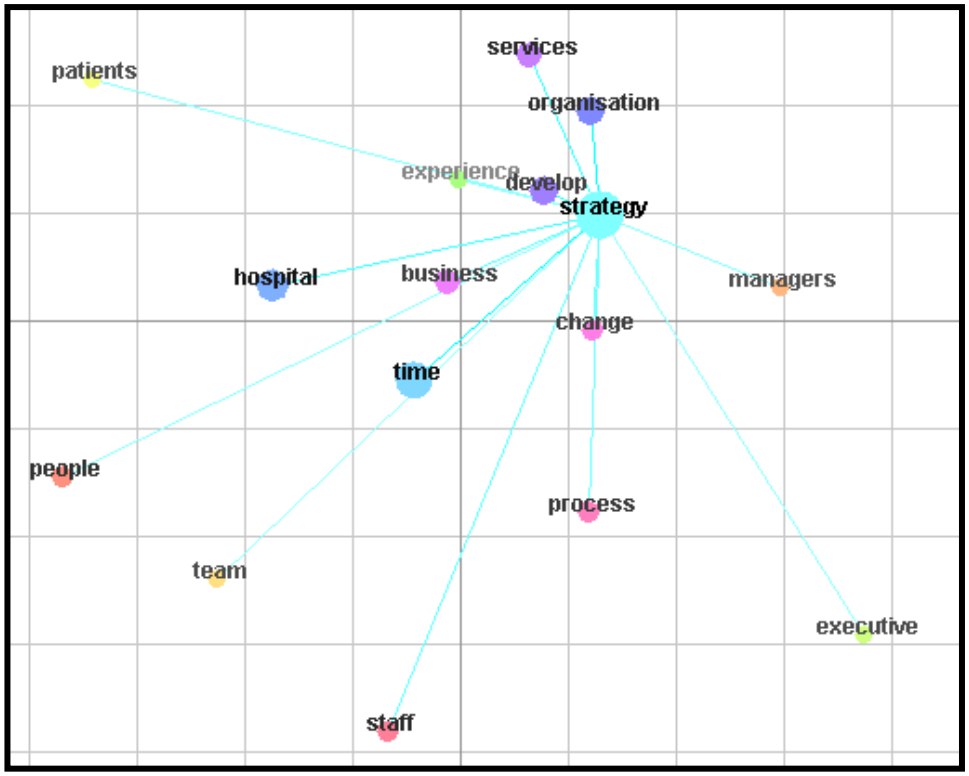


Figure 4.11 ***Strategy*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



When discussing the concept *strategy*, the CEOs were referring to the notion of strategic planning, strategic development and strategic direction within their organisations. Similarly, when discussing *strategy* in relation to organisational strategy, the RSDMs discussed strategic planning and strategic development. The following excerpts, from both groups of interviewees, highlight the CEOs' and RSDMs' understanding of strategy in their organisations.

Case 3 Chief Executive Officer

> The plan included the values, vision, purpose and a three-year plan.

Case 4 Chief Executive Officer

> The decisions we make regarding our strategic direction are made around this table. The advantages of that type of organisation is the fact that you make decisions quickly and you don't get passed from around the bureaucracy, the federal government, the state government and you get on and you can develop a 'can do' attitude.

Case 3 Administration Officer

> People just all of a sudden don't think the way they used to, they prioritize and change. We all find different focuses and I think organisations need to do the same thing.

Case 8 Manager Outreach Services

> This organisation strategic development is our annual planning. It works by all managers having input into strategic development of the hospital and the services and if any opportunities arrive which are in the nature of the business of the hospital.

Through the initial analysis, *strategy* was in the top three ranked concepts for both CEOs and RSDMs. From the above content analysis it is clear that in the discussion of strategy a number of aspects are addressed by both groups of interviewees. These aspects include strategic planning, strategic development and strategic direction. This wide range of discussion topics depicts the array of aspects that are covered by strategy in regional private hospitals.

Time

The concept *time* and its linkages on the concept maps for the CEO analysis and RSDM analysis, through the initial analysis, are illustrated in Figure 4.12 and Figure 4.13. *Time* is shown in Figure 4.12 to be linked to all concepts in the CEO analysis with the strongest linkages being with (firstly) *strategy* and (secondly) *hospital.* In

the RSDM analysis, Figure 4.13, *time* is highlighted as also being linked to all other concepts, with the strongest linkages being with *strategy* and *hospital* also. The notion of time in organisational strategy requires further exploration through content analysis.

Figure 4.12 *Time* and related linkages in CEO analysis *(organisational strategy)*

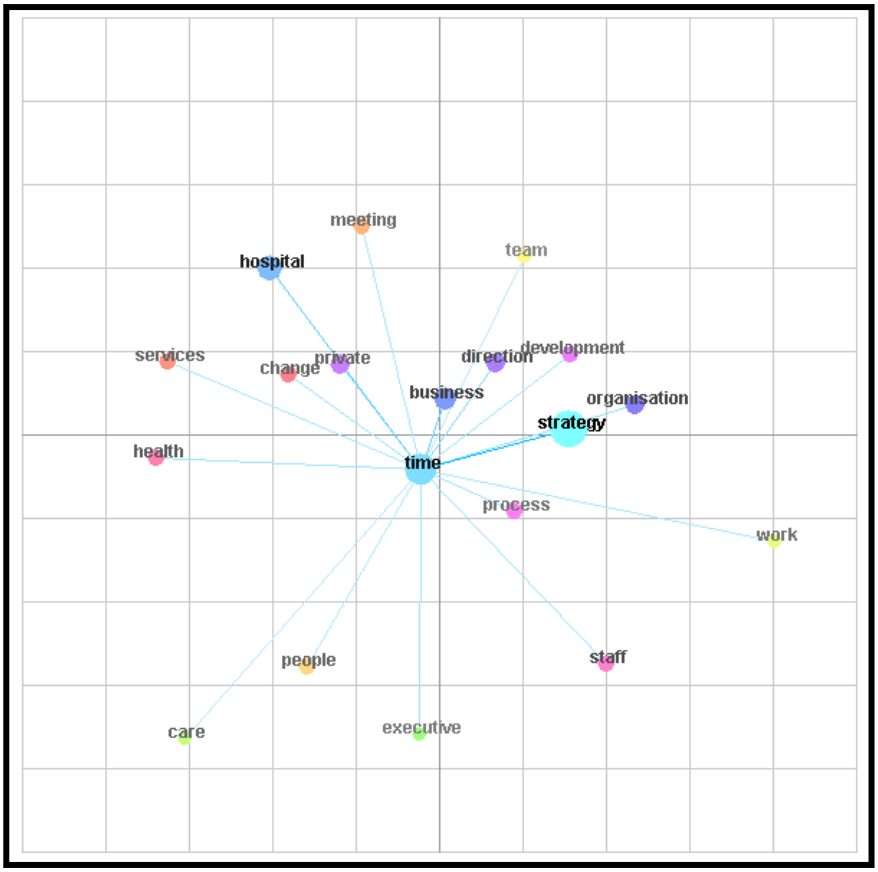
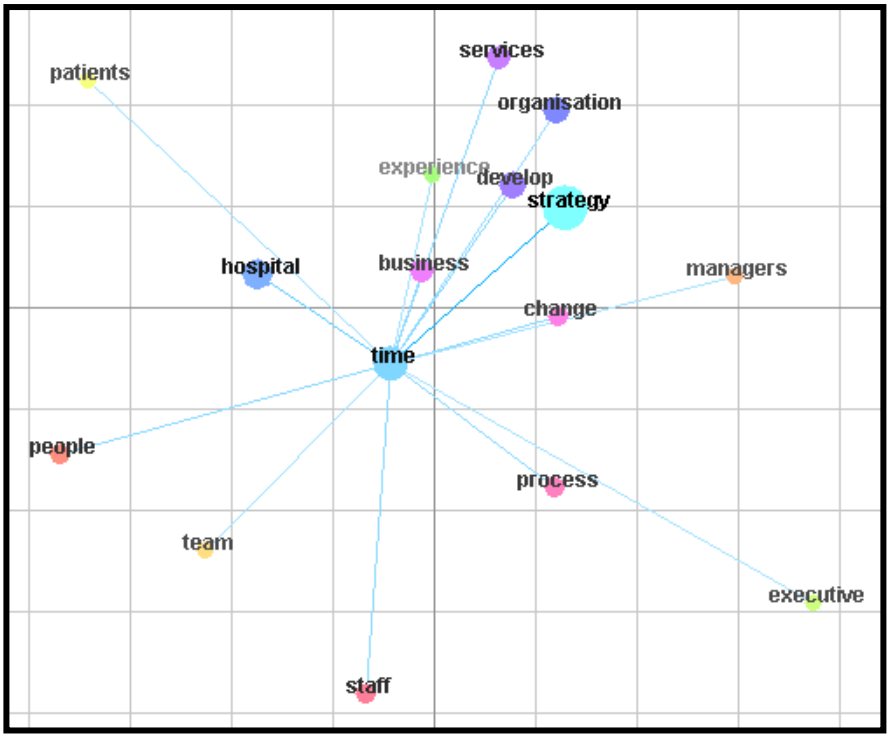


Figure 4.13 ***Time*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



When discussing the concept *time*, CEOs were interested in the timeline of their strategy and how often it was reviewed. The RSDMs, in discussing the concept *time*, were primarily concerned with reviewing their organisation's strategic plan and the importance placed on this.

Case 4 Chief Executive Officer

> I've been here for seven years in this position and I guess each year we go through a process of looking at opportunities working out our strategies in terms of where we need to be.

Case 5 Chief Executive Officer

> Well any strategic positioning of a company or strategic development of a company has got a timeline, timeline is a review or its got a critical timeline of completion of whatever it might be.

Case 3 Administration Officer

> How it's developing over time is with a constant review of our climate, our economic changes, and our residential and our clientele are all changing.

Case 5 Finance Manager

> There was a need for a plan to be put in place fairly urgently and now we're going to review it and we'll be reviewing it around the April/May time...

In the initial analysis, *time* was in the top three ranked concepts for both CEOs and RSDMs. The content analysis above clearly illustrates that there is a definite timing element attached to organisational strategy in regional private hospitals. This timing element did, however, differ between the two groups of interviewees. The CEOs were interested in the timeline placed on the organisational strategy and, to a certain extent, the timing of reviews; on the other hand, the RSDMs were primarily concerned with the timing of strategy review

Hospital

The concept *hospital* and its linkages in the CEO analysis, through the initial analysis conducted and the structured analysis approach, are highlighted in Figure 4.14 and Figure 4.15. Through the CEO analysis (based on the initial analysis), it can be seen that all concepts are linked to *hospital* with the exception of *work.* The strongest linkages in Figure 4.14 are between *hospital* and (firstly) *strategy* and (secondly) *time.* Through the use of the more structured analysis approach, the CEO analysis (see Figure 4.15) indicates that *hospital* was linked to all concepts on the map. The strongest linkages were seen to be between *hospital* and (firstly) *strategic* and (secondly) *business.*

In the RSDM analysis, via the initial analysis and structured analysis approach, the concept *hospital* was also evident (see Figure 4.16 and Figure 4.17). Through the initial analysis it can be seen that *hospital* is linked to all concepts on the map, with the strongest linkages being with *strategy* and *time* (see Figure 4.16). The structured analysis approach illustrated the concept *hospital* being linked to all other concepts on the map (see Figure 4.17). Strong linkages were seen in Figure 4.17 between *hospital* and (firstly) *plan* and (secondly) *strategic.*

What exactly the CEOs and RSDMs were referring to when discussing the hospitals they were employed at — in the context of organisational strategy — requires further investigation. This investigation will involve further content analysis.

Figure 4.14 ***Hospital*** **and related linkages in CEO analysis** ***(organisational strategy)***

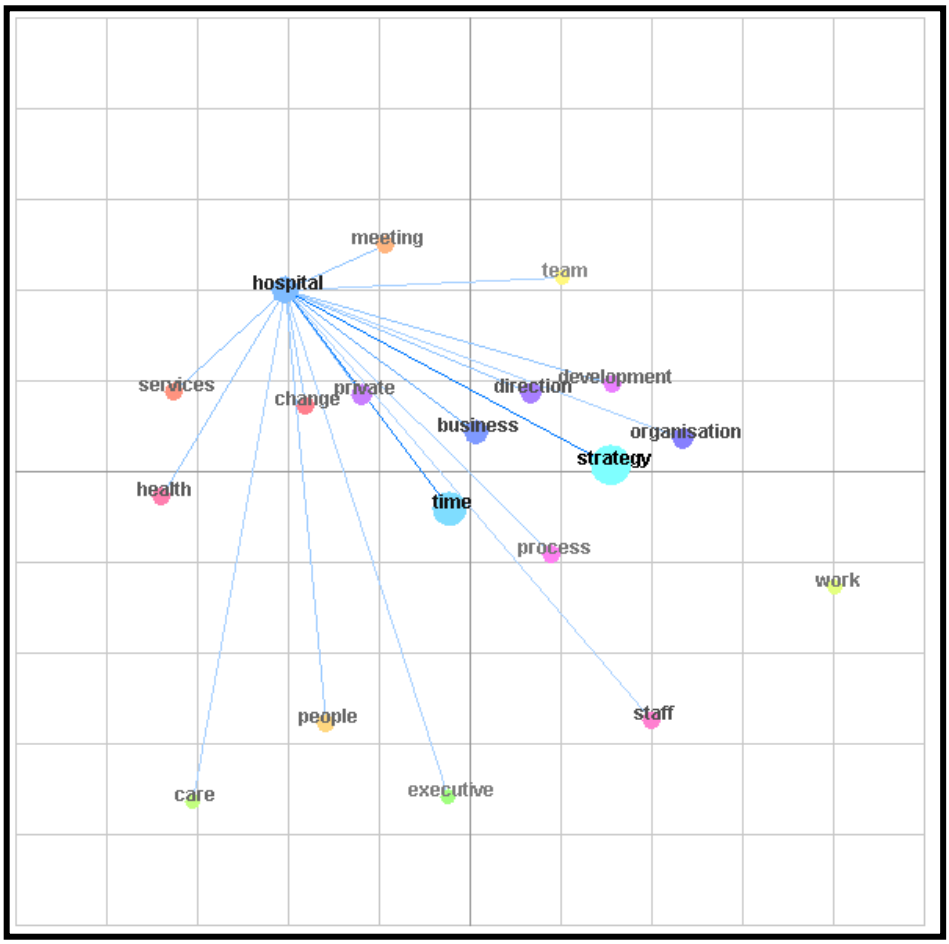


Figure 4.15 ***Hospital*** **and related linkages in CEO analysis – structured analysis approach** ***(organisational strategy)***

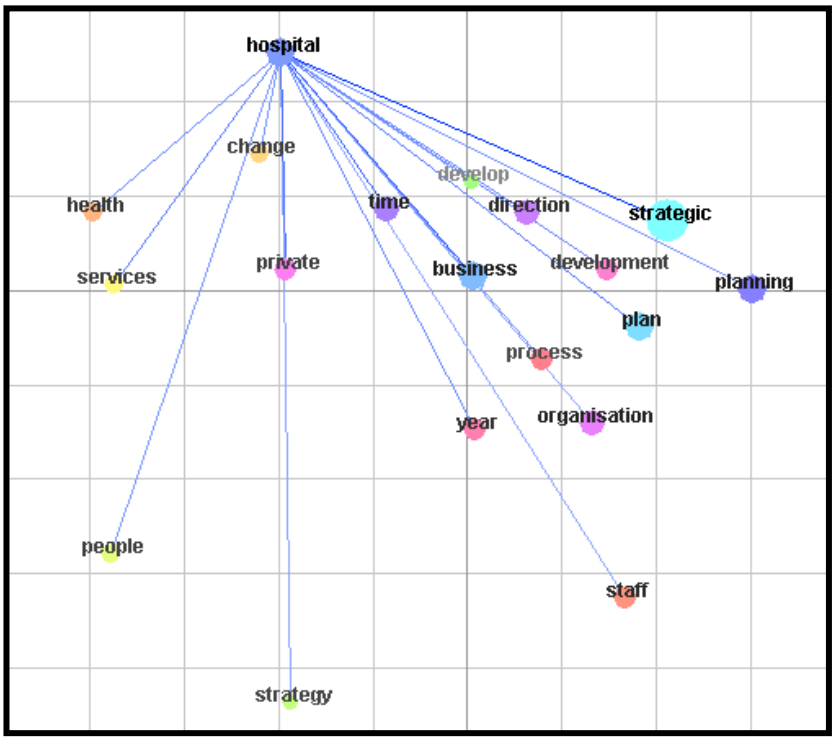


Figure 4.16 ***Hospital*** **and related linkages in remaining strategic decision maker analysis (organisational strategy)**

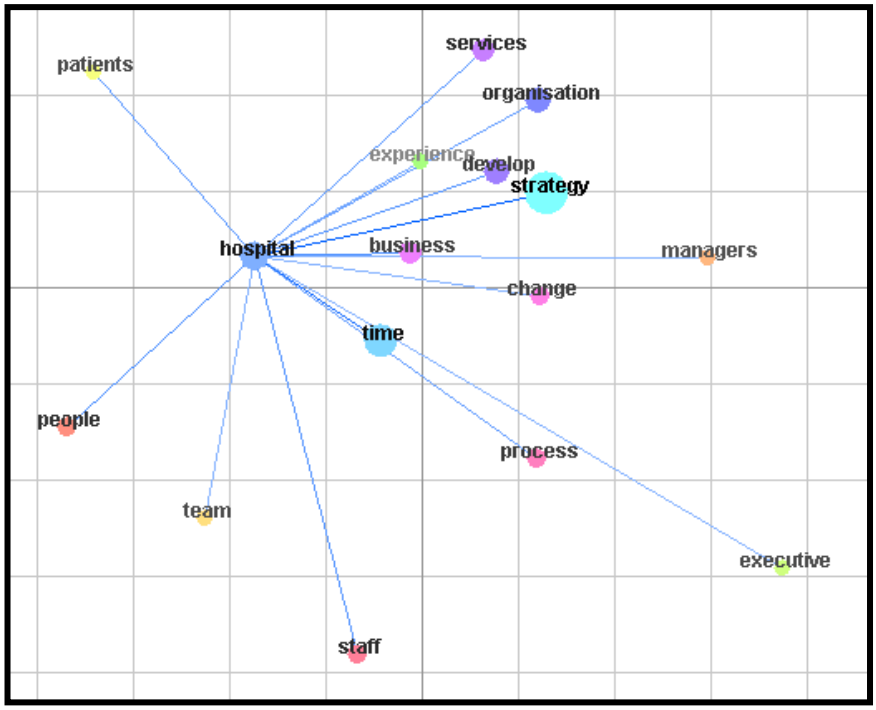
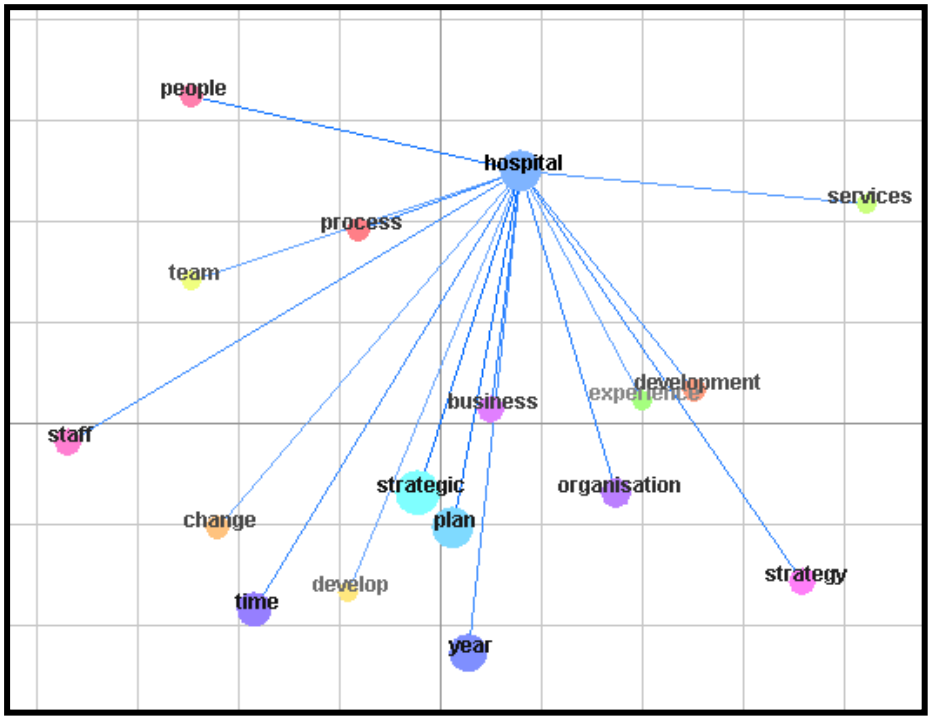


Figure 4.17 ***Hospital*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(organisational strategy)***



In discussing hospitals in the context of organisational strategy, through the initial data analysis, the CEOs were focused on the future plans for the hospital that they operated, in adding new services and assets to the organisation. The RSDMs were similarly focused on the future of their organisations; however, they were not as specific as the CEOs in their vision and hopes for the future. The following excerpts highlight the focus placed on the future of the regional private hospitals, but also the differences in the specificity of the plans between the CEOs and RSDMs.

Case 4 Chief Executive Officer

> ...we need to deliver that profit back into the hospital to promote services, promote new buildings, pay for staff development and education to keep business going.

Case 6 Director of Nursing (CEO dual role)

> ...get together and discuss goals and how we're going to move forward, how to increase our revenue, how to increase our occupancy, how to encourage more doctors to come to the hospital.

Case 4 Director of Clinical Services

> I think one of the things this hospital prides itself on is being able to be flexible enough to take advantage of an opportunity as it becomes available.

Case 8 Manager Outreach Services

> ...strategic development of the hospital and the services and if any opportunities arrive which are in the nature of the business of the hospital.

In conducting a content analysis based on the structured analysis approach to organisational strategy, the CEOs were focused on the strategic direction of the hospital. The RSDMs were also interested in the strategic direction of the hospitals, with a focus on the past history of the hospitals and future endeavours of the organisations.

Case 2 Director of Nursing (CEO dual role)

> We have been successful with quite a bit of funding. So that would tie in with strategic development of the hospital. When we first started we were only medical, since then we now have an operating theatre, we have two general surgeons, a gynaecologist, ophthalmologist and a urologist.

Case 4 Chief Executive Officer

> I think it's probably fair to say also that in the broad scheme of the strategic plan, we as a hospital embrace the notion of because we are a business we would like to think that we are flexible enough to change direction very, very quickly. By that I mean this hospital is a stand-alone private hospital.

Case 5 Finance Manager

> The hospital had gone through some significant downturn in its activities as a result of a number of factors and therefore there was a lot of change management processes going on over the last year and a half, and the last part of that was looking at, well, what have we done before and basically saying, well that hadn't quite been a good fit for the organisation and where the market was heading and the demographics in this region.

Case 7 Director of Nursing

> So the company has decided that they have a direction of the hospital. The cath lab which has always been here since the hospital has been open has been run not to the capacity, so one of the plans was to market that, which has been done.

Based on initial analysis and the more structured analysis approach, *hospital* was in the top three ranked concepts for both CEOs and RSDMs. The content analysis related to *hospital* indicated different aspects of importance within the regional private hospitals. The initial analysis showed that the CEOs placed their focus on the future plans of the organisations through specific tangible assets of the hospital. The RSDMs showed an emphasis on the future of the organisation also, but with an intangible focus on vision and future hopes. Interestingly, the structured analysis approach depicted both groups of interviewees to have a focus on the strategic direction of the organisations. The RSDMs, however, were interested in the history of the organisations, and used this as a basis for future planning.

Strategic

The concept *strategic* and its related linkages for the CEO and RSDM analyses, from the structured analysis, are illustrated in Figure 4.18 and Figure 4.19. In the CEO analysis, Figure 4.18, *strategic* is linked to all other concepts, with the exception of *strategy*. In the RSDM analysis, however, *strategic* is linked to all other concepts on the map. The strongest linkages in the CEO analysis are between *strategic* and (firstly) *planning* and (secondly) *plan*. Strong linkages in the RSDM analysis are illustrated between *strategic* and (firstly) *plan* and (secondly) *year*. The differences between *strategic* and *strategy* will be explored through further content analysis in accordance with *planning* and *plan*. The focus of the CEOs' discussion on *strategic* as compared to the RSDMs' discussion will also be given consideration through the further content analysis.

Figure 4.18 *Strategic* and related linkages in CEO analysis – structured analysis approach *(organisational strategy)*

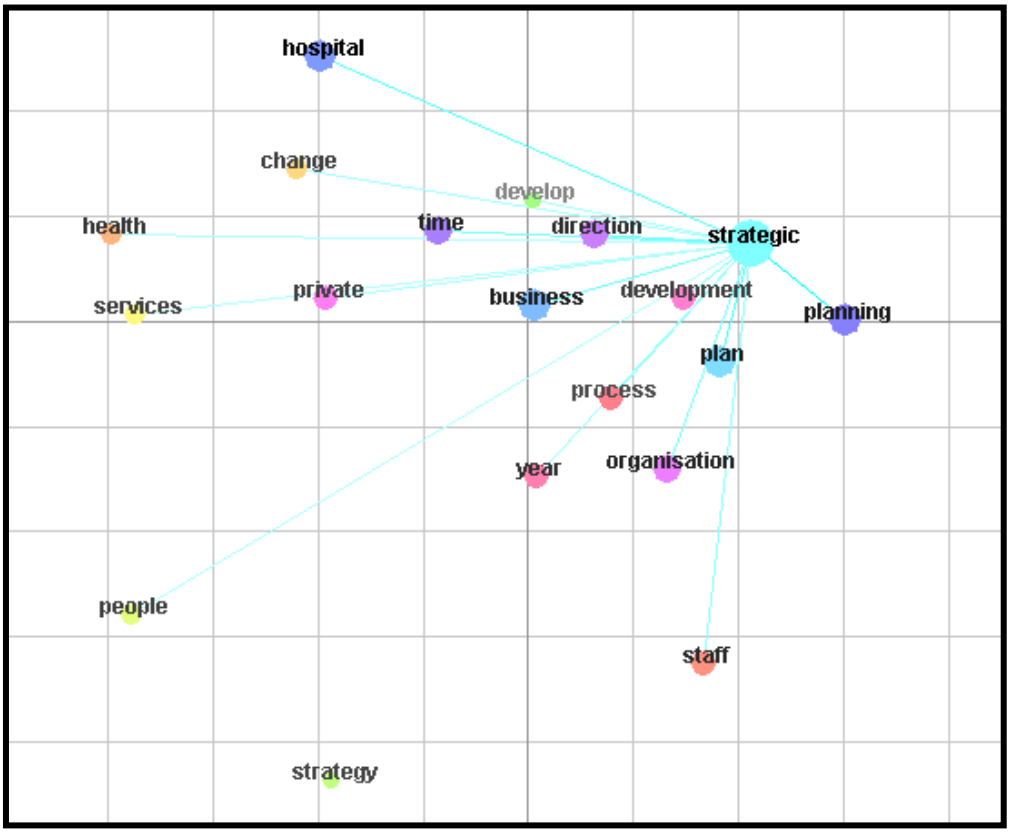
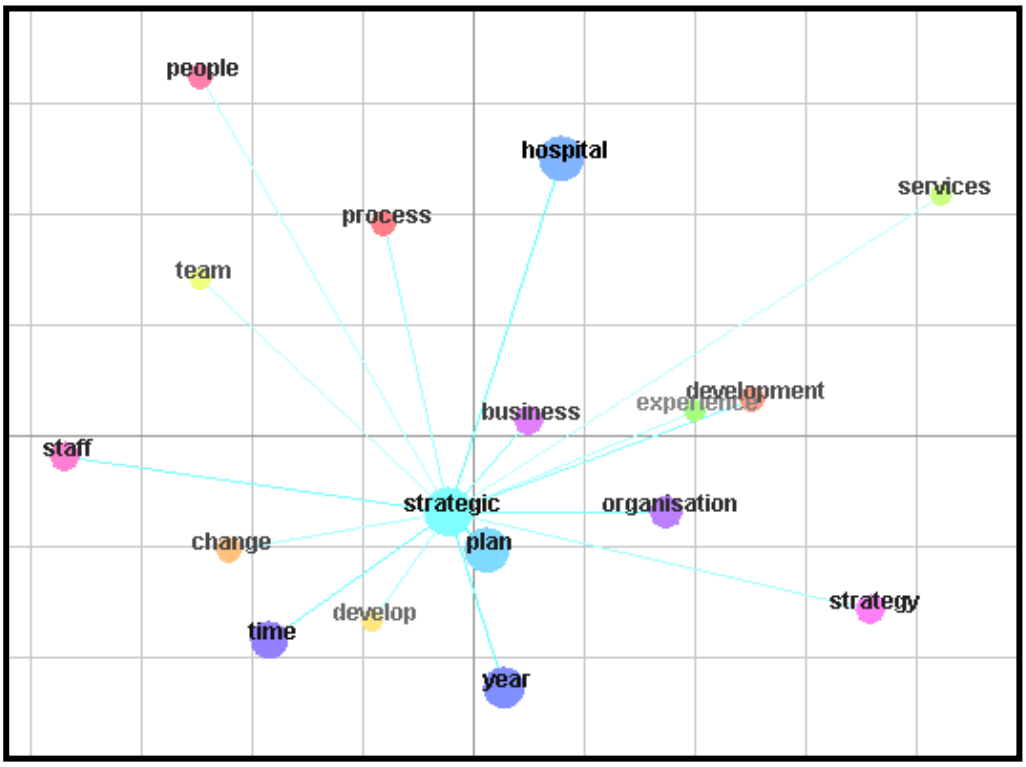


Figure 4.19 ***Strategic*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(organisational strategy)***



When discussing the concept *strategic*, CEOs focused on strategic planning within their organisations and how this concept was operationalised. The RSDMs were also focused on the strategic planning in the organisations; however, this planning was given a clear focus for the future. The following excerpts highlight the subtle differences between the two groups of interviewees and the viewpoints on *strategic.*

Case 1 Chief Executive Officer

> A lot of issues we identified in our initial strategic planning meeting we never knew how we were going to actualize those, because our company is a small company and money was an issue and high debt was also a big issue for us.

Case 8 General Manager

> So for this year, what we did with our strategic planning here was to pick out the directions set by the company and then base the strategic direction from the coal face kind of perspective.

Case 3 Administration Officer

> I look at strategy like a plan. So it's a plan of plan of where you were going what we are doing, it's lots of things, and we've given it this one big title.

Case 4 Director of Clinical Services

> ...we were looking at identifying what things we needed to do moving forward, one of these things that we certainly identified was that we needed to develop a strategic plan.

It is also interesting to note that in the structured CEO analysis, the concepts *planning* and *plan* were not integrated. *Plan* was also highlighted in the RSDM structured analysis. There was a difference between these two concepts in that *planning* was directly related to the notion of strategic planning. *Plan* was also used to refer to strategic *plan*, but importantly, other organisational aspects were also addressed through the concept *plan.* The following excerpts provide an example of the differences between the concepts.

Case 1 Chief Executive Officer

> A lot of issues we identified in our initial strategic planning meeting...

Case 4 Chief Executive Officer

> I with the Director of Clinical Services have developed the annual business quality plan...

Case 5 Finance Manager

> ...so we'll have our strategic business plan, our quality plan and our budgets all focused around the financial year.

The differences between *strategic* and *strategy* also require investigation through further content analysis. *Strategy* is regarded as an entity by itself, whereas *strategic* is viewed as encompassing a number of activities. The following excerpts highlight the understanding of the concept *strategy*, through a structured analysis approach, and the notion that it is an entity that is separate from *strategic*.

Case 3 Chief Executive Officer

> So we've got it to a stage where it is viable for us to keep the hospital. That is sort of a changing strategy.

Case 7 Chief Executive Officer

> This really depends on what your strategy is. This year our strategy was that we had an empty space to grow beds so we were concentrating on our assets. But what will happen next year who knows.

Case 4 Director of Clinical Services

> At those meetings we talk about a lot of things that are related to the business strategy, such as looking at land purchase.

Case 7 Finance Manager

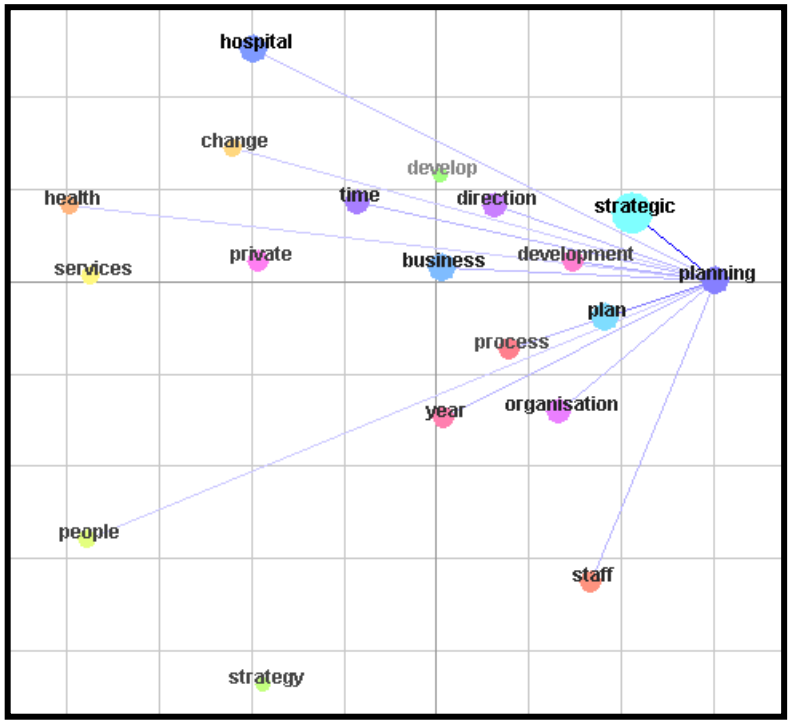
> I find any strategy is a very flexible type of arrangement.

Based on the structured analysis approach, *strategic* was in the top three ranked concepts for both CEOs and RSDMs. Focus was given by the CEOs towards the operationalisation of strategic planning. RSDMs were also focused on strategic planning, when discussing the concept *strategic*, but these interviewees provided a distinct emphasis on the future of the organisation in considering strategic planning. Differences have also been highlighted in the previous content analysis between the concepts *plan* and *planning. Planning* was directly related to the notion of strategic planning, *plan,* while also referring to strategic *plan*, depicted other organisational aspects. The difference between *strategy* and *strategic* was also discussed in the previous content analysis, based on the structured analysis approach. *Strategy* was regarded as an entity by itself, whereas *strategic* was viewed as encompassing a number of activities

Planning

The concept *planning* and its related linkages as depicted in the structured CEO analysis are illustrated in Figure 4.20. *Planning* linked to all other concepts with the exception of *develop, strategy, private* and *services.* Strongest linkages are shown between *planning* and (firstly) *strategic* and (secondly) *plan.* Differences between *planning* and *plan* have been discussed previously, as have the differences between *strategic* and *strategy.*

Figure 4.20 ***Planning*** **and related linkages in CEO analysis – structured analysis approach** ***(organisational strategy)***



In discussing *planning*, as previously highlighted, the CEOs were referring to strategic planning in their organisation. The following excerpts support this finding.

Case 1 Chief Executive Officer

> A lot of issues that we identified in our initial strategic planning meeting we never knew how we were going to actualize those...

Case 7 Chief Executive Officer

> Now experience with strategic planning or whatever we did here, basically went back to the basics.

Case 8 Manager Outreach Services

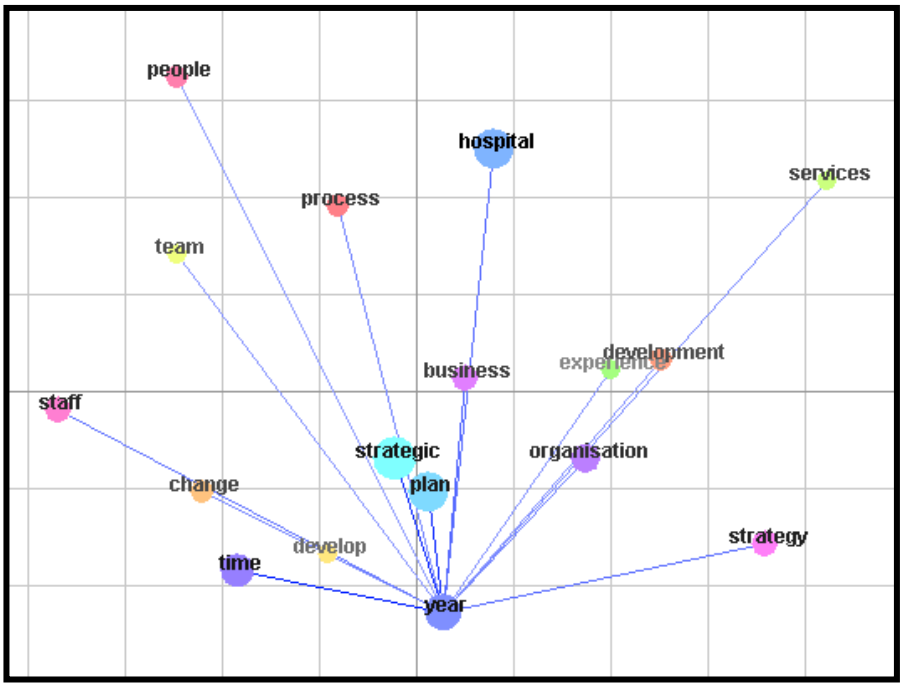
> We actually did our strategic planning last Friday for the facility and that was based on the strategic directions of the organisation...

In discussing organisational strategy, *planning* was ranked in the top three concepts for the CEO analysis. This concept was primarily used by the CEOs in referring to the strategic planning of their organisation.

Year

The concept *year* and its related linkages in the RSDM analysis, in the structured analysis approach, are illustrated in Figure 4.21. *Year* is linked to all other concepts on the map with the strongest linkages being between *year* and (firstly) *time* and (secondly) *plan.*

Figure 4.21 *Year* and related linkages in remaining strategic decision maker analysis – structured analysis approach *(organisational strategy)*



In discussing *year*, the RSDMs were concerned with the length of time that they had been working for the organisation, and also timelines set within the organisation for accreditation and the time span of their strategic plan. The following excerpts highlight the emphasis placed on the concept The following excerpts highlight the emphasis placed on the concept *year* by the RSDMs in regional private hospitals.

Case 4 Director of Clinical Services

> Because of the time frames it actually took to get it developed and to get the feedback from staff, we actually made it an 18 month plan.

Case 5 Finance Manager

> There was a need for the plan to be put in place fairly urgently and now we're going to review it and we'll be reviewing it around April/May time, which will cover some of our budgeting process, and we're also going to realign our quality plan, which currently is a calendar year thing.

The concept *year* was ranked in the top three concepts in the RSDMs' discussion of organisational strategy. This group of interviewees focused on the time they had worked for their organisation in accordance with timelines set within the organisation.

Staff

The concept *staff* and its linkages on the concept map have been illustrated in Figure 4.22 and Figure 4.23. Interestingly in Figure 4.22 *staff* is not linked to *strategy, develop* or *direction.* Accordingly in Figure 4.23, *staff* is not linked to *services, development, experience* or *organisation*, despite the fact that a hospital's staff are the ones to deliver the services to the patients. The strongest linkages are shown in Figure 4.22 as being between *staff* and (firstly) *strategic and* (secondly) *planning.* The strength of the linkages between concepts in Figure 4.23 is not too dissimilar to that of the CEO analysis and is seen to be strongest between *staff* and (firstly) *strategic* then (secondly) *plan.* It is important to note, however, that these strengths are to be expected due to the focus of the research and the qualitative questions being on strategy.

Figure 4.22 *Staff* and related linkages in CEO analysis *(organisational strategy)*

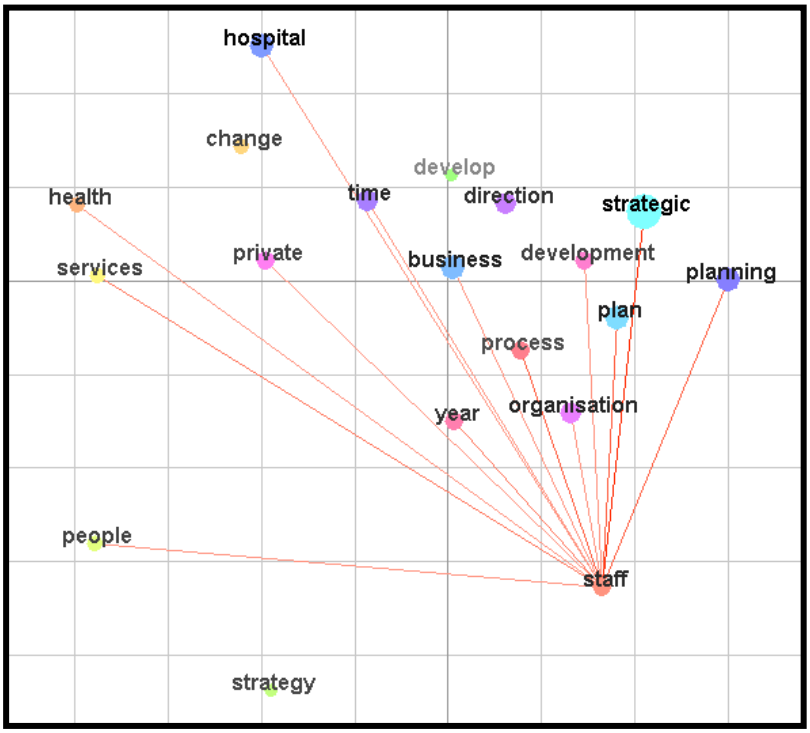
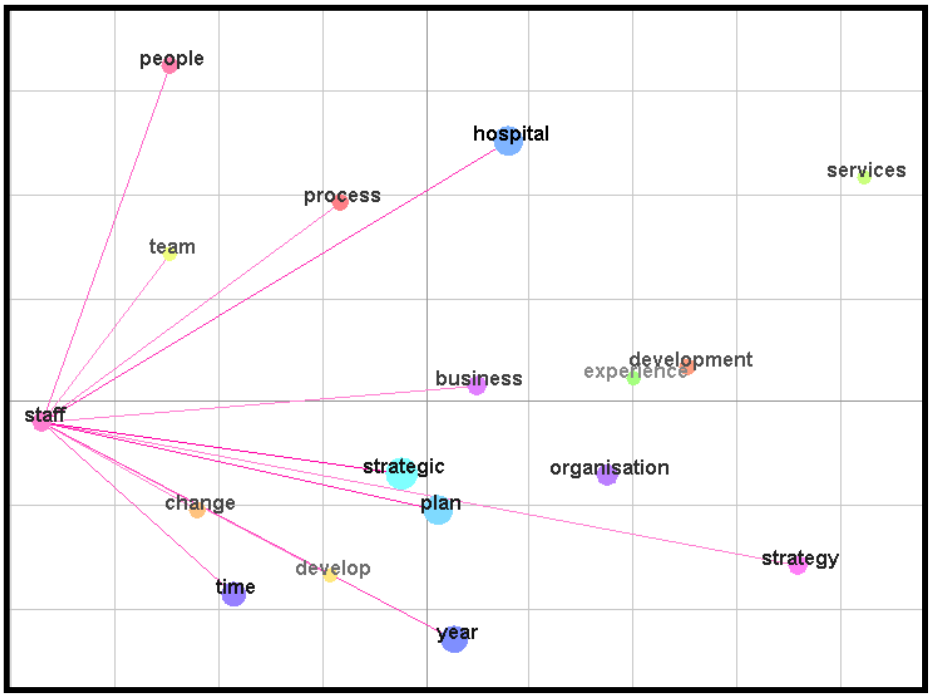


Figure 4.23 ***Staff*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



When discussing the concept *staff*, the CEOs were talking in relation to communication with staff and their input into the strategic planning process of the organisation. Similar meaning was given to the concept by the RSDM group. The following excerpts, from both groups of interviewees, highlight the requirement of communication with staff in organisational strategy.

Case 3 Chief Executive Officer

> Well we've just started a new process this year where we sent questionnaires to all staff members in their pay slips and gave them a response date. All of that was correlated and we had a strategic planning consultant come in to work with us on that. We put all their responses together and had a team leader, that's one representative from each area, come to the strategic planning evening. We came up with strategies.

Case 4 Chief Executive Officer

> The Director of Clinical Services takes a lead role in that situation. The Director of Clinical Services and I meet regularly, measure how we are going, and equally we use the plan to measure the performance of our managers who report to us.

Case 4 Director of Clinical Services

> …we were looking at identifying what things we needed to do moving forward, one of the things that we certainly identified was that we needed to develop a strategic plan. We actually compiled a SWOT analysis that we distributed to all of the staff in all of the areas…I think it's unrealistic to have a strategic plan that will go up to a three year period. Because of the time frames it actually took to get it developed and to get the feedback from staff, we actually made it an 18 month plan.

Additional meaning was given to the *staff* concept by the RSDMs, who also pointed out the issues of change and turnover in hospital staffing in accordance with a shortage of staff. The following excerpts highlight the concerns relating to organisational change and staff shortages within regional private hospitals.

Case 3 Administration Officer

> …when I first started here it was a little bit of a shamozle because we had a high turnover of personnel…I've seen the other person that I work with exit the team and I've seen some other key people change vocations.

Case 1 Accountant

> The strategy was to try and introduce that here for recruiting nursing staff as there generally is a shortage worldwide…other staffing isn't an issue too much. Nursing staffing is mainly the main shortage.

Overall, the concept *staff* was referenced by the two groups of interviewees in different circumstances when discussing organisational strategy. The CEOs were concerned with staff communication and staff input into the strategic planning process of the organisation. The RSDMs offered an alternative perspective on this concept by pointing out the issues of change and turnover in hospital staffing in accordance with a shortage of staff.

People

The concept *people* and its linkages on the concept map have been illustrated in Figure 4.25 and Figure 4.26. Interestingly in Figure 4.25 *people* is not linked to *services, private, develop, development* or *year*. In Figure 4.26 *people* is not linked to *development*, *experience* or *develop*. The strongest linkages are shown in Figure 4.25 as being between *people* and the concepts of *time* and *hospital* equally. The strength of the linkages between concepts in Figure 4.26 is similar to that of the CEO analysis and is seen to be strongest between *people* and (firstly) *hospital*, then (secondly) *time.*

Figure 4.25 ***People*** **and related linkages in CEO analysis** ***(organisational strategy)***

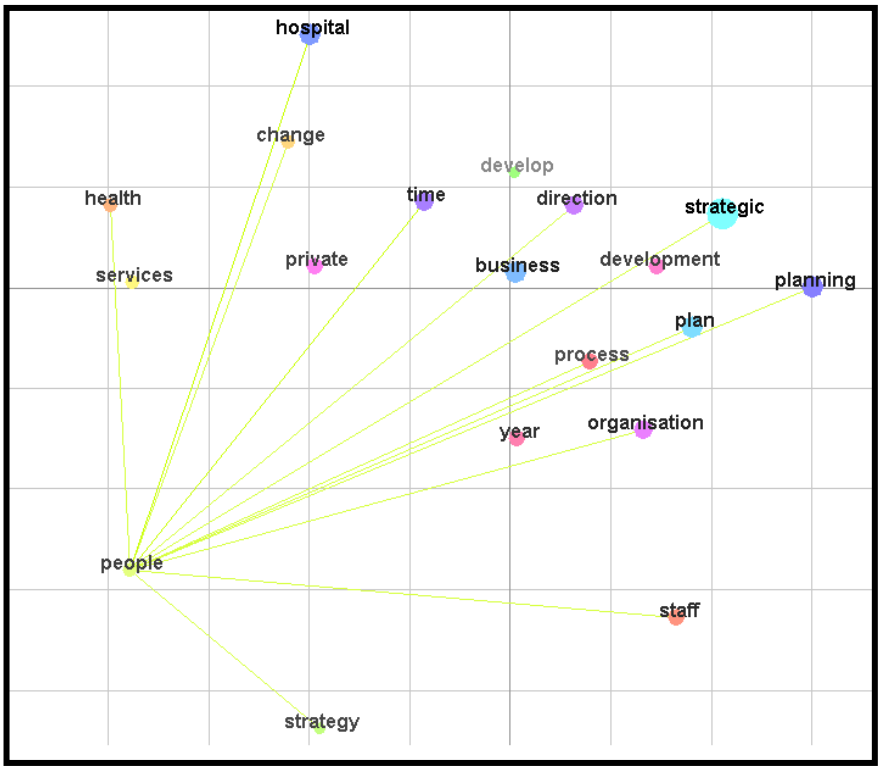
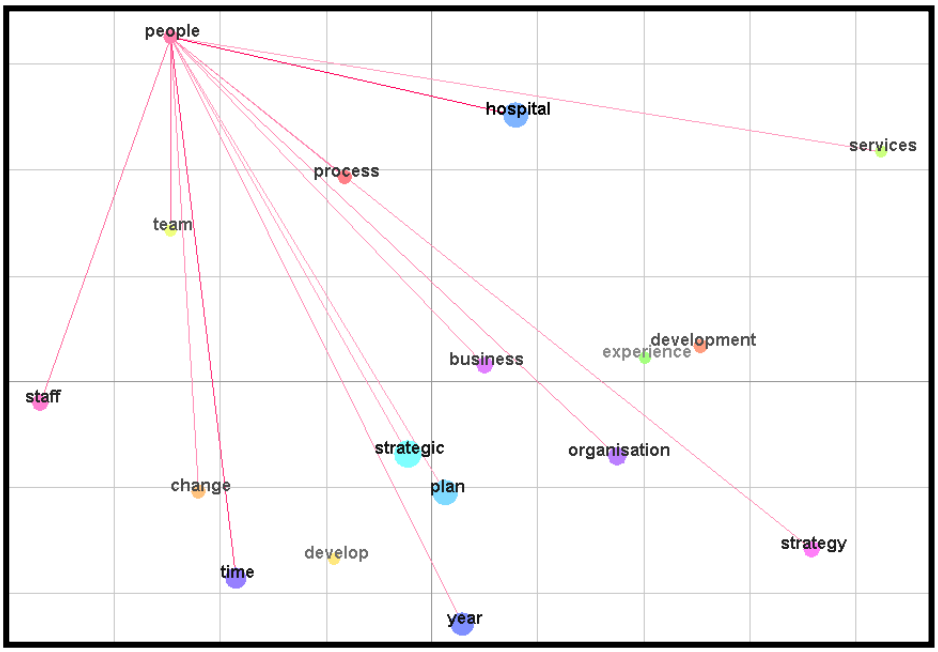


Figure 4.26 ***People*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



When discussing the concept *people*, the CEOs were primarily focused on two aspects: staff in their organisation and the patients. When using the concept *people*

in discussing staff, the CEOs referred to staffing in general, and not to any specific areas. For example:

Case 8 General Manager

> We had some dysfunctionality in just trying to figure out who's who in the zoo and that kind of stuff. So we actually did that before we did the strategic planning this time and that helped, so people who usually are reserved and that sort of thing, were given extra opportunity to participate I suppose…We have an open door policy within the hospital so people can come to me with ideas at any point in time.

The CEOs also referred to their patients when discussing the concept *people* and their association with the hospital in terms of services they may have used or could possible use in the future.

Case 2 Director of Nursing (CEO - dual role)

> We are also building a new laboratory for Queensland medical laboratories so that pathology is on site. At the moment they are at the back of the hospital they will move up into a separate building. So the people who come to the hospital will have x-ray and blood tests.

Case 3 Chief Executive Officer

> It is a small community so we often have Board members with either relatives or known people who have been here or good friends that have been in here.

In terms of the RSDMs within the organisations and their perceptions of the concept *people*, they also aligned with the above views of the CEOs in terms of staffing and patients. An additional aspect was, however, added to this concept by the RSDMs in terms of a community aspect. The following excerpts highlight how the RSDMs discussed the general community, their relationship with the hospital, and communication with the community.

Case 7 Director of Nursing

> They weren't marketing that either so we've done that, it now works at 89% occupancy, I've put a nursing unit manager in there. We're constantly telling people we're here, this is what we do, this is what we cope with…Our occupancy is still up and down, so you have people saying open a medical ward. I don't want to particularly open a medical ward because we don't have an emergency department…

Case 2 Accountant

> They source specialist services and they are in the process of getting an orthopaedic surgeon to come on board. So I guess the aim is to build up a variety of services that the hospital can offer the local people.

Through discussing *people* in relation to organisational strategy, different terms of reference were evident between the CEOs and RSDMs. The CEOs were focused on staff in their organisation and the patients. The RSDMs also referred to staff and patients; however, the community in which the hospital operated was also considered in the concept *people* by the RSDMs.

Services

The concept *services* and its linkages on the concept map have been illustrated in Figure 4.27 and Figure 4.28. In Figure 4.27, *services* is not linked to *develop, direction, planning, plan, strategy* or *people.* Accordingly in Figure 4.28, *service* is not linked to *staff, change, time, develop* or *plan*. The strongest linkages are shown in Figure 4.27 as being between *services* and the concepts of *hospital* and *time* equally. The strength of the linkages between concepts in Figure 4.28 is similar to that of the CEO analysis and is seen to be strongest between *services* and (firstly) *year*, then (secondly) *hospital.*

Figure 4.27 *Services* and related linkages in CEO analysis *(organisational strategy)*

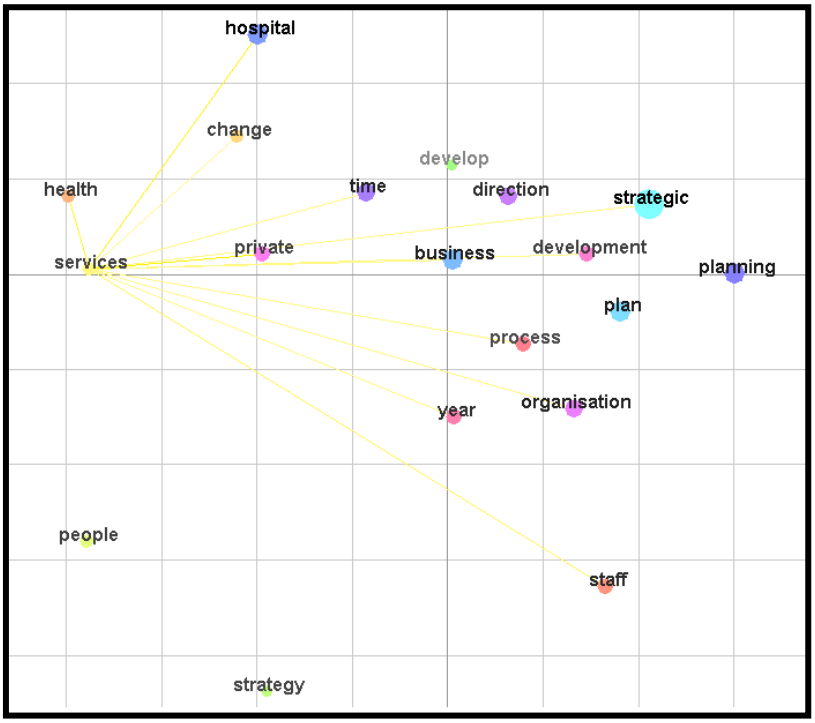
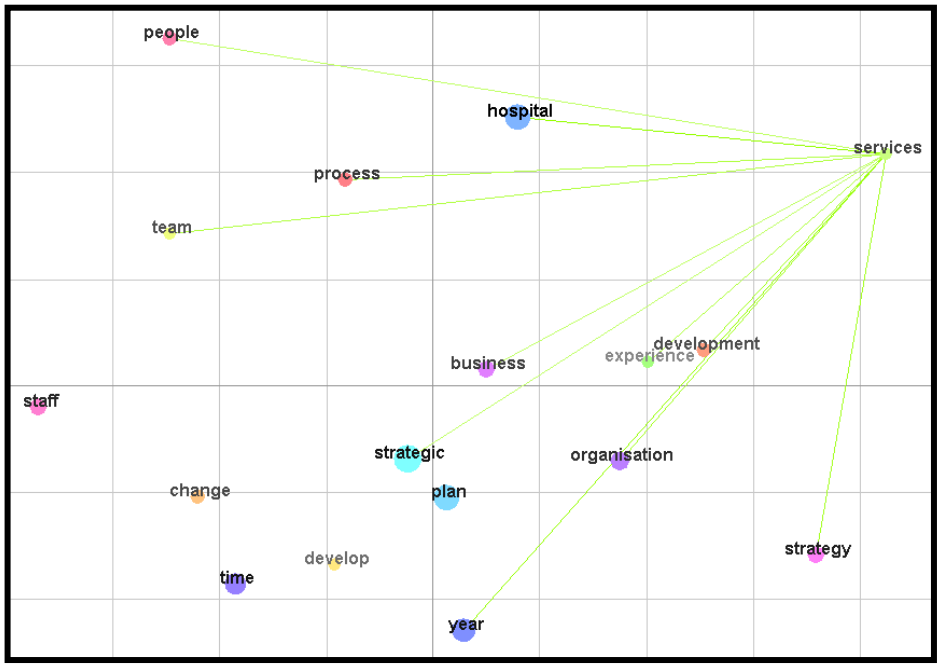


Figure 4.28 ***Services*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



In discussing the concept *services*, the CEOs were interested in two key aspects. The first related to offering the services as an asset to the community in which the hospital operates. In doing so, the CEOs were ensuring that the needs of the community were being met. The following excerpts expand on the linkage between the community in which a regional private hospital operates and the services determined to be necessary in developing the overall organisational strategy.

Case 2 Director of Nursing

> Pathology will be available on site. It's all part of services to the community and helping the hospital grow.

Case 6 Director of Nursing

> The organisation identified that there's a need for private mental health services within our area.

Case 8 General Manager

> So we have a number of outreach services, community based, where they basically pay us to provide those services.

The second aspect that the CEOs focused on in discussing the concept *services* as a part of the overall organisational strategy was the influence that government regulations have over the service's that regional private hospitals provide. The following gives some explanation as to the involvement government has in regional

private hospitals providing services to their community through their organisational strategy.

Case 4 Chief Executive Officer

> Knowing what your competitor is doing and staying in touch with your core group of doctors that support your hospital and then looking at the bigger picture in terms of the state government, the federal government and their involvement in health services.

Case 8 General Manager

> This hospital has got another complexity in that we manage a lot of services on behalf of the government…if legislation changes, you need to have within your framework the ability to change as you need to.

In reviewing the concept *services* within organisational strategy through the RSDMs in the organisations, the need for doctors and specialists to provide services was made apparent, as was the need to foster the relationship with these service providers. Following are some excerpts that expand on this requirement for service providers in regional private hospitals.

Case 4 General Practitioner Liaison Officer

> I have familiarised myself with this hospital, and it's various specialities in order to take a message out to the General Practitioners and in an effort to inform the General Practitioners that our hospital has all services available.

Case 1 Accountant

> An orthopaedic surgeon, a gynaecologist, and an obstetrician. The idea was that we could get them to move area, but they moved not too far from here. Even though they didn't physically move to this town, we were still able to obtain their services. It was a couple of years ago but there's still the services here, so that was a successful strategy…We just look at the activity and which doctors are giving us the most activity and therefore they are the ones at highest risk, at not coming. So we look after them in looking after their needs

Overall, through discussing the concept *services*, the CEOs were focused on the services as an asset to the community in which the hospital operates, and the influence that government regulations have over the service's that regional private hospitals provide. RSDMs gave focus to the need for doctors and specialists to provide services and the need to foster the relationship with these service providers.

Change

The concept *change* and its linkages on the concept map have been illustrated in Figure 4.29 and Figure 4.30. In Figure 4.29 *change* is not linked to *staff* or *strategy.* However, in Figure 4.30 *change* is not linked to *experience*, *development* or *services*. The strongest linkages are shown in Figure 4.29 as being between *change* and the concepts of *direction* and *time* equally. The strength of the linkages between concepts in Figure 4.30 is not too dissimilar from that of the CEO analysis and is seen to be strongest between *change* and (firstly) *time*, then (secondly) *develop.*

Figure 4.29 *Change* and related linkages in CEO analysis *(organisational strategy)*

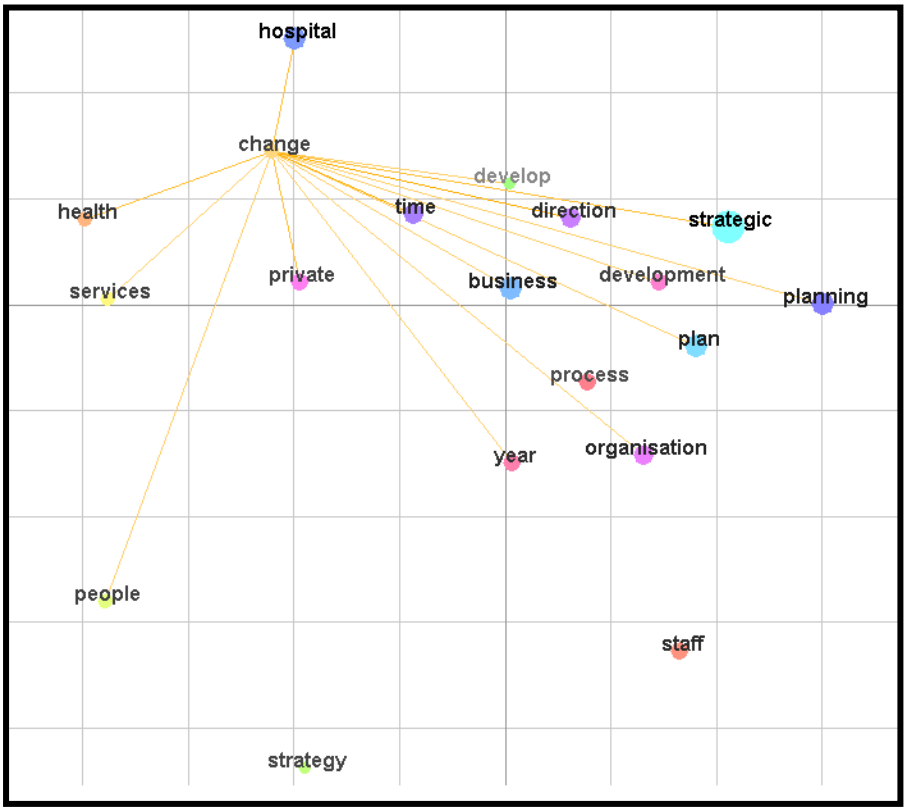
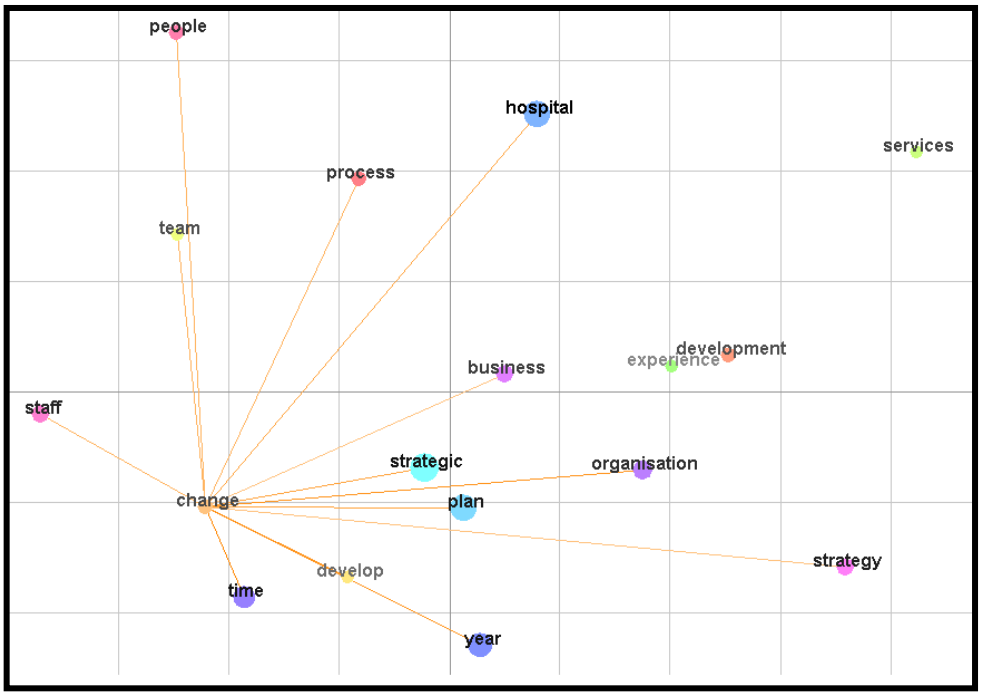


Figure 4.30 ***Change*** **and related linkages in remaining strategic decision maker analysis** ***(organisational strategy)***



Change in the context of organisational strategy was specifically concerned with strategic direction in analysing the CEO data. The following excerpts provide an explanation of the CEOs' viewpoints regarding changing the strategic direction of the organisational strategy.

Case 4 Chief Executive Officer

> I think it's probably fair to say also that in the broad scheme of the strategic plan, we as a hospital embrace the notion of because we are a business, we would like to think that we are flexible enough to change direction very, very quickly.

Case 8 General Manager

> …we've concentrated our energies, because there are a lot of elements in that strategic plan. And I'll give you one. So last year we focused on 'blah, blah, blah', and we've done and dusted that, so let's do something else. There's enough scope within that to shift and change in that three or four year period. Three or four years is a long time in health, so yeah, direction can change.

Case 6 Director of Nursing (CEO - dual role)

> We have open door policies within the hospital so people can come to me with ideas at any point in time. We can actually change direction pretty quickly. We're not bogged down with meetings and things like that, although we do have a meeting structure.

In analysing the RSDM data, the concept *change* was primarily concerned with external factors influencing changes internal to the organisation and its overall

organisational strategy. This influence of external factors is highlighted in the below excerpts.

Case 8 Manager Outreach Services

> …it's [organisational strategy] responsive to changing circumstances is what I would really say. It's still based on the overall goals of the organisation so that we are meeting the needs of the service. Responsive to community change. That means sometimes you will start to develop something which looks like a really good thing. Then you find somebody else has beat you to it so you change direction and identify your other marketing opportunities.

Case 5 Finance Manager

> The hospital had gone through some significant downturn in its activities as a result of a number of factors and therefore there were a lot of change management processes going on over the last year and a half…

Overall, the concept of *change* was highlighted by both CEOs and RSDMs in discussing organisational strategy. The CEOs were concerned with strategic direction in their discussions on change, whereas the RSDMs were primarily concerned with external factors influencing changes internal to the organisation and its overall organisational strategy.

Summary of organisational strategy trends

When interpreting the above findings in relation to the theoretical construct of organisational strategy, the overriding proposition that '*the approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum*' requires consideration. Consequently, an initial analysis was conducted where concepts were merged in addition to a more structured approach through applying (a) the theoretical framework, (b) research propositions, (c) organisational strategy literature, (d) further in-depth content analysis and (e) an in-depth examination of the nuances displayed in the interview transcripts and triangulating these with the interviewer's experiences and perceptions. In comparing the two groups of interviewees, there were similarities between them in their understanding of organisational strategy and strategic orientation. More importantly, however, the approach to strategic orientation between the two groups does differ. The notion of a continuum is evident in the above results. In reviewing the concept *time* is was apparent that the CEOs were

concerned with a strategy timeline, while the RSDMs were interested in the timing of strategic reviews within their organisations. The continuum was again evident in the concept *hospital*. Initial analysis illustrated CEOs being focused on future tangible hospital assets, and the RSDMs being concerned with future intangible assets. The structured analysis approach highlighted that both groups of interviewees were concerned with the strategic direction of the hospitals; however, the RSDMs had a focus on the future which was based on the history of the organisations. *Strategic* was also a concept that related to the continuum perspective. The CEOs were focused on the current operationalisation of strategic planning, while the RSDMs were focused on the future operationalisation of strategic planning. *Staff* communication was viewed as important in both interviewee groups. A difference was, however, noticed in that the CEOs also spoke on staff input, while the remaining interviewees spoke on change and turnover in the organisations as well as a shortage of staff. Again the difference in strategic orientation approaches and the notion of a continuum is evident in the concept *people.* When the CEOs referred to this concept in organisational strategy generally, they referred to their staff and patients, with regards to the services they used. On the other end of the continuum in strategic orientation, the RSDMs referred to the community when discussing the concept *people* and what they wanted and what services could be offered to them. In discussing the concept *services*, it was interesting to note that the CEOs viewed the community and the effect that government regulations have on their service offerings as important in organisational strategy. The difference in strategic orientation approach and the continuum feature is once again seen through the remaining interviewees. They discussed the concept *services* in terms of doctors and specialists providing services and fostering the relationship with these practitioners. Finally, the concept *change* was reviewed in the findings. Again a noticeable difference was seen in strategic orientation between the two groups of interviewees in their understanding of organisational strategy and *change.* The CEOs consistently referred to change in the strategic direction of the organisation while the RSDMs were more concerned with external factors influencing internal change. Once again, two different ends of a continuum in strategic orientation are evident through organisational strategy and *change.*

The second theoretical construct requiring analysing from the research framework featured in Chapter 2 is marketing strategy.

4.5 Marketing strategy

As discussed in Chapter 2, marketing strategy consists of various concepts, all of which contribute to the formulation of an organisation's marketing strategy. In discussing what is involved in a marketing strategy, Aaker and Mills (2005) focused on strategic market opportunity analysis and methods, alternative marketing strategies and implementation. In analysing this theoretical construct of the conceptual framework, three key questions from the responses to the interview were reviewed: (a) *What is the role of marketing strategy within your firm's organisational strategy?*, (b) *How closely is your firm's marketing strategy aligned to the organisational strategy?* and (c) *When the term 'strategic marketing planning' is stated what comes to mind?*

As mentioned in Chapter 2, the overriding proposition for this theoretical construct is '*Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum*'.

4.5.1 A comparative analysis of marketing strategy

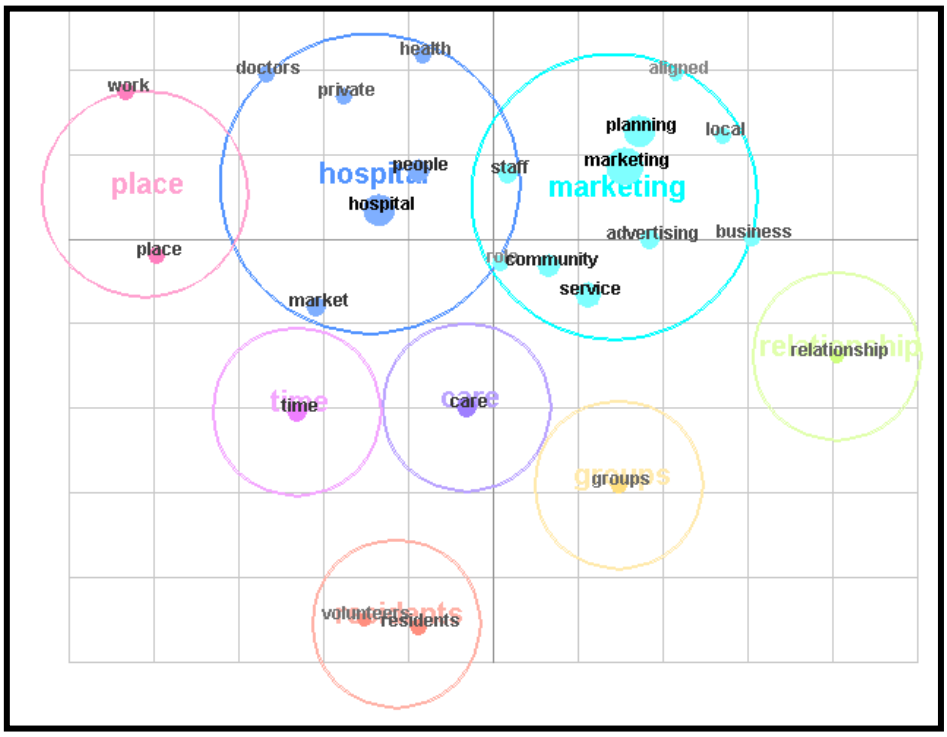
The concept maps for both groups of interviewees, in relation to marketing strategy, are explained in the following section.

The concept maps

Figure 4.31 and Figure 4.32 depict the themes and concepts for both groups of interviewees and their responses in relation to marketing strategy through the initial analysis. Figure 4.31 depicts the CEOs' views on marketing strategy in regional private hospitals. The themes **marketing** and **hospital** are prevalent on the concept

map at 40% with **marketing** being connected to **hospital. Hospital** encompasses the concepts of *health, private, doctors, people, hospital* and *market.* **Marketing** includes the concepts of *aligned, planning, marketing, local, business, advertising, community, service, role* and *staff.*

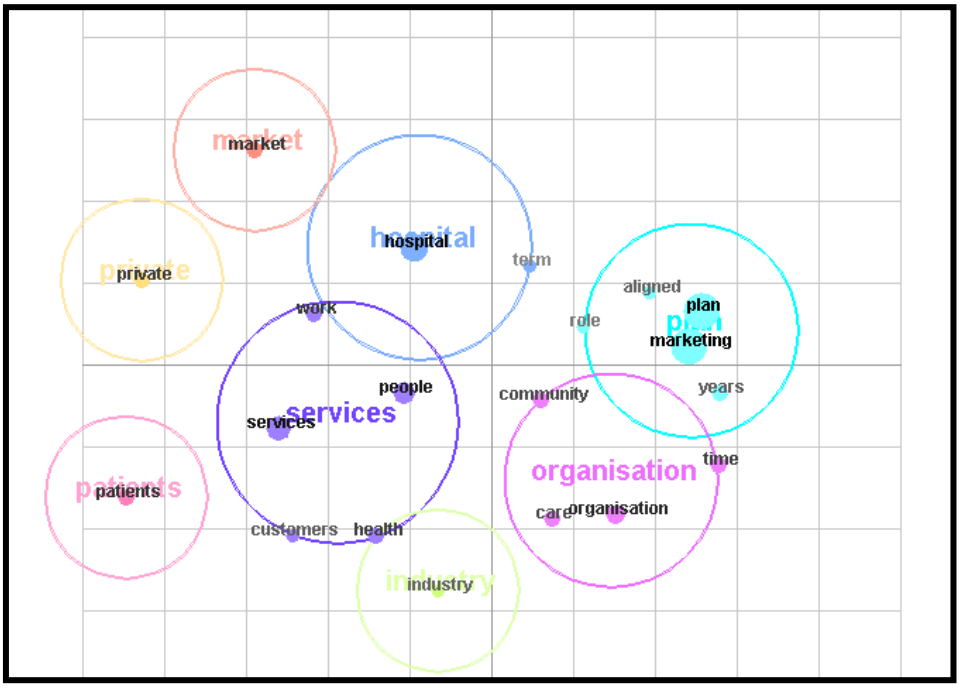
Figure 4.31 Concept map – CEO analysis *(marketing strategy)*



(Points 100%, Themes 40%)

Figure 4.32 illustrates the RSDMs' viewpoints for the concept marketing strategy. The theme **services** is shown in Figure 4.32 to dominate the concept map while including the concepts *work, people, services, customers* and *health.* **Organisation** and **plan** are also seen as important themes on the concept map. This is of interest as the merging of the concepts plan, planning, strategy and strategic took place in this analysis forming the concept of *plan*. It is, however, difficult to determine this level of understanding from an initial examination of this figure. The concept map also illustrates the themes **private** and **patients,** which are not connected to other themes.

Figure 4.32 Concept map – remaining strategic decision maker analysis *(marketing strategy)*



(Points 100%, Themes 40%)

Summary of themes

From the initial analysis, a number of themes in the CEO analysis and RSDM analysis were identified. In both analyses it was apparent that **hospital** emerged as a theme; however, this is where the similarities end. **Services** was a theme in the RSDM analysis, warranting investigation in the further content analysis; while **marketing** in the CEO analysis was shown as connecting to the **hospital** theme. Interestingly, the timing of strategy emerged in the CEO analysis through the theme **time,** whereas in the RSDM analysis this was not so.

Concept analysis

P3: Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum.

Each concept from the previously discussed concept maps has been depicted in a bar chart (see Figure 4.33 and Figure 4.34). It was demonstrated by the CEOs that the top three ranking concepts were *marketing*, *planning* and *hospital.* The RSDMs also

identified *plan*, *marketing* and *hospital* in the top three ranking concepts. In the RSDM analysis both plan and marketing were discussed an equal number of times; however, it is important to note that as discussed previously, the concept *plan* was formed through the merging of plan, planning, strategy and strategic in the Leximancer analysis. This, however, is not illustrated in these diagrams below.

Figure 4.33 Bar chart – CEO analysis *(marketing strategy)*

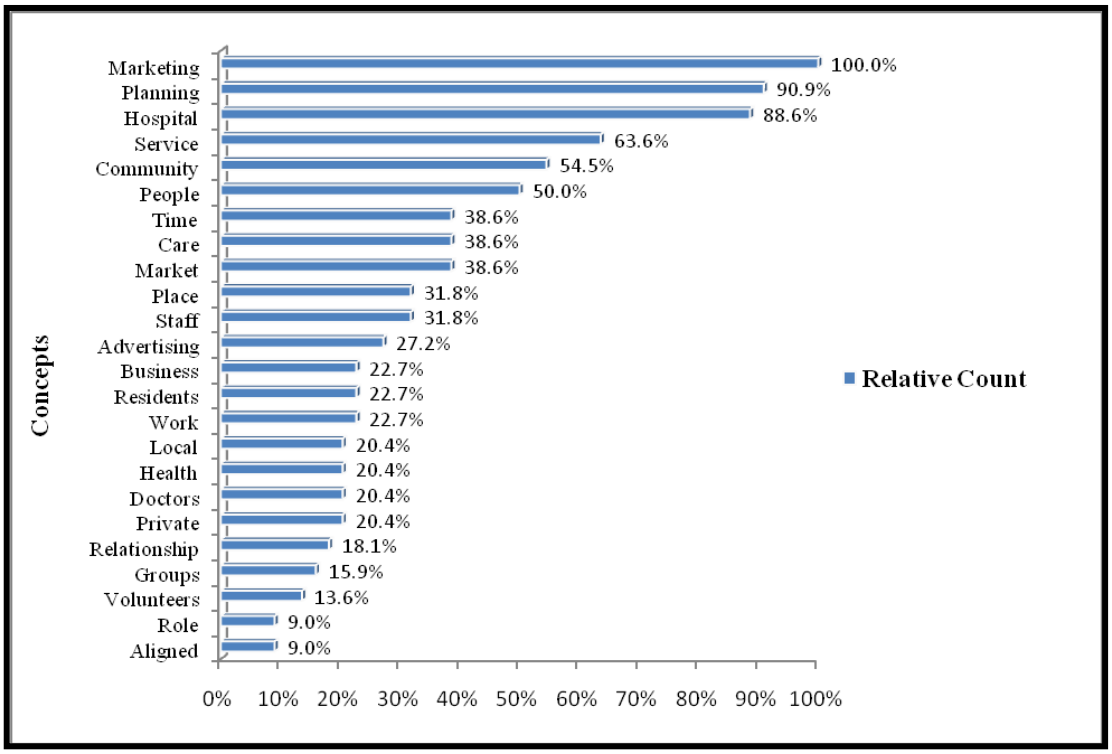
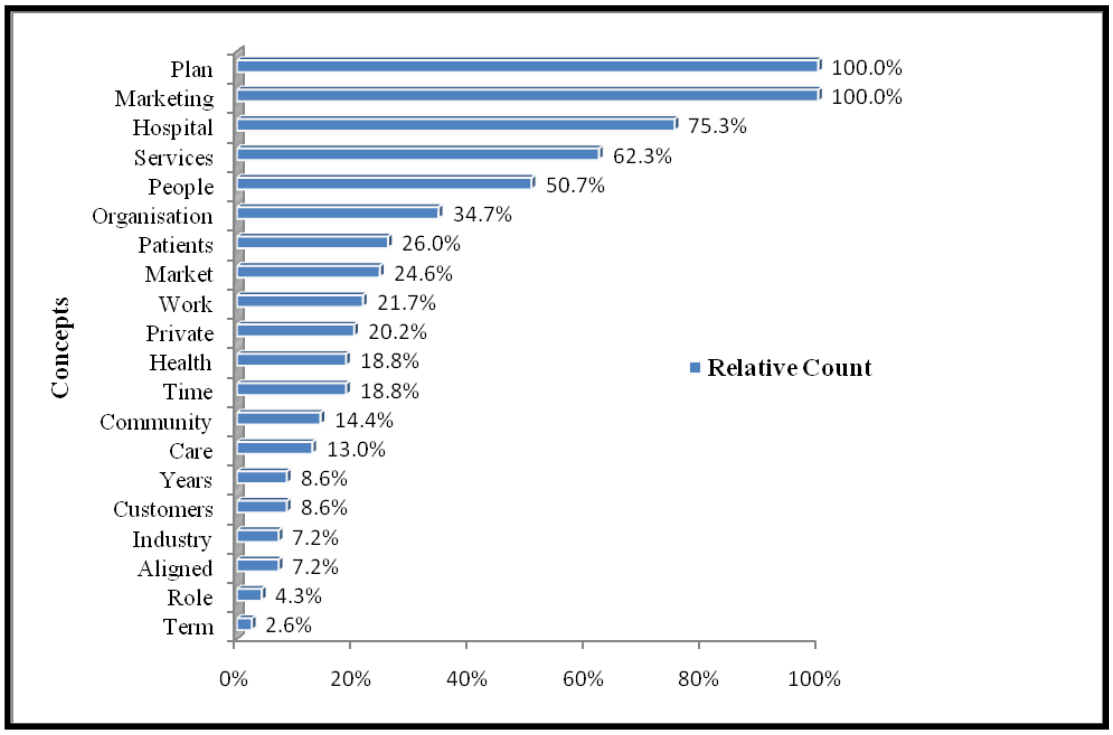


Figure 4.34 Bar chart – remaining strategic decision maker analysis *(marketing strategy)*



4.5.2 A comparative analysis of marketing strategy – structured analysis approach

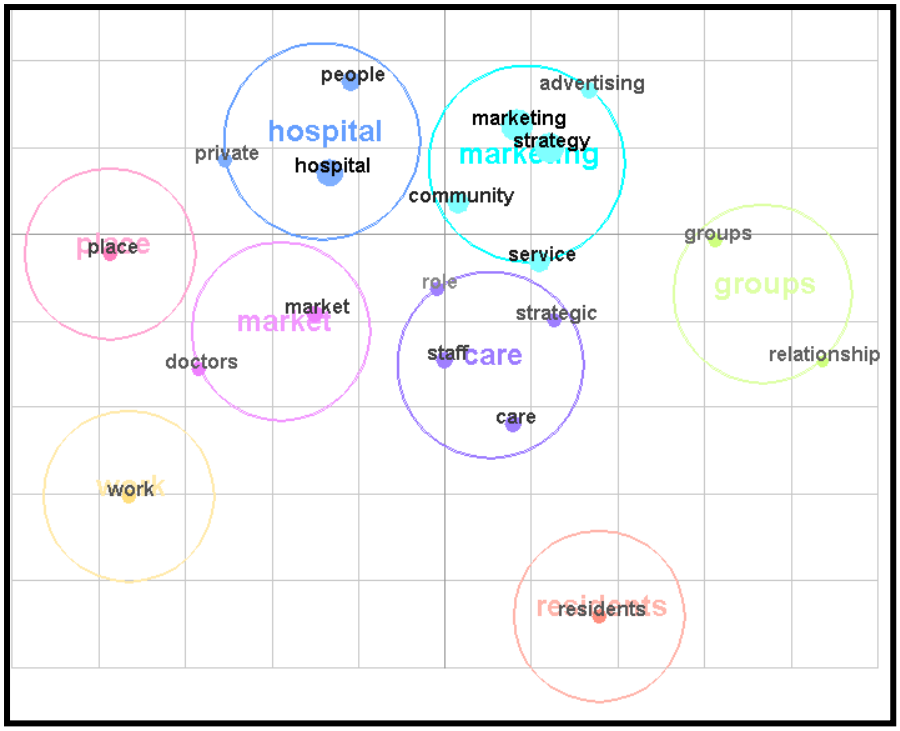
The concept maps for both groups of interviewees, in relation to marketing strategy, are explained in the following section. The more structured analysis approach has been used below through (a) the application of the theoretical framework developed in Chapter 2 in the Leximancer analysis, (b) the research propositions related to the key concept of marketing strategy being considered, (c) what the body of literature discusses in relation to marketing strategy being considered, (d) conducting further in-depth content analysis, in addition to the initial broad content analysis and (e) conducting an in-depth examination of the nuances displayed in the interview transcripts and triangulating these with the interviewer's experiences and perceptions.

The concept maps – structured analysis approach

The following concept maps illustrate both the concepts and themes resulting from both groups of interviewees' responses to marketing strategy. The themes of **marketing** and **hospital** are depicted in the top two quadrants of Figure 4.35. Within the theme **marketing**, the concepts of *advertising*, *community* and *service* are all represented. The theme **market** can be seen in the lower left-hand quadrant of Figure 4.35; within this theme the concept *doctors* is present. Outlying themes include **groups**, **residents** and **work.** Within the theme of **groups** the concept *relationship* is included; this will be explored further at a later stage in these findings. The outlying themes in marketing strategy reveal a disjointed association between the work undertaken by the hospitals, their patients, and the marketing and business aspects of the hospitals.

A comparison of the structured analysis concept map (Figure 4.35) with the initial analysis concept map (see Figure 4.31) for the CEO analysis of marketing strategy reveals several differences. Initial analysis of the themes **hospital** and **marketing** show that they encompass a larger number of concepts than **hospital** and **marketing** do in the structured analysis. The timing element of marketing strategy was also illustrated through the theme **time** in the initial analysis; however, this was not apparent in the structured analysis. The themes *relationship* and *groups* were illustrated in the structured analysis; however, when the initial analysis was conducted (see Figure 4.31) **relationship** and **groups** were shown to be separate themes that were not connected. These differences between the analysis methods for the concept marketing strategy will be explored further in the content analysis.

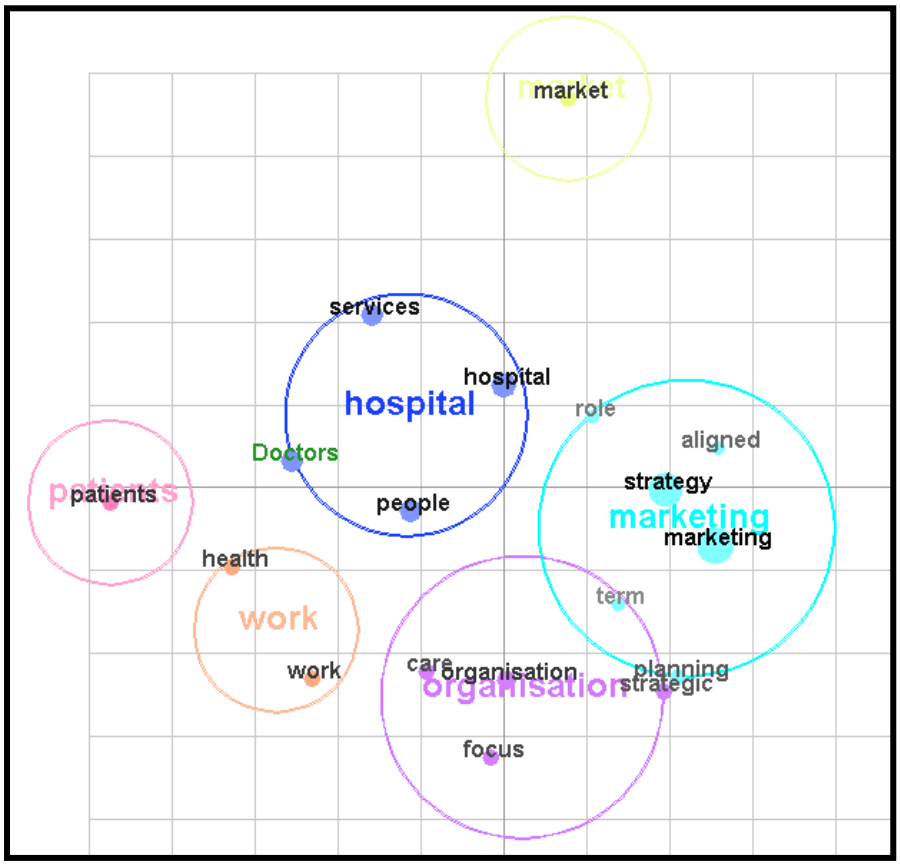
Figure 4.35 Concept map – CEO analysis *(marketing strategy)* – structured analysis approach



(Points 100%, Themes 40%)

From Figure 4.36, it can be seen that six key themes were present in the RSDMs' responses to marketing strategy. These themes were **market, hospital, marketing, organisation, work** and **patients**. The themes **marketing** and **organisation** are shown as being interrelated. However, again there are outlying themes, including **market** and **patients.** These unconnected themes indicate that in considering marketing strategy, the RSDMs are not necessarily including patients and the target market.

Figure 4.36 Concept map – remaining strategic decision maker analysis *(marketing strategy)* – structured analysis approach



(Points 100%, Themes 40%)

A comparison between the initial analysis of marketing strategy and the structured analysis of marketing strategy for the RSDMs highlighted some distinct differences. The initial analysis (see Figure 4.32) illustrated **services** as a theme of importance being linked to **hospital** and **industry.** Through the structured analysis, **marketing** and **organisation** were shown as important themes in marketing strategy for the RSDMs; however, marketing was not highlighted as a theme during the initial analysis. Rather, *marketing* was seen as a key concept in the initial analysis in accordance with *plan.* These differences between the two methods of analysis in marketing strategy were explored through further content analysis.

Summary of themes

The structured analysis revealed similarities in themes of **marketing** and **hospital** generated by CEOs and RSDMs. **Organisation** also appeared as a theme in the RSDM analysis, and was investigated through further content analysis.

Concept analysis – structured analysis approach

P3: Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum.

Each concept in the above maps has been depicted in a bar chart (see Figure 4.37 and Figure 4.38). Both groups of interviewees indicated the concepts of *marketing*, *strategy* and *hospital* as the top three ranking concepts when discussing marketing strategy. All of these concepts will be explored in further depth during content analysis. However, the strength of the concepts *strategy* and *hospital* varied between the two groups of interviewees. When discussing marketing strategy, CEOs mentioned *strategy* 90.9% of the time and *hospital* 88.6% of the time (see Figure 4.37).

In comparison, the RSDMs mentioned *strategy* 82.6% of the time and *hospital* 65.2% of the time (see Figure 4.38). The concept *doctors* was discussed by both interviewee groups as were *service*, *people*, *care*, *market*, *work*, *strategic* and *role*. Two concepts that were discussed only by the CEOs and are of interest in marketing strategy were *advertising* (27.2%) and *relationship* (18.1%; see Figure 4.37), both of which will be explored further in the following section, content analysis.

Differences between the initial analysis and the more structured analysis also required consideration in concept analysis. The top three ranking concepts evident in the initial analysis of the CEO analysis of marketing strategy were *marketing*, *planning* and *hospital* (see Figure 4.33). The structured approach for the CEO marketing strategy analysis, however, highlighted *marketing*, *strategy* and *hospital* as the top three concepts (see Figure 4.37). In the remaining strategic decision

maker's initial analysis, *plan*, *marketing* and *hospital* were the top three concepts (see Figure 4.34). A structured analysis illustrated *marketing*, *strategy* and *hospital* as the top three concepts (see Figure 4.38). These findings indicated differences in the two methods of analysis. Greater exploration of these findings, through further content analysis of the interview transcripts, was required.

Figure 4.37 Bar chart – CEO analysis *(marketing strategy)* – structured analysis approach

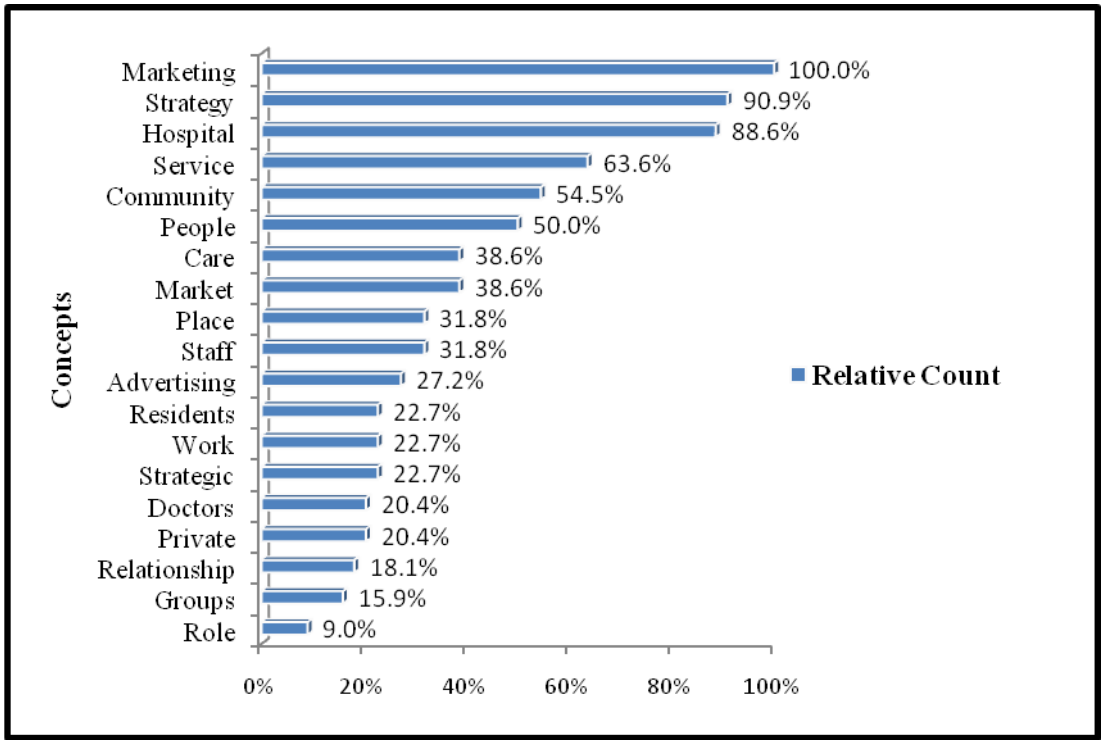
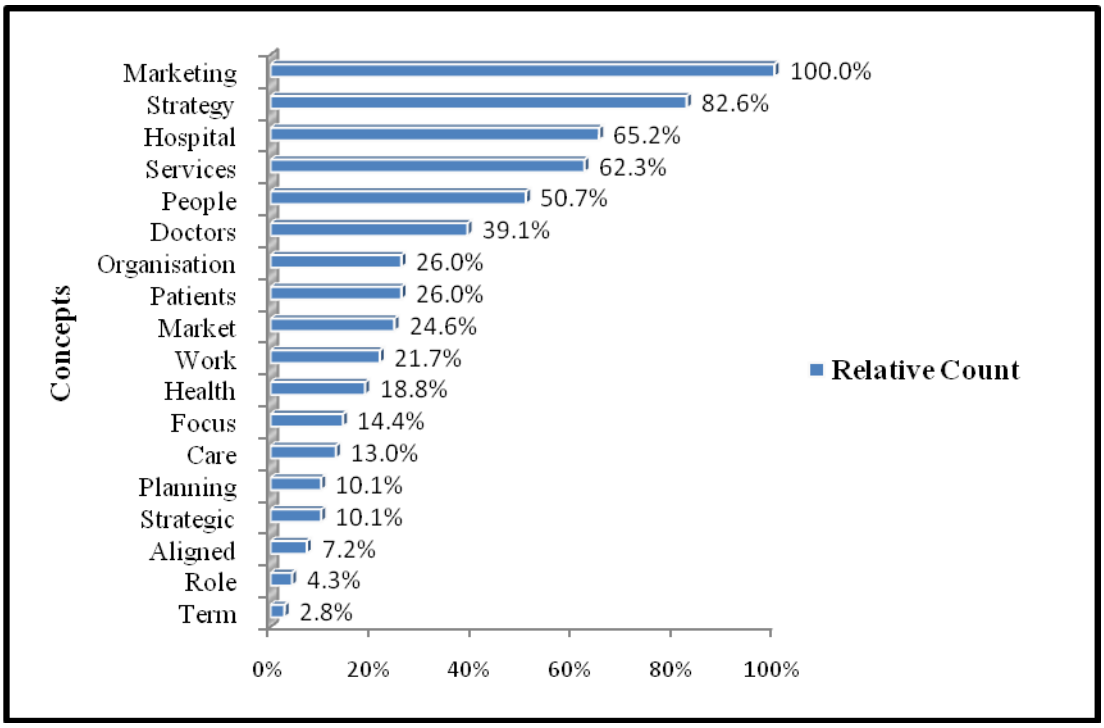


Figure 4.38 Bar chart – remaining strategic decision maker analysis *(marketing strategy)* – structured analysis approach



Content analysis

P3: Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum.

The top three ranked concepts in both the initial analysis and the structured analysis are discussed in the following sections for both groups of interviewees. The initial CEO analysis identified *marketing, planning* and *hospital*; and *marketing, strategy* and *hospital* through a more structured analysis approach. The initial remaining strategic development analysis identified *plan, marketing* and *hospital*; and *marketing, strategy* and *hospital* through a more structured analysis approach. Other concepts that will be explored through further content analysis, based on their prominence in the RSDM concept maps (both initial analysis and structured analysis), include *services* and *organisation.*

As mentioned previously, similar concepts were found in both groups of interviewees when they discussed marketing strategy. The top two ranking concepts (*marketing* and *strategy*) are identical in both groups; however, the meaning behind

each of these concepts will be explored. The concept *doctor* is apparent in both groups of interviewees and will be discussed in terms of the doctors' roles in marketing strategy. Also recognised were concepts mentioned only by the CEOs and of interest to understanding marketing strategy, these being *advertising* and *relationship.* These two concepts also require further investigation with regards to their meaning and relevance to marketing strategy.

Marketing

The concept *marketing* and its linkages on the initial analysis concept map have been depicted in Figure 1 and Figure 2 of Appendix F. It is evidenced in both groups of analysis that *marketing* is linked to every concept on the maps featured in Figure 1 and Figure 2 (see Appendix F). This is to be expected as the questions asked of the interviewees related directly to marketing strategy and it is expected that the responses would reflect this. From Figure 1 it is clear that the strongest linkages in the CEO analysis were between *marketing* and (firstly) *planning* and (secondly) *hospital.* For the RSDM analysis (see Figure 2 of Appendix F) the strongest linkages were between *marketing* and (firstly) *plan* and (secondly) *hospital.*

When discussing the concept *marketing*, the CEOs were referring to their marketing strategy and what it involved. This included the relationships with doctors in the organisations, their staff, advertising, developing new services, the community in which the hospitals operate, and internal and external marketing. The following excerpts highlight some of these considerations in discussing *marketing*.

Case 1 Chief Executive Officer

> I guess our marketing strategy is about letting our customers know who we are and what we do and what opportunities there are in a private hospital, within the site itself.

Case 3 Chief Executive Officer

> First of all we've got to market where we are going to our staff.

Case 4 Chief Executive Officer

> ...we had a very strong marketing strategy which related to the newspaper by frequent advertising where the theme was 'top of mind'.

Case 8 General Manager

> ...if we ever introduce a new service or a new practice or something, there is always some sort of communication.

Initial analysis showed that the RSDMs discussed the concept *marketing* through the perspective of the relationships with both doctors and the communities in which the regional private hospitals operate. The following excerpts provide further evidence for the importance of relationships with doctors and the community.

Case 1 Accountant

> Our mission statement/ethos is to try and make this a hospital of first choice. The way they do that is by showing the doctors that not only are we capable, but that we are modern, that we are moving, and that it is a nice place to be.

Case 1 Chief Medical Officer

> A lot of the goodness that comes in the marketing comes from the thoroughness of the discharge and the ability to talk to the doctor after the patient has left so that they are confident in that if they send somebody else they are going to get a good job done.

Case 4 Director of Clinical Services

> There are things that we are planning in the next twelve months to raise our profile in the community...

Case 5 Finance Manager

> ...when a couple of the surgeons left to go to the Gold Coast, that's when things got pretty tough for the hospital.

The concept *marketing* and its linkages on the structured analysis concept map have been illustrated in Figure 3 and Figure 4 of Appendix F. As is evident in both these figures, the concept *marketing* is linked to every other concept on the map. This is understandable as the questions asked of the interviewees related directly to marketing strategy and it is expected that the responses would reflect this. In Figure 3 (Appendix F) it is apparent that the strongest links in the CEO analysis occur between *marketing* and the concepts of *strategy*, *hospital*, *service* and *community*. Similarly with the remaining interviewees, *marketing* is linked strongest to (first) *strategy* and (second) *hospital*. However, the concept *people* is then ranked as the third strongest linkage, with *service* being fourth.

When discussing the concept *marketing*, the CEOs talked predominately about the community in which they operate, and communicating what the hospital has to offer

the community. The following excerpts illustrate the CEOs' desire to communicate with and operate effectively in their communities.

Case 3 Chief Executive Officer

> …and then we are marketing it to our community. But a part of marketing it to the community and our staff is managing the expectations…Marketing is about influencing, it's about getting people, selling the vision, engendering their commitment. That's the most powerful thing is we can get an engendered passion and people do have a passion about this hospital. But again that passion is aligned to the 1950's, rather than what we can do now.

Case 6 Director of Nursing (CEO dual role)

> There's no point having someone doing your marketing who doesn't understand the needs of the hospital or the needs of the local community.

Case 7 Chief Executive Officer

> We're developing that community awareness slowly but surely…Breast Cancer Day a while back they had dragon boat races so we sponsored a boat and staff members went in it, that sort of stuff. So it's building that community awareness that we're there and we're active.

The CEOs also discussed the use of advertising as a marketing strategy, whether this should be through sponsorship, newspaper advertisements or other avenues. This notion associated with regional private hospitals' marketing strategies has been illustrated below, but will also be explored in further detail in a later section of this chapter.

Case 1 Chief Executive Officer

> I try not to overdo the advertising per say, but obviously things like our after hours service we need to run that advertisement every week as there are new people coming to town. Essentially get our name out there.

Case 8 General Manager

> For us we have to basically seize any opportunity as it comes along pretty much because you don't necessarily know. We do the usual stuff, such as sponsor things in the newspaper. There's no pointed marketing plan that's prepared each year…There used to be lots of sponsorship and every time a local paper had something on, they would ring and want us to sponsor a page.

It was also brought to light by the CEOs of the regional private hospitals that an essential part of their marketing strategy was establishing and continuing positive relationships with doctors. These relationships are highlighted in the excerpts below.

Case 1 Chief Executive Officer

> …but essentially the people we target are the doctors. They are the gatekeepers; our philosophy is that we look after the patients on behalf of the doctors. Our patients are really a secondary customer when it comes to marketing.

Case 2 Director of Nursing (CEO dual role)

> We need to make sure that the visiting general practitioners are happy, the specialists are happy, and the patients are happy.

Case 7 Chief Executive Officer

> One of the things that we've done is develop a business development role that is basically working towards information to general practitioners and the specialists through community awareness and community programs…The professional development with the general practitioners is important but it's a hard gig.

When discussing the concept *marketing*, the RSDMs focused (as the CEOs had) on forming and maintaining relationships with doctors and the community. The following excerpts highlight the importance of, and need for, the hospitals' relationships with the doctors and the community.

Case 1 Chief Medical Officer

> A lot of the goodness that comes in the marketing comes from the thoroughness of the discharge and the ability to talk to the doctor after the patient has left so that they are confident in that if they send somebody else they are going to get a good job done. Everybody that we have had we get repeats with and everybody that we haven't had we haven't had obviously. It's been a matter of seeing them once and if they send someone in it continues.

Case 3 Administration Officer

> I'd like to think the role of our marketing is to put a positive outlook, put us out there in the community and put us in our local positive light.

Case 4 General Practitioner Liaison Officer

> Short term strategy is going and seeing all the general practitioners. There seems to be a certain level of misunderstanding out there. Medium term strategy, I'm looking at bringing people that I know who are brilliant in surgery, or pharmacy, or pathology, or whatever. Long term well, keep things going, keep things growing.

Case 7 Finance Manager

> If it's only for a particular speciality then the marketing will be very focused. So the marketing can be just a very general brand awareness within the community of the hospital. When we start getting towards specific strategy of a specific speciality, the marketing will be targeted. It will get targeted to the general practitioners within the area, it will also get targeted to any particular interest of community group that may also have an association or an affiliation with that speciality.

In addition to maintaining the previously described relationships with both doctors and the community, the RSDMs were also focused on communication and

awareness. Below are some extracts describing the importance of communication and awareness in the marketing strategies of regional private hospitals.

Case 3 Business Manager

> I would think marketing strategy from what I've seen is probably just to really give people an idea of 'yes we are here'.

Case 4 Director of Clinical Services

> I guess as far as our marketing strategy is concerned, it's about showing the hospital services to the people who are going to make the most difference.

Case 8 Manager Outreach Services

> …we are trying to tell people what we do and make sure that we get the information to the consumers and with consumer input.

Case 6 Business Manager

> So it does play a vital part in that, just making people aware that we are here and the services that we provide, that's where the marketing comes in. Word-of-mouth obviously, as I said.

In both the initial analysis and the more structured analysis, *marketing* was in the top three ranked concepts for both CEOs and RSDMs. In the initial analysis it was seen that the CEOs were interested in what exactly was involved in the marketing strategies of regional private hospitals; however, RSDMs were concerned with the relationships between the hospitals and the doctors and communities. The structured analysis indicated that the CEOs were concerned with community communication, doctor relationships and advertising. RSDMs also gave consideration to doctor relationships, community relationships and communication and awareness.

Hospital

The concept *hospital* and its linkages on the initial analysis concept maps have been depicted in Figure 6 and Figure 7 of Appendix F. In both the CEO analysis and RSDM analysis *hospital* is linked to all other concepts on the maps. Figure 6 highlights the strongest linkages in the CEO analysis to be between *hospital* and (firstly) *people* and (secondly) *marketing.* For the RSDM analysis, the concept *hospital* is strongly linked to (firstly) *plan* and (secondly) *marketing.*

When discussing the concept *hospital*, CEOs were focused on the private nature of their organisations and the community in which the hospitals operated. The excerpts below highlight these discussions.

Case 1 Chief Executive Officer

> We very much let people know that we are here and there is a private hospital so it is worth their while to have private cover.

Case 3 Chief Executive Officer

> Every day the staff are getting bombarded in the community by people wanting to know. We are marketing to them first.

Case 8 General Manager

> We try to focus on by participating in the community and engaging those people so that they then are the ones that say I want to go to the private hospital, I don't want to go to the public hospital.

The RSDMs, through the initial analysis, discussed the concept *hospital* in relation to marketing the hospitals to the communities in which they operate. The following excerpts highlight this emphasis on community marketing and communication.

Case 2 Accountant

> I guess it is pretty important, because as I said before the hospital is still building up services in different areas and building up its reputation in the community. So of cause the marketing strategy is going to play a big part in doing that.

Case 4 Director of Clinical Services

> We had some feedback in our SWOT analysis from our staff that we weren't marketing the hospital enough...I guess as far as our marketing strategy is concerned, it's about showing the hospital services to the people who are going to make the most difference.

Case 7 Finance Manager

> So the marketing can be just very general brand awareness within the community of the hospital.

The concept *hospital* and its linkages on the structured analysis concept maps have been featured in Figure 7 and Figure 8 of Appendix F. The CEO analysis indicates *hospital* being linked to all other concepts on the map (see Figure 7 of Appendix F) with the same occurring in the RSDM analysis.

In discussing *hospital* based on the structured analysis approach, the CEOs and the RSDMs were focused on the community aspect of the hospitals and communicating with them. The excerpts below provide further evidence of this focus.

Case 3 Chief Executive Officer

> ...another real big part is to educate the community about helpful ways they can get involved.

Case 6 Director of Nursing (CEO dual role)

> ...we're taking the hospital to the people in that we're setting up rooms at other places, specialist rooms, so people can actually consult with a specialist there but have their surgery here.

Case 5 Finance Manager

> ...as part of our developing marketing plan, we've had a look at researching the market to see what are the services that are needed.

Case 7 Director of Nursing

> ...we've got a lady now, who works here and she organised marketing events...she just organised an open day for the public to come through the rehab unit...

Through both the initial analysis and the more structured analysis approach, *hospital* was in the top three ranked concepts for both CEOs and RSDMs. Initial analysis showed that the CEOs were interested in the private nature of the hospitals and the community in which they operated, while the RSDMs were concerned primarily with marketing the hospital to the community. Structured analysis indicated that the both the CEOs and RSDMs were focused on communicating with the communities in which the hospitals operated.

Planning

The concept *planning* and its linkages on the CEO initial analysis concept map are illustrated in Figure 9 of Appendix F. It is clear that *planning* is linked to all other concepts on the map, with the strongest linkages being between *planning* and (firstly) *marketing* and (secondly) *service.*

In discussing *planning*, the CEOs were concerned with what was involved in their marketing activities in the regional private hospitals. The following excerpts

provide some detail as to these marketing activities that were considered in the *planning* of the marketing strategy.

Case 3 Chief Executive Officer

> That's about marketing it to them and then we are marketing it to our community. But a part of marketing it to the community and our staff is managing the expectations.

Case 4 Chief Executive Officer

> So our marketing strategy revolved solely around the local paper, very much in your face advertising , the top of mind approach.

Case 8 General Manager

> For us we have to basically seize any opportunity as it comes along pretty much because you don't necessarily know. We do the usual stuff, such as sponsor things in the newspaper. There's no pointed marketing plan that's prepared each year.

Overall, it can be seen that *planning* was ranked in the top three concepts through the initial analysis in the CEO analysis of marketing strategy. The CEOs were primarily concerned with what was involved in the marketing activities undertaken by the regional private hospitals.

Plan

The concept *plan* is depicted in Figure 10 of Appendix F in the RSDM initial analysis of marketing strategy. *Plan* is linked to all other concepts on the map with the strongest linkages existing between *plan* and (firstly) *marketing* and (secondly) *hospital.*

The RSDMs discussed the concept *plan* in relation to the specifics of the marketing strategy such as the hospitals' mission, the creation of brand awareness and communicating to their target market.

Case 1 Accountant

> Our mission statement/ethos is to try and make this a hospital of first choice.

Case 3 Administration Officer

> Well it's promoting who we are and our facilities and our values and our mission and our purpose and the level of care we can offer...

Case 7 Finance Manager

> So the marketing can be just a very general brand awareness within the community of the hospital.

Case 8 Outreach Services Manager

> ...we are trying to tell people what we do and make sure that we get the information to the consumer and with consumer input.

Overall, it can be seen that *plan* was ranked in the top three concepts of the RSDM initial analysis of marketing strategy. The RSDMs were interested in the specifics of the marketing strategies employed by regional private hospitals.

Services

The concept *services* is illustrated in Figure 11 of Appendix F in the RSDM initial analysis of marketing strategy. *Services* is shown to be linked to all other concepts with the exception of *year*. Strong linkages are shown between *services* and (firstly) *hospital* and (secondly) *plan.*

In discussing *services*, the RSDMs were concerned with providing quality services to doctors and the community in which the regional private hospitals operated. The following excerpts illustrate the provision of services clearly in relation to the marketing strategy.

Case 1 Chief Medical Officer

> ...try and find from the region doctors who would not usually seek our service and would usually send their patients to the public hospitals to be treated, or to other nearby hospitals to be treated as private patients.

Case 4 Director of Clinical Services

> I guess as far as our marketing strategy is concerned, it's about showing the hospital services to the people who are going to make the most difference.

Case 7 Finance Manager

> Once people know that if they need such and such a service that this hospital does provide it and does have the specialist to do so...it's really to achieve the volume within the hospital.

Services was shown to be a dominant theme in the RSDM initial analysis of marketing strategy (see Figure 4.32). Further investigation into the concept *services* was conducted and it was seen that RSDMs were concerned with providing quality services to doctors and the community in which the regional private hospitals operated and the linkage this provision has to marketing strategy.

Organisation

The concept *organisation* is featured in Figure 12 of Appendix F in the RSDM initial analysis of marketing strategy. Linkages are shown between all concepts and *organisation* on the concept map with the exception of *market, role* and *term.* The strongest linkages are seen between *organisation* and (firstly) *marketing* and (secondly) *strategy.*

In discussing the concept *organisation,* the RSDMs were interested in the relationship between organisational strategy and marketing strategy. The following excerpts indicate this relationship to be imperative in regional private hospitals in that the marketing strategy drives the success of the organisation.

Case 5 Finance Manager

> It [marketing strategy] is a fundamental pillar of organisational strategy...I'm very familiar with the need for the marketing strategy to drive the organisation in many respects.

Case 6 Business Manager

> ...marketing is closely aligned with what the organisation is trying to achieve.

Case 8 Outreach Services Manager

> Once again I come back to the values and the mission of the organisation and how that relates to the services we develop and supply. It's well aligned [organisational strategy and marketing strategy].

Organisation was shown as a dominant theme in the structured analysis of RSDMs' viewpoints of marketing strategy (see Figure 4.36). Further investigation into the concept *organisation* was conducted and it was seen that RSDMs were interested in the relationship between organisational strategy and marketing strategy, which was seen to be very important and influential to the success of the regional private hospitals.

Strategy

The concept *strategy* and its linkages on the concept map have been illustrated in Figure 13 and Figure 14 of Appendix F. As is evident in both Figure 13 and Figure 14 (see Appendix F) the concept *strategy* is linked to every other concept on the

map. This is understandable as the questions asked of the interviewees related directly to marketing strategy and it is expected that the responses would reflect this. In Figure 13 (see Appendix F) the strongest links in the CEO analysis occur between *strategy* and the concepts of *marketing*, *hospital*, *service* and *community*. With the remaining interviewees, *strategy* is linked strongest to (firstly) *marketing*, (secondly) *hospital*, (thirdly) *services*, and (finally) *people* (see Figure 14 of Appendix F).

When discussing the concept *strategy*, the CEOs spoke on issues that were similar to those highlighted in the concept *marketing*. These issues include forming and maintaining positive relationships with both the doctors and the community in which the hospital is located. However, a new aspect came to light in the form of new service offerings. The following excerpts show how new services offered by regional private hospitals are thought to play a role in their marketing strategies.

Case 1 Chief Executive Officer

> So its [marketing strategy] very much aligned with our strategic direction. Particularly given that we have had a number of new services, which is obviously part of our strategic direction and we market them accordingly. We do that through various marketing.

Case 6 Director of Nursing

> At the moment it's almost like we're landlocked so we need to extend our boundaries further, and the marketing person needs to understand that. What we're actually doing, we're taking the hospital to the people in that we're setting up rooms at other places, specialist rooms, so people can actually consult with a specialist there but have their surgery here.

Case 8 General Manager

> But if we ever introduce a new service or a new practice or something, there is always some sort of communication. That might be something like a meeting, or a briefing session, or it might also be done through just memos and that sort of thing.

When discussing the concept *strategy*, the RSDMs again reiterated what they discussed in the concept *marketing*; that is, relationships with the doctors and the community in which the hospital operates. Forming and maintaining positive community relationships was expanded on, however, through this concept with discussion of the hospitals' reputation in the community. As the following excerpts highlight, an important part of strategy in regional private hospitals, it is thought, is a good reputation in the community.

Case 1 Accountant

> Another part of the strategy is community, and we do that by having the community advisory committee. That is made up of various members of the community who deal with various issues that may come up from time to time. They are members of the community and they can feed that out to the broader community.

Case 2 Accountant

> …because as I said before the hospital is still building up services in different areas and building up its reputation in the community. So of course the marketing strategy is going to play a big part in doing that.

Case 4 Director of Clinical Services

> I think certainly from a strategic marketing perspective I guess it's about trying to build our whole persona within the community, what our focus is, cancer care that kind of stuff, it's really quite strategic.

Interesting definitions of *strategy* were also provided by some respondents; these included the following:

Case 8 Manager Outreach Services

> A strategy would be knowing who your customers are, knowing what services we can provide, and being responsive to changes…The strategy would be to decide who your clients are and then tailor your marketing details to them.

Case 1 Chief Executive Officer

> I guess our marketing strategy is about letting our customers know who we are and what we do and what opportunities there are in a private hospital, within the site itself.

Throughout the discussion on marketing strategy, the importance of the ***alignment between organisational strategy and marketing strategy*** was reiterated throughout by both groups of interviewees. This alignment and its importance are discussed in the excerpts below.

Case 5 Finance Manager

> It [marketing strategy] is a fundamental pillar of the organisational strategy…I'm very familiar with the need for the marketing strategy to drive the organisation in many respects…if the organisation's going to be around in ten or twenty years time, it needs to move with the trends and so therefore it [marketing strategy] has become a more important part of the organisation's strategy.

Case 6 Business Manager

> The marketing in relation to the total organisational direction of the company is important. We do need to get out there.

Case 3 Chief Executive Officer

> Your organisational strategy should be driving your marketing. You look at "this is what we want to achieve" and your marketing is your path to get there.

Case 6 Director of Nursing

> I think it needs to be closely aligned. There's no point in having someone doing your marketing who doesn't understand the needs of the hospital or the needs of the local community.

Strategy was seen to be ranked in the top three concepts, through a structured analysis approach, for both the CEO and RSDM analyses of marketing strategy. CEOs were interested in forming and maintaining positive relationships with the doctors and the community in which the hospital is located, and in providing new service offerings. The RSDMs were also interested in the relationships with the doctors and the community in which the hospitals operate. The linkage between organisational strategy and marketing strategy was again addressed through the *strategy* concept, similar to that discussed previously in *organisation.*

Doctor

The concept *doctor* and its linkages on the concept map have been illustrated in Figure 15 and Figure 16 of Appendix F. The concept *doctor* is illustrated in the CEO analysis in Figure 15 (Appendix F) as not being related to the concepts of people, advertising, groups, relationship, care or residents. The strongest linkages for the concept *doctor* are shown as (firstly) *service*, (secondly) *hospital* and (thirdly) *private*. For the RSDMs the concept *doctor* has been depicted in Figure 16 (Appendix F) as not being related to the concepts of *aligned*, *term*, *planning* or *strategic*. The strongest links in the RSDM analysis occur between *doctor* and the concepts *marketing*, *strategy* and *patients*.

In discussing the concept *doctor* in the context of marketing strategy, the CEOs were again focused on the relationships with the doctors and forming and maintaining these in a positive light, as the following excerpts highlight.

Case 4 Chief Executive Officer

> …but at the same time we've also engaged a GP Liaison Officer whose primary role is to get out among the general practitioners. To flag with the general practitioners the services this hospital provides and to bring back to me any issues I need to be aware of, in terms of doctors not happy in our services, areas we can improve upon and other opportunities we may have.

Case 2 Director of Nursing

> We have a medical staff council where all the doctors come and have a meeting together with our General Manager when he's visiting from Sydney. They can then voice any concerns that they've got.

Expanding on forming a positive relationship with the doctors, the CEOs also spoke about the issues of recruiting doctors to their hospital, in their discussion of the marketing strategy.

Case 4 Chief Executive Officer

> …get better health fund increase from private health funds, and thirdly to get more doctors on site in private practice at this hospital which will give us the knock-on-effect of more patients through the hospital…[that] is the critical one, in that we are focusing a lot of effort and resources into getting up and running. We've got a considerable amount of spare space in terms of doctors wanting to set up their private practice here. So that's not only an operational goal for 2007 it's very much a strategic goal as well.

Case 5 Chief Executive Officer

> Then there's the marketing strategy of any new services and new doctors that might be coming into the town, or there might be someone to recruit.

The RSDMs reiterated the comments of the CEOs in that relationships with doctors were viewed as an integral part of the marketing strategy, as were staffing and recruitment issues regarding doctors. The following excerpts re-iterate the need for positive relationships with doctors.

Case 1 Accountant

> Our mission statement/ethos is to try and make this a hospital of first choice. The way they do that is by showing the doctors that not only are we capable, but that we are modern, that we are moving, and that it is a nice place to be. Part of the strategy is to show that to the doctors.

Case 1 Chief Medical Officer

> To try and find from the region doctors who would not usually seek our service and would usually send their patients to the public hospitals to be treated, or to other nearby hospitals to be treated as private patients.

The importance of the staffing and recruitment of doctors for the marketing strategy is seen in the following excerpts.

Case 1 Accountant

> It [government funding] was instrumental in getting a couple of doctors here and providing support for those doctors. For rural communities that is essential because if we don't get doctors in here it dies.

Case 4 Director of Clinical Services

> …I guess we have three key strategies which are about increasing our visiting medical officer utilisation by attracting more doctors, the utilisation of our beds and occupancy by attracting more doctors to work here…A lot of our focus is about, even with the cancer care centre, providing things so that people don't have to go to the large city. It's crazy when you are in a town this size, it's the largest regional city except for Canberra in Australia, so it's ludicrous that we've got to use a metropolitan city. We're very much focused on having doctors come up, but they have to do work up here, not just come up here see patients then take the business back.

Case 7 Director of Nursing

> We have to get more doctors and more patients, and the only way you can do that is provide good service and tell people that you're here and you tell them everyway you can.

The concept *doctor* was referenced by both groups of interviewees in similar circumstances when they were discussing marketing strategy. Both the CEOs and RSDMs were concerned with maintaining positive relationships with doctors. The issue of doctor recruitment was also given consideration by both groups of interviewees, with this being regarded as an important aspect of marketing strategies of regional private hospitals.

Advertising

The concept *advertising* and its linkages on the concept map have been illustrated in Figure 17 of Appendix F. This concept is featured only in the CEO analysis. Its absence from the RSDM analysis indicates that the CEOs put more emphasis on the advertising undertaken by their organisations in the context of their marketing strategy. The concept *advertising* is illustrated in Figure 17 (Appendix F) as not being related to the concepts of *private*, *place*, *doctors*, *work*, *residents*, *role* and *staff*. This also indicates that the hospitals do not focus their advertising efforts towards the doctors or staff; this is despite the need for positive relationships with both groups, as these are the primary customers of the organisations. The strongest linkages for *advertising* on the concept map in Figure 17 (Appendix F) are seen with the concepts *marketing*, *strategy*, *service*, *people* and *hospital*. The role of advertising, as depicted by the CEOs in regional private hospitals' marketing strategies, is described in greater depth through the following excerpts.

Case 4 Chief Executive Officer

> Up until the 1st July we had a very strong marketing strategy which related to the newspaper by frequent advertising where the theme was 'top of mind'. This being that the more frequent you put the advert in the paper, anyone who was reading it and wanted to access health services would immediately think of this hospital.

Case 6 Director of Nursing

> I've just signed off on some advertising for our, we've got an emergency chest pain service, to go in the local paper. But that's just an ad hoc thing and it's a bit of a scatter gun approach.

Case 7 Chief Executive Officer

> Well I suppose, trying to do these catch cries, and there's outdoor advertising, that's strategic because we've got to identify and let people know who we are and what we're on about.

Overall, emphasis was placed by CEOs on the advertising aspect of marketing strategy. Interestingly, however, the advertising efforts were not focused towards the doctors or staff, despite the obvious focus on maintaining positive relationships with these people.

Relationship

The concept *relationship* and its linkages on the concept map have been illustrated in Figure 18 of Appendix F. This concept is also featured only in the CEO analysis, and not featured in the RSDM analysis. This indicates that the CEOs put more emphasis on forming relationships in the context of their marketing strategy compared to the RSDMs. The concept *relationship* is shown in Figure 18 (Appendix F) as not being related to the concepts of *people*, *private*, *place*, *doctors*, *work*, *market*, *role*, *strategic* and *residents*. The strongest linkages for *relationship* on the concept map in Figure 18 (Appendix F) are seen with the concepts *service* and *community*, indicating that relationships are important in marketing strategy and when providing services, and within the community. The importance of relationships and their role in regional private hospitals' marketing strategies, as depicted by the CEOs, is described by the following excerpts.

Case 2 Director of Nursing

> We try and keep the staff in the loop as much as possible so that they can answer questions about any services. General practitioners are kept in the loop, we have a close relationship with all the general practitioners in town. All of the one's that have medical privileges with us - some don't.

Case 3 Chief Executive Officer

> So it's about looking at where your business is and all those sorts of things and saying ok we've got to make that relationship happen. I've started to formally talk to Blue Care…in a small community like this it doesn't make sense that we've got a Meals-on-Wheels group doing their own cooking when we've got a beautiful kitchen down there complying to all the standards.

Case 7 Chief Executive Officer

> We've built up some relationships with the community, especially with the Department of Veterans' Affairs. They have a volunteer base here, plus we've put in a relationship with the welfare and pension offices and they meet here monthly.

Overall, relationships in regional private hospitals were given a great deal of focus by the CEOs. Relationships were indicated as important in marketing strategy especially when providing services, and within the community in which a hospital operates.

Summary of marketing strategy trends

When interpreting the above findings in relation to the theoretical construct of marketing strategy, the overriding proposition of '*different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum'* required consideration. In this consideration, both an initial analysis of marketing strategy and a more structured approach to the analysis of marketing strategy were applied.

When comparing the two groups of interviewees and their understanding of marketing strategy, it was apparent that there were similarities between the two groups. Importantly, however, the approach to, and understanding of, marketing strategy in regional private hospitals did differ between the two groups, and thus a continuum perspective could be applied to marketing strategy in regional private hospitals.

This continuum notion, in both the initial analysis and structured analysis, regarding the different management levels' understanding of marketing strategy was evident when analysing the concept *marketing.* It was found that the CEOs were concerned with communicating specifically to the community, while the RSDMs were more concerned with the overall relationship with the community and communication in

general. A similarity, however, did occur in analysing the *marketing* concept in that both groups highlighted the importance of positive relationships with doctors.

The continuum notion was evident in the assessment of the concept *hospital* between management levels. The CEOs were concerned with the private nature of the hospital and the communities in which the regional private hospitals operated. RSDMs, however, were specifically focused on the marketing of the hospital to the community in which their organisation was situated.

In assessing the concept *doctor*, there was also evidence of a continuum perspective in management levels. This perspective was seen in the CEOs being concerned with the recruitment of doctors from an internal perspective, whereas the RSDMs were also concerned with the recruitment of doctors but from an external perspective. Differences in understanding the nature of marketing strategy in each organisation continued to be evident between the two groups of interviewees, as seen in the concepts *advertising* and *relationship*. Both of these concepts featured solely in the CEO analysis, and remained absent from the RSDMs' discussions. The CEOs focused on advertising primarily in the newspaper sense, with the concept *relationship* being discussed through a community focus. It is also important to note that through the discussion of marketing strategy the alignment between organisational strategy and marketing strategy was viewed as an integral part of the organisation by both groups of interviewees.

As discussed in Chapter 2, the individual concepts of marketing strategy consist of environment, implementation, and evaluation and control. The construct of environment and its role in regional private hospitals' marketing strategies will now be discussed.

4.6 Environment

When discussing the construct of environment, the literature is focused on two areas: the micro-environment (internal environment) and the macro-environment (external environment) (Aaker & Mills 2005; Bryson 1995; Hill, Jones & Galvin 2001; Kotler

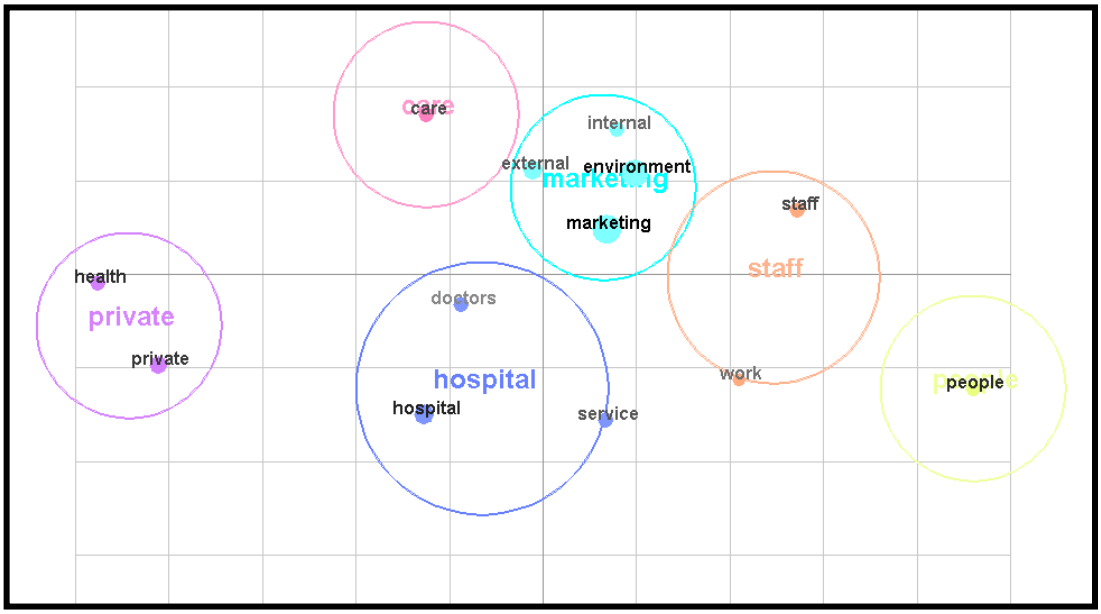
et al. 1994). In analysing this construct of marketing strategy within the context of the conceptual framework for this study, responses to two key questions in the interview were reviewed: (a) *How do you view the internal organisational environment and its influence on marketing strategy?* and (b) *How do you view the external health care industry environment and its influence on marketing strategy?* As mentioned in Chapter 2, the overriding proposition for this construct of marketing strategy is: 'different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations'.

4.6.1 A comparative analysis of the private health care environment

The concept maps

Depicted in the following concept maps are the concepts and themes related to both groups of interviewees' responses to the private health care environment. Figure 4.39 illustrates the CEOs' views on the role of environment within marketing strategy. The theme **care** is shown in the top left-hand quadrant while the **marketing** theme is depicted in the top right-hand quadrant; this contains both aspects of an organisation's environment, as previously discussed, in the form of concepts *internal* and *external*. Similar to previous concept maps in organisational strategy and marketing strategy, the themes of **people** and **private** are both unconnected to any other themes on the concept map. The theme **hospital** is predominately featured in the lower left-hand quadrant of Figure 4.39, and contains the concepts *hospital*, *doctors* and *service*. Again a disjointed association can be seen in Figure 4.39 in that the **people** theme is not linked to the **marketing** theme, which contains *environment*; however, the **staff** theme is seen to be associated with the environment. The **hospital theme** is also seen to be to some extent distanced from *environment*.

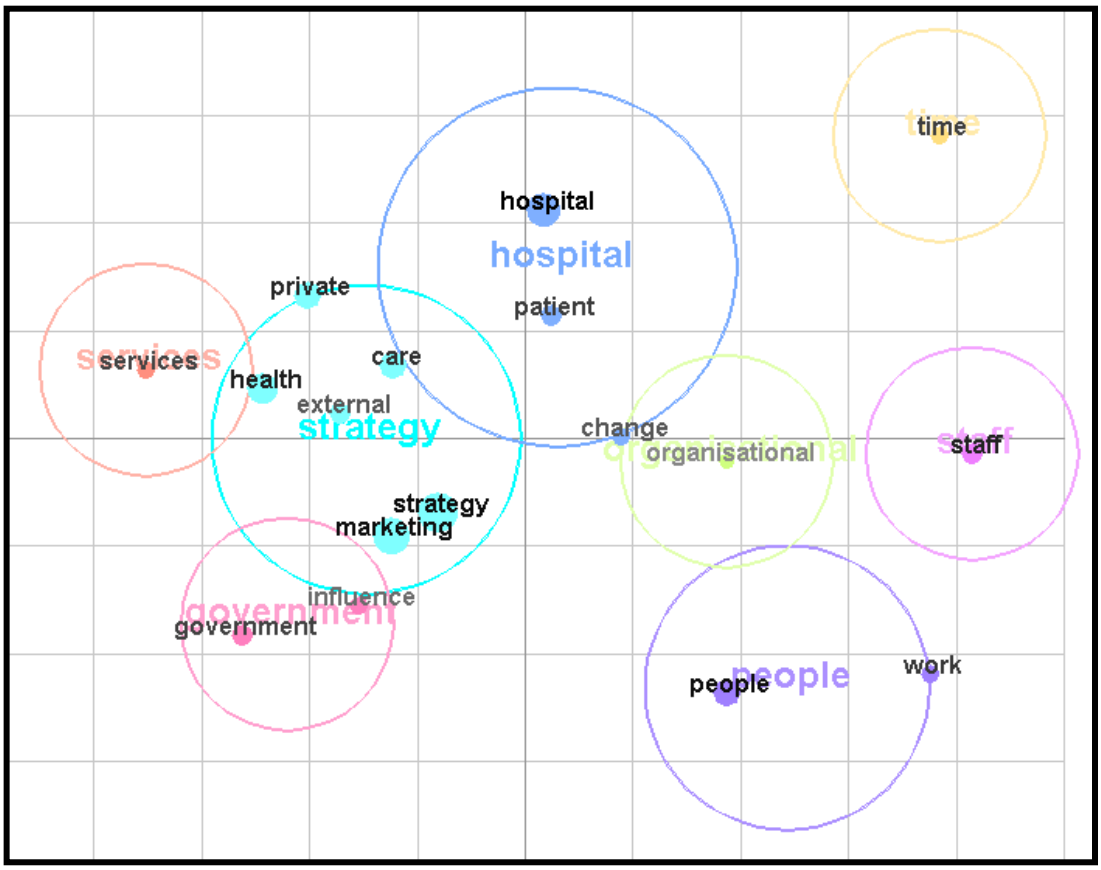
Figure 4.39 Concept map – CEO analysis *(environment)*



(Points 100%, Themes 40%)

From Figure 4.40 eight themes are apparent: hospital, time, staff, people, organisational, government, strategy and services. Interrelatedness is seen between all of themes, with the exception of time and staff. The theme strategy holds the concepts private, care, health, external, strategy and marketing. In Figure 4.40 the internal environment is not depicted by the RSDMs on the concept map, as it was by the CEOs. The RSDMs, in comparison to the CEOs, also referred to government and the influence associated with that when discussing the environment.

Figure 4.40 Concept map – remaining strategic decision makers *(environment)*



(Points 100%, Themes 40%)

Summary of themes

Overall, similarities in themes between CEOs and RSDMs can be seen through **hospital, staff** and **people**. In the RSDM analysis, **strategy** is shown to be connected to the themes **hospital, services** and **government**. However, in the CEO analysis strategy does not emerge as a theme or a concept when discussing the health care environment. **Marketing** and **staff** are illustrated as being connected, presenting the idea of internal marketing within regional private hospitals — an issue to be discussed in later content analysis.

Concept analysis

P7: Different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations.

Each concept in the concept maps has been depicted in a bar chart (see Figure 4.41 and Figure 4.42). The CEOs indicated the top three ranking concepts as *marketing, environment* and *hospital*. RSDMs, however, indicated the top three concepts as *hospital*, *strategy* and *people*. Comparisons can be made between the two groups of interviewees on some of the common concepts. For example, the CEOs mentioned service 35.4% of the time when discussing environment (see Figure 4.41), while the RSDMs mentioned services 25% of the time (see Figure 4.42). Additionally, the external environment was mentioned by the CEOs 35.4% of the time (see Figure 4.41) compared to the RSDMs who mentioned it only 17.1% of the time (see Figure 4.42).

Figure 4.41 Bar chart – CEO analysis *(environment)*

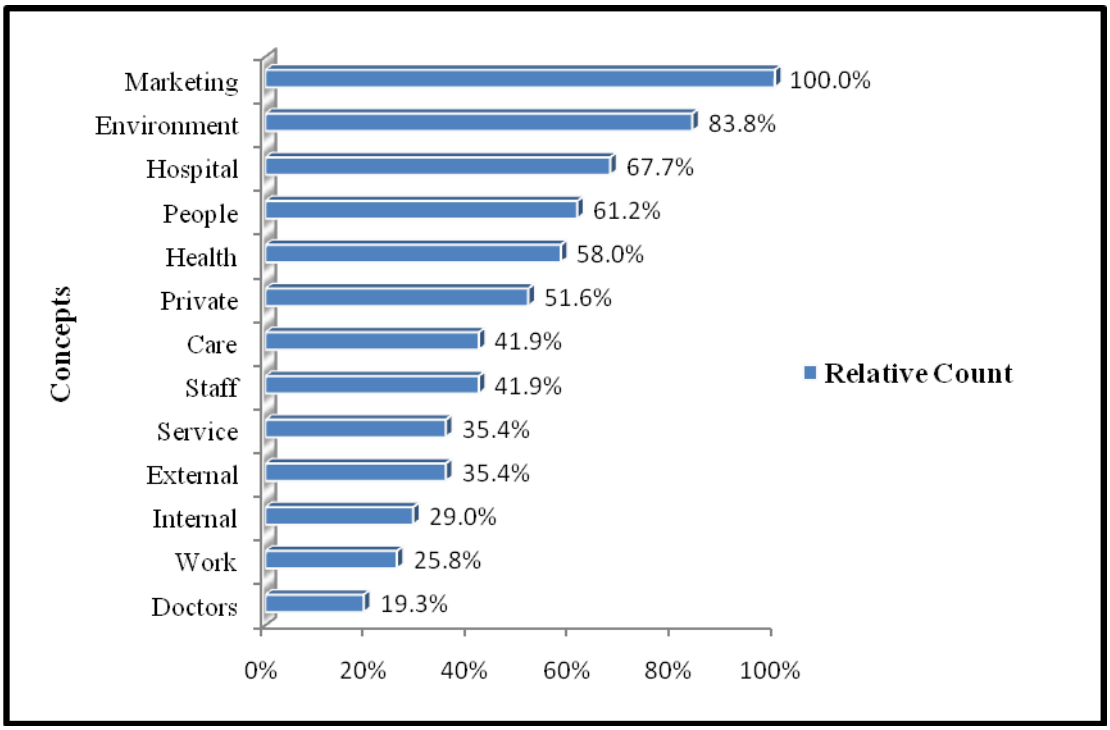
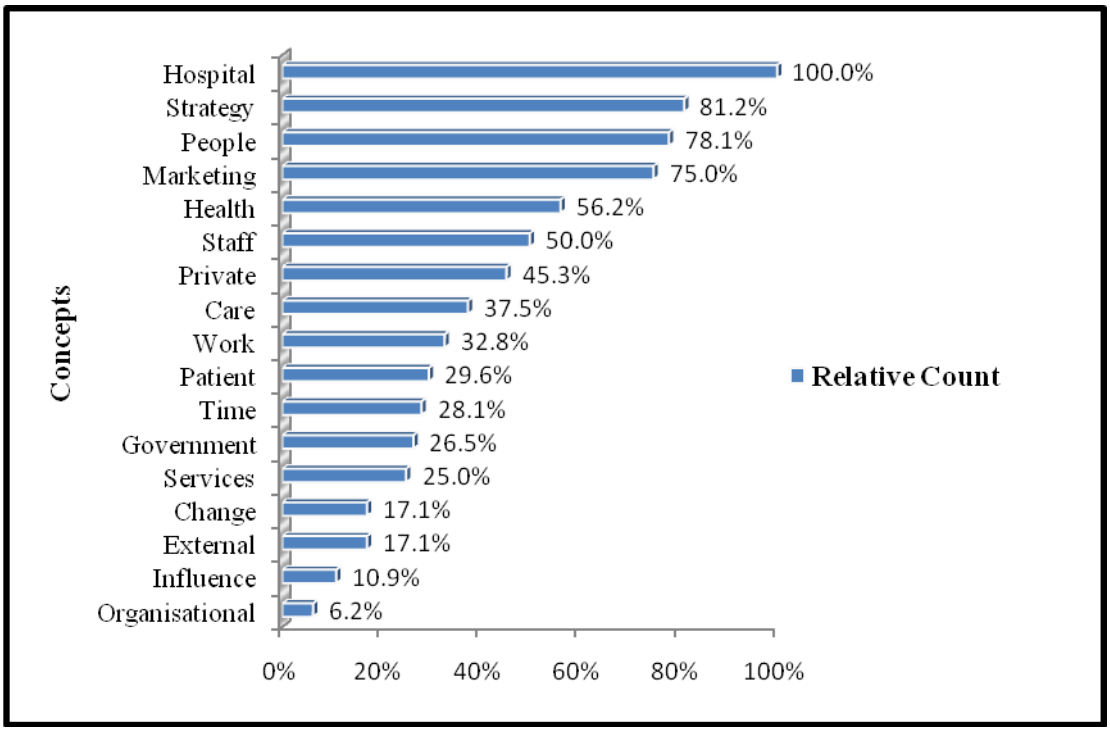


Figure 4.42 Bar chart – remaining strategic decision maker analysis *(environment)*



Content analysis

P7: Different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations.

The top three ranking concepts are discussed below through further content analysis. The CEO analysis identified *marketing*, *environment* and *hospital* as the top three concepts. The concepts *hospital*, *strategy* and *people* were identified by the RSDMs as the top three ranked concepts.

In addition to these top ranking concepts, the concepts of *external*, *people* and *service* will also be reviewed and compared, as these three concepts were discussed by both groups of interviewees, and can offer insight into the private health care environment. An aspect of the environment that was mentioned only by the CEOs, and which would also provide additional understanding of the health environment and its role in marketing strategy, was the concept *internal*. Similarly, the concept

government was discussed only in the environmental context by the RSDMs. This will also be explored in the further content analysis below.

Marketing

Marketing and its related linkages on the concept map for CEO analysis are illustrated in Figure 19 of Appendix F. This concept is linked to all other concepts on the map with the strongest linkages being with (firstly) *environment* and (secondly) *external.*

When discussing the concept *marketing* in the context of the regional private hospital health care environment, the CEOs provided a broad discussion on what was involved in the overall environment. The following excerpts provide examples of this.

Case 1 Chief Executive Officer

> Our external environment is about our customer and our competitors and people like that. I would guess that initially it says that we have a way to go with regards to the percentage of the population who have chosen to be privately insured.

Case 4 Chief Executive Officer

> The external health care environment, you've certainly raised the question of the public sector and its importance.

Case 5 Chief Executive Officer

> How long is a piece of string? You know the internal environment is critical to the actual functionality of the performance of the hospital.

Overall it is apparent that in discussing *marketing* in the context of the health care environment in which regional private hospitals operated, CEOs were focused on the broader environment. A discussion on what was actually involved in the broader health care environment was undertaken involving customers, competitors, public health and the role of the internal environment.

Environment

Environment and its related linkages in the CEO analysis are illustrated in Figure 20 of Appendix F. This concept is shown to be linked to all other concepts on the map with the strongest linkages being with (firstly) *marketing* and (secondly) *external.*

In discussing the concept *environment,* CEOs were focused on both the external and the internal environment in the regional private hospitals. What each of these encompasses and how they impact on the marketing strategy is briefly outlined in the following excerpts, but expanded on throughout discussions to follow.

Case 3 Chief Executive Officer

> The internal organisational environment has a major impact on the marketing strategy because if we are looking at our staff and their morale and what they think about the place, they're the ones that affect us the most. If they're not delivering care against our values, vision and purpose then that's not good for our business.

Case 5 Chief Executive Officer

> ...the external environment is one that you've got your finger on all the time...

The concept *environment* has been discussed in relation to the external and internal environments and their role in marketing strategy by the regional private hospital CEOs. The impact of staff morale on the internal environment and its link to marketing strategy was involved in this discussion in accordance with the need to monitor the external environment constantly.

Hospital

Hospital and the related linkages in both the CEO and RSDM analyses are illustrated in Figure 21 and Figure 22 of Appendix F. In both sets of analysis the concept *hospital* is linked to all other concepts. The strongest linkages in the CEO analysis are between *hospital* and (firstly) *marketing* and (secondly) *private.* In the RSDM analysis, there is a strong link between *hospital* and (firstly) *health* and (secondly) *strategy.*

In discussing the concept *hospital* the CEOs were concerned with their customer base and keeping their customers happy. This concern is illustrated in the following excerpts.

Case 4 Chief Executive Officer

> Once again our customers are the doctors and if they're happy with our services they will bring patients here to the hospital.

Case 7 Chief Executive Officer

> We did a lot of hips, you might have done well out of that and it contuse to do well. From a hospital's point of view that's part of a group...

The RSDMs discussed the concept *hospital* from the point of view of external governance affecting regional private hospitals and the impact this has on the organisation as a whole and their marketing strategy. The impact of this governance in regional private hospitals is highlighted in the following excerpts.

Case 1 Accountant

> That's our marketing share that's been taken away from us by legislation. Private patients won't come here. Not necessarily because they don't think they have the choice. They all think they pay tax dollars and I'll go to the pubic system because I've already paid for it anyway.

Case 4 Director of Clinical Services

> One of the things I've notices that's had a big impact here and something that we've worked very much on addressing, is that our hospital hasn't been given the best health fund rates in the State by a long stretch.

Case 7 Director of Nursing

> We're more state health, the Department of Health tell us when we can jump and when we can't and how high we can jump.

In discussing the concept *hospital* in the context of the health care environment, the CEOs were concerned with their customer base and keeping their customers happy. RSDMs on the other hand discussed this concept from the point of view where external governance affects the hospitals and their marketing strategy.

Strategy

Strategy and its related linkages in the RSDM analysis are depicted in Figure 23 of Appendix F. This concept is illustrated as being linked to all other concepts on the map with strong linkages to *marketing* and *hospital.*

In discussing the concept *strategy* in the context of the health care environment, the RSDMs were focused on the relationship between the environment and strategy. The following excerpts provide further understanding of this relationship.

Case 1 Accountant

> It [external funding] gives us financial sustainability when we are trying to keep they physical building going. It will then be used as a strategy to say it's a more modern looking hospital.

Case 4 Director of Clinical Services

> Whereas that [staff competition] does not exist here. Which is really quite nice and I really thing that that flows on with our whole strategy to place us as the community, friendly kind of hospital because that flows on to our patients.

Case 7 Director of Nursing

> Well the people at the coal face are your marketers. I believe the best form of marketing is good service and word-of-mouth.

Overall, the concept *strategy* was discussed by the RSDMs through an examination of the relationship between environment and strategy. Aspects of this discussion revolved around finances, staffing and the people at the front of the organisation.

People

The concept *people* and its linkages on the concept map have been illustrated in Figure 24 and Figure 25 of Appendix F. As is apparent in both figures, the concept *people* is linked to every other concept on the maps in both groups of interviewees. This indicates that the concept *people* plays an important part in the private health care environment. The strongest relationships in the CEO analysis are between the concept *people* and the concepts *marketing, environment* and *hospital.* Similarly, in the RSDM analysis, the strongest relationships for the concept *people* exist with *strategy, hospital* and *marketing.* Who these people are and what roles they play will be explored below.

The *people* who were referred to by the CEOs included those in their market, their patients and their competitors. This association with the various groups of *people* in the private health care environment is demonstrated in the following excerpts and reinforces the importance of relationships, but in the context of the environment.

Case 1 Chief Executive Officer

> That says to me what can we do at the hospitals that we market ourselves to the right people in the right way.

Case 3 Chief Executive Officer

> Our relationship in the community, all the community that come and see people and friends, that's really significant to us.

Case 7 Chief Executive Officer

> We've got to have people focused on hearsay, if somebody's not happy or a surgeon wants to bring a list here that becomes a focal point.

In discussing the concept *people*, the RSDMs referred mainly to their market or potential customers and staff. Firstly, the market and potential customers have been discussed by the RSDMs as shown below.

Case 1 Accountant

> Sometimes appearances can speak many words before people even walk in the door.

Case 1 Chief Medical Officer

> The demographics would probably be the one that's most influencing the marketing strategy in that the proximity and the types of people we are drawing from in our community are addressed in our marketing…

The role of staff in the environment was also discussed by the RSDMs, thus illustrating the linkage between *people* and *staff* in Figure 25 of Appendix F. This can be seen in the following excerpts.

Case 4 General Practitioner Liaison Officer

> It is very happy to have people happy in their work environment. Companies fail to understand that sending people out in the field under pressure is not going to achieve anything but a poor performance…It is my impression that if you don't trust your people you may as well not have them.

Case 7 Director of Nursing

> Well the people at the coal face are your marketers. I believe the best form of marketing is good service and word-of-mouth.

Case 5 Finance Manager

> And we did, in our restructure, we took out, we did change positions, we did remove positions, and created new positions. That was to enable us to provide, not only a cost-effective service, but also an effective service where we had the right people in the right places, brought in new people where we felt we had skills.

The concept *people* has been discussed by both the CEOs and RSDMs as is evidenced above. In referring to *people*, the CEOs were concerned with their market, patients and competitors. The RSDMs, on the other hand, discussed their market or potential customers and staff.

External

The concept *external* and its linkages on the concept map have been illustrated in Figure 26 and Figure 27 of Appendix F. As is apparent in Figure 26, depicting the CEOs' discussion of the environment, the concept *external* is linked to every other concept on the map. These linkages indicate that the CEOs discussed the external environment to a large extent in portraying their understanding of the private health care environment. From Figure 27 (Appendix F) it is seen that the concept *external* is not linked to the concept *time, organisational, patient* and *work.* The strongest relationships among concepts were, however, depicted by the RSDMs as being between *external* and the concepts *strategy, care* and *marketing.*

When discussing the concept *external*, the CEOs offered varied opinions on what was actually involved within this section of the private health care environment. For example one CEO spoke of the *external* environment with respect to the public health system, another regarding the need for monitoring of the *external* environment, and yet another CEO mentioned customers and competitors. The

following excerpts illustrate these varied opinions on what the CEOs regarded as being involved in the *external* environment.

Case 4 Chief Executive Officer

> The external health care industry environment, you've certainly raised the question of the public sector and its importance.

Case 5 Chief Executive Officer

> Well the external environment is one that you've got your finger on all the time...

Case 1 Chief Executive Officer

> Our external environment is about our customers and our competitors and people like that. I would guess that initially is says that we have a way to go with regards to the percentage of the population who have chosen to be privately insured.

Similarly with the RSDMs, varying understanding and descriptions were provided for the *external* environment. These variations included issues regarding the recruitment of doctors, the offering of new services, and government related issues. The following excerpts reiterate the importance of doctor recruitment in regional private hospitals.

Case 1 Accountant

> Recruitment of staff to rural areas is always frustrating. Especially specialists. That's a very common thread in the industry at the moment.

Case 4 Director of Clinical Services

> We need to make money to pay our staff, to continue to generate growth, and invest in things like the medical centre. The other challenge that comes from this city from an external perspective is that to attract doctors here you have to nearly offer a whole package.

Another aspect of the *external* environment that was discussed by RSDMs was the need to offer new services to the community. This aspect is illustrated by the following excerpts.

Case 1 Chief Medical Officer

> Well I think from the point of view of other private health systems around, our marketing strategy is not geared to take people from them and it's more to find our niche market which is promoted by our proximity and for the types of things we can offer that others may not be able to.

Case 5 Finance Manager

> I think the board and the senior management team we've got here, we constantly are on the lookout for new opportunities to grow the hospital and to provide these new services…all of the health industry is under threat from change, and so therefore we've got to change with it and be responsive.

Issues related to government in the *external* environment were also discussed by the RSDMs, as is shown below.

Case 5 Finance Manager

> I guess the number one influence on our marketing strategy is going to be government policy. That can have the ability to radically alter our marketing strategies if, for example, they changed the tax rebated on private health insurance that made it not very popular. Then we would have, like all private hospitals, we'd have to look very carefully at how we'd respond to those sort of changes. Likewise I could say government and other agencies. Maintaining our accreditation, we accredited through ACHS and therefore that's another external factor that's absolutely vital to us that we maintain our accreditation otherwise the health funds won't pay us and we don't have a business.

Overall it has been evidenced from the preceding discussions that both CEOs and RSDMs addressed the concept *external* in discussing the health care environment. In this discussion, the CEOs were concerned with the public health system, the need for monitoring the external environment, and customers and competitors. The RSDMs addressed the need to offer new services to the community and the role of government in the external environment.

Service

The concept *service* and its related linkages have been shown in Figure 28 and Figure 29 of Appendix F. In Figure 28 (Appendix F), the CEO analysis, it can be seen that the concept *service* is related to all other concepts on the map. The strongest relationships, however, exist with the concepts *hospital, marketing* and *environment.* From Figure 29 (Appendix F), the RSDM analysis, it is evident that the concept *services* is not linked to the concepts *time, staff, work, organisational* and *influence*. The strongest relationships, however, exist with the concepts *strategy, marketing, health, hospital* and *private.* The function of service/s in the health care environment will now be explored through examining both groups of interviewees and their responses.

When CEOs discussed service/s in the health care environment they were predominately referring to the importance of relationships in providing good quality service. This discussion is featured in the following excerpts.

Case 3 Chief Executive Officer

> …it's hard when the doctors are providing a service and we're providing them a service, but they are also servicing the needs of our individual staff. So they hear what staff say about me, about where we're going and then they come into the organisation with this view of who I am and what I believe in. That's really vital for us to get that relationship on track.

Case 4 Chief Executive Officer

> This hospital's nursing staff are well known for providing a quality service. So satisfied customers means that you're gaining those patients back and also they will tell another person, who will also tell another ten people…Once again our customers are the doctors and if they're happy with our services they will bring patients here to the hospital. So we work on that pretty hard in terms of ensuring that staff are well aware of the need for good customer service, a good quality service and if there's a problem it's addressed very quickly.

The RSDMs offered a slightly different opinion on the role of *service/s* in the health care environment: they compared *services* to those of their competitors and also talked about the *marketing* of services. The following excerpts illustrated the RSDMs' views of *services*.

Case 1 Chief Medical Officer

> Competitors affect us in that we compare ourselves to the competitors and think about what things we can offer better to the patient then the competitors. Probably services are equal in most of the private health system, it's more to do with the fact that we are here and we are more able to relate to the patients' own general practitioners better than somebody who is elsewhere.

Case 8 Manager Outreach Services

> We really don't have any other competitors as far as a private hospital goes for the services that we deliver…There are private hospitals in two towns near our region, but they offer different services so we are very mindful to be aware of what they are doing.

The marketing of services and introduction of new services were also discussed by the RSDMs. It is interesting to note that regulations are discussed as an aspect of the organisation that are an environmental consideration, but are not seen to impact on the marketing of regional private hospitals service. The following excerpts highlight the marketing and introduction of new services in regional private hospitals.

Case 2 Accountant

> The regulations that come into play are just the sort of thing that we have to do anyway. I don't think they impact greatly on the actual marketing of the services.

Case 5 Finance Manager

> We need to make sure our services are geared toward where the growth is going to be. So, in terms of our marketing plan, trying to identify trends so that we have those services on tap available for when they need to be used or the scale of them is expanded to meet those changes in demographics…we are constantly on the lookout for new opportunities to grow the hospital and to provide these new services because we are, all of the health industry is under threat from change, and so therefore we've got to change with it and be responsive.

From preceding discussions it is clear the both CEOs and RSDMs were concerned with the concept *service* when discussing the health care environment. The CEOs referred to the importance of relationships in providing good quality service while the RSDMs compared services and discussed the marketing of services.

Internal

The concept *internal* and its related linkages have been illustrated in Figure 30 of Appendix F. It is apparent that the concept *internal* is linked to all other concepts on the map, with the exception of *health.* Strong linkages are seen with the concepts *marketing* and *environment.* What the *internal* environment involves according to the CEOs will now be explored. *Internal* was distinguished only in the CEO analysis, and not in that of the RSDMs.

The concept *internal* was described by the CEOs in the context of the internal environment. A variety of perspectives were offered as to what constitutes the internal environment, including maintaining relationships with the doctors, the support received by the general practitioners, the impact on marketing strategy, staff and morale, and the role of the internal environment. All of these perspectives have been highlighted in the following excerpts.

Case 1 Chief Executive Officer

> Our internal environment I would say what comes to mind there is the support that we get from the general practitioners. Their support is really quite overwhelming.

Case 3 Chief Executive Officer

> The internal organisational environment has a major impact on the marketing strategy because if we are looking at our staff and their morale and what they think about the place, they're the ones that affect us the most. If they're not delivering care against our values, vision and purpose then that's not good for our business.

Case 4 Chief Executive Officer

> …we need to maintain very good working relationships with our doctors because if we have an internal environment where doctors are unhappy they equally can influence the patient selection in terms of which hospital they go to. So I work very hard with any doctors who aren't happy.

Case 5 Chief Executive Officer

> …the internal environment is critical to the actual functionality of the hospital and the performance of the hospital.

Interestingly, the concept *internal* was addressed solely by the CEOs. From the preceding discussion it is clear that in their discussion on the health care environment, the CEOs offered a variety of opinions as to what constitutes the internal environment of regional private hospitals. All of this has been documented in previous discussions.

Government

The concept *government* and its linkages are illustrated in Figure 31 of Appendix F. This concept is linked to all other concepts with the exception of *time, organisational* and *patient.* Strong linkages were seen with the concepts *strategy, marketing* and *health.* This concept was depicted only in the RSDM analysis; it did not appear on the CEOs' concept map. The role that *government* plays in the health care environment will be explored by the RSDMs below.

When referring to the concept *government*, the RSDMs were focused on *government* policies from the external environment and how they affect marketing strategy. The following excerpts illustrate the role of *government* in the context of the health care industry.

Case 5 Finance Manager

> Yeah, well clearly I guess the number one influence on our marketing strategy is going to be government policy. That can have the ability to radically alter our marketing strategies…

Case 7 Director of Nursing

> As far as the government is concerned it's not like we're a public hospital. We don't break any law or anything but they are far more aligned to government policy. We're more state health, the Department of Health tell us when we can jump and when we can't and how high we can jump. They are the ones that licence us and take our licences away, so we're very friendly with them and keep them on board

Case 7 Finance Manager

> At present there is nothing in the government policy that's specifically directing us to head down any particular strategy…There's no specific government policy that's giving us any reason to adopt a strategy or to decline a particular strategy.

Case 8 Manager Outreach Services

> Well naturally one is governed by a greater degree by not only our organisation but by other factors which includes your government. I mean you have policy directors, you have your guidelines, your funding sources all of those will either identify with a marketing unity that we have.

The concept *government* was addressed by the RSDMs in their discussion of the health care environment. Specifically, they focused on government policies from the external environment and how they affect marketing strategy.

Summary of environmental trends

To interpret the above findings for the theoretical construct of environment, the overriding proposition 'different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations' needed to be taken into consideration.

A comparison of the two groups of interviewees, with respect to their understanding of environment, showed both similarities and differences between the two groups.

The concept of *hospital* was discussed by both groups of interviewees with differences being evident between the groups. The CEOs, in discussing their hospitals in relation to the health care environment, were focused on the customer base of the organisation and keeping these people happy through the marketing strategy. On the other hand, the RSDMs were focused on other external entities and their governance, and the effect of these on the marketing strategy of regional private hospitals. Both of these perspectives take into account environmental aspects, through the external and internal perspectives, thus impacting on the marketing strategy.

An external focus to the concept *people* was taken by the CEO group of interviewees. This external perspective involved the hospitals' market, patients and

competitors. An internal focus of the concept *people*, however, was taken by the RSDMs. This group of interviewees considered the staff that operated in the health care environment in regional private hospitals. Again, this shows an impact on the health care environment through the internal and external perspective of the different people involved in the marketing strategy and health care environment of regional private hospitals.

In discussing the concept *external*, the CEOs spoke about the public health system, monitoring the external environment, customers and competitors. The RSDMs addressed the recruitment of doctors, new service offerings and government related issues when discussing the concept *external*. These understandings of the external environment all impact on a regional private hospital's marketing strategy. For example, customers and competitors should be considered in formulating the marketing strategy in that the competitors' marketing strategy should be examined and customers should be targeted. Additionally, a marketing strategy aimed at doctors and effectively recruiting them may be formulated by a regional private hospital.

Services offered by regional private hospitals were also discussed by both groups of interviewees when discussing the private health care environment. The CEOs addressed the concept *service* in discussing the importance of relationships in providing good quality services. RSDMs provided an alternative perspective in comparing services to the competition and focusing on the marketing of services. Again, all of these *service* perspectives of the health care environment impact on marketing strategy.

When discussing the concept *people*, the CEOs referred to the market, patients, competitors and staff. Similarly, the RSDMs, when discussing *people*, discussed the market and staff; however, they also discussed potential customers and how they could market to them. It is once again clear that the understanding of the environment by different management levels impacts on marketing strategy of regional private hospitals.

The concept *internal* was depicted only in the CEO analysis. The CEOs discussed the internal environment and focused mainly on maintaining relationships with doctors, the support they received from the general practitioners, the impact the internal environment has on marketing strategy, their staff and morale, and finally the role of the internal environment in marketing strategy. The impact of the internal environment on regional private hospitals' marketing strategies once again has been made apparent, through these different perspectives at the CEO management level.

It has become apparent that the overriding proposition 'different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations' has been reiterated throughout the findings related to the health care environment. From the analyses, the understanding of concepts at the different management levels indicate differences that impact on marketing strategy.

As discussed previously, the individual concepts of marketing strategy consist of environment, implementation, and evaluation and control. With the construct of environment now having been addressed, the discussion will turn to the second concept, implementation, and its role in regional private hospitals' marketing strategies.

4.7 Implementation

When discussing implementation in this research the focus has primarily been on the four components of implementation as outlined by Aaker and Mills (2005): structure, systems, people and culture. In analysing the construct of implementation, the responses to four key questions in the interview were reviewed: (a) *When recruiting employees what key aspects of a person are considered important based on the functional areas of the organisation?* (b) *How would you describe the organisational structure of your organisation?* (c) *What forms of management systems do you have in place?* and (d) *How would you describe the culture associated with your hospital?*. As discussed in Chapter 2, the overriding

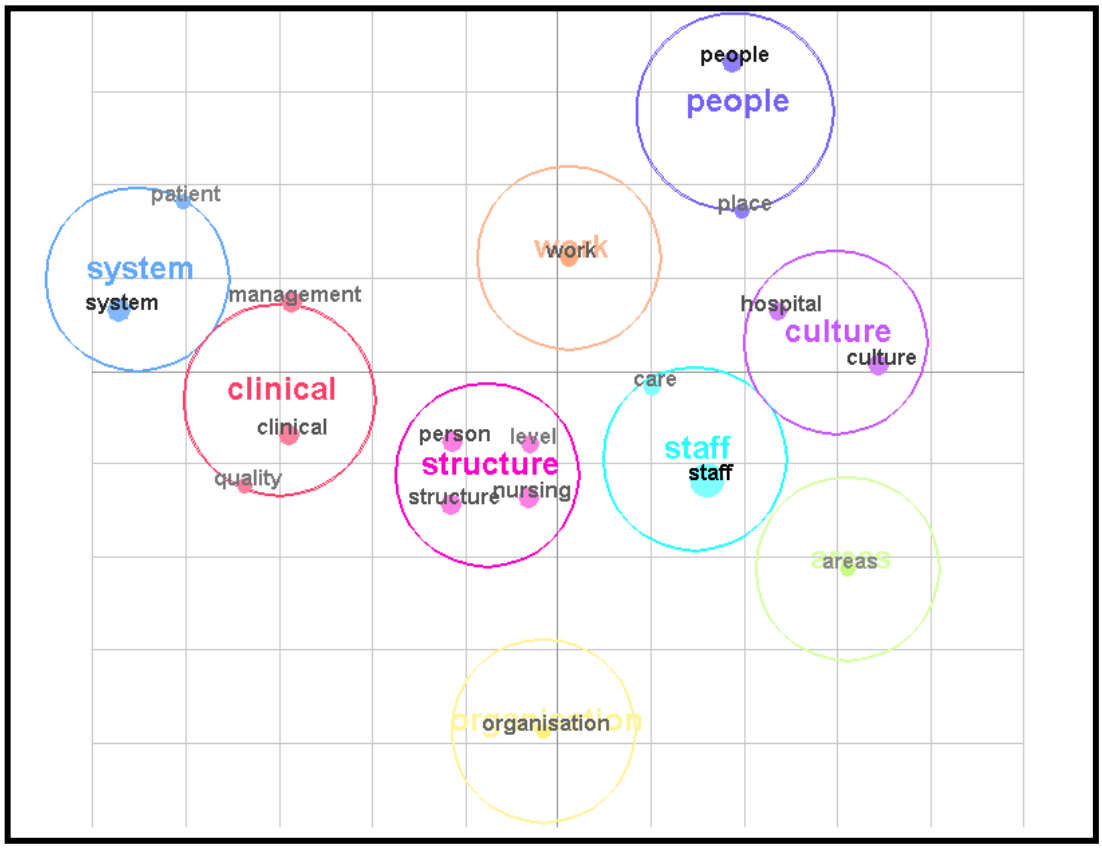
proposition for the theoretical construct of implementation is 'implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations'.

4.7.1 A comparative analysis of implementation activities

The concept maps

The following concept maps depict the themes and concepts for both groups of interviewees and their responses in relation to the construct of implementation. Figure 4.43 depicts the CEOs' views of implementation activities in regional private hospitals. The concept map shows the theme **staff** in the lower right-hand quadrant as being linked to the themes **culture** and **areas**. **Structure** is illustrated in the lower left-hand quadrant and includes the concepts *person, level, nursing* and *structure.* This theme, however, is not linked with any others on the concept map. The themes **clinical** and **system** are illustrated in the upper and lower left-hand quadrants and are shown to be linked to each other. As in the previously discussed theoretical concept of organisational strategy, marketing strategy and environment, the **people** theme is positioned by itself, as is the theme **work**.

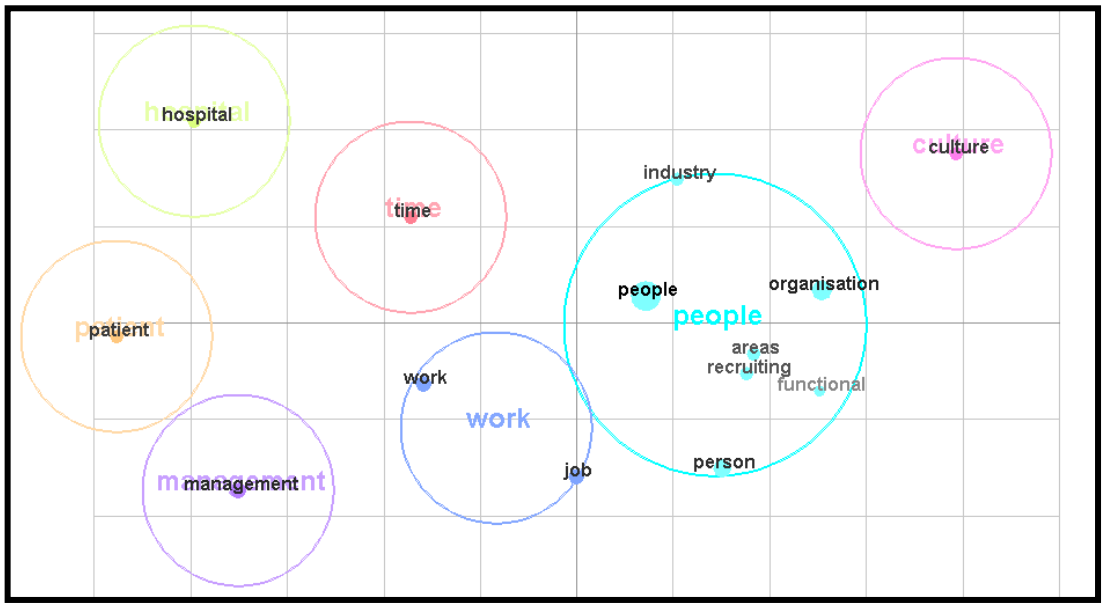
Figure 4.43 Concept map – CEO analysis *(implementation)*



(Points 100%, Themes 40%)

Figure 4.44 depicts the analysis of RSDMs. The themes **people**, illustrated in the right-hand quadrants, and **work**, illustrated in the lower left-hand quadrant, are interrelated. Interestingly the theme **person** encompasses the concepts *areas, recruiting, functional, organisation* and *industry.* **Culture** is illustrated in the concept map as a key theme appearing in the RSDM analysis; however, it is not linked to any other themes as it was in the CEO analysis in Figure 4.43. All other themes on the concept map are also depicted by themselves; that is, they are not linked with any other concept.

Figure 4.44 Concept map – remaining strategic decision makers *(implementation)*



(Points 100%, Themes 40%)

Summary of themes

Overall, similarities in themes between CEOs and RSDMs can be seen through **people, work** and **culture**. The timing aspect associated with implementation of marketing strategies in regional private hospitals is depicted through the theme **time** in the RSDM analysis. **Staff** and **culture** are shown to be connected in the CEO analysis; **culture** in the RSDM analysis is illustrated as not connected to any other concept. Organisational **structure** in the CEO analysis is also depicted to be an aspect of consideration in strategy implementation.

Concept analysis

P6: Implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

Each concept from the concept maps has been depicted in a bar chart (see Figure 4.45 and Figure 4.46). The CEOs demonstrated that the three top ranking concepts were *staff, people* and *system.* The RSDMs listed the top three ranking concepts as *people, organisation* and *management.* Comparisons between some of the common concepts in the two groups of interviewees will be made. These concepts include

people, *culture* and *work*. The CEOs mentioned *culture* more frequently in discussing implementation (43.1%; see Figure 4.45) compared to the RSDMs (15.6%; see Figure 4.46). The CEO analysis was the only one of the two interviewee groups to show the concepts *structure* and *system*, both of which will be examined in the following content analysis. Similarly with the concept *time*, the RSDM analysis illustrated this concept; this also will be examined through content analysis.

Figure 4.45 Bar chart – CEO analysis *(implementation)*

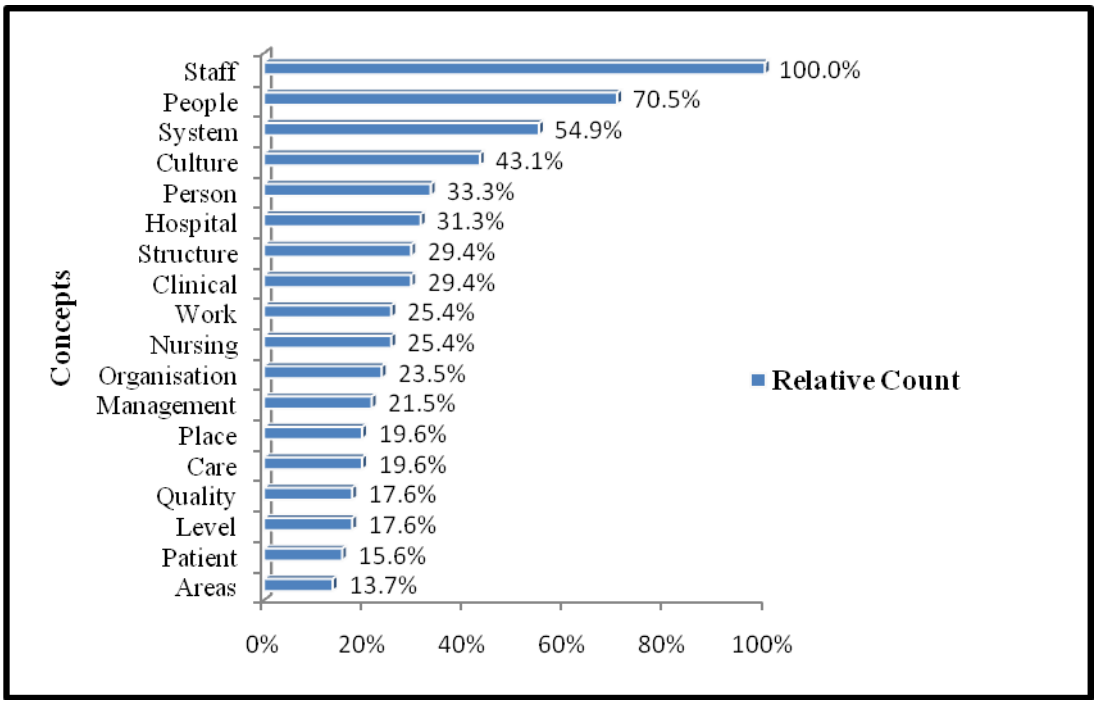
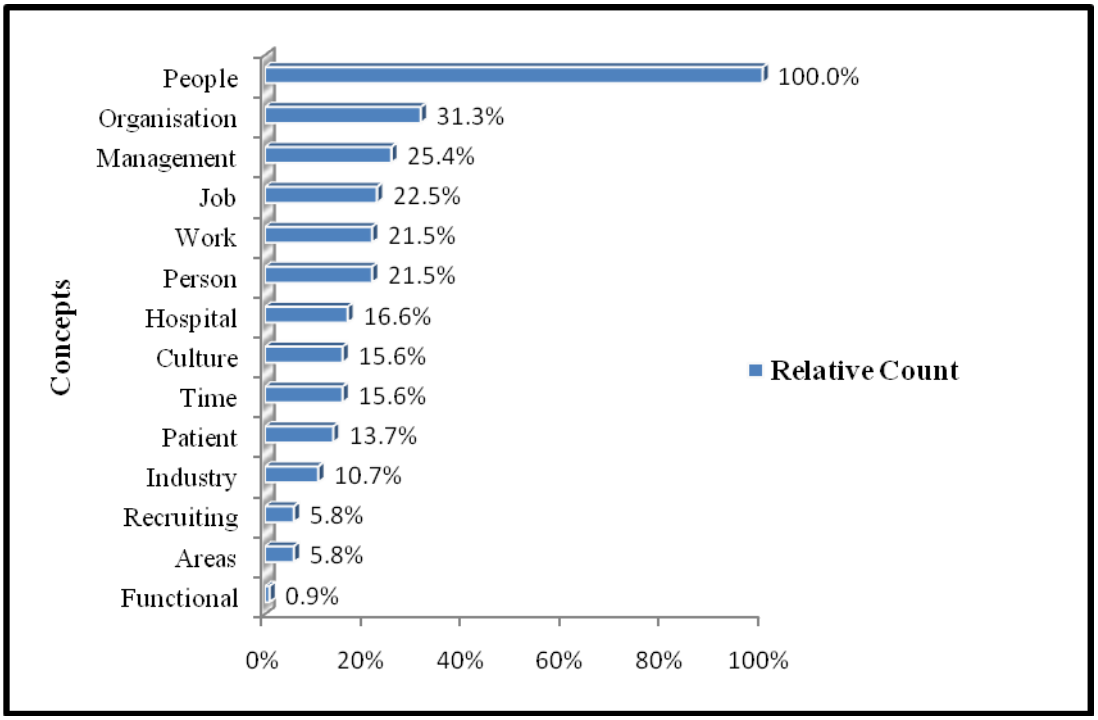


Figure 4.46 Bar chart – remaining strategic decision maker analysis *(implementation)*



Content analysis

P6: Implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

The top three ranking concepts for each interviewee group's analysis are discussed below through further content analysis. The CEO analysis identified *staff, people* and *system* as the top three ranked concepts. The concepts *people*, *organisation* and *management* were identified by the RSDMs as the top three ranked concepts.

In addition to the above mentioned top ranking concept, the concepts *culture* and *work* will also be reviewed in a comparative manner as these concepts were discussed by both groups of interviewees and can offer a view of the implementation activities undertaken by regional private hospitals. A concept in the implementation analysis depicted in the CEO analysis solely was *structure*, and this will also be reviewed through the content analysis. Similarly, the concept *time* was seen only in the RSDM analysis, and its' role in implementation explored.

Staff

The concept *staff* and its related linkages in the CEO analysis are illustrated in Figure 32 of Appendix F. It is evidenced through this figure, *staff* is linked to all other concepts on the map. The strongest linkages are seen between *staff* and (firstly) *culture* and (secondly) *people.*

In discussing the concept *staff,* the CEOs made particular reference to the internal culture of the regional private hospitals and their staffing. The following excerpts provide further information on the culture associated with the organisations and staff.

Case 1 Chief Executive Officer

> I think the culture, well I would hope, is one that is, well people say this from time to time, it is a very warm environment. We have a very understanding staff in that they are very loyal to each other and highly supportive of the business and of their colleagues.

Case 3 Chief Executive Officer

> So the first process is changing the culture and changing their [the staff] expectations but it's also building up their skills.

Case 6 Director of Nursing (CEO – dual role)

> ...we had some people here two years ago, and one of the things they found amazing was the longevity of our employees.

Overall it can be seen from the preceding discussion on the concept *staff* that the CEOs were particularly interested in the internal culture of their organisations. Staffing matters in terms of skills and employee turnover were also discussed by the CEOs in light of marketing strategy implementation.

People

The concept *people* and its linkages on the concept map have been illustrated in Figure 33 and Figure 34 of Appendix F. As is evident in both of these figures the concept *people* is linked to every other concept on the map, with the exception of *organisation* in Figure 33. In Figure 33 the strongest links in the CEO analysis occur between *people* and the concepts *staff, culture* and *person*. Similarly, with the remaining interviewees, *people* is strongly linked to *organisation, person* and *job*.

When discussing the concept *people*, both groups of interviewees talked predominately about the staff in the hospital, the roles they played in the organisation and how they may influence the culture. This is to be expected as the staffing of an organisation will strongly affect the implementation activities undertaken internally. The following excerpts illustrate the importance of *people* in regional private hospitals and how they may influence the marketing strategy through their actions.

Case 1 Chief Executive Officer

> …well people say this from time to time, it is a very warm environment. We have a very understanding staff in that they are very loyal to each other and highly supportive of the business and of their colleagues.

Case 5 Chief Executive Officer

> We've sent some people off to get training and I continuously emphasise that. I have a philosophy that a good vacancy is better than a bad appointment.

Case 1 Accountant

> But then again the proof's not always in the pudding. You may get people who present extremely well in the interview and have good references but still won't fit into the organisation.

Case 3 Business Manager

> …if people are running around just doing a job then the residents aren't going to feel comfortable here.

Case 7 Director of Nursing

> People come, people go, people get sick, occupancy increases so you have to use all of these people. That's why we use those people but again we try and pick the right ones and we've got a list of people that we would prefer to come back.

The discussion relating to the concept *people* has provided insight into both the CEOs' and RSDMs' views of people and their links to marketing strategy implementation. Both groups were also interested in the roles played by regional private hospital staff and how they may influence the culture.

System

Another concept that was identified solely in the CEO concept map (see Figure 35 of Appendix F) was *system.* This concept is illustrated as being linked to all other concepts on the CEO concept map with the exception of *nursing*, *areas* and *culture.* The strongest linkages are between *system* and the concepts *management*, *patient* and *clinical.*

It is clear from the CEOs' discussion that in referring to the concept *system* in regional private hospitals the CEOs are referring to some form of patient management system. This system deals with all aspects of the patients from admission to discharge. The following excerpts highlight the use of patient management systems in regional private hospitals.

Case 2 Chief Executive Officer

> The accountant does all the monetary financial budgetary type systems. The ward level is all clinical, all those types of things. We've got information technology. We've got an electronic patient management system.

Case 4 Chief Executive Officer

> …the management systems are really the patient administration system which is IBA, also the product for our finances, it's a product that runs off IBA.

Case 7 Chief Executive Officer

> Well there's a patient management system in place because that manages all the patient management stuff. The flow of the patient, what we do to them, all of that stuff.

Overall, the concept *system* and its related discussion revolve around the systems implemented in regional private hospitals. These systems, according to the CEOs, focus mainly on the patient management systems within the organisations.

Organisation

The concept *organisation* and its linkages through the RSDM analysis is highlighted in Figure 36 of Appendix F. *Organisation* is linked to all concepts on the map with the exception of *patient* and *management.* The strongest linkages with *organisation* are firstly with *people* and then with *work.*

In discussing the concept *organisation*, the RSDMs focused on the characteristics of their staff and how well they fit into the needs of the organisation. The excerpts below detail some of these characteristics, considered to be of importance by the RSDMs.

Case 1 Accountant

> ...in nursing we are looking for basic nursing skills, in business/office we will look for basic business skills, and customer service focus which is very much through the organisation.

Case 5 Finance Manager

> ...it's very much how they're going to fit within the organisation.

Case 6 Business Manager

> ...they've [the hospital] got good people, people that work at achieving not only the individual hospital's goals but work towards the organisations goals, and that's what drives everything along.

The concept *organisation* has been highlighted in the preceding discussion. From this it has been made clear that the RSDMs, in implementing marketing strategy, are concerned with staff characteristics and how individual members 'fit' within the organisation.

Management

The concept *management* and its linkages in the RSDM analysis is illustrated in Figure 37 of Appendix F. *Management* is linked to the majority of other concepts on the map, with the exception of *culture, organisation* and *functional.* The strongest linkages are seen between *management* and (firstly) *people* and (secondly) *work.*

In discussing *management* within the context of strategy implementation, the RSDMs were focused on management systems and management styles seen in the regional private hospitals. These systems and styles of management are revealed in the following excerpts from the RSDMs.

Case 3 Administration Officer

> Management systems, our computer system, it's networked throughout the facility, and we are all on the same page there.

Case 6 Business Manager

> In terms of my own management style...if they [staff] do a good job, great, if they don't, we've got to talk about it. I would hope they think I'm approachable at all times.

Management in regional private hospitals has been reviewed through the above discussion. It has been made clear that the RSDMs were concerned with two aspects of management: (a) the management styles employed by upper management and (b) the management systems implemented in the organisations.

Culture

The concept *culture* and its linkages on the concept map have been illustrated in Figure 38 and Figure 39 of Appendix F. From Figure 38, the CEO analysis, it is clear that culture is not linked to the concepts *patient, management, system, clinical* and *quality.* The strongest linkages, however, exist between *culture* and the concepts *staff, people* and *place.* Figure 39 depicts the RSDM analysis and illustrates that culture is not linked to *functional, work, management* and *patient.* Again, the strongest linkages in Figure 39 exist between *culture* and *people, organisation* and *industry.*

Interviewees' description of organisational culture varied among both the CEOs and the RSDMs. As should be expected with the construct of culture it also varied between organisations. The following excerpts highlight some positive cultural descriptions from the participating case studies among both groups of interviewees.

Case 1 Accountant

> …Family! Family culture. It's a culture where sometimes we all may not necessarily agree, and sometimes this is the way and that's the way we have to do it. But very much getting on and supporting, especially when everyone needs to pull together.

Case 3 Administration Officer

> I think the culture has changed and we're having a swing about now and going in a real positive outlook.

Case 4 Chief Executive Officer

> …Culture I would describe as caring, supportive and a very strong loyalty in the culture from the staff.

Case 7 Chief Executive Officer

I think it's a friendly culture and I think that it helps to have an open door policy.

Case 8 Manager Outreach Services

I would describe it [culture] as cooperative, patient focused, and supportive.

Organisational *culture* has been addressed by both CEOs and RSDMs. Through reviewing both groups of interviewees it became apparent that descriptions of organisational culture differed between organisations. This is interesting based on the positive nature of culture provided in all of these descriptions.

Work

The concept *work* and its linkages on the concept map have been illustrated in Figure 40 and Figure 41 of Appendix F. It is seen in Figure 40 that the CEOs did not link the concept *work* to the concepts *patient, quality* and *organisation.* The strongest linkages, however, in Figure 40 exist between *work* and the concepts *management, place, clinical* and *staff.* Figure 41 depicts the RSDM analysis and makes clear that *work* is not linked to *industry, culture, areas, recruiting* and *functional.* The strongest linkages in Figure 41 exist between *work* and *people, organisation* and *management.*

In discussing the concept *work,* the CEOs spoke about the functionality of certain aspects within the organisation. The RSDMs, however, were focused on the role of staff in the regional private hospitals. Below are some excerpts that illustrate the CEOs' discussions on the functionality in regional private hospitals.

Case 3 Chief Executive Officer

The workload is too hard. They said that that didn't work. Because currently we work on a hierarchical structure of individuals, that one person has to have the ultimate say.

Case 6 Chief Executive Officer

We do the staffing manually I suppose. It tends to work quite well.

The role of staff in the organisation was discussed in association with the concept *work* by the RSDMs, as can be seen in the following excerpts.

Case 2 Accountant

It seems to be a good place to work; people know fairly well what the boundaries are.

Case 6 Business Manager

If their job's not done, my job's not done, or it makes me have to stay here longer and I miss time with my kids just because they want time with their kids. Which I'm prepared to make that sacrifice to a certain extent because it goes with the territory, but not if they're sitting there two hours a day just talking or mucking around or coming in late, leaving early. I don't mind if they do that and their work's done.

Case 7 Finance Manager

We can have a number of people with that same skill, but the ones that are really going to work well within the organisation are ones that are really going to work well within the organisation are ones that have that personality to set them apart.

The concept *work* was dealt with by both the CEOs and the RSDMs through the marketing strategy implementation analysis. Focus was given by the CEOs to the functionality of certain aspects within the organisation. The RSDMs' focus, however, was on the role of staff in the regional private hospitals.

Structure

The concept *structure* was unique to the CEO analysis (see Figure 42 of Appendix F). It did not appear on the concept map for the RSDMs. From Figure 42 it is clear that *structure* is not linked to the concepts *care, areas* or *patients.* The strongest linkages in Figure 42 exist between *structure* and the concepts *nursing, clinical* and *staff.*

The CEOs spoke on the concept *structure* in terms of organisational structure within regional private hospitals, as is illustrated in the excerpts below.

Case 2 Chief Executive Officer

From an administrative level we've got myself and then the accountant as well then there would be the office staff. From the nursing perspective we have myself and two clinical nurses then registered nurses and enrolled nurses. Your typical hospital structure.

Case 3 Chief Executive Officer

Our implementation is the thing that is holding us back, because this organisation is used to hierarchical structure and I'm saying that I don't want to direct you, you've all got jobs, you brief me on what has to be done. Come to me with problems and the solutions.

Case 4 Chief Executive Officer

It's [organisational structure] flat. The organisational structure now is better than it ever has been before…as far as I'm concerned it's very clear.

Case 7 Chief Executive Officer

> It's very much centralised because that's the way the process works. A lot of reporting goes on a daily, weekly, monthly basis. All of our accounts payable functions, corporate, are centralised, all of our payroll function's centralised, a lot of our reporting's centralised.

Through a review of the CEO analysis of marketing strategy implementation, the concept *structure* was explored. This concept was used in referring to organisational structure by the CEOs and it is clear from the discussion above that structure can vary between regional private hospitals, but does affect all organisations' marketing strategy implementation.

Time

The concept *time* was identified only in the analysis of the RSDMs. From Figure 43 in Appendix F it can be seen that the concept *time* is linked to all other concepts with the exception of *areas*, *recruiting*, *functional* and *person*. The strongest linkages are shown as being between *time* and the concepts *people, work* and *job.*

In their discussion, the RSDMs focused on the notion of time and how it affects different activities and areas within regional private hospitals. This effect is illustrated in the excerpts below.

Case 1 Accountant

> …when we are really short staffed. We have lots of patients because they're sick, usually the flu season, we will get people who come in, not necessarily in their own time, but the effort they give in those sorts of times why you really need someone to be flexible and we ask them not to take leave when some of them had planned on taking leave.

Case 4 Director of Clinical Services

> …unfortunately we've got an organisation wide survey in March next year, and it's already September, we are running out of time.

Case 6 Business Manager

> …no General Manager's been here since about November and there's been no Finance Manager here since that time.

Overall it has been shown that the concept *time* was identified in the RSDM analysis. This group of interviewees was concerned with this concept from the point

of view that time can affect different activities and areas within regional private hospitals

Summary of implementation trends

When interpreting the above findings for the theoretical construct of implementation, the overriding proposition of 'implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations' has been considered. Specific concepts that were examined in depth in the above analysis impact on regional private hospitals' marketing strategies. Both groups of interviewees focused on the staff in regional private hospitals as being a part of implementation activities. The involvement of staff has an impact on regional private hospitals' marketing activities as they are the ones who are implementing the marketing strategies within the organisations. It was seen in the analysis that culture is organisation-specific; however, each culture influences the implementation of marketing strategies as it dictates how the implementation is carried out. This statement also applies to organisational structure. Again this varied between organisations; however, culture impacts on the implementation of marketing strategies as it influences the way implementation occurs within regional private hospitals, through the who, what, where and when of implementation activities.

Regarding the systems in regional private hospitals, the CEOs spoke about patient management systems, while in the RSDM analysis this concept was not visible. These patient management systems dealt with all information that is related to the patients of regional private hospitals. These systems assist in the implementation of future ventures concerning patients. It is evident from the analysis and discussion on marketing strategy implementation that there are a number of concepts affecting this area, reiterating the significance of the overriding proposition 'implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations'.

4.8 Evaluation and control

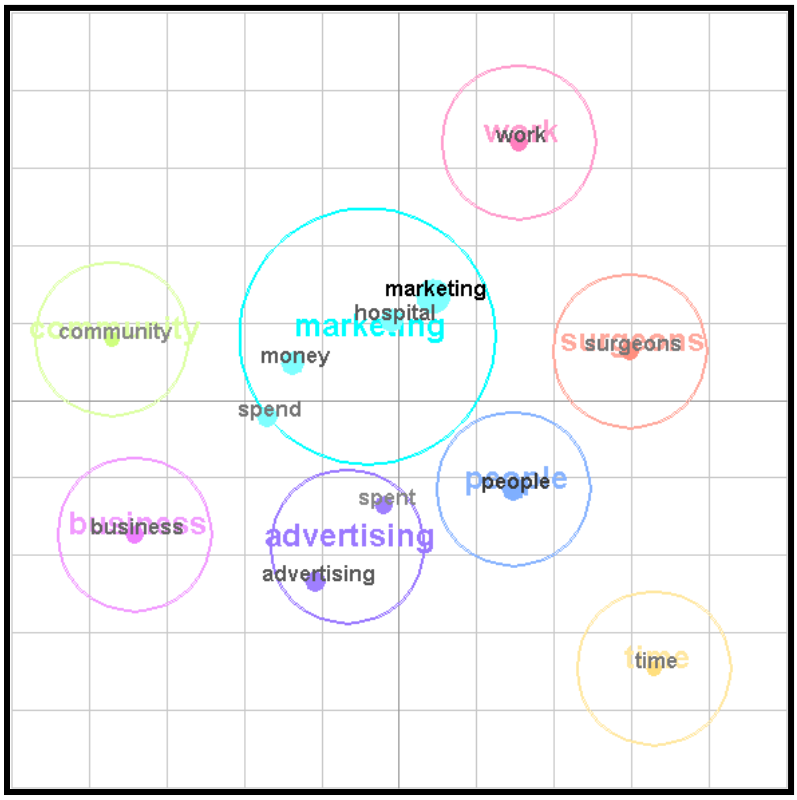
The view is also held by Aaker and Mills (2005) that evaluation and control in marketing strategy involve both effectiveness and efficiency. In analysing the construct evaluation and control, the responses to the following key question in the interview was reviewed: *When evaluating marketing strategy, what kinds of issues are considered to be of importance within your hospital?* As discussed in Chapter 2, the overriding proposition for the construct of evaluation and control is '*the evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations'.*

4.8.1 A comparative analysis of evaluation and control activities

The concept maps

Both the themes and concepts for both groups of interviewees are illustrated in Figure 4.47 and Figure 4.48 in relation to the theoretical construct of evaluation and control. In Figure 4.47 the theme **marketing** dominates the concept map in the centre and includes the concepts *marketing*, *hospital*, *money* and *spend.* Interestingly, the **advertising** theme appears in the CEO analysis in the lower left-hand quadrant and includes the concepts *spent* and *advertising*. The theme **surgeons** appears in the top right-hand quadrant but is not linked to any other themes, as is the theme **community** in the top left-hand quadrant. Both themes **advertising** and **people** are positioned closely to the **marketing** theme but are not interlinked.

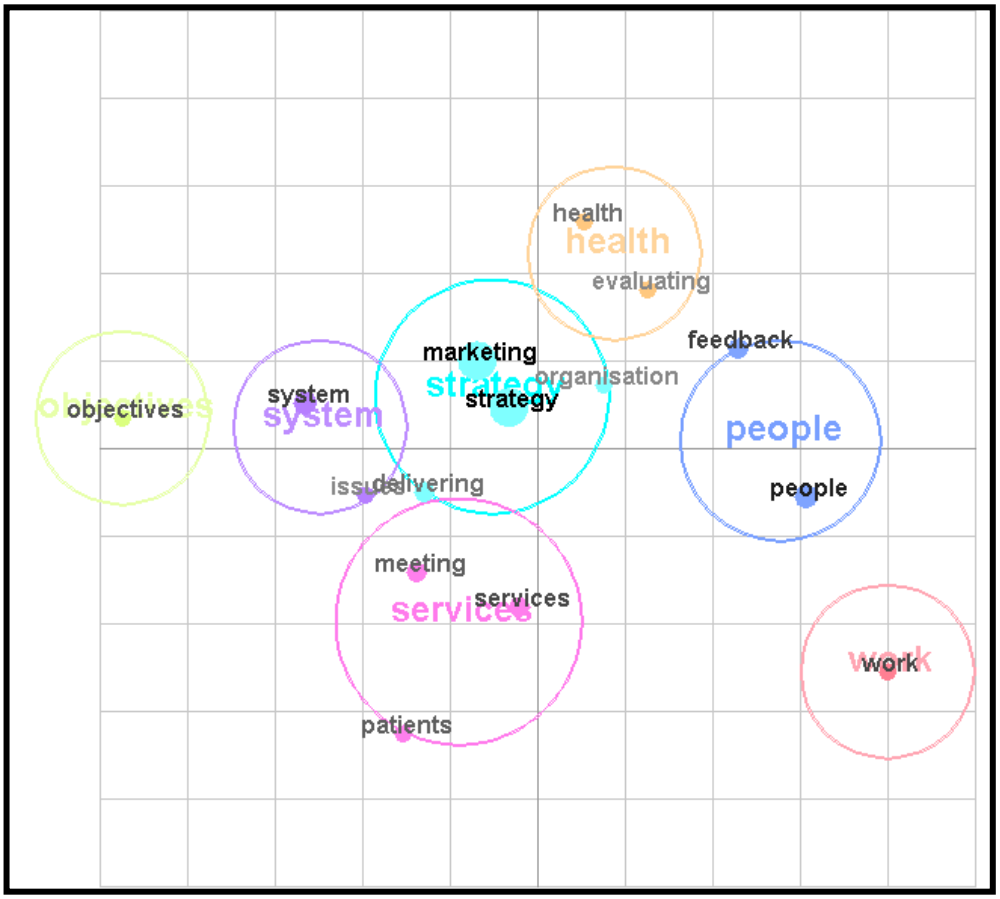
Figure 4.47 Concept map – CEO analysis *(evaluation and control)*



(Points 100%, Themes 40%)

The analysis for the RSDMs is illustrated in Figure 4.48. Similar to the CEO analysis, the **marketing** theme is central on the map and incorporates the concepts *marketing, strategy* and *organisation.* Interlinked with this central theme are the themes **health, system** and **services.** Interestingly the theme of **health** contains the concept *evaluating.* On the right-hand side of the concept map the themes **people** and **work** are depicted; however, these are not interlinked with any other themes. Similar to this is the theme **objectives** on the left-hand side of the concept map, as it is also not interlinked to any other themes.

Figure 4.48 Concept map – remaining strategic decision maker analysis *(evaluation and control)*



(Points 100%, Themes 40%)

Summary of themes

Overall, similarities in themes between CEOs and RSDMs can be seen through the themes **work** and **people**. In the CEO analysis the themes **community** and **time** emerged as aspects to be considered in evaluating and controlling marketing strategies. **Objectives** in the RSDM analysis was illustrated as a theme in evaluating and controlling marketing strategies, in accordance with the **services** provided by the regional private hospitals. **Marketing** in the CEO analysis was illustrated as a theme that was central but not directly connected to other themes, while **strategy** was a theme central in the RSDM analysis but was connected to **system, services** and **health.**

Concept analysis

P5: The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

Each concept from the concept maps has been depicted in a bar chart, as seen in Figure 4.49 and Figure 4.50. The top two ranking concepts in the CEO analysis (see Figure 4.49) were *marketing* (100%) and *people* (57.8%). In the analysis of the RSDMs (see Figure 4.50) the concepts *strategy* and *marketing* were the same in their relative count at 100%, while the concept *people* was ranked as the next highest occurring concept at 63.1%. Both groups of interviewees' analysis illustrated the concepts *marketing*, *people* and *work.* Both the CEOs and the RSDMs had concepts unique in their analysis; these concepts that can offer further insight into evaluation and control activities in regional private hospitals, and are explored in the following content analysis.

Figure 4.49 Bar chart – CEO analysis *(evaluation and control)*

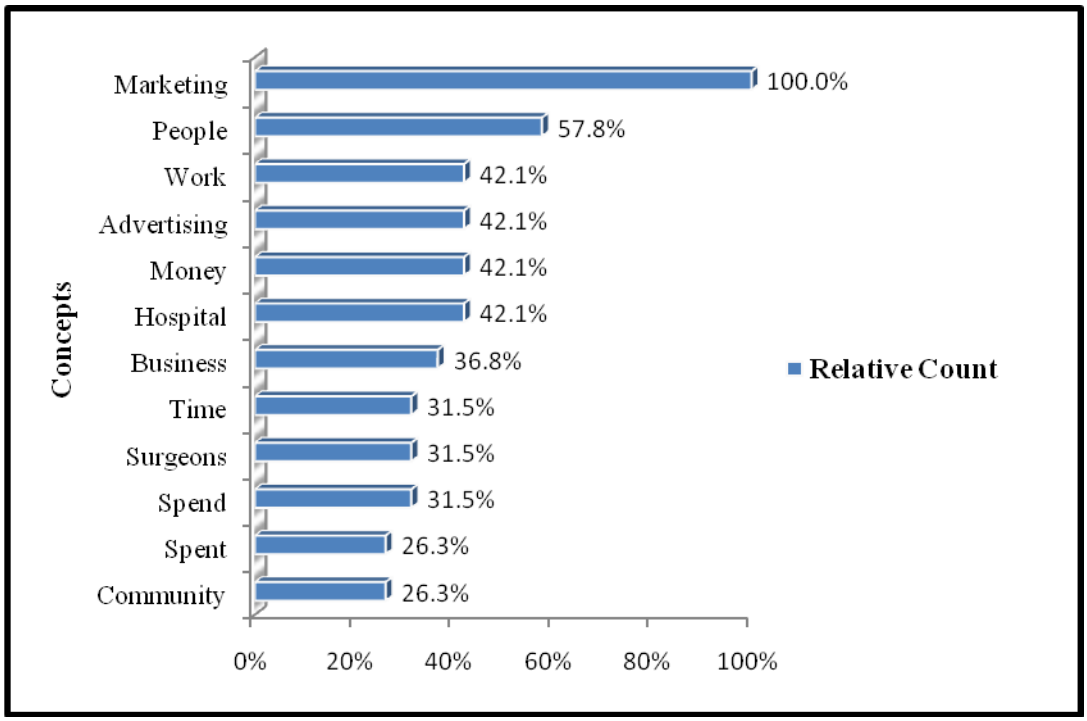
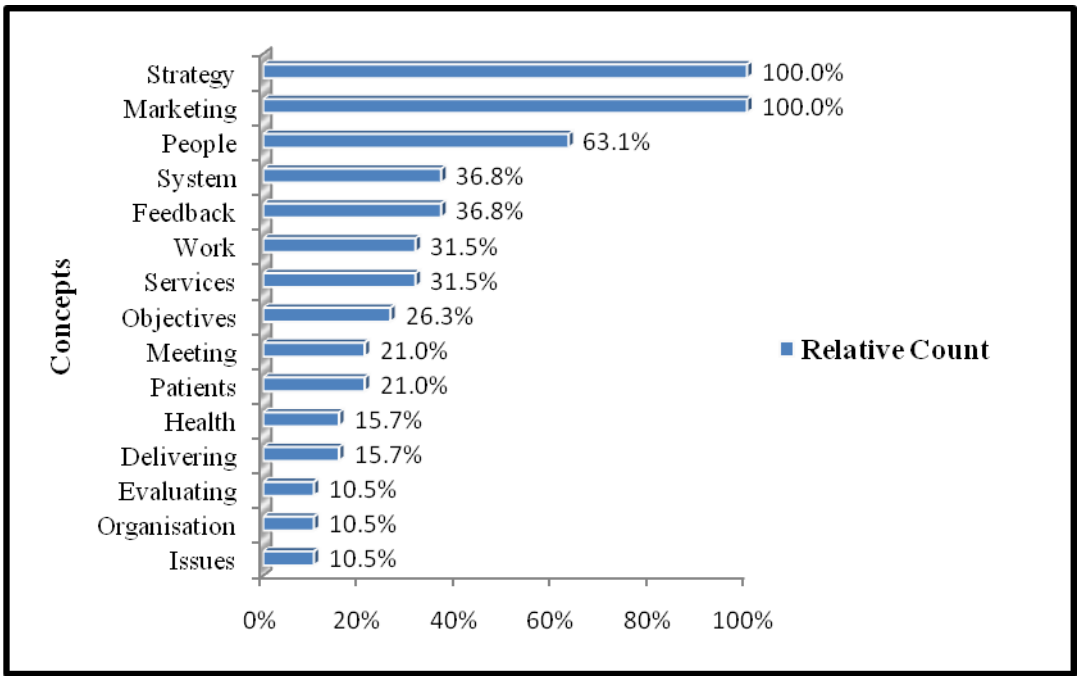


Figure 4.50 Bar chart – remaining strategic decision maker analysis *(evaluation and control)*



Content analysis

P5: The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

The top ranking concepts are discussed below through further content analysis. The CEO analysis identified *marketing* and *people* as the top ranked concepts. The concepts *strategy*, *marketing* and *people* were identified by the RSDM analysis as the top ranked concepts.

In addition to the above top ranking concept, the following content analysis also explores concepts that can offer additional insight into the different management levels' understanding of evaluation and control in regional private hospitals. Within the CEO analysis these concepts include *advertising*, *money* and *surgeons.* In the RSDM analysis the concepts that have been explored further include *feedback* and *evaluating.*

Marketing

The concept *marketing* is illustrated through the CEO analysis (see Figure 44 of Appendix F) and the RSDM analysis (see Figure 45 of Appendix F). In both sets of analyses *marketing* is linked to all other concepts on the maps. The strongest linkages in the CEO analysis are between *marketing* and (firstly) *hospital* and (secondly) *people.* In the RSDM analysis strong linkages are seen between *marketing* and (firstly) *strategy* and (secondly) *people.*

In discussing *marketing* in the context of evaluating and controlling marketing strategy the CEOs and RSDMs were both interested in the measurement of strategy effectiveness. This is exemplified in the following excerpts.

Case 4 Chief Executive Officer

> We would consider how many doctors were attracted to the hospital in terms of setting up private practice, how many new operating theatre sessions we've been able to hand out...

Case 7 Chief Executive Officer

> How efficient or how well the strategy is returning value and profitability...

Case 4 Director of Clinical Services

> ...we would be evaluating things like our occupancy rates and our profitability. Because at the end of the day, all the marketing investment will hopefully result in bums in beds.

Case 8 Outreach Services Manager

> The start of the evaluation process starts at an Executive level. We have a monthly meeting and the components of a strategic plan including marketing will be discussed here.

From the above discussion, it can be seen that both interviewee groups regarded the concept *marketing*, in an evaluation and control sense, on a similar level. Both groups were concerned with measuring strategy effectiveness.

People

The concept *people* and the related linkages in the CEO analysis and RSDM analysis are highlighted in Figure 46 and Figure 47 of Appendix F. In the CEO analysis *people* is linked to all other concepts with the exception of *business.* For the RSDM analysis *people* is not linked to the concepts *objectives, system, issues, delivering* and *patients.* The strongest linkages in the CEO analysis are between *people* and (firstly) *marketing* and (secondly) *time.* In the RSDM analysis strong links are seen between *people* and *strategy*, and *people* and *marketing.*

The CEOs referred to external parties when discussing the concept *people*, as did the RSDMs. This is highlighted in the following excerpts.

Case 1 Chief Executive Officer

> Whether we feel that [the marketing strategy] it is targeting the right people at the right time.

Case 3 Chief Executive Officer

> Each time they've [Department of Health and Ageing] come back and said we're doing ok. So that's given us an external indicator that we're still surviving even through people are trying to bring us down.

Case 7 Director of Nursing

> You live here and you mention the word and people know who you are. The other thing is if the beds are full, the doctor's secretary's are putting people into here because we've got a strategy that we use for them as well.

From the above discussion it is clear that both the CEOs and RSDMs were concerned with external parties when discussing the concept *people*. The above discussion also highlights the impact these external parties can have on the marketing strategy of the regional private hospitals.

Strategy

Strategy and related linkages are depicted in the RSDM analysis in Figure 48 of Appendix F. This concept is linked to all other concepts with the strongest linkages being with *marketing* and *people.*

The RSDMs, when discussing *strategy*, were concerned with the efficiency and effectiveness of the strategies in regional private hospitals. This is highlighted further through the following excerpts.

Case 4 General Practitioner Liaison Officer

> Marketing strategy efficiency will be reflected by general practitioner referrals and by the decreasing number of potential general practitioner complaints.

Case 5 Finance Manager

> So that would feed back into how effective the marketing strategy is and we would be looking at things like growth in terms of patients in the system...

Case 8 Outreach Services Manager

> ...what you do is a quality activity so we are trying to measure responsiveness to any marketing strategies.

From the discussion on the concept *strategy* it is clear that the efficiency and effectiveness of marketing strategies in regional private hospitals is an important aspect for consideration. From the previously highlighted excerpts the measures of efficiency and effectiveness are very specific and measurable.

Advertising

The concept *advertising* and its linkages on the concept map have been illustrated in Figure 49 of Appendix F. As is evident in this figure, the concept *advertising* is linked to every other concept on the map with strong linkages between *advertising* and *business* and *people*. In discussing the concept *advertising*, the CEOs were interested in how they evaluate whether advertising and the direct costs associated with it are profiting the hospital. The following excerpts highlight these queries of the CEOs in relation to advertising and how to evaluate its effectiveness.

Case 1 Chief Executive Officer

> I guess we look at what response we've had to the particular thing that we are marketing. Whether that activity has grown or not? Whether we feel that it is targeting the right people at the right time. Another thing to consider and it's a very big issue is the cost of that direct advertising. That can be prohibitive.

Case 7 Chief Executive Officer

> Well I suppose if you set up a strategy with objectives you're going to hope it delivers. I don't want to spend ten grand on outdoor advertising that doesn't do anything.

Case 8 General Manager

> You know, when I first came here there was tens of thousands of dollars spent on newspaper advertising. Now that's stopped I don't see any change to the business, and in actual fact the business has grown. How do you ever know?

The concept *advertising* does have a role in the marketing strategies of regional private hospitals, according to the CEOs. However, the evaluation of these advertising activities and how to conduct the evaluation remain uncertain.

Money

The concept *money* and its linkages on the concept map have been illustrated in Figure 50 of Appendix F. In this figure the concept *money* is linked to every other concept on the map, with the exception of *time* and *surgeons.* Strong links are seen between *money* and *marketing* and *spend.* The concept *money* was discussed in terms of money being spent in the organisation and reviewing how effective that outlay was in the long term. The CEOs' discussion on this is depicted in the following excerpts.

Case 4 Chief Executive Officer

> …I put it to the Board each month when we need to spend money on equipment that has a substantial value and those issues are approved by the Board. You're not handling people who have a budget who are going to spend money just because they've got to spend money.

Case 7 Chief Executive Officer

> You know, we spend a bit of money on a medical specialist directory but the feedback is general practitioners saying I didn't know they were here, that sort of thing. So that's positive. The problem with a lot of marketing strategies is how do you measure the impact?

It is clear from the above discussion that money plays an extremely important role in regional private hospitals, in the evaluation and control of marketing strategy. This is to be expected, especially in regards to the effective outlay of finances in the long term

Surgeons

The concept *surgeons* and its linkages on the concept map have been illustrated in Figure 51 of Appendix F. It is apparent from this concept map that *surgeons* was linked to a number of concepts with the exception of *money*, *spend*, *community* and *business*. The CEOs discussed the concept *surgeons* with regards to evaluation and control in terms of their influence on marketing strategy and how this can be evaluated. The excerpts below illustrate the uncertainty associated with evaluation and control once again in regional private hospitals.

Case 4 Chief Executive Officer

> We would consider how many doctors were attracted to the hospital in terms of setting up private practice, how many new operating theatre sessions we've been able to hand out to operating theatre surgeons, whether the hospital has increased its volumes in terms of numbers of patients coming through the systems.

Case 6 Director of Nursing

> …if we did an advertising campaign externally. I would be looking to see if we had increased patient days. I would be looking to see if we had, however many surgeons we'd appointed.

Case 7 Chief Executive Officer

> …I didn't have a large percentage of Veterans' Affairs. I probably had two or three percent, now I'm up around nine. Now has that happened because we've done these things? Or has it happened because people are aware of the surgeons we've got? We put a strategy in place for that and we can measure it. But because I do an orthopaedic workshop, does that mean I'm going to get more orthopaedic work?

The concept *surgeons* has been reviewed through the above discussion. It was made apparent that surgeons have influence on the marketing strategy of regional private hospitals and how this can be evaluated requires further consideration.

Feedback

The concept *feedback* and its linkages on the concept map have been illustrated in Figure 52 of Appendix F. This concept is not, however, linked to the concepts of *objectives*, *issues*, *meeting* and *patients*. Strong links were seen with *strategy*, *marketing*, *system* and *people*. The RSDMs discussed the concept *feedback* as a method of evaluating and controlling their marketing strategy. The RSDMs described how *feedback* can come from a variety of different sources. The

importance of *feedback* in evaluating and controlling a marketing strategy in regional private hospitals is shown in the following excerpts from the RSDMs.

Case 5 Finance Manager

> …we're prepared to really have our system get exposed. You know, the good and bad. So in terms of the feedback on our marketing strategy and how well it's going and how it's not, well there's that side. There's the customer's perspective.

Case 6 Business Manager

> …I would look at reputation, people through the door, feedback from staff, feedback from surgeons that work here, how do we go about making them even happier than they are. So just those things, I think, will pretty much drive any sort of marketing strategy.

The discussion pertaining to the *feedback* concept has provided further insight into the RSDMs' understanding of evaluating and controlling marketing strategies. It was found that the RSDMs received feedback from a verity of sources and was a key method for controlling and evaluating marketing strategy.

Evaluating

The concept *evaluating* and its linkages on the concept map have been illustrated in Figure 53 of Appendix F. This concept was linked to the concepts of *health*, *feedback*, *people*, *organisation*, *marketing* and *strategy*. Strong links were seen with the concepts *strategy* and *marketing.* In discussing the concept *evaluating,* the RSDMs were focused on specific aspects of regional private hospitals that could be evaluated. Some examples of this line of thought have been provided in the excerpts below.

Case 4 Director of Clinical Services

> When looking at what we would be evaluating things like our occupancy rates and our profitability. Because at the end of the day, all the marketing investment will hopefully result in bums in beds.

Case 8 Manager Outreach Services

> It's very much responding and adjusting to that feedback and evaluating. If we've for example linked to the men's health expo at the farmers market here and we had to beg people to take a balloon. The marketing strategy for our organisation wasn't particularly effective, maybe next time we need to include ourselves in the lead up.

The concept *evaluating* has been reviewed in the above discussion. It was found that the RSDMs focused on specific aspects of regional private hospitals in strategy

evaluation. These included such things as occupancy rates and the responses given to feedback received.

Summary of evaluation and control trends

In interpreting the above findings in relation to the theoretical concept evaluation and control, the overriding proposition of 'the evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations' was required to be considered. From the above results it can be seen that the CEOs and the RSDMs discussed different areas in relation to evaluating and controlling the marketing strategy. However, it can be seen that both groups of interviewees were concerned with measuring strategy effectiveness.

The CEOs discussed advertising and the direct costs associated with it. This discussion was focused around the effectiveness of advertising in relation to the marketing strategy. The possibility of determining the effectiveness of advertising as a part of the marketing strategy evaluation and control activities was questioned by the CEOs. Similarly, this questionability was also associated with the surgeons and their role in regional private hospitals. The CEOs discussed the influence these surgeons may have on the marketing strategy and the possibility of evaluating and controlling it. Money in general was also touched on in the CEO analysis. Again it was questioned as to how effective the general outlay of money was and whether it was possible to measure this effectiveness in the evaluation and control activities of the marketing strategy.

With regards to the RSDM analysis, it became apparent that two interesting concepts — *feedback* and *evaluating* — offered insight into this management level's understanding of evaluation and control. Interestingly the RSDMs highlighted feedback as a method of evaluating and controlling marketing strategies in regional private hospitals. This feedback could come from a variety of sources such as the patients, staff and surgeons. Additional areas that were thought to require evaluating

in regional private hospitals, according to the RSDMs, included occupancy rates, profitability and various promotional activities undertaken by the hospitals.

The overriding proposition 'the evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations' has been addressed in the above findings. It is evident that evaluation and control activities vary between different management levels in regional private hospitals; however, all of these activities impact on the marketing strategy.

The final theoretical construct requiring analysis from the conceptual framework featured in Chapter 2 is strategy communication.

4.9 Strategy communication

As previously discussed in Chapter 2, strategy communication can be discussed in terms of relationships within health care organisations; that is, essentially relationship marketing. Relationship marketing is a way of doing business, and can be viewed as a strategic orientation (Zeithaml, Bitner & Gremler 2006). The authors proceed to explain that this form of marketing is focused on keeping and improving relationships with current customers rather than on obtaining new customers. From the discussion that has taken place on the previous five theoretical concepts (organisational strategy, marketing strategy, environment, implementation, and evaluation and control) it is apparent that relationship marketing plays a key role in the marketing strategy of regional private hospitals. Strategy communication was mentioned at different intervals throughout the interview instrument, resulting in relationship marketing being implied throughout the interviews by the interviewees.

As discussed in Chapter 2, the overriding proposition for the theoretical construct strategy communication is '*different management levels' understanding of strategy communication in regional private hospitals impact on marketing strategy within the organisations'*. Due to the method of inclusion of this construct in the interview protocol through different sections (see Table 3.7) and its emergence at various

intervals throughout the interviews (see Section 3.3), a comparative analysis through concept maps in Leximancer was not conducted. A content analysis is, however, possible, and will be based on the analysis of previous theoretical concepts in this current chapter.

Content analysis

The importance of strategy communication in the marketing strategies of regional private hospitals has been illustrated in the following excerpts. The excerpts pertain to both groups of interviewees. The CEOs were generally focused on forming and maintaining positive relationships with the doctors, specialists, patients and the community in which they operate. These key constituents have been highlighted in the excerpts below.

Case 1 Chief Executive Officer

> …but essentially the people we target are the **doctors**. They are the gatekeepers; our philosophy is that we look after the **patients** on behalf of the **doctors**. Our **patients** are really a secondary customer when it comes to marketing.

Case 2 Director of Nursing (CEO dual role)

> We need to make sure that the **visiting general practitioners** are happy, the **specialists** are happy, and the **patients** are happy… We try and keep the staff in the loop as much as possible so that they can answer questions about any services. **General practitioners** are kept in the loop, we have a close relationship with all the **general practitioners** in town. All of the ones that have medical privileges with us - some don't.

Case 3 Chief Executive Officer

> So it's about looking at where your business is and all those sorts of things and saying ok we've got to make that relationship happen…Our **relationship in the community**, all the **community** that come and see people and friends, that's really significant to us.

Case 4 Chief Executive Officer

> …but at the same time we've also engaged a GP Liaison Officer whose primary role is to get out among the **general practitioners**. To flag with the **general practitioners** the services this hospital provides and to bring back to me any issues I need to be aware of, in terms of **doctors** not happy in our services, areas we can improve upon and other opportunities we may have. We need to maintain very **good working relationships with our doctors** because if we have an internal environment where **doctors** are unhappy they equally can influence the **patient** selection in terms of which hospital they go to. So I work very hard with **doctors** who aren't happy.

Case 7 Chief Executive Officer

> One of the things that we've done is develop a business development role that is basically working towards information to **general practitioners** and the **specialists** through **community awareness** and **community programs**…The professional development with the **general practitioners** is important but it's a hard gig... We've got to have people focused on hearsay, if somebody's not happy or a **surgeon** wants to bring a list here that becomes a focal point.

Similar to the CEOs of the regional private hospitals, the RSDMs' discussion on strategy communication was centred on forming and maintaining relationships with both the doctors and the community in which they operate.

Case 1 Accountant

> We just look at the activity and which **doctors** are giving us the most activity and therefore they are the ones at highest risk, at not coming. So we look after them in looking after their needs…Another part of the strategy is **community**, and we do that by having the **community advisory committee**. That is made up of various members of the **community** who deal with various issues that may come up from time to time. They are members of the **community** and they can feed that out to the **broader community**.

Case 1 Chief Medical Officer

> A lot of the goodness that comes in the marketing comes from the thoroughness of the discharge and the ability to talk to the **doctor** after the **patient** has left so that they are confident in that if they send somebody else they are going to get a good job done. Everybody that we have had we get repeats with and everybody that we haven't had we haven't had obviously. It's been a matter of seeing them once and if they send someone in it continues.

Case 2 Accountant

> …because as I said before the hospital is still building up services in different areas and building up its reputation in the **community**. So of course the marketing strategy is going to play a big part in doing that.

Case 4 General Practitioner Liaison Officer

> I have familiarised myself with this hospital, and it's various specialities in order to take a message out to the **general practitioners** and in an effort to inform the **general practitioners** that our hospital has all services available.

Case 4 Director of Clinical Services

> I think certainly from a strategic marketing perspective I guess it's about trying to build our whole persona within the **community**, what our focus is, cancer care that kind of stuff, it's really quite strategic.

Summary of strategy communication trends

The above display of excerpts from both groups of interviewees highlights the importance of strategy communication through relationship marketing in regional private hospitals. It can be seen that relationships with the community in which the hospitals operate are considered to be of high importance. These community relationships are fostered through a number of avenues, including maintaining a positive reputation in the community, increasing community awareness, developing community programs, and employing the services of community advisory committees. Relationships with doctors who utilise the hospitals' services and facilities were also deemed to be of the utmost importance in regional private hospitals. This was seen through the emphasis placed on communicating effectively with the general practitioners, ensuring that internal procedures within the organisations were of the standard that the doctors expected, and providing timely and accurate information to the doctors. Another group of stakeholders deemed to be important in terms of maintaining a positive relationship were the patients of the regional private hospitals. This relationship was displayed through emphasis being placed on the procedures in admissions and discharges the patients have to go through, ensuring the patient is generally happy, and emphasising that the hospital was looking after the patient on behalf of the doctor. It is, however, important to note that the patients were generally considered to be the secondary customer of the hospital, with the doctors being the primary customer. In discussing all the theoretical concepts of the conceptual framework, illustrated in Chapter 2, strategy communication was consistently mentioned through referring to relationship marketing. This underlines the importance of this construct in relation to all other theoretical concepts in the conceptual framework, and reiterates the overriding proposition '*different management levels' understanding of strategy communication in regional private hospitals impact on marketing strategy within the organisations'*.

4.10 Quantitative analysis of the organisational strategy continuum

In analysing the quantitative data related to the organisational strategy continuum, question four of the interview instrument was utilised: *'Where would you say that your organisational strategy sits on these scales with regards to the stated organisational characteristics?'* This question used a ten-point scale in the interview instrument. However, to gain a greater depth of meaning and understanding from the interviewees' responses, this scale was collapsed into a three-point scale. Responses '1–3' were classified as being the visionary end of the continuum, responses '4–7' were classified as the belonging to middle of the continuum, and responses '8–10' were classified as lying at the opportunistic end of the continuum.

In analysing the data a cross-tab analysis was conducted on all responses through cross referencing the responses to question four against the management levels of the CEOs and RSDMs. These results have been illustrated in Table 4.1 and will now be discussed.

For the purposes of interpreting Table 4.1, where interviewee responses indicated that specific organisational characteristics were directed towards the middle of the strategic orientation continuum, this was highlighted in green. For organisational characteristics that were spread across the continuum, based on interviewees' responses, ranging between visionary and opportunistic, these were highlighted in yellow. Where specific organisational characteristics were indicated as having a visionary perspective, these were highlighted in red.

From Table 4.1 it is apparent that the **perspective** characteristic for both management levels was indicated as having a strategic vision focus, illustrating that both the CEOs and the RSDMs considered their organisational strategy to have a forward looking perspective. **Strategic uncertainties** were depicted through a strategic vision perspective by the CEOs as leaning towards trends affecting the future, in accordance with the **information systems** in regional private hospitals,

indicating that both management levels showed a strategic vision perspective towards this organisational characteristic. **Orientation** was broken down into three aspects by Aaker and Mills (2005), with a strategic vision focus being placed on the aspect of building assets by the RSDMs. Additionally, **structure** was also broken down by Aaker and Mills (2005), but into two aspects. This characteristic was indicated as being more centralised, and hence visionary, by the RSDMs.

Of interest, however, is the 'middle of the road' perspective taken by both management levels on specific organisational characteristics. This 'middle of the road' perspective is particularly relevant to (a) RSDMs in regards to **strategic uncertainties**, (b) CEOs in regards to **structure** (centralised/decentralised) and (c) both management levels for **environmental sensing**, **orientation** (commitment/flexibility and vertical integration/fast response), **leadership** (charismatic/tactical and visionary/action oriented), **structure**, **people**, **economic advantage** and **signalling**. The 'middle of the road' perspective taken by the different management levels in relation to these organisational characteristics indicates an element of uncertainty and indecision amongst management in their organisational strategy, indicating a cause for concern in the organisational strategies of regional private hospitals.

From the above discussion it is clear that different ends of the strategic orientation continuum can to some extent be applied to some organisational characteristics in regional private hospitals. The forward looking perspective of both management levels supports qualitative findings indicating the importance of (a) maintaining positive relationships with doctors, specialists, patients and the community into the future and (b) the length of time a strategy is forward planned. The notion of trends affecting the future has also been depicted in both the qualitative and quantitative analyses through discussion on staffing shortages and government regulations by the interviewees. Also, the visionary perspective towards building assets supports the previously discussed qualitative content analysis in that the regional private hospitals aim to build new assets for their community.

Importantly, a ‘middle of the road’ perspective was provided in the qualitative findings. This was raised by both management levels for numerous organisational characteristics. The perspective does not associate a continuum end with certain organisational characteristics, previously discussed, or management level. Rather, an element of indecision and uncertainty is illustrated through the ‘middle or the road’ perspective in relation to regional private hospitals organisational strategies. This quantitative finding does offer further insight into the organisational strategies of regional private hospitals, previously not determined in the qualitative analysis.

From the above discussion it can be seen that both the qualitative and quantitative analyses support and reiterate each set of findings for the organisational strategies in regional private hospitals. Interestingly, however, the quantitative findings have offered a new perspective on regional private hospitals’ organisational strategies, through the identification of the ‘middle of the road’ perspective.

Table 4.1 Organisational strategy continuum

Organisational Characteristics	Management Level	Strategic Vision end of continuum	Middle of continuum	Strategic opportunistic end of continuum
Perspective *(forward-looking/present)*	CEO	30%	10%	-
	RSDMs	35%	20%	5%
Strategic uncertainties *(trends affecting the future/current threats and opportunities)*	CEO	20%	20%	-
	RSDMs	20%	35%	5%
Environmental sensing *(future scenarios/change sensors)*	CEO	15%	25%	-
	RSDMs	10%	45%	5%
Information system *(forward looking/online)*	CEO	20%	15%	5%
	RSDMs	25%	35%	-
Orientation *(commitment/flexibility)*	CEO	10%	20%	10%
	RSDMs	15%	40%	5%
Orientation *(build assets/adaptability)*	CEO	15%	25%	-
	RSDMs	20%	35%	5%
Orientation *(vertical integration/fast response)*	CEO	-	30%	10%
	RSDMs	15%	40%	5%
Leadership *(charismatic/tactical)*	CEO	-	30%	10%
	RSDMs	5%	45%	10%
Leadership *(visionary/action oriented)*	CEO	5%	25%	10%
	RSDMs	10%	35%	15%

Table 4.1 (continued): organisational strategy continuum

Organisational Characteristics	Management Level	Strategic Vision end of continuum	Middle of continuum	Strategic opportunistic end of continuum
Structure *(centralised/decentralised)*	CEO	15%	25%	-
	RSDMs	25%	25%	10%
Structure *(top-down/fluid)*	CEO	10%	30%	-
	RSDMs	15%	35%	10%
People *(eye on the ball/entrepreneurial)*	CEO	10%	30%	-
	RSDMs	5%	45%	10%
Economic advantage *(scale economies/scope economies)*	CEO	6%	24%	12%
	RSDMs	12%	29%	18%
Signalling *(strong signals/surprise moves)*	CEO	5%	35%	-
	RSDMs	5%	50%	5%

4.11 Quantitative analysis of the marketing strategy continuum

In analysing the quantitative data related to the marketing strategy continuum, question thirty of the interview instrument was utilised: *'Where would you say that your marketing strategy sits on these scales with regards to the stated organisational characteristics?'.* This question used a ten-point scale in the interview instrument; however, to gain a greater depth of meaning and understanding from the interviewees responses, this scale was collapsed into a three-point scale. Responses 1–3 were classified as the visionary end of the continuum, responses 4–7 were classified as the middle of the continuum, and responses 8–10 were classified as the opportunistic end of the continuum.

In analysing the data, a cross-tab analysis was conducted on all responses through cross referencing the responses to question thirty against the management levels of CEOs and RSDMs. These results have been illustrated in Table 4.2 and will now be discussed.

For the purposes of interpreting Table 4.2 where interviewee responses indicated that specific organisational characteristics were directed towards the middle of the strategic orientation continuum, these were highlighted in green. For organisational characteristics that were spread across the continuum, based on interviewees' responses, ranging between visionary and opportunistic, these were highlighted in yellow. Where specific organisational characteristics were indicated as having a visionary perspective, these were highlighted in red.

It is clear, in analysing the results in Table 4.2, that a strategic opportunistic perspective played a strong role in regional private hospitals' marketing strategy, compared to the strategic visionary perspective. The **strategic uncertainties** characteristic in marketing strategy was indicated as having a strategic opportunistic focus by the CEOs, indicating that they were focused on current threats and opportunities in developing their marketing strategy. In **orientation,** both management levels indicated an opportunistic perspective leaning towards flexibility in decisions, with only the CEOs indicating a fast response in this organisational

characteristic. In the characteristic of **leadership,** the CEOs took an opportunistic perspective and described themselves as both tactical and action-oriented. An opportunistic perspective was displayed by the RSDMs in **structure** as they indicated a more fluid type of structure. The **structure** characteristic was also described through a visionary perspective by the RSDMs as being centralised.

Similar to previous discussion in relation to organisational strategy, of interest here is the 'middle of the road' perspective taken by both management levels on different organisational characteristics. The 'middle of the road' perspective was particularly relevant to RSDMs on the majority of organisational characteristics: **perspective**, **strategic uncertainties**, **environmental sensing**, **information system**, **orientation** (build assets/adaptability and vertical integration/fast response) and **leadership** (charismatic/tactical and visionary/action oriented). The CEOs held the 'middle of the road' perspective for the characteristic of **structure**. Both management levels were of the 'middle of the road' perspective in relation to **people**, **economic advantage** and **signalling**. This 'middle of the road' perspective taken by the different management levels in relation to these organisational characteristics indicates an element, similar to that discussed in relation to organisational strategy previously, of uncertainty and indecision amongst management in their marketing strategy, lending itself towards cause for concern in the marketing strategy of regional private hospitals.

From the above discussion on the quantitative analysis of the marketing strategies in regional private hospitals, it is clear that different ends of the continuum can be applied to some extent to some organisational characteristics in relation to the marketing strategy. The focus on current threats and opportunities in the **strategic uncertainties** characteristic is further highlighted in previous qualitative content analysis where it was highlighted that regional private hospitals take advantage of opportunities presented to them in introducing new services to the community. The flexibility and fast response within the **orientation** characteristic is also endorsed through previous qualitative findings that indicated the need to maintain and foster relationships with both doctors and the community in which the hospital operates. The leadership in regional private hospitals was described by the CEOs as tactical

and action-orientated, supporting the qualitative finding that the CEOs viewed advertising and communicating with the community as important parts of marketing strategy, portraying tactical and action-oriented leadership.

An additional perspective to marketing strategy in regional private hospitals, not previously encountered in the qualitative findings, is the 'middle of the road' perspective. This perspective, as discussed previously, was indicated by both management levels on different organisational characteristics when applied to marketing strategy. The 'middle of the road' perspective does not align a continuum end with specific organisational characteristics or management level. Aspects of uncertainty and indecision are illustrated through this perspective of marketing strategy in regional private hospitals. This quantitative finding offers additional insight into the marketing strategies of regional private hospitals, not identified in the previous qualitative analysis.

The discussion above offers support and reiteration between the qualitative findings and quantitative findings on some organisational characteristics when applied to marketing strategy. However, the quantitative findings have offered a new perspective on regional private hospitals' marketing strategies, through the identification of the 'middle of the road' perspective.

Table 4.2 Marketing strategy continuum

Organisational Characteristics	Management Level	Strategic Vision end of continuum	Middle of continuum	Strategic opportunistic end of continuum
Perspective *(forward-looking/present)*	CEO	10%	15%	15%
	RSDMs	10%	40%	10%
Strategic uncertainties *(trends affecting the future/current threats and opportunities)*	CEO	5%	20%	15%
	RSDMs	15%	35%	10%
Environmental sensing *(future scenarios/change sensors)*	CEO	10%	20%	10%
	RSDMs	15%	35%	10%
Information system *(forward looking/online)*	CEO	10%	20%	10%
	RSDMs	5%	45%	10%
Orientation *(commitment/flexibility)*	CEO	10%	5%	25%
	RSDMs	-	35%	25%
Orientation *(build assets/adaptability)*	CEO	10%	15%	15%
	RSDMs	15%	30%	15%
Orientation *(vertical integration/fast response)*	CEO	5%	20%	15%
	RSDMs	5%	40%	15%
Leadership *(charismatic/tactical)*	CEO	-	20%	20%
	RSDMs	15%	30%	15%
Leadership *(visionary/action oriented)*	CEO	-	20%	20%
	RSDMs	10%	35%	15%

Table 4.2 (continued): Marketing strategy continuum

Organisational Characteristics	Management Level	Strategic Vision end of continuum	Middle of continuum	Strategic opportunistic end of continuum
Structure *(centralised/decentralised)*	CEO	15%	15%	10%
	RSDMs	20%	25%	15%
Structure *(top-down/fluid)*	CEO	5%	25%	10%
	RSDMs	15%	25%	20%
People *(eye on the ball/entrepreneurial)*	CEO	-	40%	-
	RSDMs	-	35%	25%
Economic advantage *(scale economies/scope economies)*	CEO	-	25%	15%
	RSDMs	-	40%	20%
Signalling *(strong signals/surprise moves)*	CEO	5%	25%	10%
	RSDMs	10%	40%	10%

4.12 Quantitative analysis of specific marketing strategies used by regional private hospitals

Analysis of question eight is shown in Table 4.3. This question related to specific marketing strategies that a regional private hospital may utilise. It asked: *'Using the following table, please indicate the extent to which the following strategies are developed within your hospital?*'.

The analysis of this question consisted of recoding the scale in SPSS from a five-point scale to a three-point scale so as to give the data a greater depth of meaning. Responses indicated as '1' or '2' were classified together as **small extent**. Responses indicated as '3' remained unchanged, and responses indicated as '4' or '5' were classified together as **great extent**.

A cross-tab analysis was conducted on all responses through cross referencing the responses to question eight against the management levels of CEO and RSDMs. It is apparent from the highlighted strategies in Table 4.3 that the top three ranking strategies developed to a great extent in regional private hospitals are (a) '*positioning the organisation through creating a positive relationship with medical practitioners'*, (b) '*positioning the organisation by creating an image based on the advantages that our services offer'* and (c) *'offering a new or modified service to current market segments'*.

A total of 95% of interviewees indicated that *'positioning the organisation through creating a positive relationship with medical practitioners'* as a strategy was developed to a great extent in their hospital. Under half of these interviewees were the CEOs (40%), with just over half (55%) were the RSDMs. This quantitative result strongly endorses the previously discussed findings in the qualitative content analysis where the importance of strategy communication in hospitals was discussed. The findings from the content analysis illustrated the importance of forming and maintaining positive relationships with doctors, specialists, patients and the community in which the hospital operates. These quantitative findings add further legitimacy to the qualitative content analysis findings.

Regarding the strategy of *'positioning the organisation by creating an image based on the advantages that our services'* being developed in regional private hospitals, 90% of interviewees indicated that this was done to a great extent. Of these interviewees, under one-third (30%) were the CEOs of the hospitals, with over a half (60%) being the RSDMs. Once again, this quantitative finding endorses previous findings in the qualitative content analysis where services were discussed in terms of the need to monitor the competition, compare services to competitors, and market the services accordingly.

The *'offering a new or modified service to current market segments'* was the third most developed strategy in regional private hospitals and was indicated as being so to a great extent by 80% of interviewees. Of these interviewees just over one-third (35%) were the CEOs of the regional private hospitals and just under a half (45%) were the RSDMs. This quantitative finding again endorses this view already illustrated in the qualitative content analysis. Within the content analysis it was determined that the offering of new services was thought to play an important role in the marketing strategies of regional private hospitals.

Table 4.3 Marketing strategies used by regional private hospitals

Strategy	Management Level	Great Extent	Great Extent Total
Setting prices according to Private Health Fund/Government regulation requirements	CEO	35%	**75%**
	RSDMs	40%	
Maintaining stable prices and emphasising something other than prices	CEO	30%	**75%**
	RSDMs	45%	
Advertise service offerings through the local newspaper	CEO	26%	**42%**
	RSDMs	16%	
Advertise service offerings through the Yellow Pages	CEO	17%	**17%**
	RSDMs	-	
Position the organisation through creating a positive relationship with medical practitioners	CEO	40%	**95%**
	RSDMs	55%	
Position the organisation by creating an image based on the advantages that our services offer	CEO	30%	**90%**
	RSDMs	60%	
Concentration is on selling services to more than one specific group of customers within the total market	CEO	35%	**75%**
	RSDMs	40%	
Concentration is on selling services to the whole market (such as everyone in the region and/or city)	CEO	25%	**65%**
	RSDMs	40%	

Table 4.3 (continued): Marketing strategies used by regional private hospitals

Strategy	Management Level	Great Extent	Great Extent Total
Identify and develop a new market segment for current services	CEO	30%	**60%**
	RSDMs	30%	
Offer a new or modified service to current market segments	CEO	35%	**80%**
	RSDMs	45%	
Focus efforts on a minority of market segments and not the entire market	CEO	10%	**25%**
	RSDMs	15%	
Differentiate services to those of competitors	CEO	20%	**65%**
	RSDMs	45%	

4.13 Quantitative analysis summary

The preceding discussions highlight key findings from three key quantitative-based questions in the interview instrument. It is significant that a 'middle of the road' perspective, in both organisational strategy and marketing strategy, was uncovered through the quantitative analysis. This perspective indicates uncertainty and indecision in both forms of strategy in regional private hospitals, and is an important finding from this research. Additionally, as has been highlighted in the above quantitative analysis, there are three key marketing strategies presently being developed in regional private hospitals, all of which have been discussed in depth. It is apparent from the above discussion that the quantitative analysis provides supporting evidence for the qualitative content analysis undertaken and discussed in this chapter.

4.14 Conclusion

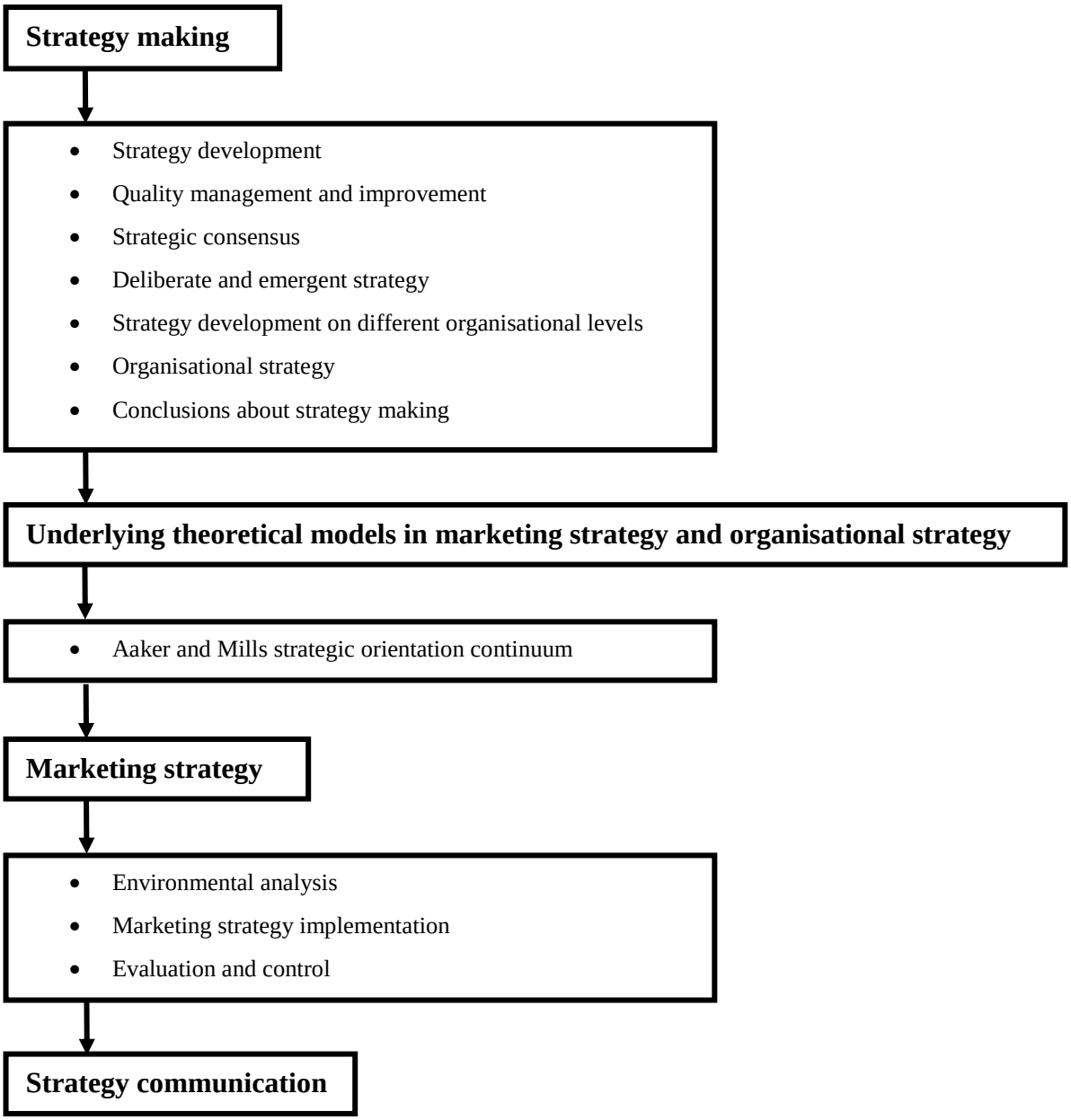
Chapter 4, Results and Findings, has provided both qualitative and quantitative analysis of the research findings. Qualitative analysis was undertaken with the assistance of Leximancer and the presentation of the content analysis of interview transcripts. A brief quantitative analysis was also presented on three key questions from the interview instrument. This analysis consisted of cross-tab analysis and provided supporting evidence for the qualitative content analysis findings, and a new perspective on organisational strategy and marketing strategy. The following chapter will provide a detailed explanation of this study's conclusions and recommendations.

Chapter 5 Conclusions

5.1 Chapter overview

The previous chapter outlined the findings for this research. This chapter provides the conclusions derived from these findings and the research questions that were based on gaps in the literature, as discussed in Chapter 2. Figure 5.1 shows the structure of this chapter.

Figure 5.1 Chapter 5 structure



5.2 Introduction

This research has sought to answer the question:

> How does marketing strategy influence organisational strategy in regional private hospitals?

This conceptual research framework, developed in Chapter 2 and based on literature gaps, illustrated relationships between marketing strategy and organisational strategy, marketing strategy and strategy communication, and the individual concepts of marketing strategy and the role they play. It is reiterated that the construct of organisational performance was originally included in the conceptual framework and interview protocol due to its relationship in the literature with organisational strategy and marketing strategy. However, the investigation of these relationships was hindered as the respondents provided only limited information related to this concept. Consequently, performance proved to be beyond the scope of the study's findings; it can, however, be noted as a future research opportunity. In order to answer the above research question, the following specific research issues were developed in Chapter 2:

1) What is the role of marketing strategy within the organisational strategy in regional private hospitals?
2) What organisational characteristics differentiate regional private hospitals on a strategic orientation continuum?
3) Which types of marketing strategy formulation concepts emerge within regional private hospitals?
    - 3a. How does the health care environment emerge in the marketing plan of regional private hospitals?
    - 3b. How does strategic marketing implementation emerge in the marketing plan of regional private hospitals?
    - 3c. How does strategic marketing evaluation and control emerge in the marketing plan of regional private hospitals?

4) What is the role of strategy communication within the marketing strategy in regional private hospitals?

Research propositions were developed based on the above research issues and the gaps identified in the literature review. Due to reasons previously highlighted, regarding performance, P2 and P4 have been excluded. These propositions will be discussed in the future research opportunities. The overriding propositions provide the basis for this current chapter and include:

P1: The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum.

P3: Different management levels understanding of marketing strategy in regional private hospitals can be positioned on a continuum.

P5: The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

P6: The implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.

P7: Different management levels understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations.

P8: Different management levels understanding of strategy communication in regional private hospitals impact on marketing strategy within the organisations.

In providing the basis for this chapter, Chapter 2 has provided the structure for this final chapter through incorporating the body of literature into the findings of the

research to provide the conclusions. The first aspect of this research to be discussed is strategy making in regional private hospitals.

5.3 Strategy making

In the exploration of strategy making in regional private hospitals, Chapter 2 examined marketing strategy and organisational strategy, and focused on strategic intent, competition in strategy, strategy types and strategic issue management. It also noted the continuous and insight commentary provided by Mintzberg on strategy, strategic planning, and strategy formulation (Ansoff 1980; Galbraith & Schendel 1983; Hall & Vredenburg 2004; Hamel & Prahalad 1989, 1993; Hart 1992; Miller & Friesen 1978; Mintzberg 1973, 1978, 1987a, 1987b, 1987c, 1994a, 1994b, 1994c; Mintzberg & Lampel 1999).

The following section will address strategy development in regional private hospitals and apply the findings and literature to the overriding research question explored in this study.

5.3.1 Strategy development

Strategy development and its characteristics have been widely explored (Allio 2006; Bailey & Johnson 1995; Bailey, Johnson & Daniels 2000; Swamidass, Baines & Neil 2001; Wells et al. 2004). Table 2.1 in Chapter 2 outlines a comprehensive assessment of both ‘good’ and ‘bad’ characteristics in strategy development as described by Allio (2006). In support of Allio’s findings, the results reported here have shown that ‘good’ characteristics — identified from the inputs of a range of sources including staff, community, executive teams, doctors, specialists and patients — exist in the regional private hospitals studied.

One of the ‘good’ characteristics depicted by Allio (2006) is participative strategy. This involves the combination of education, team building and analysis as the strategy is developed. Throughout the findings of this study, education was shown

to play a role in regional private hospitals' strategy development through staff training. Team building was also indicated by the CEOs and remaining strategy decision makers as an area of focus through the combination of the three aspects of participative strategy, rather than treating them separately. This study therefore echoes the findings of Allio (2006) by illustrating that in regional private hospitals, when developing strategies, both team building and staff education are given consideration.

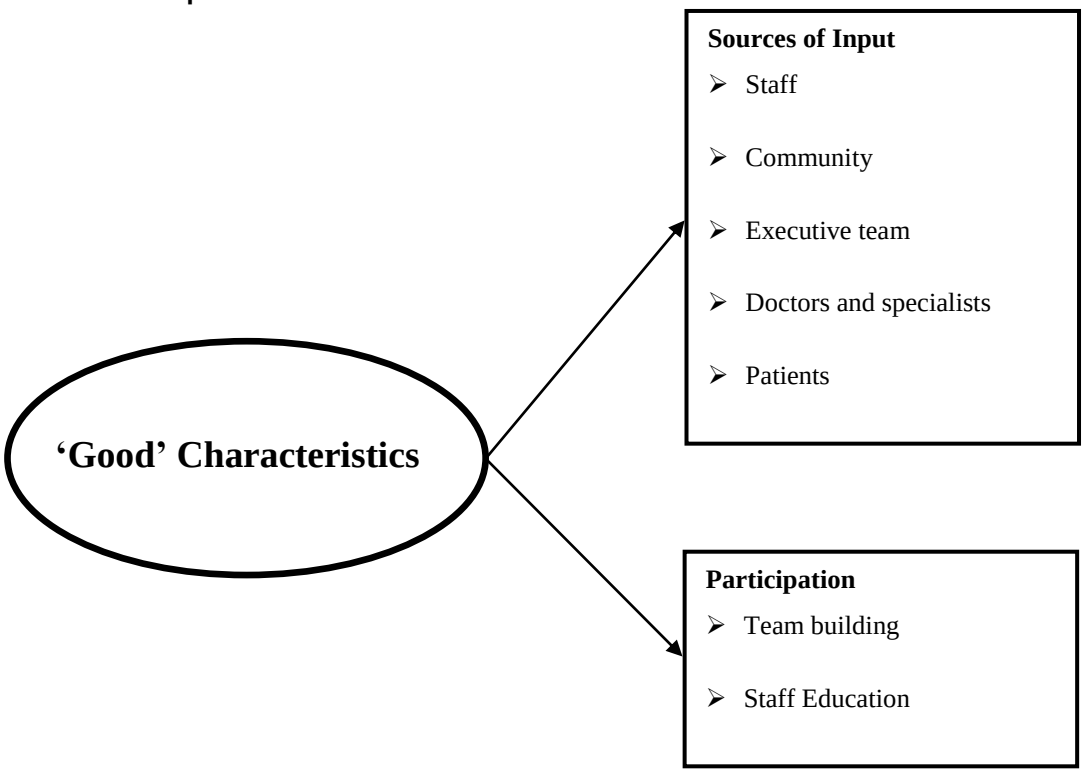
Regarding the 'bad' characteristics of strategy, both Allio (2006) and Wells et al. (2004) noted that strategic ideas coming from just the CEOs and their key managers (i.e., without staff input) were detrimental to the strategy. This idea is reflected in the work on organisational level discussed by Bailey and Johnson (1995), the dimensions of culture, politics, command, and enforced choice depicted by Bailey, Johnson and Daniels (2000) and the participativeness of different managers highlighted by Swamidass, Baines and Darlow (2001). There are conflicting results in this study about the origin of strategic ideas. When discussing who formulates and plans the organisation's strategy, CEOs and remaining strategic decision makers (RSDMs) indicated that senior management or the executive committee did so. However, further discussion with the CEOs and RSDMs indicated that staff were consulted to some extent when developing strategy. The extent of this consultation with staff and the importance placed on it was, however, vague.

Overall this study has shown that input and consultation with a variety of sources in strategy development is beneficial. There were, however, conflicting results as to the extent of consultation and the importance it received. Therefore, in examining how marketing strategy influences organisational strategy, it is imperative that the variety of sources (i.e. staff, community, the executive team, doctors, specialists, and the patients) are consulted by the organisation executive. This should be done in conjunction with team building and education, discussed previously. These sources and activities will all influence the relationship between marketing strategy and organisational strategy. This influence, however, depends on the extent of consultation made.

It is also important to note that in relation to the findings of Allio (2006), the author mentioned other characteristics of strategy, such as being balanced and rational, energising, practical, and within the budget (see Table 2.1). These characteristics did not emerge in the findings.

Figure 5.2 illustrates the 'good' characteristics of strategy development found through this study's results in regional private hospitals. Both sources of input and the participation of staff are shown to be important in regional private hospital strategy development. In regard to sources of input, the findings have shown that staff, community, the executive team, doctors, specialists and patients are all involved in strategy development. In terms of participation in strategy development, both team-building and staff education were considered important aspects. It is significant, however, that results were conflicting on the extent to which different sources of input were consulted in strategy development.

Figure 5.2 'Good' characteristics of strategy development in regional private hospitals



5.3.2 Quality management and improvement

Quality management and quality improvement were depicted in Chapter 2 as important elements of organisational strategy. Quality management in health care was illustrated by Larson and Muller (2002) as an iterative process that uses systematic attempts to change or reinforce certain behaviours, in accordance with the use of TQM in quality assurance programs (Smith & Offodile 2008). Dey and Hariharan (2006) depicted quality improvement as both complex and multidimensional, and Wagner et al. (2006) suggested that financial reimbursement had some influence on the implementation activities of quality management if the activities were specific enough. In terms of quality in health care with respect to organisational strategy in regional private hospitals, the findings of the current study focused to an organisation's ability to provide quality health care services to the community in which each hospital operates. This therefore depicts quality management and quality improvement in regional private hospitals as revolving around the quality of the services provided by the hospital; it should also be noted that this quality was related to both satisfied patients and doctors who utilise the regional private hospitals.

An additional aspect of the quality improvement activities that is highlighted by Ennis and Harrington (1999) is the need for patient feedback and the handling of complaints. It was indicated in the regional private hospitals that feedback was obtained from a variety of sources, and about various organisational aspects across the different case studies. In case study seven, feedback was obtained from staff regarding the strategic plan, in accordance with feedback from general practitioners. Throughout case study five it was indicated that feedback specific to marketing strategy was obtained. Case study eight also went on to explain that feedback was used as an evaluation tool in marketing strategy; however, this will be explored in greater depth at a later stage in this chapter. Therefore, these results endorse the views held by Ennis and Harrington (1999). Additional insight has, however, been provided in this study through the fact that feedback can be obtained from a variety of different sources regarding a variety of different issues, such as the strategic plan, specific marketing strategies and the evaluation of those strategies.

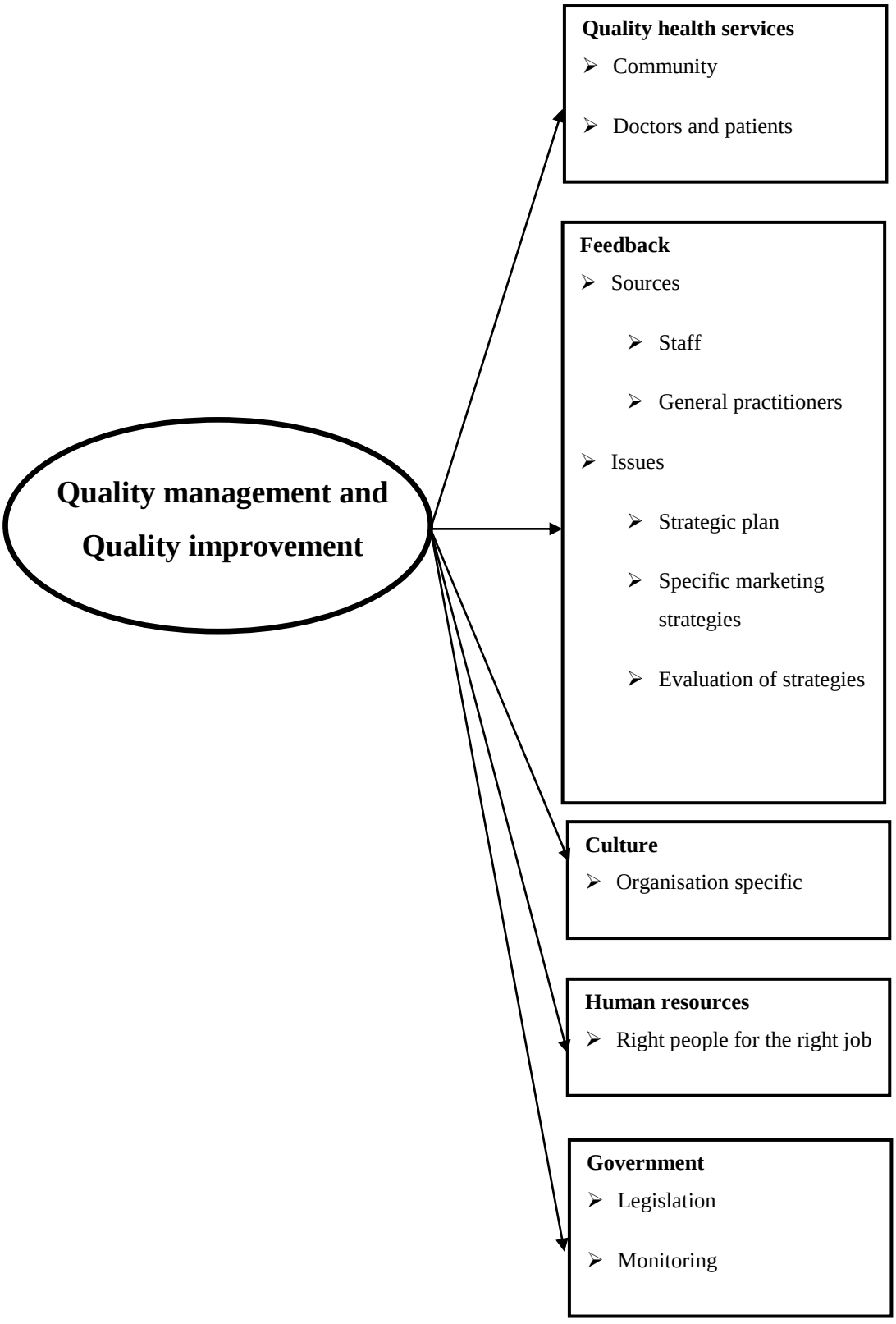
In reviewing the literature on quality management and quality improvement, the culture of the organisation has also been considered (Ennis & Harrington 1999). The findings of the current study indicated that the culture associated with regional private hospitals was very organisation-specific. Overall, throughout the eight case organisations a positive image was painted of organisational culture. This aspect of strategy will, however, be explored further through the implementation construct later in this chapter.

This study offers additional insight to quality management and improvement in relation to human resources, quality management and improvement. This insight is particularly relevant to employee roles in the organisation. The results of this study indicated that regional private hospitals want to make sure that they have the right people for the right job, hence managing and improving the quality of service provided by their hospitals. This was particularly evident in case study eight, where the regional private hospital, before beginning their strategy development, found out what human resources they had available in the hospital and the community. Therefore, regional private hospitals place emphasis on human resources to manage and improve the quality of service offered, and those human resources are seen as important aspects in the strategic orientation of the firm. Additionally, the role of the government is relevant to quality management and improvement in regional private hospitals, and the CEOs and RSDMs emphasised this point. This role has been given particular focus in terms of legislative changes and governments' involvement in health care services. Through both legislation and the governments' role in monitoring health care providers, quality management and improvement are directly impacted as these are areas of consideration for governing bodies.

It is apparent that quality management and improvement in relation to services offered by regional private hospitals, and meeting legislative changes in health care, impact on strategy development. These aspects need to be taken into consideration when developing marketing strategies in regional private hospitals and thus will affect the overriding organisational strategy in that service improvements and government monitoring will become priority areas to be addressed.

Figure 5.3 illustrates the aspects found to be of importance to quality management and quality improvement in regional private hospitals. Quality health services are depicted and are shown to be of importance to the community in which the hospital operates, and to the doctors and their patients. Feedback has been obtained from staff and general practitioners about issues such as the strategic plan, specific marketing strategies, and the evaluation of those strategies. Culture was also shown to be related to quality management and improvement by being specific to each individual organisation, thus indirectly affecting the quality of services provided by the hospital.

Figure 5.3 Quality management and quality improvement in regional private hospitals



5.3.3 Strategic consensus

The role of strategic consensus in strategy development has been highlighted in the literature through examining the role of the Director of Nursing (DON) in achieving consensus (Carney 2004), commitment and its effect on consensus (Carney 2007), actively engaging support (Rapert, Lynch & Suter 1996), and middle management's relationship with strategic consensus (Pappas, Flaherty & Wooldridge 2003).

Findings from this study showed that the DONs in regional private hospitals appeared to have worked closely with the CEOs in developing the organisational strategy (Carney 2004). In two of the eight case studies the DONs had even assumed the role of CEO due to a lack of human resources. The DONs were shown as being responsible for communicating with other staff members, such as the nurse unit managers, regarding strategy. It is therefore apparent that the role of the DONs in achieving consensus involved them in working closely with the CEOs (or in some cases assuming the role of CEO), and communicating effectively with staff about what the strategy involved and gaining their feedback.

Commitment was not discussed directly by either the CEOs or RSDMs (Carney 2007). It was indirectly displayed, however, by the executive team in (a) their desire to communicate with staff, thus illustrating commitment to their staff and (b) their commitment to the community, which was inferred from the interviewees' responses. This was also seen to be trying to actively engage support from staff, as suggested by Rapert, Lynch and Suter (1996). The effect that commitment has on strategic consensus was not, however, highlighted in the responses.

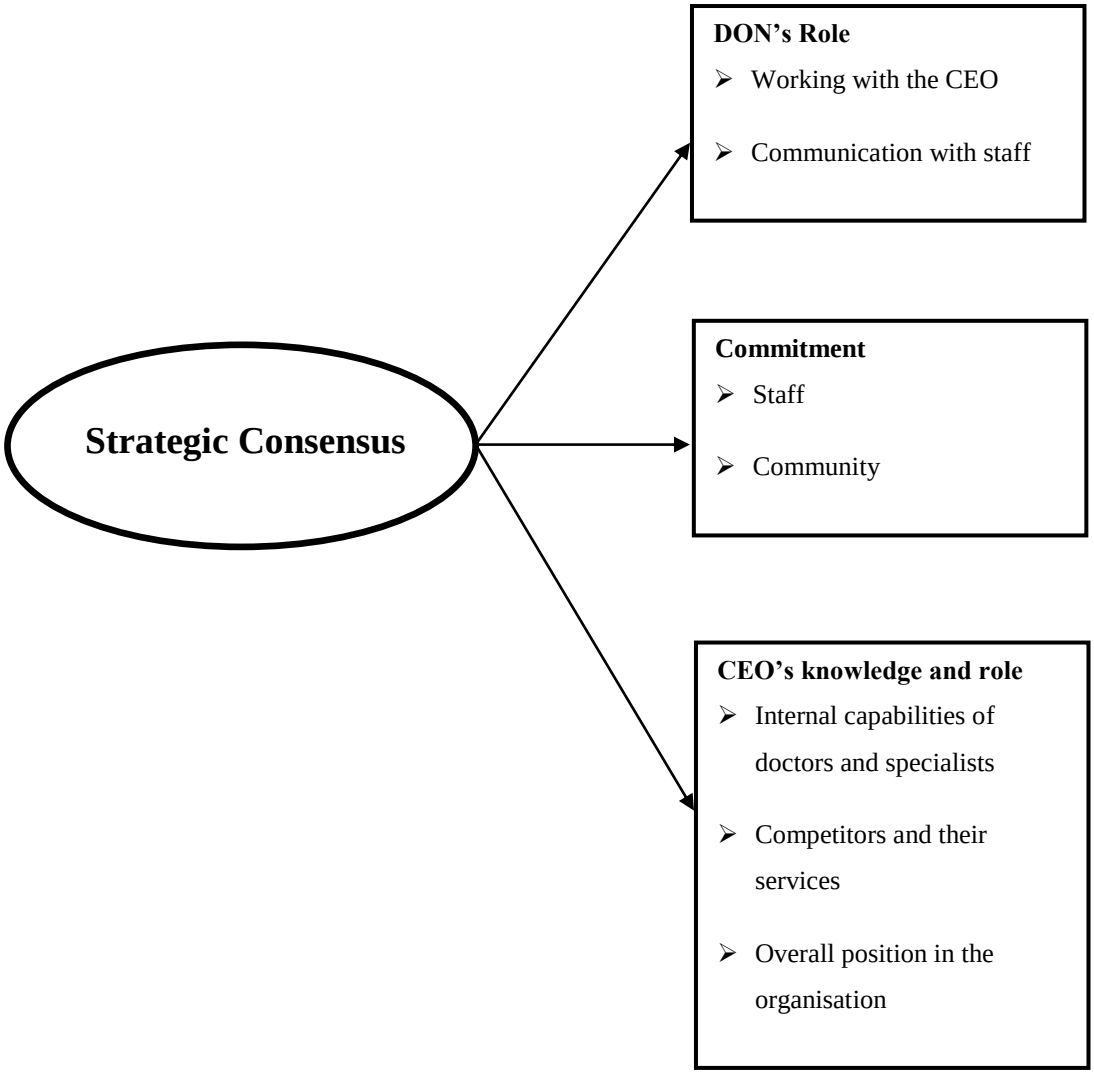
This current study was not focused on the middle managers in regional private hospitals as Pappas, Flaherty and Wooldridge (2003) have done previously. Findings did, however, indicate that managers' knowledge of internal capabilities and the external environment was revealed throughout the eight case studies (Pappas, Flaherty & Wooldridge 2003). An example of these internal capabilities and knowledge of the external environment can be seen in the CEOs' knowledge about the doctors and specialists who worked in their organisations, and their knowledge of

competitors and what services they provide. The managers' social position in the management structure — the second factor in realising strategic consensus — was not directly referred to by either the CEOs or RSDMs. The managers' overall position in the organisation, however, was viewed as the one being in charge of the strategy development in association with other members of the executive team, such as the DON and the financial advisor/manager.

From the preceding discussion it is evident that consensus within the strategic orientation of regional private hospitals is built on a number of different aspects, such as (a) the DONs working closely with the CEOs (or in some cases assuming the role of CEO) and communicating effectively with other staff members, (b) commitment to both staff and community through constant communication and active engagement and (c) knowledge of internal capabilities and the external environment. These findings indicate that senior staff have a large role to play in the achievement of strategic consensus in the organisation, and thus they must be included in the formulation of the marketing strategy, which should be considered by senior managers when formulating the overriding organisational strategy.

Figure 5.4 shows that strategic consensus in regional private hospitals is influenced by (a) the DONs' role in the organisation (such as through their work with the CEOs and their communication with staff), (b) commitment from both staff and the communities in which the hospitals operate and (c) the CEOs' knowledge and role in the organisation (such as through the internal capabilities of doctors and specialists, the CEOs' knowledge of competitors and their services, and the CEOs' overall position within the organisation).

Figure 5.4 Strategic consensus in regional private hospitals and its influences



5.3.4 Deliberate and emergent strategy

The literature dealing with the concepts of deliberate and emergent strategy indicate that (a) strategies can be placed on a continuum between emergent and deliberate strategies (Mintzberg, Quinn & Ghoshal 1999), (b) strategy is imposed due to circumstances, and the organisation has to react to circumstances outside its control (Fuller-Love & Cooper 2000), (c) there is a positive link between performance and emerging strategy (Covin, Green & Slevin 2006), (d) emergent strategy can assist in decision making (Carr, Durant & Downs 2004) and (e) deliberate strategy can produce sustainability (Mason, Heaton & Morgan 2004).

The continuum aspect of strategy, as described by Mintzberg, Quinn and Ghoshal (1999), is evident through the strategic orientation continuum developed by Aaker and Mills (2005). The results of this study have revealed that organisational strategies were positioned along this continuum, through responses to the question: '*Please refer to the following criteria and scales. Where would you say your organisational strategy sits on these scales with regards to the stated organisational characteristics*' (see Appendix A). Expanding on this, the reaction to circumstances (Fuller-Love & Cooper 2000) can be seen through the regional private hospitals' abilities to change and adapt to current situations, thus indicating an emergent strategic approach that is not constrained, as was suggested by Mason, Heaton and Morgan (2004). These abilities were achieved through not being bogged down in meetings, keeping the overall goals of the organisation constantly in mind, being responsive to community change, and monitoring government activities and legislative changes.

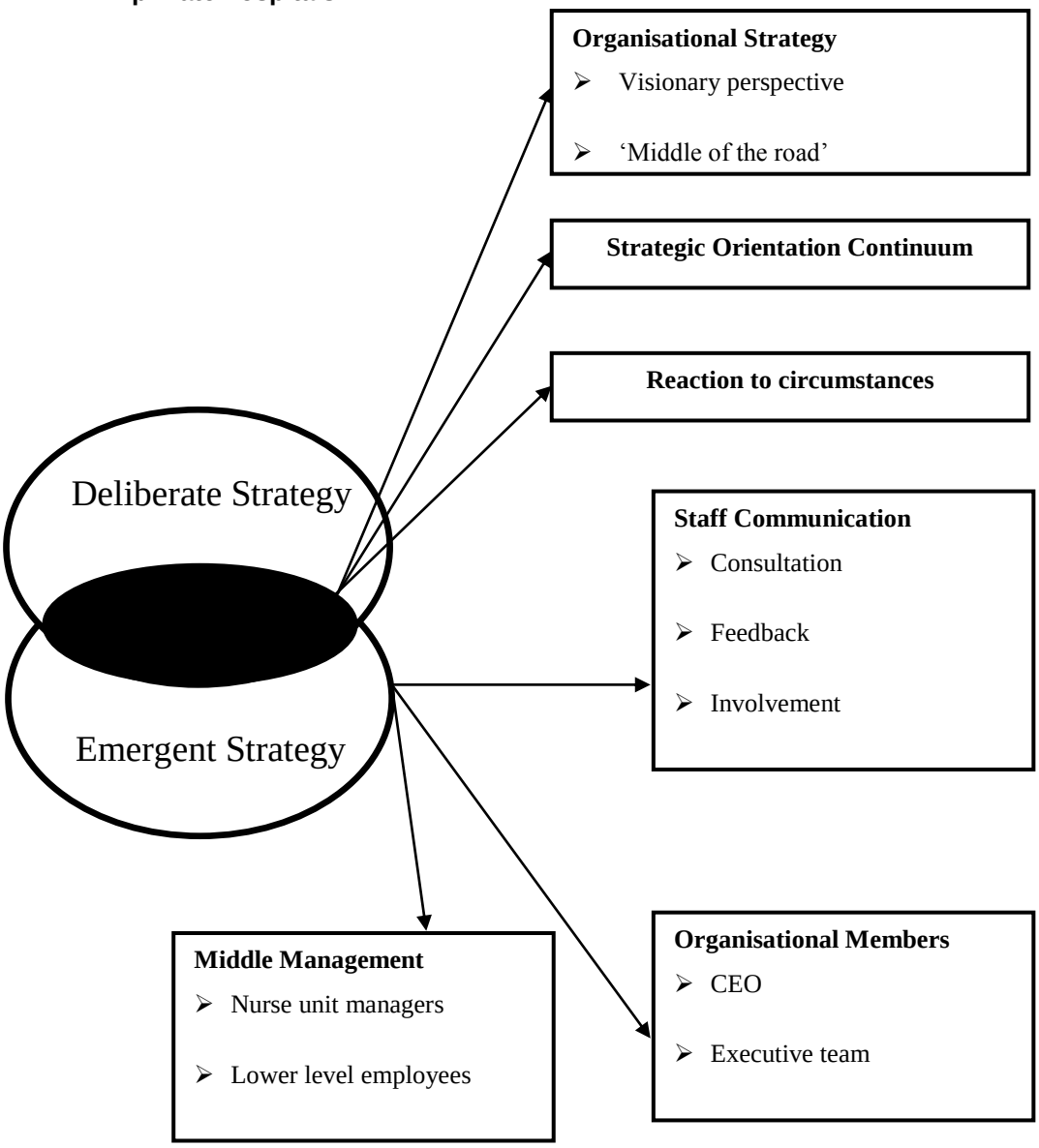
The findings also indicated a level of communication between staff in regional private hospitals (Carr, Durant & Downs 2004). This communication may be in the form of consulting staff in the strategic planning development, obtaining feedback from staff, and/or directly involving staff in the development of strategies. Whether these strategies are effective remains unclear and requires further exploration in future research studies. With regards to who is involved in the strategy (Carr, Durant & Downs 2004), the results have indicated that the CEOs and their executive team are the key organisational members. It was, however, made apparent by some of the case organisations that they did consult staff, but the extent and level at which this was done were based on a case-by-case situation. The role of middle management (Carr, Durant & Downs 2004) in regional private hospitals was seen as falling somewhere between the roles of the executive team and the lower level employees; however, this also indicated an extended level of participation in decision making (Covin, Green & Slevin 2006). This was apparent in that the unit managers would report to the DONs any 'need to know' information from the lower level employees. Unexpected events, as discussed previously by Carr, Durant and Downs (2004), in that regional private hospitals take control of these by ensuring they have the ability to change strategic direction very quickly and take control of opportunities presented

to them. Leadership style and experimentation (Carr, Durant & Downs 2004) were not directly discussed by the CEOs or RSDMs. However, leadership style can be inferred through the CEOs' willingness to be flexible and adapt the strategy as required.

This study has therefore provided insight in relation to the continuum nature of strategy (Aaker & Mills 2005; Mintzberg, Quinn & Ghoshal 1999), reaction to circumstances (Fuller-Love & Cooper 2000; Mason, Heaton & Morgan 2004), the propositions surrounding the development, abduction and pragmatism of emergent strategy (Carr, Durant & Downs 2004; Covin, Green & Slevin 2006). This insight illustrates that strategy in regional private hospitals can be associated with a continuum, while techniques are employed to enable reaction to unexpected circumstances. It should also be noted that the quantitative findings have indicated that on some organisational characteristics the organisational strategy of regional private hospitals was predominately associated with a strategic visionary perspective; other characteristics were viewed as being 'middle of the road', indicating indecision and uncertainty. It is apparent that an emergent strategic orientation can be associated with the marketing strategy of regional private hospitals, indicating that as the marketing strategy emerges, so too will the organisational strategy of regional private hospitals.

Figure 5.5 illustrates the different aspects affecting deliberate and emergent strategies in regional private hospitals. From this figure it is apparent that organisational strategy is associated with a visionary perspective, this perspective being obtained from the strategic orientation continuum; it is also clear that the hospitals are capable of reacting to circumstances quickly. In addition, Figure 5.5 illustrates that staff communication occurs in the forms of consultation with staff, feedback from staff, and overall involvement from staff. Key organisational members that affect the emergent strategy in regional private hospitals have been shown as the CEOs and the executive team, while middle management consists of the nurse unit managers and lower level employees.

Figure 5.5 Deliberate and emergent strategies and their influences in regional private hospitals



From discussions about strategy development, quality management and improvement, strategic consensus, and deliberate and emergent strategy, **Research Issue 1**: *What is the role of marketing strategy within organisational strategy in regional private hospitals?* can be **answered**. The role of marketing strategy in regional private hospitals is determined by (a) sources (i.e. staff, community, the executive team, doctors, specialists, and the patients), (b) team building and education in strategy development, (c) the quality of management and improvement of services offered by the organisations, (d) the ability to meet legislative changes, (e) the role of senior staff in achieving strategic consensus throughout the

organisations, and (f) an emergent nature dictated by the ability to react to unexpected circumstances.

5.3.5 Strategy development on different organisational levels

The development of strategy on different organisational levels has been explored throughout the literature in terms of different employee roles in the organisation (DiVanna & Austin 2004; Hanford 1995; Ketokivi & Castaner 2004; O'Shannassy 2003; Porter 2005; Wells et al. 2004; Wooldridge & Floyd 1990).

In this current study, the roles of the CEOs and other key stakeholders involved a number of key activities in regional private hospitals. The findings indicated these activities as including the development and maintenance of positive relationships with both doctors and specialists, the introduction of new services to benefit the community, and maintaining a positive image/relationship with the community in which the hospital operates. These findings offer greater insight than those indicated in the literature, where it has been stated that CEOs make the ultimate choice (Porter 2005) and provide the strategic ideas (Wells et al. 2004); however, all individuals in an organisation should think strategically and be involved (DiVanna & Austin 2004; Hanford 1995; Ketokivi & Castaner 2004; O'Shannassy 2003; Wooldridge & Floyd 1990).

In summary, this study has provided additional insight into the roles of CEOs and key stakeholders in regional private hospitals. This insight involves both the CEOs and key stakeholders striving to maintain positive relationships with both doctors and specialists in accordance with the community in which the hospitals operate.

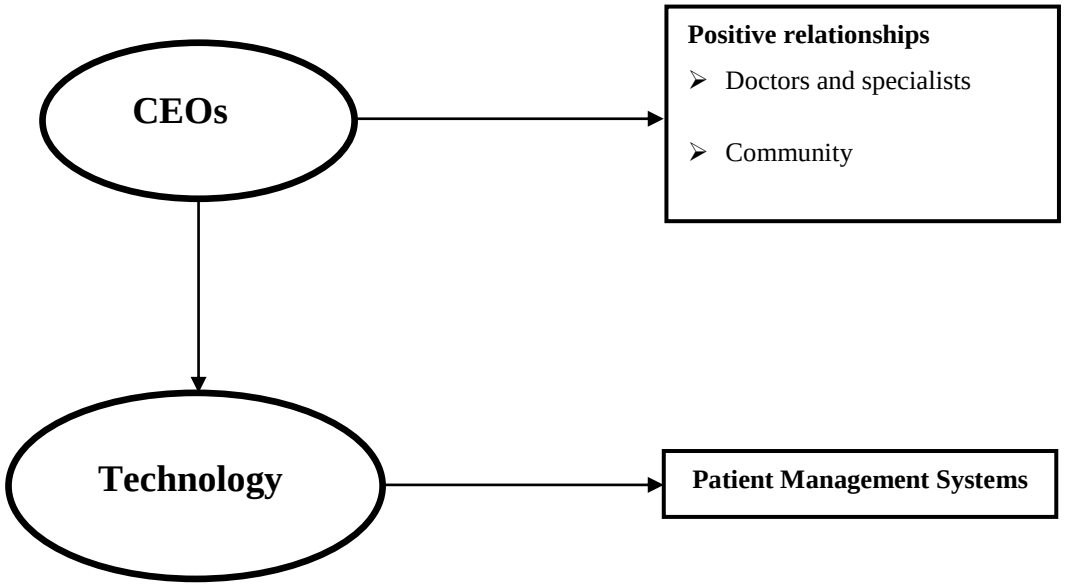
Richardson and Gurtner (1999) extended their observations beyond the role of CEOs and RSDMs in private hospitals, and observed that quality management recognises a link between technology and people, and requires an investment in both. The results of this current study support these observations, in that the regional private hospitals were found to place an emphasis on the patient management systems employed in their organisations. However, this current study has expanded on Richardson and

Gurtner's (1999) observations, and has identified patient management systems that manage all the data and information relating to each individual patient in the regional private hospitals, hence highlighting the importance of technology within these organisations.

From the preceding discussions it is apparent that both the CEOs and RSDMs in regional private hospitals specifically work to maintain positive relationships and that patient management systems and their usage can assistance in this maintenance. These specific aspects of the roles of CEOs and other hospital staff assist in identifying how marketing strategy influences organisational strategy, through maintaining positive relationships.

The CEOs and their role in regional private hospitals as it relates to technology are illustrated in Figure 5.6. It can be seen that the CEOs are primarily concerned with maintaining the positive relationships with doctors, specialists and the community in which they operate. It is also illustrated that the CEOs are linked to the technology of patient management systems. This assists in the management of patients, which are another key stakeholder group in regional private hospitals.

Figure 5.6 CEOs and their roles in strategy development and technology



5.3.6 Organisational strategy

A notable difference between the CEOs and RSDMs was in their understanding of organisational strategy and change. This difference was seen in the CEOs being concerned with strategic direction and its associated changes, while the RSDMs discussed change in terms of external factors being the basis for change within the organisation.

Different characteristics of the organisational strategies in regional private hospitals can be associated with a visionary perspective as previously highlighted in Section 4.10. Interestingly, however, as mentioned in Chapter 4 the 'middle of the road' perspective was taken by both management levels on some organisational characteristics. The Aaker and Mills' (2005) continuum has been used in this research to investigate the relationship between organisational strategy and marketing strategy, where both commonalities and differences have been discovered; these will be discussed in Section 5.4.1. The underlying influences behind the different decision maker groups' understanding of and approaches to strategy specification in *organisational strategy* are explored in the following section.

Aaker and Mills (2005) suggested some key components that require consideration and inclusion in any strategy specification. These components consisted of *scope and mission, level of investment, strategic assets and competencies, goals and objectives, allocation of resources*, and *synergy*. Additional focus was also given to *scope and mission* and *synergy* by Bart and Hupfer (2004), Hamel and Prahalad (1989, 1993), O'Gorman and Doran (1999), Pearce II (1982), Pearce II and David (1987), and Sidhu (2003). From an investigation into the results of this study it is apparent that *mission statements* are utilised in regional private hospitals. The findings indicate that the *scope* of the regional private hospitals activities is influenced by what the community needs in terms of services and the capacity of the hospital to provide those services. The general manager of case study eight provided another perspective regarding the *scope and mission* of regional private hospitals, noting that the *scope* of the hospital is constantly changing and that they 'try something and once that's over they move on to the next activity'. Overall it was

indicated by the results that the *mission statements* of regional private hospitals were utilised to maintain a positive relationship with the doctors and other key stakeholders. This relationship was achieved by portraying a positive *mission statement* for the organisation. This finding therefore indicates that *mission statements* are indeed an inclusion in the strategy specification of organisational strategy in regional private hospitals.

These findings endorse those of other researchers (Bart & Hupfer 2004; O'Gorman & Doran 1999; Pearce II 1982; Pearce II & David 1987; Sidhu 2003), who linked *mission statements* to a positive influence on organisational performance. It is clear that *mission statements* play an important role in the specification of organisational strategy in regional private hospitals. This study has expanded on other literature reports (Bart & Hupfer 2004; O'Gorman & Doran 1999; Pearce II 1982; Pearce II & David 1987; Sidhu 2003), with the *mission statements* in these health care organisations being seen to be used to maintain positive relationships with doctors and key stakeholders, and to play a key role in the strategies of regional private hospitals.

Another strategic component of organisational strategy that was discussed by Aaker and Mills (2005), and which was found to be relevant to some extent in regional private hospitals, was *synergy*. Strategic synergy and fit were addressed by Hamel and Prahalad (1989, 1993) in terms of global leadership and competitiveness. As previously discussed in Chapter 2, Mische (2001) identified *synergy* as being obtained through a number of avenues. These avenues made themselves known in the context of regional private hospitals through the realisation of long-term business and social benefits. This longevity was illustrated by case study four in a discussion regarding short-term, medium-term, and long-term strategies. The integration of social responsibility, as discussed by Mische (2001), was displayed throughout the findings in the desire of the regional private hospitals to meet the needs of the communities in which they operated. The implementation of financial, cultural, educational and social commitments in the communities was also outlined by Mische (2001) as a method of achieving *synergy*. The desire to implement this in the communities was shown in the results of all eight case studies, with each hospital

being highly community-focused. In achieving *synergy* in organisational strategy, Mische (2001) also made the point that it is favourable to work to develop effective levels in the area of social affiliation, especially between the organisation and its local community. This social affiliation was also illustrated in the findings in all eight case studies. This is evident through the emphasis placed on communicating with the community and the generation of passion among the community about the hospitals. The notion of community in synergy can also be associated with resources as discussed by Hamel and Prahalad (1993) and the focus given to community as a resource for the long-term strategic orientation of regional private hospitals.

From this discussion it is apparent that *synergy* plays an important role in the specification of organisational strategy in regional private hospitals. This study has expanded on the literature (Aaker & Mills 2005; Hamel & Prahalad 1993; Mische 2001), with the focus of *synergy* in strategy specification being found to be directly related to the communities in which the regional private hospitals operate, and the role they play in the achievement of *synergy*.

The *level of investment* was also discussed as being a part of strategy specification by Aaker and Mills (2005) in terms of growth in the market. From the findings of this study it can be seen that regional private hospitals are concerned with the *level of investment* through the introduction of new services into the community in which they operate. This introduction of new services would also include the building of new facilities on-site and recruitment of more doctors and specialists to the area. With regards to the growth of existing services in regional private hospitals, this was not given a lot of consideration by the CEOs or RSDMs. The findings therefore indicate that *level of investment* is an inclusion in regional private hospitals' specification in organisational strategy.

It is evident from the above discussion that the *level of investment* is an aspect of consideration in the specification of organisational strategy in regional private hospitals. Additional insight into the organisational strategy is offered into the discussion by Aaker and Mills (2005) through these findings as the focus of the *level of investment* is geared towards the introduction of new services.

Aaker and Mills (2005), when discussing the components of strategy specification, also referred to the *assets and competences* of an organisation in reference to organisational strategy. The results of this study made some important determinations about the *assets and competencies* of regional private hospitals and their role in organisational strategy development. Particular focus was given by the CEOs and RSDMs to the notion that the *competencies* in regional private hospitals are affected by, and dependent on, what surgeons and specialists they can attract to their geographical area. This dependence is a result of the surgeons and specialists being the ones who provide the services to the hospitals' patients. Due to this, when discussing *assets* in regional private hospitals the surgeons, doctors and specialists are regarded as *assets* to the organisation, as are the buildings and equipment owned by the hospitals.

Through an examination of the literature in relation to the findings of this research it is apparent that *assets and competencies* are a part of the strategy specification of organisational strategy in regional private hospitals. The findings have expanded on those of Aaker and Mills (2005) as it has been made clear that the surgeons, doctors and specialists are the actual *assets and competencies* being referred to in regional private hospitals.

Aaker and Mills (2005) also noted that *objectives and goals* are key components of strategic specification. The *objectives and goals* of the regional private hospitals were not given a great deal of focus by the CEOs or the RSDMs. However, the manager for outreach services in case study eight did indicate that the *goals* of the organisation are the basis for the organisational strategy. This manager also made the point that the strategy had to be responsive to changing circumstances.

The above discussion signifies that *goals* are the basis for strategy specification in the organisational strategy of regional private hospitals. This study does, however, expand on the role of *objectives and goals* (Aaker & Mills 2005) in the specification of organisational strategy. It has been highlighted that the specification needs to

account for the changing circumstances that the hospitals encounter on a regular basis.

An additional component that Aaker and Mills (2005) indicated as being part of strategic specification is the allocation and usage of both *financial and non-financial resources*. From the findings of this study it is clear that particular focus was paid by the CEOs and RSDMs to the *non-financial resources* in regional private hospitals. These *non-financial resources* were indicated to be doctors and specialists and the role that they play in the organisational strategy. It was made apparent throughout the results of this study that without the positive relationships among doctors, surgeons and specialists, the regional private hospitals could not possibly survive.

In contrast to the literature (Aaker & Mills 2005), these findings illustrate that a great deal of attention is paid by the regional private hospitals to their *non-financial resources* (such as doctors and specialists), in the specification of organisational strategy, and not necessarily *financial resources*. This study also expands on the literature, which is focused on the allocation and usage of resources, through reiterating the importance of the *non-financial resources* and to the organisation's dependence on them in order to survive.

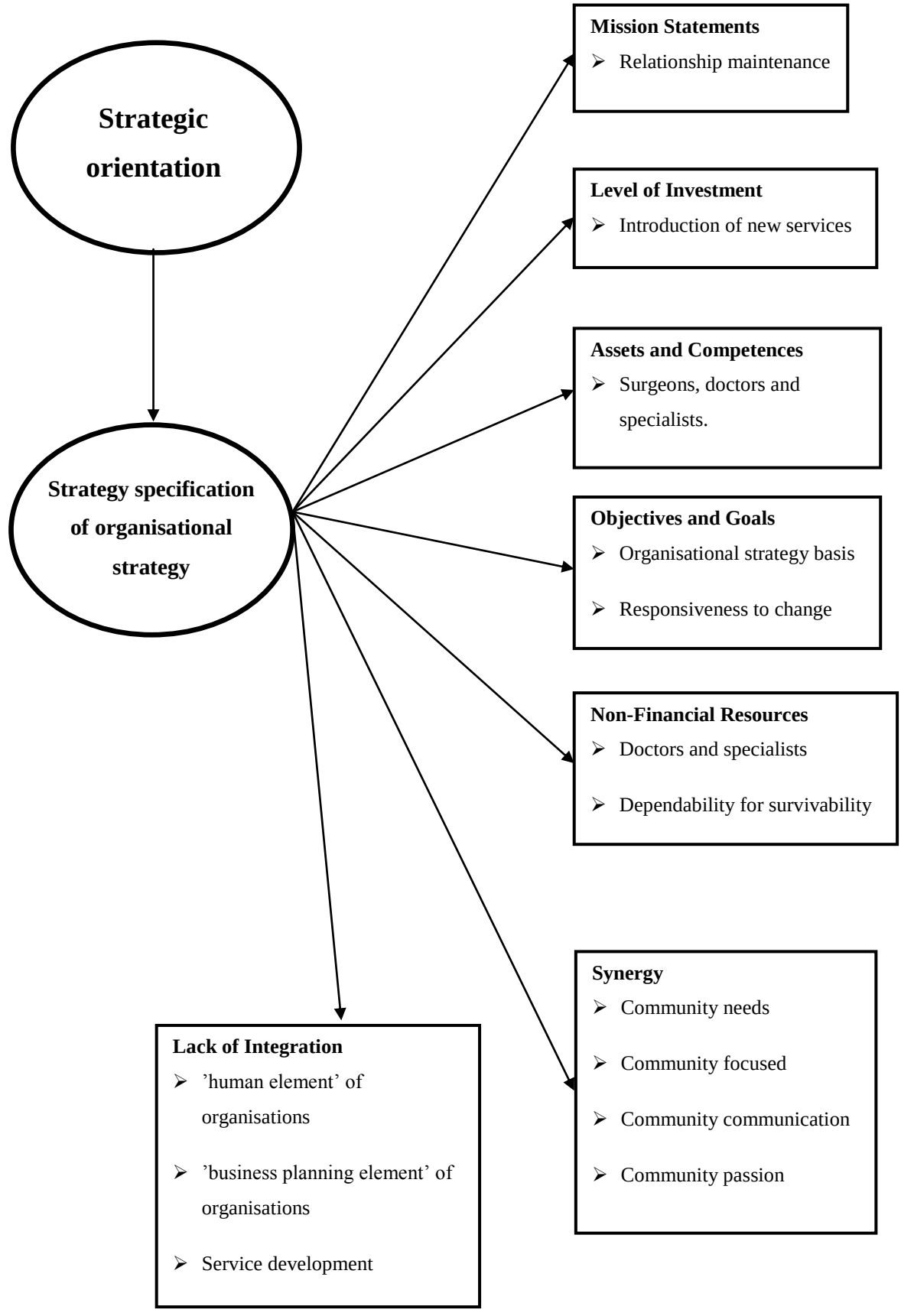
From this study, several new insights can be offered. It was clear from the findings that the strategic orientation of the CEOs and the RSDMs differ. An aspect of interest that surfaced through this research was the 'middle of the road' perspective taken by both management levels on some organisational characteristics. This perspective indicates uncertainty and indecision in some aspects of organisational strategy. From the preceding discussions on *strategy specification* it is apparent that different components of specification relate to the organisational strategy of regional private hospitals; this affects the influence that marketing strategy has on organisational strategy in these organisations. Specifically, it is clear that (a) mission statements are used to maintain positive relationships with doctors and key stakeholders, (b) *synergy* is directly related to the communities in which the regional private hospitals operate, (c) *level of investment* is geared towards the introduction of

new services, (d) the surgeons, doctors and specialists are *assets and competencies* in regional private hospitals, (e) *objectives and goals* in organisational strategy need to account for the changing circumstances that the hospitals encounter on a regular basis and (f) regional private hospitals are dependent on *non-financial resources* to survive. From the integration of the literature and this study's findings, it is evident that all of the above components play a role in the organisational strategy of regional private hospitals. Consequently, consideration should also be given to them in the formulation of marketing strategy in the organisations.

The new insights that have been gained through this research on strategy specification and its influence on the organisational strategy of private sector hospitals have been illustrated in Figure 5.7. This figure depicts components of strategy specification that have emerged from this research in relation to regional private hospitals. Relationship maintenance is a key focus in *mission statements* as it is proposed that private hospitals maintain relationships with key stakeholders via positive *mission statements*. By including the *level of investment* in *strategy specification,* regional private hospitals are focused on introducing new services. It has also become apparent that regional private hospitals believe that *assets and competencies* play a key role in *strategy specification.* Surgeons, doctors and specialists are viewed as assets and contribute to the competence of the private hospital. Regarding the inclusion of *objectives and goals* in *strategy specification,* the findings have made it apparent that the *objectives and goals* are both the basis for organisational strategy and responsive to change. *Non-financial resources* have also been depicted in Figure 5.7 as a part of *strategy specificatio*n. Doctors and specialists are viewed as non-financial resources. Non-financial resources play a role in the survivability of the organisation. *Synergy* is a component of *strategy specification.* Community needs, community focus, community communication, and community passion are key components to achieve synergy between diverse demands. The additional insight offered with regards to the lack of integration between the 'human element' in organisations and the 'business planning' element in organisations has also been illustrated in Figure 5.7. The components described above are in line with those discussed by Aaker and Mills (2005); however, it is apparent that the findings of this study expanded on these components in relation to

regional private hospitals. This expansion is seen through the maintenance of relationships, the importance placed on doctors, surgeons andspecialists, and the focus given to the community in relation to *strategy specification*.

Figure 5.7 Strategy specification of organisational strategy in regional private hospitals



5.3.7 Conclusions about strategy making

From the preceding discussions, the different components of strategy making in regional private hospitals have been addressed by incorporating the literature with the findings of this research. Specifically, ***Research Issue 1*** has been confirmed and the role of marketing strategy in organisational strategy determined.

New insights have also been offered, particularly in relation to the areas of strategy development, quality management and improvement, strategic consensus, deliberate and emergent strategies, strategy development on different organisational levels, and organisational strategy.

Through investigation into the results of this research and the literature relating to organisational strategy, detailed propositions for future research have been developed. These propositions can be explored in greater depth by future research projects and include:

P1a: The greater the strategic vision perspective of regional private hospitals, the less likely their perspective will be focused on strategic opportunism.

P1b: The greater understanding there is of individual employees' roles in regional private hospitals, the less likely a negative effect on organisational strategy will occur.

P1c: The stronger the leadership displayed by senior management in regional private hospitals, the greater the positive influence on organisational strategy.

P1d: The more developed strategic consensus is in regional private hospitals, the greater the positive impact on organisational strategy.

5.4 Underlying theoretical models in marketing strategy and organisational strategy

Chapter 2 explored a number of different theoretical models related to marketing strategy and organisational strategy, and compared them to the strategic orientation continuum of Aaker and Mills (2005). These models included Ansoff's growth matrix in marketing strategy (Ansoff 1957), Boston Consulting Group product portfolio analysis matrix in marketing strategy (Edwards Nutton 2007; Hambrick, MacMillan & Day 1982), Porter's generic strategies in marketing strategy (Miller & Friesen 1986), the Miles and Snow typology in marketing strategy (Miles et al. 1978; Peng, Tan & Tong 2004), Mintzberg's three central themes in organisational strategy (Mintzberg 1978), the sustainability phase model in organisational strategy (Dunphy et al. 2000; Griffiths 2004), and the marketing mix (Borden 1984; Gronroos 2002; Gummesson 1994; Kotler 1964, 1974).

5.4.1 Aaker and Mills strategic orientation continuum

The continuum aspect of strategy as described by Mintzberg, Quinn and Ghoshal (1999) is evident in organisational strategy through the strategic orientation continuum developed by Aaker and Mills (2005). The results of this study showed that the organisational strategy was positioned along this continuum through responses to the question: '*Please refer to the following criteria and scales. Where would you say your organisational strategy sits on these scales with regards to the stated organisational characteristics*' (see Appendix A).

The findings indicated that similarities and differences existed between the CEOs and RSDMs in the regional private hospitals, with regards to the approach and understanding of organisational strategy. A number of the organisational characteristics were depicted as having a strategic visionary focus; however, of interest was the 'middle of the road' perspective taken by both management levels on specific organisational characteristics. This indicates that with regards to **strategic uncertainties**, **structure**, **environmental sensing**, **orientation**,

leadership, **people**, **economic advantage** and **signalling**, both the CEOs and RSDMs in regional private hospitals are uncertain and indecisive.

The results of this study also indicated that the marketing strategy of regional private hospitals can be positioned on a strategic orientation continuum through responses to the question: '*Please refer to the following criteria and scales. Where would you say your marketing strategy sits on these scales with regards to the stated organisational characteristics*' (see Appendix A).

Similar to the findings on organisational strategy, findings noted that there were both similarities and differences between the CEOs and RSDMs in their approach to, and understanding of, marketing strategy. Specific organisational characteristics, in relation to marketing strategy, were noted as being associated with a 'middle of the road' perspective. Based on this, it has become evident through this study's findings that, in relation to **perspective**, **strategic uncertainties**, **environmental sensing**, **information systems**, **orientation**, **leadership**, **structure**, **people**, **economic advantage** and **signalling**, uncertainty and indecisiveness exists in both the CEOs and RSDMs.

It has become apparent through the study's findings and investigating the underlying theoretical models of marketing strategy and organisational strategy that the following can be **answered** and **confirmed:**

> ***Research Issue 2:*** *What organisational characteristics differentiate regional private hospital on a strategic orientation continuum?*,
> ***P1:*** *The approaches to strategic orientation undertaken by different management levels in regional private hospitals can be positioned on a continuum*, and
> ***P3:*** *Different management levels' understanding of marketing strategy in regional private hospitals can be positioned on a continuum*..

There are numerous organisational characteristics that differentiate regional private hospitals on a strategic orientation continuum, from both a marketing strategy and an

organisational strategy perspective. Worth noting, however, is the indecisiveness and uncertainty associated with a number of organisational characteristics. It can be confirmed that the approaches to strategic orientation by different management levels does differ, with the indecisiveness and uncertainty evident in both CEOs and RSDMs, but on different organisational characteristics. It has also been shown that different management levels' understanding of marketing strategy can be positioned on a continuum with results from the CEOs and RSDMs varying in uncertainty and indecision.

5.5 Marketing strategy

Specific marketing strategies in regional private hospitals

A number of marketing strategies and marketing related notions have been researched in the health care context (Aaker & Mills 2005; Ansoff 1988; Benet & Bloom 1998; Berkowitz 1992a, 1992b; Brown 1997; Evans et al. 2008; Evans & McCormack 2008; Hopper 2004; Johnson & Scholes 2002; Kotler et al. 1994; Porter & Olmsted 2007; Tang Chen Hsin 1997). Hopper (2004) reported that Australian private hospitals actively pursued pricing, advertising, positioning, differentiation, growth and competitive strategies (Ansoff 1988; Brown 1997; Johnson & Scholes 2002; Kotler et al. 1994; Tang Chen Hsin 1997). Through the results of this current study it is confirmed that regional private hospitals also pursue some of these strategies. Of particular interest are the growth strategies used in regional private hospitals and their relationship to the services they provide. The Finance Manager from case study five illustrated the importance of growth in regional private hospitals by arguing that their services have to be positioned where the growth is going to be. Growth strategies in regional private hospitals are therefore focused on offering services, whether they are new or existing, in areas of the marketplace where growth is evident.

Marketing strategies in declining and hostile markets, as depicted by Aaker and Mills (2005) (see Figure 2.3 in Chapter 2), were also found to be occasionally utilised. This was exemplified in case study six where the hospital was considered to

be landlocked and thus their market was becoming limited. To overcome this situation the regional private hospital took their services to the people by setting up specialist rooms in other geographical locations. This allowed the potential patients to be consulted in a new geographical area, but return to the 'landlocked' regional private hospital for their surgery. This strategy of offering the same services, but in a new geographical location, overcame the issue of a declining market in which the hospital was operating and illustrated the hospital taking accountability for the situation they found themselves in and finding a solution (Berkowitz 1992a). The findings of this current study have therefore illustrated that in facing a declining market, regional private hospitals can take accountability of their existing services and move them to a new geographical location, and thus open up a new market.

The results of this study indicate that regional private hospitals are limited in terms of their pricing strategies. Most CEOs and stakeholders indicated that the hospitals are required to set their prices according to health fund and government regulation requirements. The qualitative findings also emphasise the importance of health funds, government policies and regulations in regional private hospitals in terms of influencing the hospitals' income. Pricing strategies are therefore largely beyond the control of the organisations.

As noted by Hopper (2004) and supported by Benet, Pitts and LaTour (1993) and Benet and Bloom (1998), advertising has been an important feature of marketing strategy (Belch & Belch 2004; Cravens 1997; Tang Chen Hsin 1997) in regional private hospitals. This was confirmed in this study, as CEOs emphasised the importance of advertising strategies, especially in sponsoring local events in the community and placing advertisements in the local paper and Yellow Pages. Clearly, advertising plays an important part in regional private hospitals' strategies, and using these to communicate with the communities in which they operate.

Hopper (2004), Kotabe et al. (1991) and Kotler et al. (2001) also argued that positioning strategies are important. Regional private hospitals appear to focus highly on positioning themselves by creating a positive image with medical practitioners and creating an image based on the advantages their services have to

offer to the community. This usage highlights the role of the physician in marketing strategies and the use of social marketing as a branding tool (Evans et al. 2008; Evans & McCormack 2008; Porter & Olmsted 2007). Both the qualitative and quantitative findings support this notion of the importance placed on positioning strategies in regional private hospitals. The usage of positioning strategies is therefore focused on positive image creation with key stakeholder groups.

Regarding the use of differentiation strategies in regional private hospitals (Hopper 2004; Kotler et al. 2001; Pride & Ferrell 2003), the findings provided diverse viewpoints. The quantitative findings related to the differentiation strategies in regional private hospitals indicated that the hospitals were more inclined to concentrate on selling services to more than one specific group of customers within the total market. However, this inclination towards such a differentiation strategy was only slightly more pronounced than the strategy of selling services to the whole market. The notion of selling services to the whole market was reinforced continuously throughout the qualitative results of this study. Both CEOs and RSDMs continually made the point that they were focused on the community as a whole and strived to service the needs of the community in which each individual hospital operated. Different types of differentiation strategies are therefore used in regional private hospitals, thus indicating diversity; however, they are all focused on selling the services of the hospital in the market.

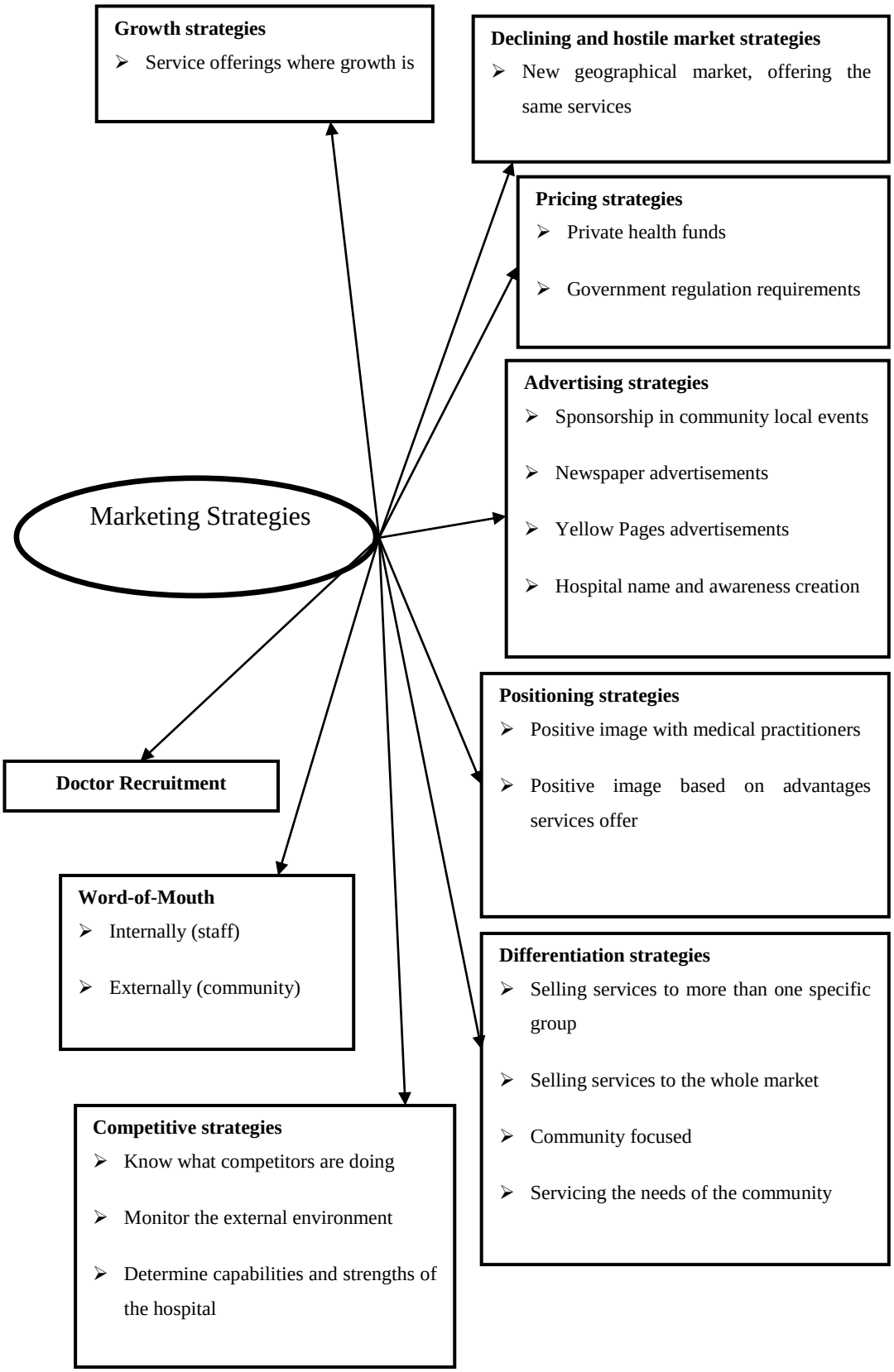
The final form of marketing strategy that was touched on was competitive strategies (Hopper 2004; Kotler et al. 2001; Pride & Ferrell 2003). The quantitative results indicated that regional private hospitals were focused on differentiating their services from those of their competitors. The qualitative findings shed further light on this aspect of the regional private hospitals' marketing strategies. In particular, the CEOs of case studies one and four gave their attention to the activities of competitors, as they deemed that it was important to know what their competitors were doing, to monitor the external environment (of which competitors are a part), to determine the capabilities and strengths of the hospitals and to market these accordingly. Competitive marketing strategies in regional private hospitals are therefore focused on competitor knowledge and monitoring.

This study offers new insight into the marketing strategies of regional private hospitals. Figure 5.7 provides a graphical depiction of the various marketing strategies utilised by the regional private hospitals and what each of them is focused on. The overall purpose of advertising was to get the name of the hospital known and create awareness. The use of word-of-mouth communication for regional private hospitals plays an important role in marketing strategy — both as an internal channel among the staff and as an external channel in the community. Furthermore, the recruitment of doctors plays a crucial role in the marketing strategies of regional private hospitals.

This study also offers insight into *seven* specific marketing strategies. Firstly, results indicate that regional private hospitals are focused on offering services in areas of *growth*. It also became apparent through this study that to *overcome declining and hostile markets*, regional private hospitals penetrate new geographical areas, offering the same services that they already offer in their present service areas. The findings have also shown that the hospitals are strongly influenced by both the private health funds and government regulation requirements when setting prices, emphasising the importance that these two aspects have on *pricing strategies*. Regarding *advertising strategies* and their focus, it is apparent from the results that sponsoring community local events, the use of both newspaper advertisements and the Yellow Pages advertisements were all important points of focus. In addition it was also illustrated that the purpose of *advertising strategies* was to get a hospital's name known, and to create awareness within the community. Regional private hospitals utilise *positioning strategies* to create a positive image with medical practitioners. This image is created based on the advantages offered by the hospitals' services. The new insight in relation to *differentiation strategies* suggests that differentiation is achieved through a variety of methods. This is seen to include selling services to more then one specific group, selling services to the whole market, being community focused, and servicing the needs of the community. Results from this study have also shown that knowing the competitors, monitoring the external environment, and determining the strengths and capabilities of the hospital all play a role in the *competitive strategies* of regional private hospitals. Word-of-mouth usage in

regional private hospitals also contributes to the new insight of marketing strategies. This insight is seen through word-of-mouth approaches being utilised both internal to the organisation (such as among staff members) and external to the organisation (such as within the community and physicians). The findings from this study also indicated that the recruitment of doctors plays an important role in the marketing strategies used by regional private hospitals.

Figure 5.7 Marketing strategies in regional private hospitals



Marketing strategy perceptions in regional private hospitals

From the findings, it is evident that the RSDMs of the regional private hospitals consider marketing strategy to be concerned with (a) creating awareness in the community and (b) communicating that the hospitals do exist and that they offer a wide variety of services. A third view on what marketing strategy encompasses in regional private hospitals is concerned with the building of a good reputation in the communities in which the hospitals operate. All of these viewpoints of marketing strategy in regional health care support the notion of social marketing highlighted by Evans and McCormack (2008) as a method of expansion in health care. These findings illustrate that marketing strategy is considered in regional private hospitals to revolve around the community in which each hospital operates and the maintenance of positive relationships between the community and the hospitals.

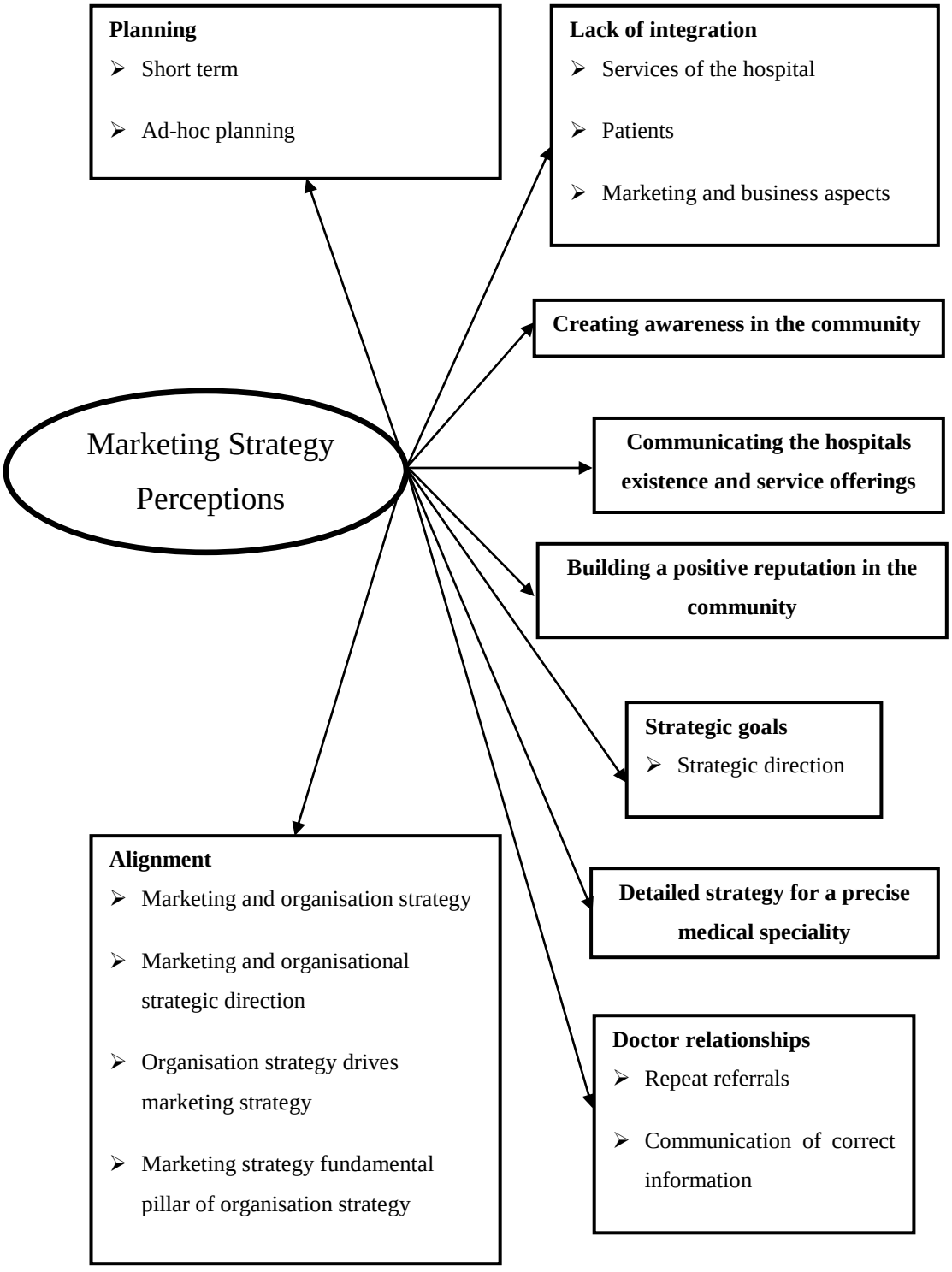
This study contributes new insight into the perception of marketing strategy in regional private hospitals. It was found that a lack of integration exists between the work undertaken by the hospital, their patients, and the marketing and business aspects of the regional private hospitals. The RSDMs indicated that they did not necessarily include the patients and the target market in their considerations of marketing strategy.

New insight has also been provided about the planning that takes place behind marketing strategy. The results indicated that not all regional private hospitals participated in long-term planning, some did not even have a marketing plan that is prepared each year, so that marketing is mostly done on an ad-hoc basis. Results also confirmed that maintaining a positive relationship between doctors and the regional private hospital is important to marketing strategy. Such positive relationships can lead to repeat purchase behaviour or, in the context of this research, repeat referrals from doctors and admissions into hospitals. An additional aspect of these relationships is the importance placed on the communication of the correct information to doctors. This communication plays an important role in fostering the doctor–hospital relationships that are central to marketing strategy.

It is also suggested in the findings that in regional private hospitals, marketing strategy should be targeted specifically. This implies the development of a detailed strategy for the precise medical specialities offered. This study provides new insight into the setting of strategic goals in regional private hospitals: by setting strategic goals, the hospitals utilise them as a focus point for their marketing strategy efforts, indicating the direction which the strategies are to take. The final area offering additional insight into marketing strategy perceptions is strategy alignment. Regional private hospitals argued that there should be alignment between marketing strategy and organisational strategy, as well as marketing strategy and the organisation's strategic direction. They believed that organisational strategy should drive the marketing strategy, and that the marketing strategy was a fundamental pillar of the organisational strategy.

Figure 5.8 illustrates the above perceptions of marketing strategy: (a) creating community awareness, (b) communicating the hospital's existence and service offerings and (c) building a positive reputation in the community. The new insights into marketing strategy perceptions have also been depicted in Figure 5.8. The planning behind marketing strategy has been shown to be short-term and ad-hoc. A lack of integration is also present in marketing strategy perceptions, with this occurring between the services performed by the hospital, the patients and the marketing and business aspects of the organisations. Strategic goals have been shown to influence the direction of the marketing strategies. It has also been seen that detailed strategies play a role in marketing strategy perceptions in relation to precise medical specialties. The importance of relationships with doctors in the marketing strategies of regional private hospitals has also been emphasised with a focus on maintaining a positive relationship between doctors and the regional private hospital repeat referrals and communicating the correct information. The final consideration in marketing strategy perceptions, as shown in Figure 5.8, is alignment. This was shown as an important aspect of consideration in regional private hospitals and focused on the linkages between organisation strategy and marketing strategy.

Figure 5.8 Marketing strategy perceptions in regional private hospitals



Through the discussions on specific marketing strategies and the perceptions of marketing strategy in regional private hospitals, Research Issue 3 can be confirmed and answered: **Research Issue 3:** *Which types of marketing strategy formulation concepts emerge within regional private hospitals?*. Marketing strategy formulation

in regional private hospitals depends on the specific strategies of advertising, positioning, differentiation, competitiveness, growth, word-of-mouth communication, and the ability to maintain positive relationships with physicians and operate in a potentially declining and hostile market.

Additionally, marketing strategy formulation should take into consideration that the perceptions and understanding of marketing strategy among the different management levels in regional private hospitals vary, and that a number of marketing strategies are pursued by regional private hospitals. The strategic decision makers argued that the marketing strategy was about creating awareness in the community as well as communicating that the hospital exists and offers a wide variety of services. In contrast, the CEOs were concerned with advertising strategies in the form of sponsorship, local paper advertisements, and Yellow Pages advertisements. The CEOs also indicated that communication with the community in which they operated was an important part of the marketing strategy, as was monitoring competitors to a certain extent for some of the case studies. Both the CEOs and the RSDMs understood that their marketing strategy was also about building a good reputation in the community in which the hospital operates.

From the results of this study and its place in the body of literature related to marketing strategy, specific and detailed propositions have been developed for future research possibilities. These are:

P3a: The more open that regional private hospitals are within the strategic opportunism perspective, the more likely a positive effect on marketing strategy will occur.

P3b: The more developed and in-depth that regional private hospitals' business and corporate level strategies are, the greater the positive impact on marketing strategy.

P3c: The more developed and in-depth that regional private hospitals' marketing strategies are, the greater the positive impact on an opportunistic organisational strategy.

5.5.1 Environmental analysis

Many studies have examined the environment in which organisations operate, and the importance that should be attached to it (Ansoff & Sullivan 1993; Ashmos, Duchon & McDaniel Jr 2000; Begun & Kaissi 2004; David 1999; Hambrick 1982; Hopper 2004; Kotler et al. 1994; Miller & Friesen 1983; Ozcan & Luke 1993; Pride & Ferrell 2003; Tang Chen Hsin 1997; Walters & Bhuian 2004; Wilson 1999).

The overview of the findings made the point that, sometimes, CEOs and RSDMs shared similar views about the health care environment; at other times, their views differed. In discussing the external environment, the CEOs were primarily concerned with the public health system and monitoring the external environment — both customers and competitors. This reflected the notion of CEO environmental scanning suggested by Hambrick (1982). The RSDMs, however, discussed the recruitment of doctors, new service offerings and government related issues. Service offerings were also discussed by both the CEOs and RSDMs. CEOs discussed the importance of relationships in providing good quality services, where the RSDMs compared services to competitors and were focused on the marketing of services. Overall, both the CEOs and RSDMs discussed their market and their staff, but the CEOs also talked about their patients and competitors, while the RSDMs discussed potential customers and how they could focus their marketing efforts on them. Interestingly, in the overview of the marketing strategy findings the CEOs were the only group to focus on the internal environment. Their focus was primarily towards maintaining relationships with doctors, support received from general practitioners, the impact and role the internal environment has on marketing strategy, and their staff and morale. In comparison, the RSDMs were the only group to discuss government policies in the context of the health care environment and how these can affect marketing strategy.

It is evident from the above discussion that different management levels' understanding of the health care environment can impact on marketing strategy. The underlying influences behind management's understanding of the environment require further exploration.

Internal environment

In discussing the environment construct, the fact that an environmental analysis involves environmental scanning was illustrated by Pride and Ferrell (2003). This environmental scanning encompasses specific factors in both the micro-environment and the macro-environment (see for example customer association, customer satisfaction, introduction of new services, employee capability and performance, and service portfolio analysis). The results of this current study endorsed and expanded on the usage of these factors in regional private hospitals. The internal environment (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997) of regional private hospitals was shown to involve a variety of factors. Two cases illustrated that it is essential that staff are happy in their workplace, and are given the autonomy to perform their jobs to the best of their ability. The point was made regarding communication that negative communication can affect the internal relationships with the doctors who are providing services. An additional concern with the internal environmental factor of staff was that they were at the front of the organisation, and were providing the services. Therefore, staff were required to provide quality service that would result in positive word-of-mouth communication and the retention of doctor's services (Aaker & Mills 2005; Hopper 2004; Lovelock, Patterson & Walker 2001). The findings of this study have therefore expanded on the body of literature through the emphasis placed on communication. The conclusion is that within the internal environment of regional private hospitals, communication between staff is important due to its influence on the relationships with doctors.

Another interesting aspect of the internal environment was internal restructuring which took into account a number of internal environmental factors (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun &

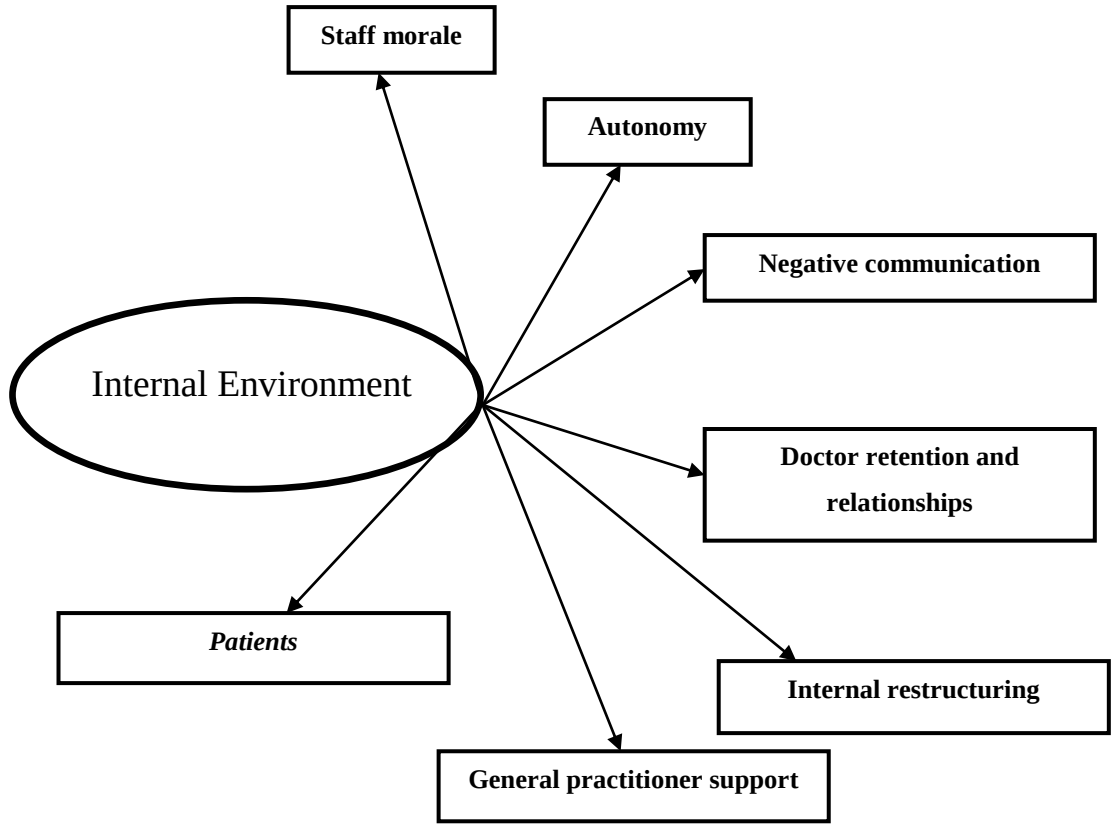
McClymont 2005; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997). A restructuring in one of the case studies assured that the organisation had 'the right people in the right places'. In examining the CEOs and their views about the internal environment, a number of points were raised. The CEOs felt that the support from the general practitioners that they received was an integral part of the internal environment. Staff morale was also shown by the CEOs as playing a vital role in the internal environment of regional private hospitals. Finally, a 'good working relationship' with the doctors was also depicted by the CEOs as being important to the internal environment because 'where doctors are unhappy they equally can influence the patient selection in terms of which hospital they go to' (case study four CEO). Overall, the importance of the internal environment to the marketing strategy (Pride & Ferrell 2003; Segev 1979) is evident through the important role both staff and doctors play in both responding to, influencing it. From the discussion above it is clear that the factors that are relevant to the micro-environment include service quality, human resources, customer satisfaction and employee capability and performance in regional private hospitals. It is important to note, however, that these factors are broad in what they encompass. In reference to regional private hospitals the factors are focused primarily on the doctors and staff of the hospital.

This study offers new insight into the internal environment, as results indicated a lack of cohesion between the consideration given to patients in the regional private hospitals and the marketing activities undertaken, which included environmental evaluation. This indicates that the patients were not considered to be fundamental in the relationship between marketing strategy and the environment.

Figure 5.9 provides a visual representation of the internal environmental influences that are important to regional private hospitals. Again, from this representation it is clear that regional private hospitals are primarily concerned with their doctors and staff in relation to the internal environment. Staff morale, autonomy given to staff, negative communication, doctor retention and relationships, internal restructuring, and support from general practitioners all highlight the important roles that both doctors and staff play in the internal environment. The lack of cohesion between consideration given to patients and the internal environment has also been illustrated

in Figure 5.9. This finding has, however, been italicised to signal the observation that patients were not considered fundamental in the relationship between marketing strategy and the environment. The CEO of case study five effectively summarised the importance of the internal environment in stating that 'the internal environment is critical to the actual functionality of the hospital and the performance of the hospital'.

Figure 5.9 Internal environment influences in regional private hospitals



External environment

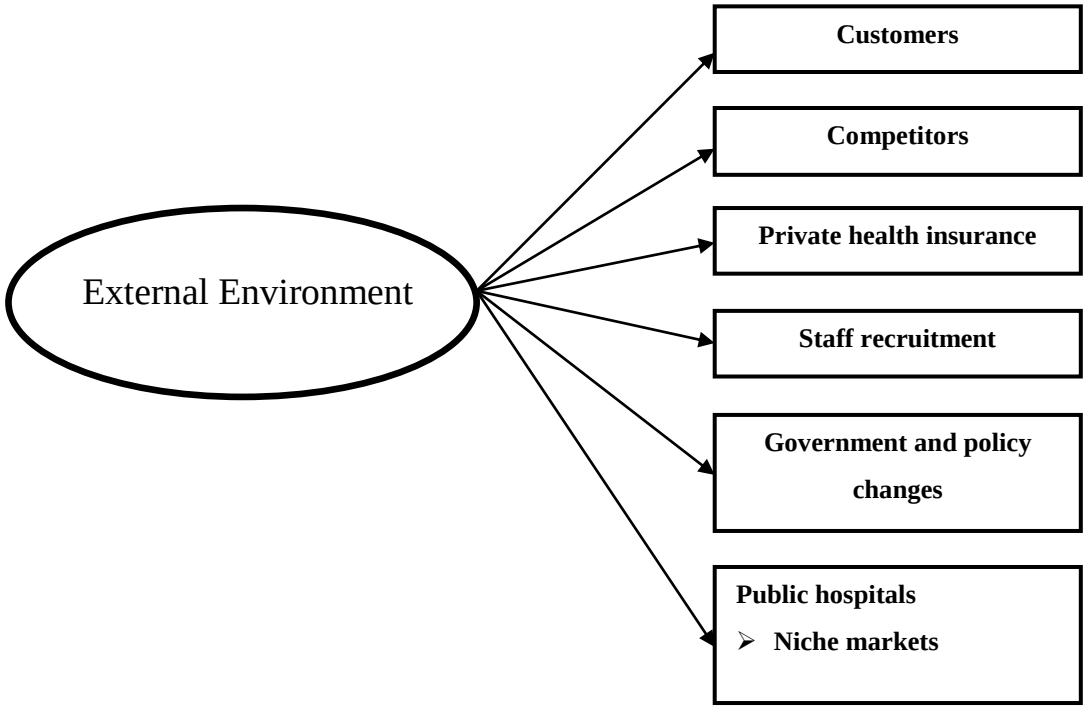
The second aspect requiring consideration in environmental scanning is the macro, or external environment (see for example competitors, suppliers, government, culture; Table 2.4). For example, one CEO made it clear that the hospital's external environment involved both customers and competitors and related this to the percentage of the population that was privately insured. The recruitment of staff and the problems associated with this were highlighted in the findings by two case studies. These problems were linked to the geographical locations of these hospitals. Another key aspect of the external environment that was shown throughout the

results was the impact of the government (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997). Government and its policies were discussed predominately by the RSDMs but across a number of the different case studies. This discussion focused around the government's ability to change policy that directly affects regional private hospitals and the regulations associated with specific governmental departments. It can therefore be seen that in considering the external health care environment, a wide variety of aspects require consideration and that the environment is dynamic, sometimes hostile, complex, and turbulent (Ansoff & Sullivan 1993; Ashmos, Duchon & McDaniel Jr 2000; Begun & Kaissi 2004; Miller & Friesen 1983; Ozcan & Luke 1993; Walters & Bhuian 2004; Wilson 1999). This will be explored in the following section. Again, as in the preceding discussion relating to the internal environment, the external environmental factors in the literature are broad. The findings of this study, however, have provided specific and unique factors for consideration in relation to regional private hospitals; however, these can still be linked to those broader environmental factors featured in the literature (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997).

The public health system and its role in the external environment also offer a new area of insight in relation to the external environment. The CEOs made it clear that in monitoring the local public hospitals, potential opportunities can arise for the regional private hospitals in areas where the public system is weak. In taking up these opportunities, regional private hospitals could obtain a niche market to which they could provide services.

Figure 5.10 provides a visual representation of this study's results in terms of the important influences from the external environment. These influences encompass customers, competitors, private health insurance, staff recruitment, government and policy changes and, lastly, public hospitals and the opportunity for niche marketing through monitoring their areas of weakness.

Figure 5.10 External environment influences in regional private hospitals



Dynamism, complexity, turbulence, and uncertainty

The health care environment has been variously described as dynamic, complex, turbulent and uncertain (Ansoff & Sullivan 1993; Ashmos, Duchon & McDaniel Jr 2000; Begun & Kaissi 2004; Miller & Friesen 1983; Ozcan & Luke 1993; Walters & Bhuian 2004; Wilson 1999). These descriptions have been supported through the findings of this current study in discussing changes to and threats from the health care environment, the need for monitoring, the consideration of external environmental elements, and government policy changes in the regional private hospitals. In addressing these changes and threats, it was pointed out that regional private hospitals are looking for new opportunities to present themselves in their environment, and it is essential to be responsive to, and adjust to, changes in the environment. The dynamic, complex, turbulent and uncertain nature of the health care environment is further endorsed by one CEO who made the point that 'the external environment is one that you've got your finger on all the time'.

This need for monitoring the environment is often complex in itself due to the number of factors requiring monitoring (Aaker & Mills 2005; Begun & Kaissi 2004; David 1999; Hopper 2004; Hopper, Ogunmokun & McClymont 2005; Kotler et al.

1994; Pride & Ferrell 2003; Tang Chen Hsin 1997). This complex monitoring system in the environment was endorsed by the need to make money, pay staff, generate growth, and invest in assets such as a new medical centre. It is apparent, therefore, that the results of this study support other findings in the literature by indicating that the environment in which regional private hospitals operate is dynamic, complex, turbulent and uncertain.

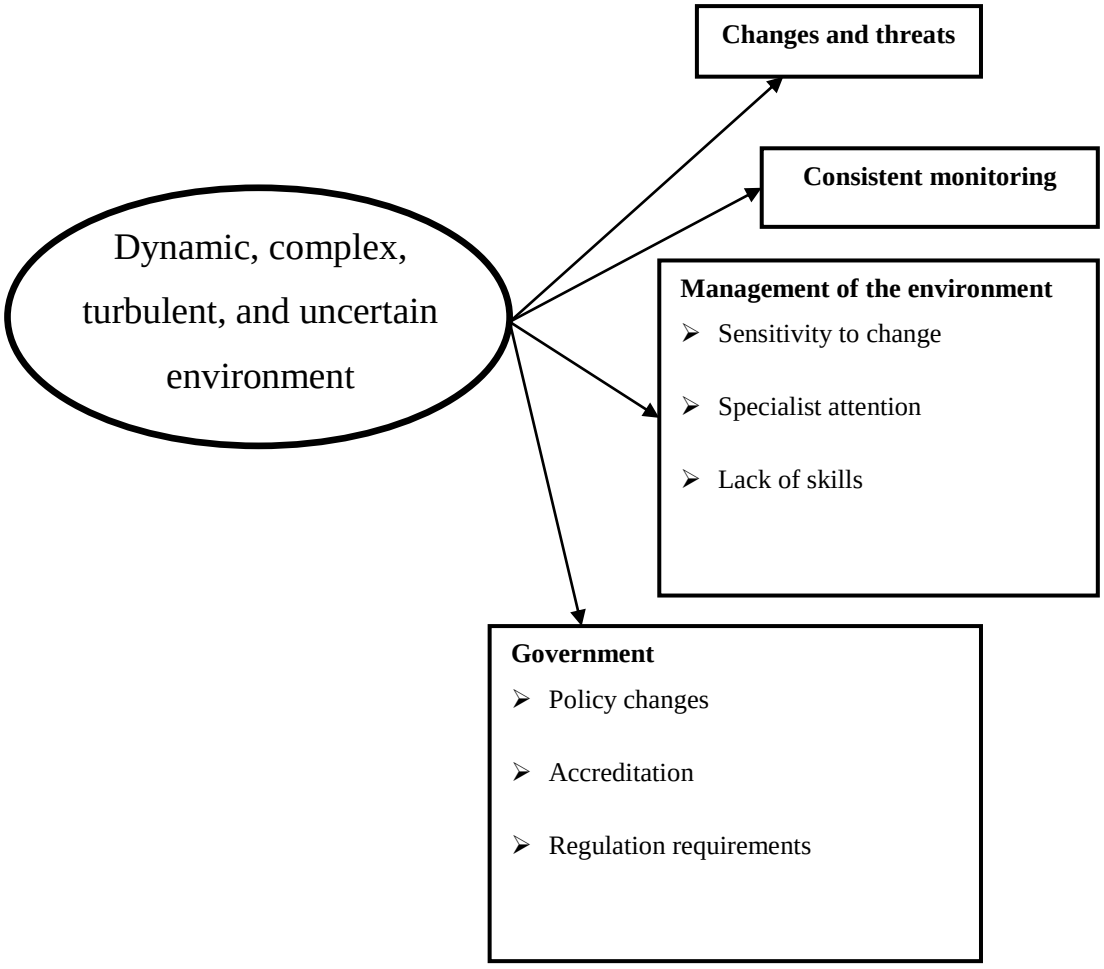
An additional factor that affects dynamism and complexity is government policy (Begun & Kaissi 2004; David 1999; Hopper 2004; Kotler et al. 1994; Pride & Ferrell 2003; Tang Chen Hsin 1997). This was previously discussed in the external health care environment; however, it also can increase the dynamism, complexity, turbulence and uncertainty associated with the environment (Ashmos, Duchon & McDaniel Jr 2000; Begun & Kaissi 2004; Ozcan & Luke 1993). This increase is achieved through the government's ability to alter the marketing strategies of regional private hospitals through policy changes, accreditation as a health care facility, and the hospitals' generally having to recognise government regulation requirements (Hopper 2004). This study's findings have, however, expanded on this by determining that government influences play a key role in the increase of dynamism, complexity, turbulence and uncertainty. In terms of turbulence and uncertainty (Wilson & Gilligan 2005), the health care environment involves many external environmental elements which are dissimilar, and change frequently and unpredictably.

Wilson and Gilligan (2005) illustrated how to manage a dynamic and complex environment, such as that in which regional private hospitals are forced to function. This description of how to best manage the environment was broken down into *aim*, *methods* and *dangers* (Wilson & Gilligan 2005). A manager's *sensitivity to change* was discussed in relation to *methods* in dynamic market conditions (Wilson & Gilligan 2005). The findings of this current study made it clear that the CEOs of the regional private hospitals were aware of the environmental conditions in which they operated. Thus they were flexible and willing to change the strategic direction of the organisation quickly, illustrating their *sensitivity* to the need *to change* in a dynamic environment. A *method* described as relevant in the complex environmental

conditions was *specialist attention to elements of complexity* (Wilson & Gilligan 2005). This was evident in the results of this study through the management paying particular attention to the government. As previously discussed, the complexity that results from governmental activities is seen in the changing policies and regulations that the regional private hospitals are required to comply with. Thus, the regional private hospitals gave *specialist attention* to this *element of complexity*. A *danger* to take note of was evident in the dynamic environmental conditions through the *lack of skills* (Wilson & Gilligan 2005). This *danger* was overcome in case study five, where the organisation identified 'gaps' where skills were lacking. The hospital then proceeded to hire people with the necessary skills to fill these 'gaps', hence overcoming the *danger* of *lack of skills*. It is evident that the literature (Wilson & Gilligan 2005) has identified *aims, methods* and *dangers* in relation to the health care environment. The findings of this current study support those findings and the literature, and have taken the *methods* and *dangers*, in particular, and provided specific examples of two key *methods* being used and one *danger* being overcome. Through this it can be seen that management of the health care environment is a daily activity and requires inclusion in the day-to-day activities of health care organisations.

Figure 5.11 provides a visual representation of the nature and management of the environment in which regional private hospitals operate. It has been highlighted that changes and threats are an element of consideration in the external environment and thus it requires consistent monitoring. In managing the environment, it can be seen from Figure 5.11 that sensitivity to change, specialist attention, and lack of skills all play a role. The government is also another key aspect for consideration in the external environment with regards to policy changes, accreditation and regulation requirements.

Figure 5.11 The nature and management of regional private hospitals' health care environment



From discussions dealing with the environmental analysis in regional private hospitals in relation to the internal environment, external environment, and the dynamism, complexity, turbulence and uncertainty associated with these, **Research Issue 3a:** *How does the health care environment emerge in the marketing plan of regional private hospitals?* and **Research Proposition 7:** *Different management levels' understanding of the health care environment in regional private hospitals impacts on the marketing strategy within the organisations* can be **confirmed** and **answered**.

The emergence of the health care environment in the marketing plans of regional private hospitals is evidenced through the internal and external environments of regional private hospitals being considered in their marketing strategies. The internal environment is considered in terms of staff morale, autonomy, negative communication, doctor retention and relationships, internal restructuring, GP support

and patients. The external environment is also considered in the form of customers, competitors, private health insurance, staff recruitment, government and policy changes, and public hospitals. Both the internal and external environments were also given daily consideration when staff were handling the dynamic, complex, turbulent and uncertain nature of the overall environment in which these organisations operate.

The results showed that different levels of management had different views about their organisation's external environment. The CEOs were focused on the monitoring of local public hospitals, indicating that potential opportunities can arise for the regional private hospitals in areas where the public system is weak. The CEOs were focused on the internal environment also, as were the RSDMs, but to a lesser extent. It was also apparent that the CEOs were more aware of the environmental conditions in which their organisation operated, as compared to RSDMs in the organisations. Overall, this highlights the differences between management levels' understanding of the health care environment and the impact this has on the marketing strategy.

Specific and detailed propositions have also been developed for future research purposes to include:

P7a: The more developed and in-depth the regional private hospitals' analyses of internal environmental factors, the greater the positive impact on marketing strategy.

P7b: The more developed and in-depth the regional private hospitals' analyses of external environmental factors, the greater the positive impact on marketing strategy.

5.5.2 Marketing strategy implementation

Previous studies have identified important areas for consideration when organisations are implementing marketing strategies (Aaker & Mills 2005; Beer 2003; Beer & Eisenstat 1996, 2000; Dooley, Fryxell & Judge 2000; Galbraith &

Nathanson 1979; Hopper 2004; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Spector & Beer 1994; Wilson & Gilligan 2005).

The findings here have determined that the CEOs and RSDMs discussed staff within their organisations and determined that they impact on the marketing strategies as they are implemented. This relates to organisational culture, which was another aspect considered to be important in implementing marketing strategies. The culture of an organisation is unique, and can dictate how marketing strategies are implemented (Aaker & Mills 2005). The CEOs and RSDMs spoke about the culture of the organisations in which they worked, with all cultural descriptions generally being positive. Another related factor is organisational structure (Aaker & Mills 2005), which is also unique to each organisation and influences how strategies are implemented. The CEOs also spoke about patient management systems and their usage within the hospitals. It was highlighted through the discussion that these systems deal with all patient information and hence impact on the marketing strategies through the information they provide about the target market.

The above discussion and overview of results indicates that the implementation activities undertaken by regional hospital management do impact on the marketing strategies. The underlying influences behind these activities, however, require further exploration.

Contingency components

There are many contingency components that have the potential to influence the success of implementations within an organisation. These components consists of *leadership, organisational culture, organisational structure, functional policies, resources, evaluation and control, internal marketing, motivation of personnel, communication, coordination of marketing activities, action programs, decision and reward systems, people* and *systems* (Aaker & Mills 2005; Kotler et al. 2001; Pride & Ferrell 2003; Wilson & Gilligan 2005). The findings illustrate the existence of some of these components in regional private hospitals.

Regarding the component of *leadership* and its ability to influence the success of implementation (Wilson & Gilligan 2005), both the CEOs and RSDMs placed *leadership* within their organisational strategy in the middle of the strategic orientation continuum between the strategic visionary perspective and the strategic opportunistic perspective. Interestingly, however, when discussing marketing strategy the CEOs of the regional private hospitals were more inclined to lean towards a strategic opportunistic perspective of *leadership* style. The RSDMs' opinions varied, however, between the visionary and opportunistic ends of the continuum when discussing *leadership* style in the context of marketing strategy. This finding shows that the leadership styles of CEOs differ between organisational strategy and marketing strategy. This finding was, however, inconclusive for the RSDMs.

Aaker and Mills (2005) suggest four components that they view as being essential to successful implementation: *culture, structure, system* and *people* (see Figure 2.4). In describing the *culture* of regional private hospitals, both the CEOs and RSDMs used an assortment of optimistic words and phrases, such as family culture, positive outlook, caring, supportive, loyal, friendly, cooperative and patient focused. There was also evidence of a changed *culture* in case study three from a negative to a positive *culture*; a swing occurred in the *culture*, and a positive *culture* had been taken up. These descriptions illustrate the existence of a positive *culture* within regional private hospitals, but at the same time show the existence of cultural differences across organisations.

The second component of successful implementation described by Aaker and Mills (2005) and Galbraith and Nathanson (1979) that was widely discussed by the CEOs of the regional private hospitals was *structure*. Interestingly, the *structure* of regional private hospitals varied across the different case studies. Two case studies discussed the notion of hierarchical organisational *structure* in terms of either a 'typical hospital structure' or the organisation was familiar with a hierarchical *structure* as a result of preceding CEOs, indicating direction from the CEO to some extent, a feature highlighted by Spector and Beer (1994). Other descriptions ranged from a more autonomous working environment and *structure,* to a flat structure providing

ease of communication with staff and, finally, a centralised approach to organisational *structure*. It is apparent that organisational structure in private sector regional hospitals is unique and varied in its nature; however, it does affect the implementation of strategy due to its influence on organisational employees.

A component of successful implementation also requiring consideration according to Aaker and Mills (2005) is the *systems* within regional private hospitals. In describing the *systems* and their existence in regional private hospitals, the CEOs were consistent in discussing their use in patient management. These patient management *systems* handled all the information related to the patients. The results illustrate that the system of most concern in the implementation process for regional private hospitals is the patient management system.

The fourth and final component of successful implementation confirmed in this study and in Aaker and Mills' (2005) opinion is *people*. *People* and their role in successful strategy implementation were discussed by both the CEOs and RSDMs. *People* were discussed in terms of their loyalty to one another and their supportiveness of the business. The training of staff was also emphasised, indicating the need for development at middle levels (Beer & Eisenstat 1996, 2000), as was the importance of hiring the appropriate person for the job. Hiring appropriate *people* to fill a vacant position was given considerable emphasis when discussing implementation by the CEOs and RSDMs. An important point was also made with regard to the human element in providing health care services. It was discussed that *people* are required to do more than just their job in the industry in which regional private hospitals operate; they have to 'go the extra mile' to make people feel comfortable. Therefore, the implementation component of *people* is of significance in strategy implementation as a result of the role of staff throughout the organisation.

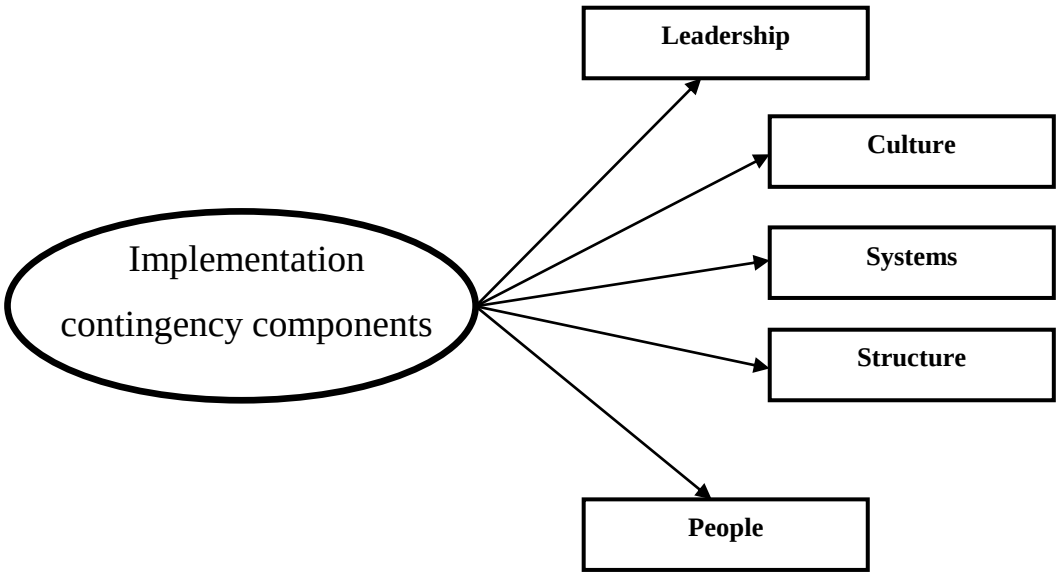
It is apparent from the above discussion that the four components described by Aaker and Mills (2005) as being essential to successful implementation are evident in regional private hospitals. The findings of this study have, however, expanded on the views offered by Aaker and Mills (2005) through determining that both *culture* and *structure* are organisation-specific, that the *systems* component is consistently

related to patient management systems, and that *people* — both internal and external to the organisation — were important in implementation. The presence of these components therefore impacts on the marketing strategy as the effectiveness of the strategy is dependent on its successful implementation.

Researchers have highlighted the point that strategic decision consensus and commitment among management affect the speed and success of implementation (Dooley, Fryxell & Judge 2000). Their findings depict the element of *strategic decision commitment* more so than *strategic decision consensus*. This notion of commitment has been illustrated in the organisational culture of regional private hospitals among the CEOs. The CEOs who participated in this research linked implementation to the loyalty of staff, both to each other and to the organisation, and supportiveness displayed by their staff. These findings also expanded on previous research (Dooley, Fryxell & Judge 2000) by showing that loyalty and support within organisations are part of commitment. The impact implementation has on marketing strategy is evident through the effectiveness of the marketing strategy being reliant on successful implementation.

Figure 5.12 provides a graphical representation of the contingency components of importance in strategy implementation. The findings of this study have indicated that the components of leadership, culture, systems, structure and people are all important in the implementation of marketing strategy.

Figure 5.12 Contingency components of implementation in regional private hospitals



Activities in implementation

Implementation activities adapted from (Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005) included *stating activities to be implemented, defining the deadlines, establishing annual objectives, developing policies to guide the implementation process, allocating resources, enhancing the organisational culture, managing potential conflict, making any necessary changes to the organisational structure, communicating to employees, providing incentives, consistently monitoring to ensure all activities are coordinated* and *assigning people to implementing strategies*. The presence of these activities in regional private hospitals was apparent in the results of this study. The activity of *allocating resources* (Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005) was evident in the findings through focus being given to the human resources of the regional private hospitals and ensuring that organisations had the correct people to fulfil the job. *Enhancing the organisational culture* was seen in changes to the culture in a case study where employees were encouraged to go beyond their duties to make patients feel comfortable, and where the culture had experienced a change in recent times to one that was more positive. *Making changes to organisational*

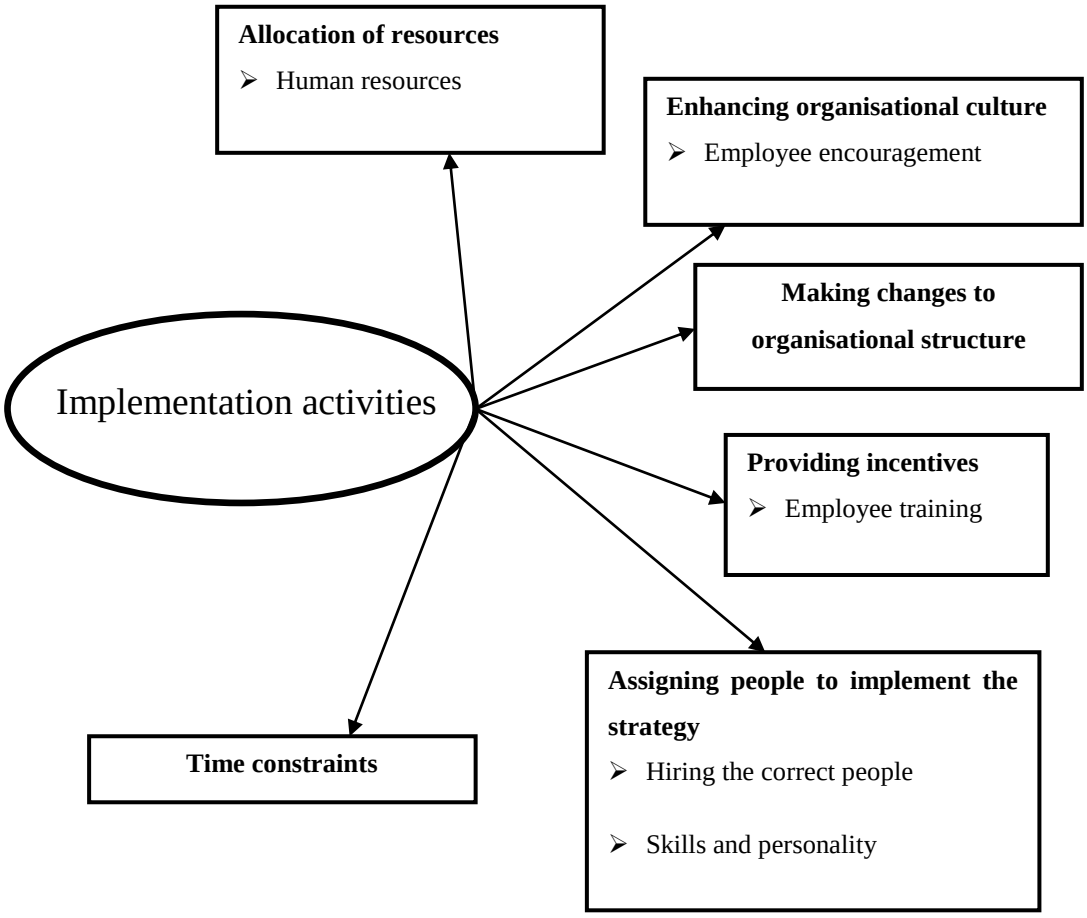
structure was also depicted as an implementation activity (Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005). For example in this research, two case studies illustrated that the organisational structure had previously been hierarchical, but had shifted. As a result, one organisation's structure was better than it had ever been before. The *provision of incentives* could be seen through providing employees with the required training for them to perform their jobs effectively. The final implementation activity of relevance to regional private hospitals was *assigning people to implement the strategy*. This was seen in the emphasis placed on hiring the correct people for the job and employees having the skills and personality to set them apart for the job. This study's findings have provided focus as to the specific activities which regional private hospitals utilise when implementing strategy.

This study offers new insight into implementation activities with respect to the issue of time. Results indicate that regional private hospitals are 'pressed for time'. Regional private hospitals have an enormous number of activities to complete but not enough time to do so. New insight is therefore provided into the relationship between marketing strategy and implementation as time constraints dictate what implementation activities the hospitals can participate in.

Figure 5.13 provides a graphical representation of the implementation activities relevant in regional private hospitals. These activities include *allocation of resources*, with specific focus on the human resources of the organisation. *Enhancing organisational culture* has also been illustrated as an implementation activity of importance through providing employee encouragement. *Making changes to organisational structure* also presented itself in the findings as an implementation activity and thus has been highlighted in Figure 5.13. The *provision of incentives* is also an implementation activity of use in regional private hospitals, taking the form of employee training. Finally, *assigning people to implement the strategy* is considered an implementation activity of regional private hospitals that is accomplished through hiring the correct people and assessing their skills and personalities. Time constraints have also been emphasised in Figure 5.13; these are

not implementation activities, but limit the activities in which the hospitals can participate.

Figure 5.13 Implementation activities in regional private hospitals



The preceding discussions have identified the contingency components and implementation activities of marketing strategy in regional private hospitals and have **answered** and **confirmed** (a) ***Research Issue 3b:*** *How does strategic marketing implementation emerge in the marketing plan of regional private hospitals?* and (b) ***Research Proposition 6:*** *The implementation activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations.*

It has become evident that marketing strategy implementation emerges in the marketing plan of regional private hospitals through implementation components and implementation activities. The components that influence successful marketing

strategy implementation and which have been identified by the CEOs and RSDMs consist of leadership, culture, structure, systems and people (Aaker & Mills 2005; Beer & Eisenstat 1996, 2000; Galbraith & Nathanson 1979; Spector & Beer 1994; Wilson & Gilligan 2005). Strategic decision commitment has also been determined as influencing the success of strategy implementation by Dooley, Fryxell and Judge (2000) with this commitment being evident in this study's results through loyalty and support. Marketing strategy implementation activities (Aaker & Mills 2005; Dooley, Fryxell & Judge 2000; Ogunmokun, Hopper & McClymont 2005; Pride & Ferrell 2003; Wilson & Gilligan 2005) that may be undertaken by regional private hospitals have also been identified. As has been seen from the results, **all levels of management** undertake implementation activities, with these impacting on the success of marketing strategy implementation. These activities included the allocation of resources, enhancement of organisational culture, making changes to organisational structure, providing incentives and assigning people to implement the strategies.

Based on the findings of this study and the literature dealing with marketing strategy implementation, a specific proposition has been developed for the purposes of future research.

P6a: The greater the 'fit' between the organisational implementation components of systems, people, structure and culture within regional private hospitals, the greater the positive impact on marketing strategy.

5.5.3 Evaluation and control

Evaluation and control in marketing strategy has been investigated in the literature with a focus on health care (Aaker & Mills 2005; David 2003; Ditzel, Strach & Pirozek 2006; Hopper 2004; Kotler 1997; Kotler et al. 2001; Lim, Tang & Jackson 1999; Slater & Olson 1997).

As was illustrated in Chapter 2 through the conceptual research framework, evaluation and control plays a role in marketing strategy (Hill, Jones & Galvin 2001;

Pride & Ferrell 2003). The findings from this study related to the evaluation and control of marketing strategy showed that the CEOs and RSDMs discussed vastly different areas. The CEOs focused on the effectiveness of advertising when discussing evaluation and control. The direct costs of advertising were questioned by the CEOs, as well as how advertising effectiveness could be measured. It was also highlighted that the CEOs were concerned with the effect that surgeons may have on the marketing strategy and how they could possibly evaluate and control these effects. The CEOs discussed the outlay of money and how to measure the effectiveness of this outlay. The views of the RSDMs regarding evaluation and control activities were concerned with both feedback and evaluating specific aspects of the organisation. Feedback was seen by this group of decision makers as a method of evaluating and controlling. Feedback sources were seen to consist of patients, staff and surgeons. Aspects of the organisation requiring evaluation, according to the RSDMs, consisted of occupancy rates, profitability and various promotion activities utilised by the hospitals.

These observations illustrate that the evaluation and control activities undertaken by the different management levels in regional hospitals impact on the marketing strategies. The underlying influences behind these activities, however, require further exploration.

The marketing control process

In reviewing the literature related to evaluation and control of strategy, the marketing control process as described by Pride and Ferrell (2003) was discussed. This process consisted of the *development and adjustment of marketing objectives*, *establishment of performance standards* (Lim, Tang & Jackson 1999), *evaluation of actual performance relative to established standards* (Lim, Tang & Jackson 1999), and *taking corrective action if necessary* (Pride & Ferrell 2003; Slater & Olson 1997). When examining this process in light of this study's findings, similarities were noted. These similarities were evident between the above control process and the regional private hospitals in terms of *objectives*. One CEO made the point that their particular organisation set the *objectives* and then utilised advertising strategies with

the hope that this would deliver the *objectives*. This finding not only highlights the importance CEOs place on advertising strategies in regional private hospitals, but also the use of *objectives* in the control processes of regional private hospitals. This usage, however, had no specific means of measuring the achievement of the *objectives*. The emphasis, according to these findings, was placed on the 'hope' that they were performing at a satisfactory level, indicating the distinct lack of use in setting *objectives* in the marketing control process by regional private hospitals.

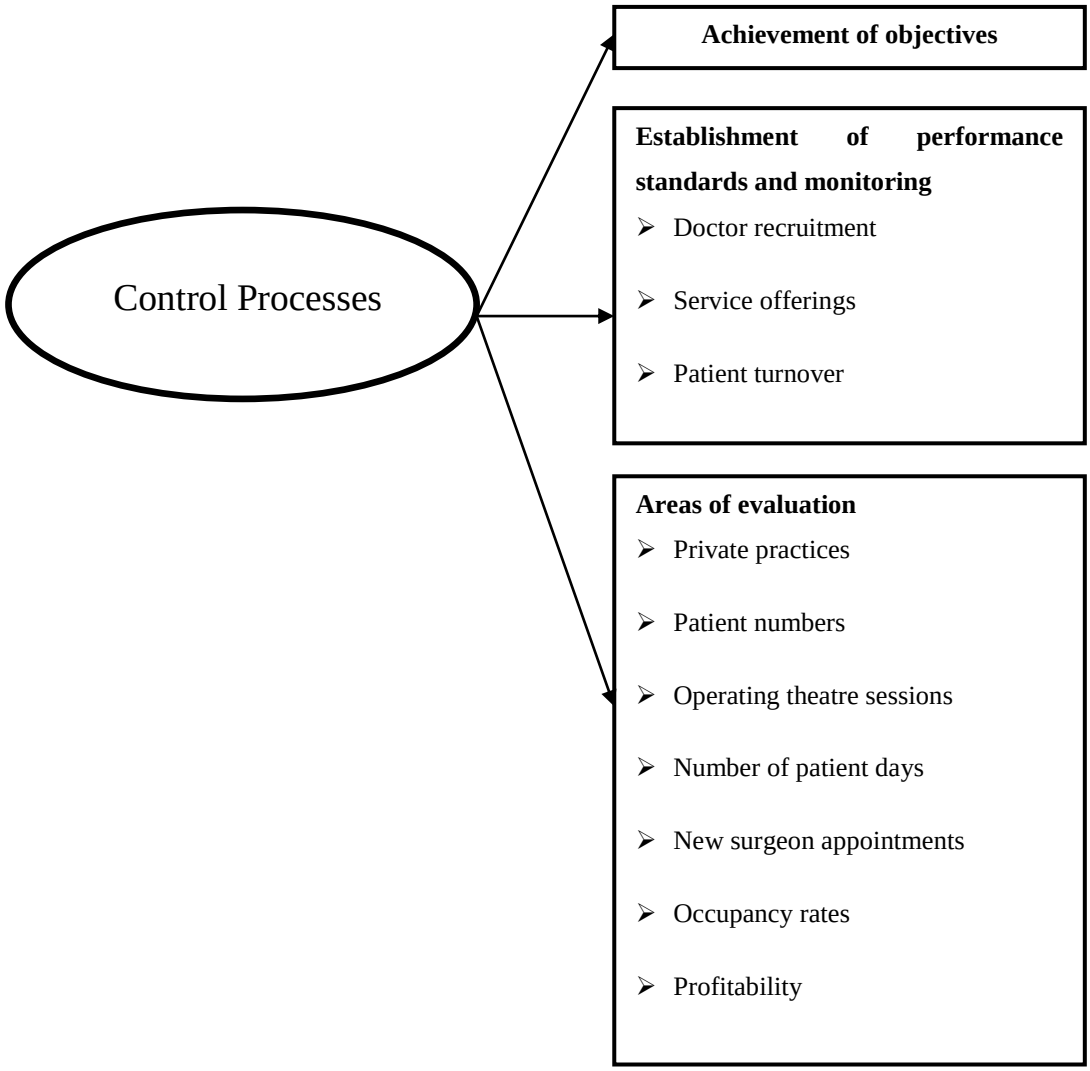
Results also pointed towards *establishment of performance standards* within regional private hospitals (Lim, Tang & Jackson 1999; Pride & Ferrell 2003). The *establishment of performance standards* was chiefly related to the recruitment of doctors and the services they could provide in accordance with any information relating to patients. In two case studies in relation to their *performance standards,* a CEO was interested in how many doctors they attracted to set up private practice, how many new operating theatre sessions there were, and whether the hospital had increased the number of patients who came through the system. Another emphasised assessing the number of patient days, and how many surgeons they had appointed. These findings illustrate the use of performance standards in regional private hospitals, using the measures of doctor recruitment and service offerings.

In a review of the applicability of Quality Function Deployment (QFD) in health care undertaken by Lim, Tang, and Jackson (1999) it was found that it is essential for hospitals to monitor performance so as to improve the overall quality of the services offered. Current results, as previously discussed, indicate that the monitoring of performance in regional private hospitals is primarily concerned with information relating to the doctors and patients. Both the CEOs and RSDMs in one organisation noted that they monitored how many doctors were attracted to the hospital and how many people came through the door, and then took corrective action through refinement or adjustment if necessary (Slater & Olson 1997). This finding confirms that performance standards are being used in regional private hospitals and are very much focused on the doctors and patients.

This study offers new insight in relation to the control processes of regional private hospitals. The areas for evaluation include the number of private practices that had been set up on hospital grounds, increasing or decreasing patient numbers, new operating theatre sessions, number of patient days, appointment of new surgeons, occupancy rates and profitability. New insight into the relationship between evaluation and control, and marketing strategy, is therefore evident as these areas of evaluation assist the hospitals in determining the usefulness of their marketing strategies.

It has been illustrated in Figure 5.14 that the control processes in regional private hospitals are very much focused on performance. There is an indistinct usage of performance standards and monitoring through doctor recruitment, service offerings and patient turnover in the control processes of regional private hospitals. Achievement of objectives also has a role to play in the control processes.

Figure 5.14 Control processes in regional private hospitals



Strategic effectiveness and strategic efficiency

Aaker and Mills (2005) identified that in evaluation and control of strategy, both strategic effectiveness and strategic efficiency should be taken into consideration. Strategic effectiveness is concerned with how well the strategy is meeting the objectives, while strategic efficiency is concerned with how well the strategy is returning value and profitability to shareholders (Aaker & Mills 2005). The findings of this current study indicate a difficulty in measuring both effectiveness and efficiency — a difficulty that is largely due to the uncertainty as to what is causing the changes in certain areas such as business growth. The CEOs from two cases both assisted in explaining this complexity by indicating that measurement of strategy impact is difficult. Despite the desire and need to measure and monitor strategic effectiveness and strategic efficiency, due to the need to measure the effectiveness

and efficiency of financial resource allocation, the regional private hospitals find this task vague and unhelpful. From these results, it is clear, despite the emphasis placed in the literature on effectiveness and efficiency, that these two aspects of evaluation and control are extremely difficult to measure in regional private hospitals.

Control activities

Control activities described by (David 2003; Hopper 2004; Kotler 1997; Kotler et al. 2001; Slater & Olson 1997) consisted of *contingency planning*, *auditing*, *budgetary control*, *management by objectives*, *marketing research* and *sales analysis*. Of interest to this current study, based on the results, was the aspect of *budgetary control*. In case study four it was disclosed that the hospital did not have a set budget *per se*. Instead, the board was involved in on-going budgetary decisions. For example, the purchase of any expensive equipment required direct approval from the board; there was no specific amount allocated in a budget for equipment purchases. This involvement of the board supports Ditzel, Strach and Pirozek's (2006) observation that hospital boards play a key role in evaluation. This was evident for one case study at least through the budgetary functions of the organisation and the board's involvement in these functions. The findings of this current study have illustrated that *budgetary control* does play a role in the control activities of regional private hospitals. However, this viewpoint, displayed in the literature (David 2003; Hopper 2004; Kotler 1997; Kotler et al. 2001), is expanded on through the results in introducing the board's involvement in *budgetary control*, thus also expanding on the findings of Ditzel, Strach and Pirozek (2006).

In discussing control activities, Slater and Olsen (1997) made it clear that control systems provide a critical linkage between strategy execution and strategy adjustment. The findings of this current study, however, provided insufficient evidence to either confirm or not confirm these authors' findings in the context of regional private hospitals.

Discussions relating to the findings of this study and the body of literature dealing with the evaluation and control of marketing strategy in relation to control processes,

control activities, and strategy effectiveness and efficiency have allowed for ***Research Issue 3c:*** *How does strategic marketing evaluation and control emerge in the marketing plan of regional private hospitals?* and ***Research Proposition 5:*** *The evaluation and control activities undertaken by different management levels in regional private hospitals impact on the marketing strategy within the organisations,* to be **answered** and **confirmed**.

Evaluation and control activities in regional private hospitals are concerned with *setting objectives* to measure advertising strategy success, and *establishing performance standards and measures* based on doctor recruitment and patient information. The emergence of evaluation and control in the marketing plan of regional private hospitals is seen through control activities, control processes and the desire and need to measure and monitor strategic effectiveness and efficiency. Importantly, the results indicated that the measuring of *strategic effectiveness* and *strategic efficiency* was often difficult. Additionally, the budgetary control measures were of interest in the context of regional private hospitals, as one of the case studies did not have a budget and relied on board approval for large expenditures. It has also become evident in the application of this study's findings that different management levels are concerned with different evaluation and control activities, with all activities impacting on the marketing strategy of regional private hospitals.

From the findings of this study and the literature concerned with marketing strategy evaluation and control, a specific proposition has been developed for the purposes of future research.

P5a: The greater the strategic effectiveness and strategic efficiency within regional private hospitals, the greater the positive impact on marketing strategy.

5.6 Strategy communication

The communication of marketing strategy in regional private hospitals has been discussed in Chapter 2, with strong emphasis given to relationship marketing and its role in strategy communication (Gray & Ghosh 2000; Nowak 2000; Paul 1988; Taylor, Wilkinson & Cheers 2006; Zeithaml, Bitner & Gremler 2006).

The findings related to strategy communication in health care have shown the importance of this in regional private hospitals. It was determined, by both the CEOs and RSDMs, that relationships with the communities in which the hospitals operate, relationships with doctors who utilise the services provided by these hospitals, and relationships with patients, all impact on the marketing strategy. These relationships can be maintained and fostered through a number of strategy communication avenues such as community reputation, community awareness, community programs, community advisory councils, communicating effectively with doctors, having set standards for procedures, providing accurate and timely information, and ensuring that all activities relating to the patient and their stay run smoothly.

The above brief discussion, and the overview of results, highlights the importance of strategy communication in regional private hospitals and how this impacts on marketing strategy. The underlying influences behind this communication, however, require further exploration.

Employees and word-of-mouth communication

Paul (1988) investigated the usefulness of health care providers targeting employers as direct purchasers of health care services. The author concluded that health care providers can achieve penetration with employees through (a) word-of-mouth communication between employees when it is favourably generated, (b) leveraging employee choices in favour of designated providers and (c) more employees purchasing services directly. Current results indicate that word-of-mouth communication in regional private hospitals plays an important role in strategy

communication. This word-of-mouth communication is evident among management, employees, the doctors and specialists who provide the services, and within the communities in which the hospitals operate. In contrast to the literature, however, these findings are related to internal word-of-mouth communication within regional private hospitals and the associated benefits of such. Paul (1988) was focused on external organisations and their employees influencing the choice of health care provider through favourable word-of-mouth communication. Therefore, these findings indicate that *positive internal word-of-mouth communication* plays an important role in strategy communication in regional private hospitals.

Physician relationships

Expanding on the word-of-mouth communication with doctors and specialists, Peltier, Boyt and Westfall (1997) highlighted the importance of physician relationships to health care organisations with regards to their loyalty. Importance was placed, through the findings of this current study, on physician relationships when discussing marketing strategy. The CEOs and RSDMs in all case studies made a number of key points when discussing relationships with physicians. These included the ideas that communicating effectively with the doctors and specialists was imperative, that internal procedures within the regional private hospitals were of the standard that the doctors expected, and that timely and accurate information was provided to these medical professionals. These findings indicate the importance placed on physician relationships, in strategy communication, being directly linked to the marketing strategy of regional private hospitals. Peltier, Boyt and Westfall (1997) also reviewed three types of bonds in relationship marketing — financial, structural and social — all of which play a role in the communication of strategy in health care.

Bonds in relationship marketing

Financial bonds (Peltier, Boyt & Westfall 1997) were shown to be important, especially with regards to case study four. The CEO from this hospital was focused on obtaining doctors who wanted to set up their private practice on the hospital

grounds. To enable this to occur, the hospital devoted effort and resources in the form of *financial incentives* — that is, a form of financial bonds in strategy communication.

The second form of bond in relationship marketing evident in the results of this study was the structural bond (Peltier, Boyt & Westfall 1997). With the primary customers of regional private hospitals being the doctors (patients being the secondary customers) the involvement of doctors in the *design of the service delivery system* was also evident. This involvement was seen across all case studies by both the CEOs and RSDMs. The involvement entails keeping the doctors 'in the loop', ensuring that management is aware of any issues the doctors may have with the hospital, and communicating with the doctors after the patient has left the hospital. Clearly, this represents the use of structural bonds in strategy communication.

Finally, the results of this study have provided evidence for the existence of social bonds in the relationship marketing of regional private hospitals (Peltier, Boyt & Westfall 1997). Social bonds dominate the strategy communication of the hospitals through the emphasis placed on *communication* by the CEOs and RSDMs in all case studies. Communication was important with the *community* in which the hospitals operated, with the *doctors* who were the primary customers, and with *the patients* who were the secondary customers and came from the local community. Communication within the *community* was undertaken through enhancing community awareness of what the hospitals have to offer, running community programs, the existence of community advisory committees, and generally trying to enhance and maintain a positive image of each hospital in the communities in which they operate. Communication with the *doctors* (the primary customers) also highlights the usage of social bonds in regional private hospitals. Findings indicated the importance of engaging these medical professionals in terms of meeting their needs and ensuring that they understood what the hospitals could offer them in terms of facilities and resources. Communication with the *patients* as secondary customers was also given some importance through ensuring that they were happy and comfortable in their surroundings. From these results a strong inclination towards the use of *social bonds* in the communication of strategy in regional private hospitals

is evident. Also apparent is the usage of both financial and structural bonds, but to a lesser extent when compared to the social bonds of relationship marketing.

Relationship marketing and service provisions in strategy communication

Gray and Ghosh (2000) determined that the higher the number of competitors or occurrence of relationship marketing, the greater the probability of providing extra services over and above the basic requirement. With regards to case study four, these authors' findings were proven to be of particular relevance, with current findings confirming the viewpoint illustrated in the literature. Both the CEO and the Director of Clinical Services indicated that they provided services while ensuring that the relationships with the doctors where maintained to be 'very good working relationships'. Gray and Ghosh (2000) also determined that the greater the prevalence of preferred providers or competitive culture, the higher the likelihood of special treatment for certain purchasers. In relation to this current study, however, insufficient evidence was provided to support further comment on this perspective.

Strategy communication in the community through relationship marketing

The notion of community in regional hospitals has been commented on by Taylor, Wilkinson and Cheers (2006), who determined that community participation in rural hospitals should be representative and focused on the individuals, seeking their input into different aspects of rural health services. Community participation was revealed in the findings of this current study in several ways: through constant communication between the community and the hospitals, by the use of a community advisory committee, by maintaining a positive relationship with the community, by building the 'persona' of the hospital in the community, by enhancing community awareness of what the hospitals have to offer and by running community programs. This study has also identified specific methods of relationship marketing used in strategy communication in regional private hospitals; these included constant communication, advisory committees, positive relationship maintenance, persona building, community awareness enhancement and community

programs. All of these were used to connect and communicate the marketing strategy with the communities.

Relationship marketing and its usefulness in strategy communication

Nowak (2000) has highlighted reasons that health care organisations should use relationship marketing, including (a) the *ability to reach market segments more effectively*, (b) the *strengthening of physician-patient relationships*, (c) *improving customer loyalty* and (d) *maximising marketing resources*. All of these reasons are evident in the results of this study, with the exception of *strengthening physician-patient relationships*. In attempting to *reach market segments*, the regional private hospitals have a two-fold approach to their strategy communication. Firstly, they are interested in the doctors and specialists as a market to target and communicate with; secondly, the community in which they operate is also a market for them to target and communicate with. The *improvement of customer loyalty* can be seen in the regional private hospitals' strategy communication by ensuring that the doctors and specialists remain loyal to their hospital and continue to provide their services into the future. Finally, the *maximisation of marketing resources* was apparent in case study four, which employed a GP Liaison Officer as a marketing resource. This person's role in the organisation was entirely devoted to communicating with the general practitioners, as well as creating new, and maintaining existing, positive relationships with the medical professionals. From these findings it is apparent that relationship marketing is indeed important to communication of strategy in regional private hospitals. These results indicate that the focus of strategy communication should be on the doctors and specialists firstly, the community second, and that the marketing strategies should be targeted towards the doctors and specialists.

Through investigating the findings of this study (in relation to strategy communication and the role relationship marketing has to play in this communication), ***Research Issue 4:*** *What is the role of strategy communication within the marketing strategy in regional private hospitals?* and ***Research Proposition 8:*** *Different management levels' understanding of strategy*

communication in regional private hospitals impact on the marketing strategy within the organisations can be **answered** and (to some extent) **confirmed**.

It has become evident that relationship marketing's involvement in strategy communication in regional private hospitals is important; this is based on a number of aspects. These aspects illustrate the role of strategy communication within marketing strategy and can be classified into internal strategy communication (such as relationships with employees) and external strategy communication (such as relationships with physicians and the community). It was determined that word-of-mouth communication between management, employees, the doctors and specialists who provide the services, and within the communities in which the hospitals operate are apparent in the strategy communication of regional private hospitals. The bonds of relationship marketing have also been discussed in relation to strategy communication, with social bonds dominating strategy communication in regional private hospitals. Community participation across all case studies has been described as playing an important role in the relationship marketing, as was strategy communication through relationship marketing to reach market segments, improve customer loyalty and maximise marketing resources. It can be seen that both the CEOs and RSDMs share similar opinions in discussing strategy communication. Therefore, no differences were found between in management levels in their understanding of strategy communication.

From the findings of this study, in terms of strategy communication and relationship marketing, specific propositions have been developed for the purposes of future research contributions.

P8a: The more understanding that regional private hospitals have of the 'bonds' in relationship marketing, the more likely a positive effect will be found on the relationship between marketing strategy and strategy communication.

P8b: The more involved that regional private hospitals are in the communities in which they operate, the greater the positive effect will be on marketing strategy.

Chapter 6 Recommendations

This chapter comprises five main sections, which draw together the contributions of this research and provide a range of recommendations. The first section (Section 6.1) deals with the theoretical contributions, including the relationship between marketing and organisational strategy. The second section addresses contributions to methodology, including adjustments to an interview protocol that combined both qualitative and quantitative questions, and which contributed a greater depth of understanding. The third section, Section 6.3, discusses contributions related to management in regional private hospitals. The next two sections focus on research: Section 6.4 reviews the limitations of this study and Section 6.5 provides suggestions for future research directions. This is followed by some general conclusions.

6.1 Theoretical contributions

The findings of this study have provided new insights into the relationship between marketing strategy and organisational strategy (see Figure 6.1). This framework highlights the diversity of concepts that exert an influence on marketing strategy and organisational strategy.

The *'Good' characteristics* of strategy are illustrated in Figure 6.1 as being influential in the relationship between marketing strategy and organisational strategy. This study has made it clear that in health care strategy making, the sources of input (such as staff, the community, executive team, doctors, specialists and patients) and participation (such as education, analysis and team building) are both essential.

Quality management and *quality improvement* influence the relationship between marketing strategy and organisational strategy, through playing a role in strategy making within health care. To achieve quality services (see Figure 6.1, blue text) through strategy making, this study has determined that an organisation should obtain feedback from patients, pursue a positive organisational culture, ensure that

human resources are adequate for the task at hand and monitor government changes to legislation.

Strategic consensus among senior decision makers in regional private hospitals has an influence on the relationship between marketing strategy and organisational strategy during strategy making (see Figure 6.1). It has been made clear that senior decision makers, such as DONs (see Figure 6.1, blue text), in an organisation need to be tasked with strategy formulation, need to strive to meet strategic consensus and must be committed to the implementation of strategy.

Figure 6.1 also illustrates the relationship between *deliberate* and *emergent* strategy and their influence on the marketing strategy/organisational strategy relationship and role in strategy making. This study has determined that both marketing strategy and organisational strategy can be placed on a strategic orientation continuum (see Figure 6.1, blue text). As mentioned previously in Chapter 2, the strategic orientation continuum depicts a visionary perspective and an opportunistic perspective. It has been determined that where marketing strategy and organisational strategy lie between these perspectives is dependent on organisational characteristics. The use of emergent and deliberate strategies in health care is highlighted through the senior decision makers emphasising the need for organisations to be quick in reacting to unpredictable circumstances. This quick reaction stimulates a more emergent approach to strategy making, indicating a need for senior organisational members to communicate via middle management with lower level employees as to the strategic direction of the organisation.

The above discussion depicts the role that marketing strategy plays in the overriding organisational strategy in regional private hospitals. This role of marketing strategy depends on sources, both internal and external to the organisation, the quality management and improvement of services, the role of senior staff and the emergent nature of strategy making.

The development of strategy on different organisational levels has also been addressed through this study. In particular the *CEOs* of organisations have an

impact on strategy making through their role in technology and the administration of patient management systems, as well as the maintenance of positive relationships (see Figure 6.1, blue text). These positive relationships are essential with key stakeholders such as doctors, specialists and the community. Additionally, the *technology* in the patient management systems (see Figure 6.1, blue text) is important in maintaining positive relationships, as these systems manage all patient information.

Strategy specification of the concept organisational strategy is demonstrated in Figure 6.1, with the *strategic orientation* of an organisation influencing the *specification*. In health care organisational strategies, mission statements, level of investment in terms of market growth, assets and competences, objectives and goals, non-financial resources and synergy all require specification and integration together as essential components of this overarching strategy.

This study has found that there are many organisational characteristics that differentiate regional private hospitals on a strategic orientation continuum, from both a marketing strategy perspective and an organisational strategy perspective. Interestingly, when the approaches to strategic orientation differed between management levels, the CEOs and remaining strategic decision makers (RSDMs) were indecisive and uncertain.

A number of *specific marketing strategies* are associated with the concept marketing strategy (see Figure 6.1). The marketing strategies that play a role in health care marketing strategy include growth strategies, declining and hostile market strategies, pricing strategies, advertising strategies, positioning strategies, differentiation strategies, competitive strategies, word-of-mouth and the recruitment of doctors (see Figure 6.1, blue text).

The *perceptions* of marketing strategy held by the decision makers in organisations have been found to influence how it was developed (see Figure 6.1, blue text). Key decision makers regard marketing strategy in different ways; for example, as the creation of community awareness, as communicating the hospital's existence, and as

building a positive reputation in the community. The CEOs and RSDMs perceptions influence the goals that they set with regards to marketing strategy and the alignment between marketing strategy and organisational strategy.

The environment in which an organisation operates influences its marketing strategy. There are two aspects to environment: *internal* and *external* (see Figure 6.1). The influence of the *internal environment* on marketing strategy can be attributed to staff morale, autonomy, negative communication, doctor retention and relationships, internal restructuring, general practitioner support and patients (see Figure 6.1, blue text). The *external environment*, in its influence on marketing strategy, can be attributed to customers, competitors, private health insurance, staff recruitment, government and policy changes, and public hospitals (see Figure 6.1, blue text).

In addition to the internal and external aspects of the environment, the overall nature of the environment was illustrated as influencing the construct of marketing strategy (Figure 6.1). When formulating marketing strategy in health care organisations it was found to be essential to consider the *dynamic*, *complex*, *turbulent* and *uncertain* nature of the environment. Consistent monitoring and management of changes and threats within the environment is also required, with special regards given to the effects of government influence.

Figure 6.1 also shows the *implementation contingency components* that should be considered when implementing marketing strategy in health care organisations. These components, all of which will affect the success of marketing strategy implementation, are leadership, culture, systems, structure and people.

The second part of implementation found to be influencing marketing strategy in health care organisations is the set of *implementation activities*. Organisations should be tasked with specific *activities* (such as allocation of human resources, enhancing organisational culture, making changes to organisation structure, providing incentives, assigning people to implement the strategy, and time constraints) so as to ensure the positive and successfully implementation of marketing strategy.

After a marketing strategy has been successfully implemented in a health care organisation, the successful maintenance of the strategy is seen to depend on *control processes*. Objectives should be achieved, performance standards established and monitored, and specific areas of the organisation constantly evaluated (Figure 6.1).

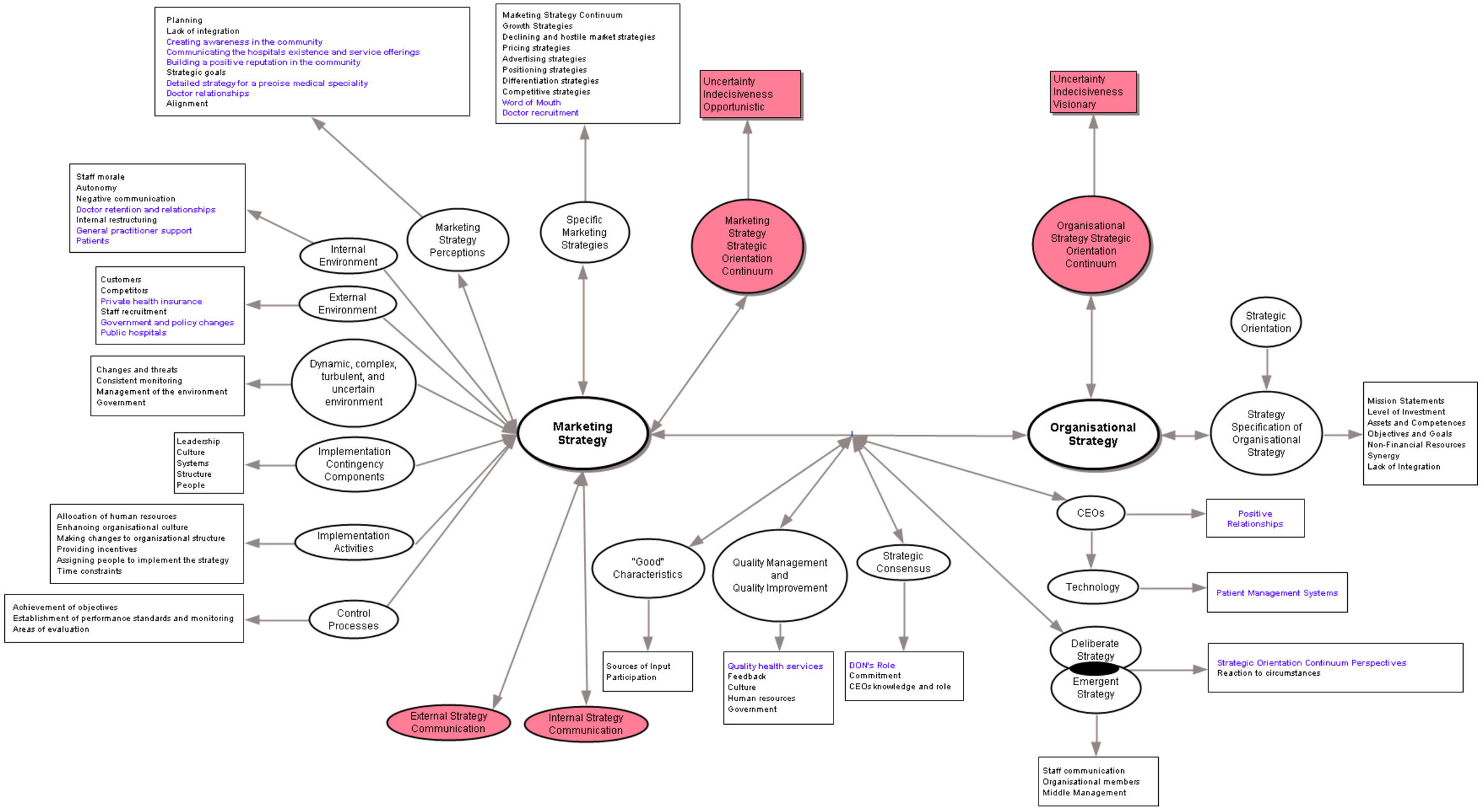
Strategy communication and the role it plays in the relationship between marketing strategy and organisational strategy can be attributed to *external* and *internal* strategy communication (see Figure 6.1, red circles). *External* strategy communication is concerned with the relationships with both physicians and the community in which the organisation operates, while *internal* strategy communication is concerned with relationships with the employees of the organisation.

This study has contributed to the body of literature in addressing the question *how does marketing strategy influence organisational strategy in regional private hospitals?* The contributions have been concerned with the various concepts affecting *marketing strategy* in conjunction with concepts that influence *organisation strategy* and importantly the concepts that influence the relationship between marketing strategy and organisation strategy. Through examining these concepts the complementary relationship between *marketing strategy* and *organisation strategy* has been expanded in the health care research context.

In addition to marketing strategy and organisation strategy, this study has also focused on the strategic orientation continuum as developed by Aaker and Mills (2005). It has been stated by the authors that 'organisations bring to the marketplace different strategic orientations – that is, they bring varying methods and levels of strategic thought and application' (Aaker & Mills 2005, p. 5). In their continuum, Aaker and Mills (2005) illustrated two different approaches to the development of successful strategies. This study has shown that the approach taken by Aaker and Mills (2005) to strategic orientation has a greater depth of complexity than had previously been reported. The findings of this current study indicate a conundrum in that the organisational strategy, with regards to certain organisational characteristics,

is associated with a visionary perspective on the continuum while the marketing strategy tends to be opportunistic in its nature, based on certain organisational characteristics, thus indicating two separate strategic orientation continuums (see Figure 6.1, red circles). Results show that the organisations can at least partially manage this problem by integrating the opportunistic marketing strategy into the visionary organisational strategy. In addition to this problem, the elements of indecisiveness and uncertainty can be associated with both marketing strategy and organisational strategy (see Figure 6.1, red boxes). This indecisiveness and uncertainty were shown to be associated with different organisational characteristics on both strategic forms. The integration of a strategic orientation continuum has provided new insight into the relationship between marketing strategy and organisational strategy as it shows the kinds of strategic orientation associated with each form of strategy, and the aspects of uncertainty and indecisiveness linked to specific characteristics of health care organisations.

Figure 6.1 Theoretical contributions made by this research



6.2 Methodology contributions

This research has also provided several contributions to methodology. In developing the interview protocol, a combination of both qualitative open ended questions and quantitative questions were included. This methodological combination allowed for a greater depth of understanding to be obtained. The understanding came from the quantitative questions providing additional insight into the qualitative responses received from the interviewees. This method, utilised in the interview protocol, has contributed due to the greater depth of understanding able to be obtained through the methodological combination.

The inclusion of two states — Queensland and New South Wales — was initially undertaken with the intention of conducting a comparison between health care organisations in two political/administrative environments. However, reported earlier, no differences between the states were found in the results of this study. Differences did, however, emerge between managerial levels in the regional private hospitals. These differences provided the basis on which the analysis was conducted.

The final methodological contribution emerging from this research involved the use of the qualitative software program Leximancer. This program proved to be extremely useful in the initial analysis of the data; but was limited in terms of the case study research. This analysis comprised three stages — *concept map examination*, *concept analysis* and *manual content analysis* — so that a greater level of understanding and depth of information could be obtained from the data. This depth was obtained primarily from the *content analysis*. A consequence of employing the three stages in the analysis phase of this research is that there is now a basis for more-comprehensive studies in the future; these should be based on a more quantitative methodological approach.

6.3 Managerial recommendations

CEOs and management teams are the key decision makers for strategy development in regional private hospitals, and this study has endeavoured to provide contributions that would assist them in their planning.

Decision makers in health care organisations need to be decisive and certain in formulating their strategies. For overarching organisational strategies, they should be knowledgeable about the environment in which they operate, be certain about the structures they employ in the organisation, and have clear and defined leadership within the organisation. Similarly in marketing strategy formulation, managers should provide a clear vision of structure to their organisational members, be familiar with the environment in which they operate and have a clear perspective on what their competitors are doing.

It is important that management teams in regional private hospitals obtain feedback from patients and doctors. This feedback provides the basis for future change and improvement in the quality of services provided. It also illustrates that the organisation values its customers and their opinions. A positive culture within any organisation is essential; however, this plays a particular role in regional private hospitals. These organisations operate in small communities where culture is the basis for day-to-day operations, making a positive culture an important part of the strategy to be implemented by management. Human resources are another aspect that management should continually monitor. Human resources in a regional community may be limited and thus require careful consideration in strategy making by management teams. Legislative changes in health care also require consistent monitoring by the decision makers in regional private hospitals. Any legislative change may affect the strategic direction of the organisation and should be investigated as to how it may affect the hospital.

Decision makers in regional private hospitals should also be specific in areas such as mission statements, level of investment in market growth, assets and competences, objectives and goals, non-financial resources, and areas within their organisations

that have lacked integration. These areas are important, as they provide the directions that the organisation can take strategically. If management is not specific in these aspects then the direction that the organisation takes in the future will not be clear.

Assurance should also be provided by management that they will utilise all sources of input to develop strategy and that all of these input sources are participative. Input sources such as patients and doctors are the central beneficiaries of the strategies being developed and thus should be involved in the development process.

Communication in regional private hospitals should be at the forefront of the priorities set by the CEOs of these organisations. All levels of staff need to be constantly striving to improve relationships with stakeholders, be quick to react to changing circumstances and communicate with the different levels in the organisations. Improvements, reactions and communication at different levels all depend on communicating the strategy both externally and internally to the organisation.

Decision makers in regional private hospitals have the opportunity to use a variety of alternative marketing strategies. These include growth strategies, declining and hostile market strategies, pricing strategies, advertising strategies, positioning strategies, differentiation strategies, competitive strategies, word-of-mouth, and the recruitment of doctors. These specific forms of marketing strategy all have their place in the organisation. The organisation needs to determine which of these are most appropriate based on their market, stakeholders, and the community in which they operate.

Both the internal and external environment require constant monitoring by management in regional private hospitals. This should occur frequently and consistently due to the dynamic, complex, turbulent and uncertain nature of the health care environment.

When implementing marketing strategy in regional private hospitals, decision makers need to be aware that the success of implementation depends on the leadership, culture, systems, structure and people of the organisation. These aspects of implementation need to be definitive and decisive to ensure implementation success.

To control their marketing strategies, decision makers need effective control processes. Such control processes should ensure that objectives have been achieved, that performance standards are established and monitored, and that the objectives and standards are constantly evaluated. These objectives, performance standards and evaluation methods need to have been established in consultation with all stakeholders in the organisation.

6.4 Research Limitations

When reporting the results of any research, specific limitations should be acknowledged; the following limitations have been identified with respect to this study. Firstly, the qualitative analysis program Leximancer proved to be extremely efficient in conducting the 'ground work' of the analysis phase in this research. This was achieved by incorporating Leximancer concept maps and concept analysis. However, Leximancer did not provide the depth of analysis required for this research. Consequently, a further stage, content analysis, was employed, which was based on the findings of Leximancer. The second limitation in this research was the limited number of case studies and interviews that could be undertaken, related to the restriction that organisations from only Queensland and New South Wales could be included. As previously discussed in Chapter 3, there were constraints on time and financial resources. However, it was determined that theoretical saturation was obtained through the methodological process undertaken in this research. Finally, in interpreting the results of this study, the detailed propositions (highlighted throughout Chapter 5) require consideration. These detailed propositions were discovered during the analysis phase of this research project. However, they were not incorporated, due once again to the time and financial restrictions placed on the

study and its specific focus. These detailed propositions should be the focus of future research in health care settings.

6.5 Future research opportunities

A key research opportunity that has been reiterated and discussed throughout this study is the construct of organisational performance. It was deemed that this construct and its relationship with organisational strategy and marketing strategy were beyond the scope of this research. The construct of organisational performance was, however, depicted in the conceptual research framework and discussed in the literature review as a result of the importance placed on it in the literature. It is therefore envisaged that future research may assess the relationship between organisational performance, and organisational strategy and marketing strategy.

By investigating these relationships among theoretical concepts, both financial and non-financial, measures of performance could be utilised (as discussed in Chapter 2); this could be approached through an exploration of the findings of Watkins (2003) and Ballou, Heitger and Tabor (2003). In terms of organisational performance, an additional candidate for future research would be the set of factors explored by Short, Palmer and Ketchen (2002), which included organisational resources and strategic groups membership, and their relationship with performance. Through considering the need for a broader and balanced perspective of organisational performance, the six dimensions identified by Chang, Lin and Northcott (2002) could also be examined in future research. These dimensions included (a) health improvement, (b) fair access, (c) effective delivery of appropriate health care, (d) efficiency, (e) patient/carer experience and (f) health outcomes; these could therefore be investigated in terms of the relationship between organisational performance and organisational strategy, and organisational performance and marketing strategy. The final aspect of organisational performance that was beyond the scope of this research, but should be considered in future research efforts, involves the establishment of marketing performance measures. By establishing these measures, the relationship between organisational performance and marketing strategy will be more effectively understood.

The assessment of organisational performance and its relationship with organisational strategy and marketing strategy may be based on the following overriding propositions. These propositions have been developed from the conceptual research framework and review of the literature.

P2: Different management levels' understanding of the relationship between organisational strategy and organisational performance can be positioned on a performance continuum.

P4: Different management levels' understanding of the relationship between marketing strategy and organisational performance can be positioned on a performance continuum.

An additional aspect that has been incorporated at Chapter 5, and which should be considered in future research efforts, is the set of detailed propositions associated with each theoretical construct examined in this research study (see Chapter 5, P1a–P1d, P3a-P3c, P5a, P6a, P7a-P7b and P8a-8b). Each of the propositions provides avenues for future research into the relationship between marketing strategy and organisational strategy in a health care setting.

6.6 Conclusion

This thesis has explored the relationship between marketing strategy and organisational strategy. This research — by determining the underlying influencing concepts in the relationship between marketing strategy and organisational strategy — has shown that an influential relationship between marketing strategy and organisational strategy does exist. In doing so, the complexity and diversity of this relationship has become evident.

Based on the influencing concepts, it is recommended that health care managers focus on a several important areas. These areas include strategic characteristics, specification, quality management and improvement, consensus, the role of different

employees, and external and internal strategy communication. These influencing concepts are essential for consideration when formulating the marketing strategy and organisational strategy of a health care organisation.

Strategic effectiveness and strategic efficiency are extremely difficult to measure in health care. Therefore, the setting of objectives and establishment of performance standards prove to be more useful in evaluating and controlling strategy. Importance should also be placed on the use of communication in health care marketing strategy, through positive word-of-mouth activities; financial, structural and social bonds; and community participation.

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Appendix A: Interview protocol

Introduction

1. Please outline your experience with strategy development within your organisation.

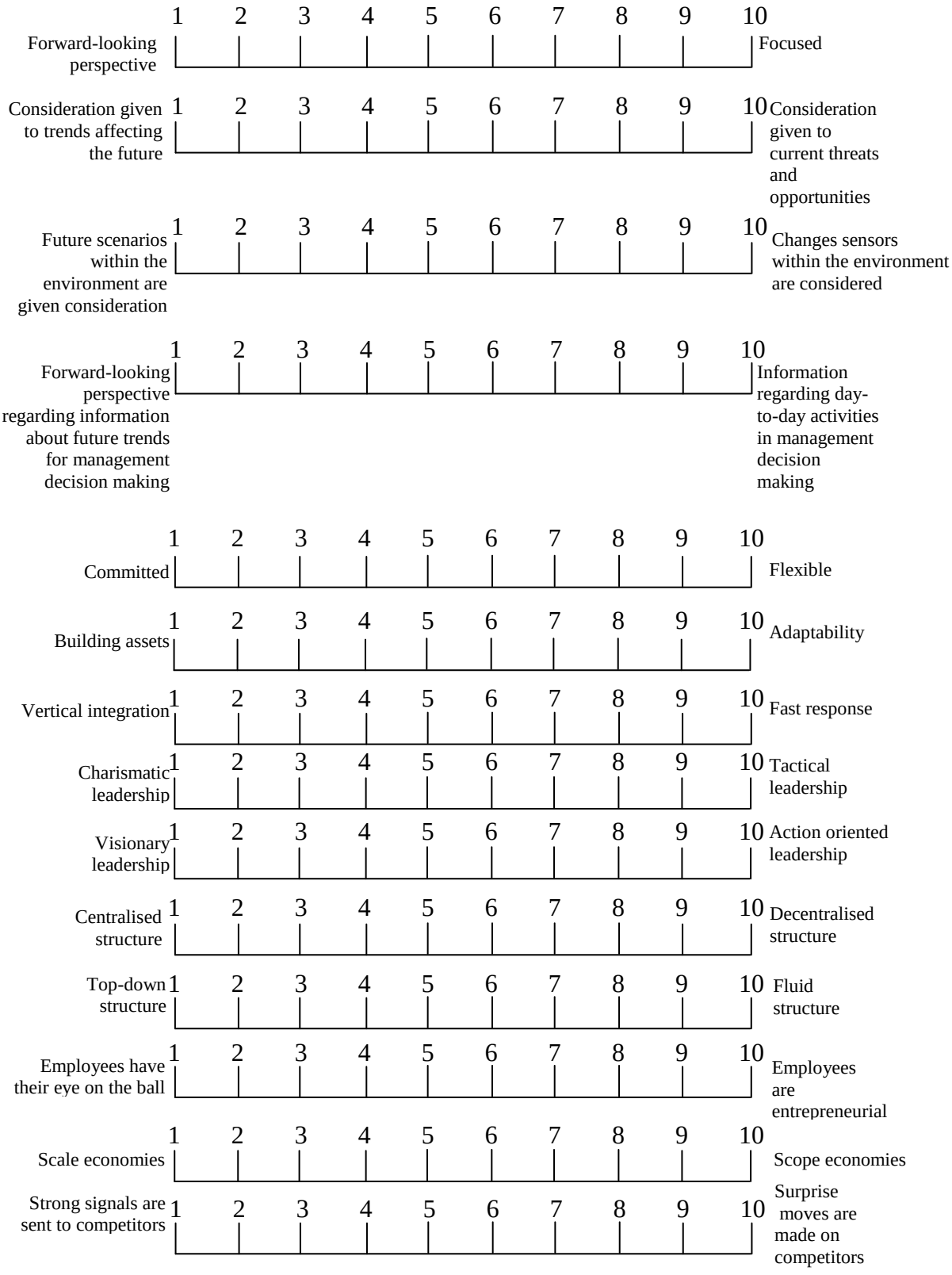
Organisational Strategy

2. Who formulates and plans your organisations strategy?

Probe for management and staffing levels of those employees involved.

3. How does this strategy develop over time?

4. Please refer to the following criteria and scales. Where would you say that your organisational strategy sits on these scales with regards to the stated organisational characteristics?



Marketing Strategy

5. What is the role of marketing strategy within your firm's organisational strategy?

6. How closely is the marketing strategy aligned to the organisational strategy?

7. When the term 'strategic marketing planning' is stated what comes to mind?

8. Using the following table, please indicate the extent to which the following strategies are developed within your hospital?

Marketing Strategy	Not Applicable	Small Extent				Great Extent
		1	2	3	4	5
Setting prices according to Private Health Fund/Government regulation requirements						
Maintaining stable prices and emphasising something other than prices						
Advertise service offerings through the local newspaper						
Advertise service offerings through the Yellow Pages						
Position the organisation through creating a positive relationship with medical practitioners						
Position the organisation by creating an image based on the advantages that our services offer						
Concentration is on selling services to more than one specific group of customers within the total market						
Concentration is on selling services to the whole market (i.e. everyone in the region and/or city)						
Identify and develop a new market segment for current services						
Offer a new or modified service to current market segments						
Focus efforts on a minority of market segments and not the entire market						
Differentiate services to those of competitors						

9. Would you like to expand or explain further the use of the above mentioned strategies in your organisation or any additional strategies that you may currently be using that have not been mentioned?

Probe for issues regarding

- *health funds, Medicare, government regulations, competitors*
- *additional promotional tools used*
- *Sustainable Competitive Advantage and how this is used and maintained*
- *specific customer groups and how medical practitioners 'fit' into the target market*

Environment

10. How do you view the internal organisational environment and its influence on the marketing strategy?

Probe for the influence on the marketing strategy…

11. How do you view the external health care industry environment and its influence on the marketing strategy?

Probe for the influence on the marketing strategy…

12. Using the following table, please indicate how often your hospital considers the following environmental factors, in the marketing strategy process.

Environmental Factors	Never	Annually	Half yearly	Monthly	Weekly/ Daily
External Environmental Factors					
Competitors					
Suppliers					
Technology					
Government					
Economic					
Culture					
Demographics					
Examine scenarios that may occur in the external environment					
Internal Environmental Factors					
Research and Development					
Purchasing					
Marketing					
Human Resources					
Profitability					
Income					
Shareholder value/Community Stakeholder value					
Customer satisfaction					
Service quality					
Customer association (what do customers think of the hospital)					
Comparison of service delivery costs to those of competitors					
Introduction of new services					
Employee capability and performance					
Services portfolio analysis					

Implementation

13. Using the following table, please indicate the extent to which your hospital carries out the following implementation activities.

Implementation Activities	Not Applicable	Small Extent				Great Extent
		1	2	3	4	5
State the activities to be implemented						
Define the deadlines for implementing the strategies						
Establish annual objectives						
Develop policies to guide the implementation process						
Allocate resources needed to implement these strategies						
Enhance organisational culture						
Manage potential conflict that may result from the implementation process						
Make any necessary changes to the organisation's culture						
Communicate to employees when and how the strategies will be carried out						
Provide incentives for employees to carry out the strategies effectively						
Consistent monitoring to ensure that all activities are co-ordinated						
Assign people who are to be responsible for implementing these strategies						

Probe for any additional implementation activities, that are not indicated in the above table, and that may be specific to the individual hospital.

14. When recruiting employees, what aspects of a person are considered important based on the functional areas of the organisation?

Probe for issues regarding the functional areas of marketing, management of particular services, management of people, growth and change…

15. How would you describe the organisational structure of your hospital?

Probe for centralised vs. decentralised and borderless organisation characteristics…

16. What forms of management systems do you have in place?

Probe for accounting and budgetary, information systems, measurement and reward and planning systems…

17. How would you describe the culture associated with your hospitals?

Probe for issues regarding shared values, norms of behaviour, symbols and symbolic action…

Evaluation Techniques

18. When evaluating the marketing strategy, what kinds of issues are considered to be of importance within your hospital?

19. Using the following table, please indicate how *effective* you feel that your hospital's marketing strategy is in meeting the following objectives.

Marketing Objectives	**Not Applicable**	**Extremely Ineffective**				**Extremely Effective**
		1	**2**	**3**	**4**	**5**
Service objectives						
Pricing objectives						
Distribution objectives *(i.e. how are you getting your services into the community)*						
Promotional objectives						

20. Using the following table, please indicate how *efficient (or how well the strategy is returning value and profitability)* you feel that your hospital's marketing strategy is in meeting the following objectives.

Marketing Objectives	**Not Applicable**	**Extremely Inefficient**				**Extremely Efficient**
		1	**2**	**3**	**4**	**5**
Service objectives						
Pricing objectives						
Distribution objectives *(i.e. how are you getting your services into the community)*						
Promotional objectives						

Control Techniques

21. Using the following table, please indicate the extent to which your hospital uses the following control techniques.

Control Techniques	Not Applicable	Small Extent				Great Extent
		1	2	3	4	5
Contingency Planning (coming up with alternative strategies/actions for a 'what if' situation)						
Auditing (examining the environment, objectives, strategies and activities to identify opportunities or problem areas)						
Budgetary control (examining and monitoring the organisation's budget at regular intervals)						
Monitoring occupancy rates						
Management by objectives (setting objectives and measuring performance)						
Marketing research (investigating a specific problem or issue with the purpose of finding a solution)						
Monitoring costs						
Staff rostering						

Probe for any additional control techniques, that are not indicated in the above table, and that may be specific to the individual hospital.

Organisational Performance

22. How would you rate the overall performance of [hospital name]?

Low performing 1 2 3 4 5 6 7 8 9 10 High performing

23. How would you rate the overall performance of [hospital name] compared to other public and private hospitals in the region?

Low performing 1 2 3 4 5 6 7 8 9 10 High performing

24. What is the current value of your organisation's fixed assets?

Less than $25 million	
$25 million – less than $45 million	
$45 million – less than $65 million	
$65 million – less than $85 million	
$85 million or more	

25. Which of the following best describes your organisation's current profitability status?

Our organisation is making a substantial loss	
Our organisation is losing money but not a substantial amount	
Our organisation is breaking even	
Our organisation is making a profit but not a substantial profit	
Our organisation is making a substantial profit	

26. Which of the following best indicates the % growth of your organisation for the past two years?

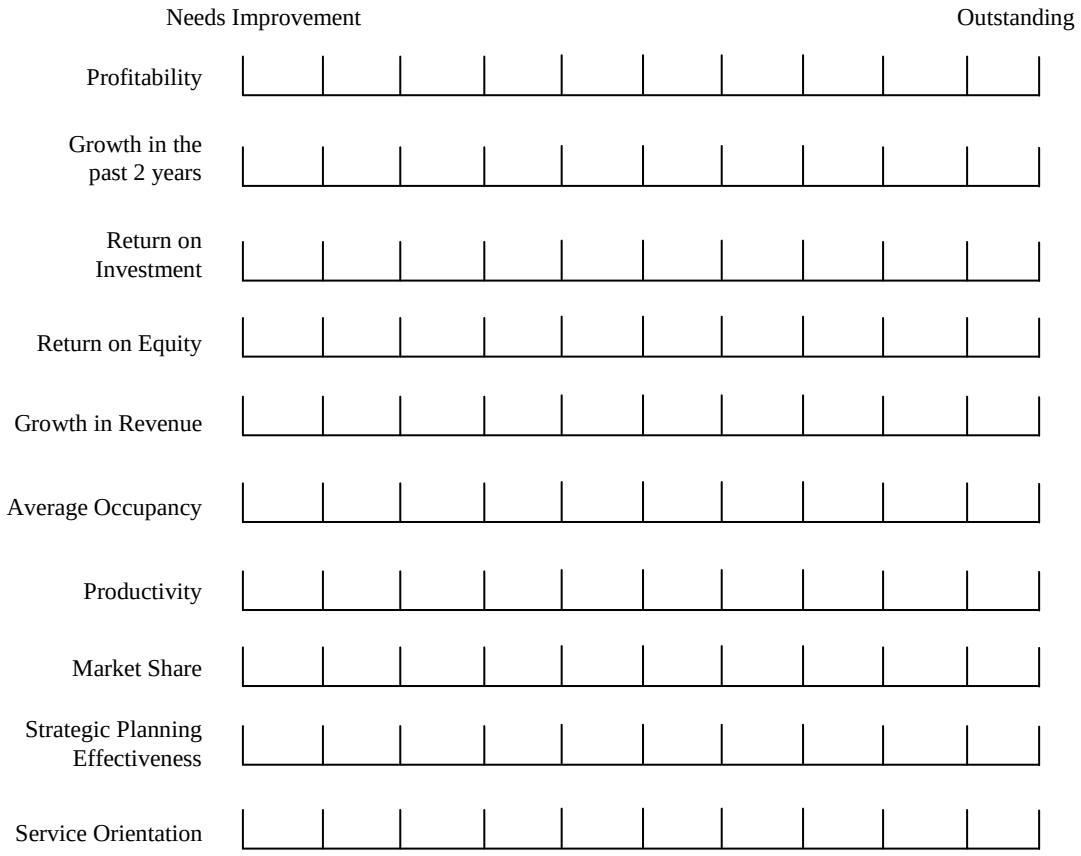
Our organisation's growth is rapidly declining	
Our organisation's growth is moderately declining	
Our organisation's growth is stagnant	
Our organisation is growing moderately	
Our organisation is growing rapidly	

Probe for why that percentage is given…

27. What is your organisation's current annual revenue?

Less than $25 million	
$25 million – less than $45 million	
$45 million – less than $65 million	
$65 million – less than $85 million	
$85 million or more	

28. Please indicate how your hospital is performing in the following areas.

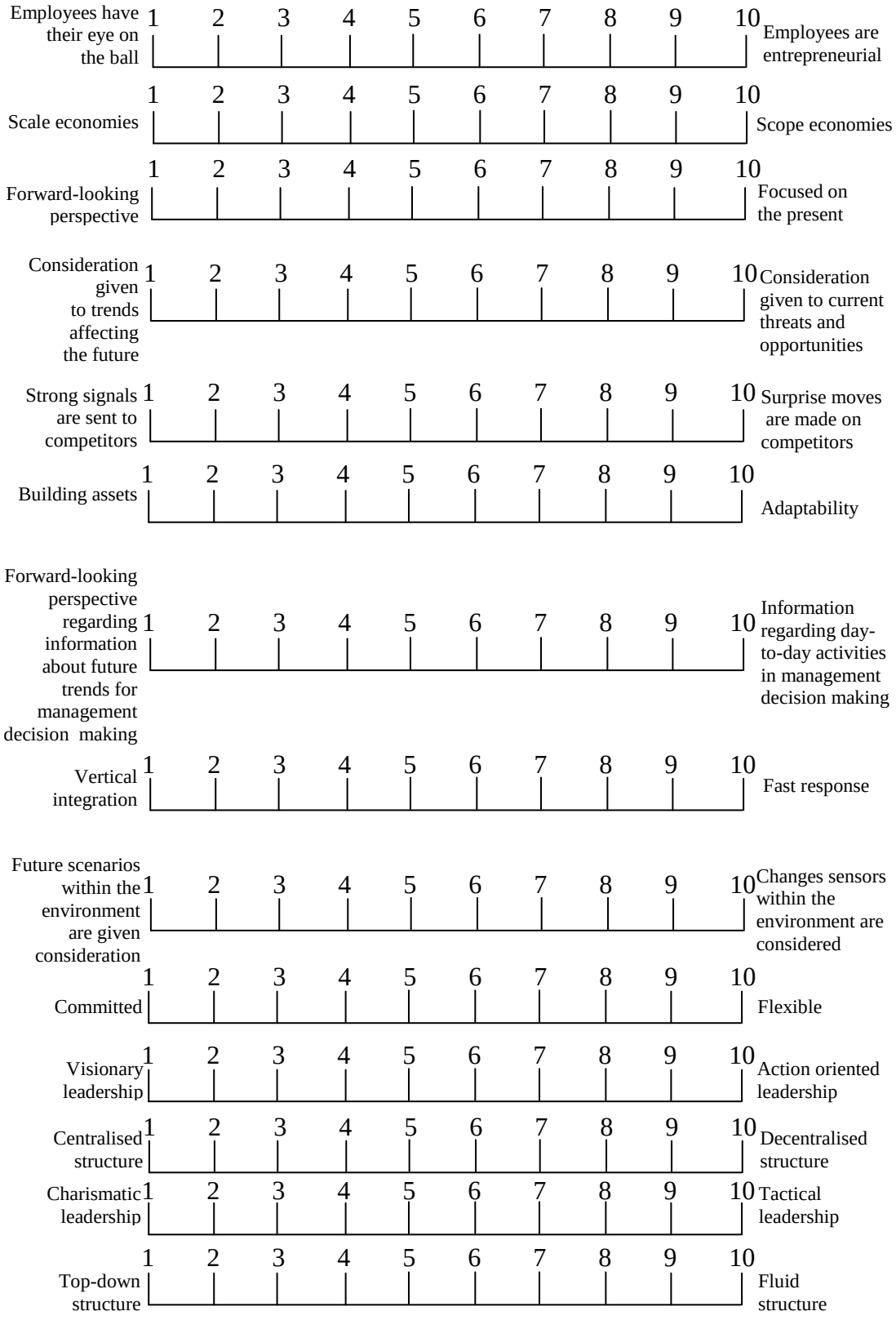


29. Using your best estimate, how much market share does your organisation currently hold within your industry?

Less than 20%	
20% - but less than 30%	
30% - but less than 40%	
40% - but less than 50%	
50% or more	

Marketing Strategy and Organisational Strategy

30. Please refer to the following criteria and scales. Where would you say that your marketing strategy sits on these scales with regards to the stated organisational characteristics?



Respondents Profile

31. What is your position in the organisation?

Chief Executive Officer	
Executive Director	
General Manager	
Director of Nursing	
Medical Practitioner	
Administrative Officer	
Other:	

32. How long have you held this position?

Less than 4 years	
4 years but less than 6 years	
6 years but less than 8 years	
8 years but less than 10 years	
10 or more years	

33. How long have you been working for this organisation?

Less than 4 years	
4 years but less than 6 years	
6 years but less than 8 years	
8 years but less than 10 years	
10 or more years	

34. What is your sex?

Male	
Female	

35. Which age group do you belong to?

Under 30	
30 years but less 40 years	
40 years but less than 50 years	
50 years but less than 60 years	
60 years and over	

36. What is the highest level of education you have completed?

Primary school or less	
High school graduate	
TAFE/College/University Diploma	
University Bachelor Degree	
Master Degree or Postgraduate qualification	

Appendix B: Ethical endorsement

The University of Southern Queensland

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AUSTRALIA
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Office of Research and Higher Degrees

Postgraduate and Ethics Officer
Telephone: 0746 312956
Facsimile: 0746 312955
Email: bartlett@usq.edu.au

22 January 2007

Ms Tiana Hopper
PO Box 420
Darling Heights Q 4350

Dear Ms Hopper

Re: Ethics Clearance for Research Project, *Organisation Strategy, Marketing Strategy and Organisation Performance: A study of Queensland's Hospitals*

The USQ Human Research Ethics Committee recently reviewed your application for ethics clearance. Your project has been endorsed and full ethics approval is confirmed. Reference number **H07STU614** is assigned to this approval that remains valid to **22 January 2008**.

The Committee is required to monitor research projects that have received ethics clearance to ensure their conduct is not jeopardising the rights and interests of those who agreed to participate. Accordingly, you are asked to forward a **written report** to this office after twelve months from the date of this approval or upon completion of the project.

A questionnaire will be sent to you requesting details that will include: the status of the project; a statement from you as principal investigator, that the project is in compliance with any special conditions stated as a condition of ethical approval; and confirming the security of the data collected and the conditions governing access to the data. The questionnaire, available on the web, can be forwarded with your written report.

Please note that you are responsible for notifying the Committee immediately of any matter that might affect the continued ethical acceptability of the proposed procedure.

Yours sincerely

C. Bartlett

Chris Bartlett
Postgraduate and Ethics Officer
Office of Research and Higher Degrees

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Friday, 18 July 2008

Tiana Gurney
Faculty of Business
Toowoomba Campus
USQ

Re: Ethical Clearance - Organisation Strategy, Marketing Strategy and Organisation Performance: A study of Queensland's Hospitals

Dear Tiana,

The USQ Human Research Ethics Committee recently reviewed your application for ethical clearance extension. Your project has been endorsed and full ethics approval was granted 17/07/2008 to be backdated to 22/01/2005. Your approval reference number is: **H08REA042** and is valid until **22/01/09**.

The Committee is required to monitor research projects that have received ethics clearance to ensure their conduct is not jeopardising the rights and interests of those who agreed to participate. Accordingly, you are asked to forward a **written report** to this office after twelve months from the date of this approval or upon completion of the project.

A questionnaire will be sent to you requesting details that will include: the status of the project; a statement from you as principal investigator, that the project is in compliance with any special conditions stated as a condition of ethical approval; and confirming the security of the data collected and the conditions governing access to the data. The questionnaire, available on the web, can be forwarded with your written report.

Please note that you are responsible for notifying the Committee immediately of any matter that might affect the continued ethical acceptability of the proposed procedure.

Yours sincerely

Ashley Steele
Research Ethics Officer
Office of Research and Higher Degrees

Appendix C: Case study write-up

Case study 1

1.0 Firm background

This regional private hospital was an acute care medical and surgical facility located in the state of Queensland. The population of the community in which this hospital was located was less than 15,000 people. This hospital was part of a larger health care structure that offered community care as well as hospital care in the form of regional private health care facilities.

1.1 Hospital selection

This hospital was selected due to its geographical location in a regional area, the number of services the hospital offers to the surrounding community, recent growth experienced by the hospital, and the potential for future growth in the surrounding region.

1.2 Services offered

This hospital is a 40 bed facility offering a wide variety of services including: two operating suites; four-bed recovery room; six reclining lounges for day ward; private and shared rooms with ensuite; television and telephones; veterans' special medical lounge; chemotherapy ward; general surgery; gastroenterology; gynaecology; urology; general dentistry; facio-maxillary surgical services; ear, nose and throat surgery; ophthalmology; plastic and reconstructive surgery; consultant physician/cardiologist; cardiac stress testing; orthopaedic; and haematology/oncology.

1.3 Year established

1984

1.4 Classification

Urban, Queensland.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The identification of participants was assisted by the CEO of the hospital. It was found that the key strategic decision makers within this hospital were the ***CEO***, the ***Chief Medical Officer***, and the ***Accountant***. The CEO reported to the wider health care structure, which this hospital belonged to, however, the local hospital strategic decision making was conducted by the above mentioned three employees of this regional private hospital. The Chief Medical Officer and Accountant both reported to the CEO of the hospital. These three interviewees accounted for **all** the key strategic decision makers in this regional private hospital.

2.2 Additional sources of evidence collected

Additional sources were collected in the form of information regarding the ***community advisory committee***, information pertaining to ***discharge planning and community liaison***, information on the ***Australian private hospital system*** and the ***private patients' hospital charter***, and finally the hospitals ***website*** was explored for additional information also.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

It was determined through an analysis of the hospital's website that one statement made resembled a mission statement, even though it was not entitled as such. The focus of this statement was centred on an explanation of what the overall organisation does on a corporate level for the larger health care structure that this hospital belongs to.

3.2 Vision statement

Through an analysis of the hospital's website it was seen that there was a statement made at corporate level that resembled a vision statement. This pertained to improvement of market share and interaction with the community.

3.3 Objectives

A number of statements were made on the hospital's website that could be viewed as objectives. These statements referred to patient security, being cared for in a comfortable environment, and patient choice in their consultants.

3.4 Values

The values on a corporate level were outlined on the hospital's website. These values revolved around dignity, individuality, relationship integrity, service quality, and responsible resource management.

3.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this project, however, an analysis has been conducted on the hospital's website and additional material obtained from the organisation. This analysis is documented in the current case write-up and Appendices E and F.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital were outlined on the organisation's website (as detailed previously), however, details of what these services involve were not detailed on the website.

4.2 Website

A website existed for this hospital. This website provided a brief introduction to the regional private hospital, outlined the services offered by the hospital, provided the location of the hospital via a map, and finally provided users with the contact details of the hospital and an opportunity to send an enquiry email to the organisation.

4.3 Advertising materials

Advertising materials were obtained from this organisation in the form of pamphlets that were distributed to the community offering further information about the hospital and its role within the community. It was also made clear, that the CEO

involves himself in community activities as a method of gaining exposure for the hospital in addition to face-to-face communication with the community, and running the after-hours-service advertisement.

4.4 Newsletter

N/A

4.5 Documented strategic plan

No documented strategic plan was viewed as evidence, however, an analysis has been conducted on the hospital's website and additional material obtained from the organisation. This analysis is documented in the current case write-up and Appendices E and F. It was also indicated during the course of the interviews that there was nothing 'set in concrete' in terms of a strategic plan.

4.6 Communication with the community

Communication with the community played a role in this organisation's marketing strategy, through the community advisory committee, visits to other community organisations, and involvement in community events.

Case study 2

1.0 Firm background

This regional private hospital was an acute care medical and surgical facility located in the state of Queensland. The population of the community in which this hospital was located was less than 15,000 people. This hospital was part of a larger health care structure that offered community care as well as hospital care in the form of regional private health care facilities and was a 'sister' hospital to the organisation discussed in case study one.

1.1 Hospital selection

This hospital was selected due to its geographical location in a regional area, the number of services the hospital offered to the surrounding community, recent growth experienced by the hospital, and the potential for future growth in the surrounding region.

1.2 Services offered

This hospital is a 28 bed facility offering services in the areas of: general medicine; general surgery; ophthalmology; gynaecology; urology; paediatrics; and orthopaedics.

1.3 Year established

2002

1.4 Classification

Rural and remote, Queensland.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

Within this regional private hospital the roles of CEO and DON were undertaken by the same person, due to the small size of the hospital. The CEO/DON assisted in identifying other key strategic decision makers within the organisation. Resulting from this, interviews were conducted with the ***CEO/DON*** and the ***Accountant***. Through being part of a larger organisation the CEO/DON reported to the wider health care structure, which this hospital belonged to, however, the local strategic decision making team consisted of the CEO/DON and the Accountant, with the Accountant reporting to the CEO/DON. These two interviewees accounted for **all** the key strategic decision makers in this regional private hospital.

2.2 Additional sources of evidence collected

An additional source of evidence made available to the researcher was the hospitals ***website***, which was analysed and documented through this case study write-up and Appendices E and F.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed, information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

It was determined through an analysis of the hospital's website that one statement resembled a mission statement, even though it was not entitled as such. The focus of this statement was centred on an explanation of what the overall organisation did on a corporate level for the larger health care structure that this hospital belonged to.

3.2 Vision statement

Through an analysis of the hospital's website it was seen that there was a statement made at corporate level that resembled a vision statement. This pertained to improvement of market share and interaction with the community.

3.3 Objectives

A number of statements were made on the hospital's website that could be viewed as objectives. These statements referred to patient security, being cared for in a comfortable environment, and patient choice in their consultants.

3.3 Values

The values on a corporate level were outlined on the hospital's website. These values revolved around dignity, individuality, relationship integrity, service quality, and responsible resource management.

3.4 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted on the

hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital were outlined on the organisation's website (as detailed previously), however, details of what these services involved were not provided.

4.2 Website

A website existed for this case organisation. This website provided a brief introduction to the regional private hospital, outlined the services offered by the hospital, provided the location of the hospital via a map, and finally gave users the contact details of the hospital and an opportunity to send an enquiry email to the organisation.

4.3 Advertising materials

No advertising materials were obtained as sources of evidence during the course of this research for this hospital. It was determined, however, that this organisation placed a monthly advertorial in the local newspaper to illustrate the services offered by the hospital.

4.4 Newsletter

N/A

4.5 Documented strategic plan

No documented strategic plan was viewed as evidence, however, an analysis has been conducted on the hospital's website and additional material obtained from the organisation. This analysis is documented in the current case write-up and Appendices E and F. It was also indicated during the course of the interviews that there was nothing 'set in concrete' in terms of a strategic plan

4.6 Communication with the community

Communication with the community was undertaken in the form of speaking face-to-face with general practitioners and sending out surveys to the community. This enabled the hospital to determine what additional services may be required within the community in which they operate

Case study 3

1.0 Firm background

This regional private hospital encompassed acute care services, residential aged care services, independent living units, and a medical centre. Therefore, in addition to the services provided at a hospital level, services are also provided on an aged care level, encompassing both facilities within the one organisation. The township in which this hospital is located has a population of less than 5,000 people and is located in the state of Queensland.

1.1 Hospital selection

This hospital was selected due to its geographical location in a regional area, the variety of services that it provided to the surrounding community, recent growth experienced by the organisation, future plans for expansion within the health care organisation, and the potential for growth in the surrounding region.

1.2 Services offered

This hospital is a 10 bed facility offering services in the areas of: general medicine; physiotherapy; pathology; residential care; and independent living.

1.3 Year established

1978

1.4 Classification

Rural and remote, Queensland.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The CEO of this regional private hospital assisted in the identification of appropriate participants in the research project. It was determined that the key strategic decision makers within this organisation were the ***CEO***, the ***Administration Officer***, and the ***Business Manager***. These three employees accounted for **all** the key strategic decision makers in this regional private hospital.

2.2 Additional sources of evidence collected

A number of additional sources of evidence were collected from this case organisation. A hard copy of the organisation's ***strategic plan*** was provided to the researcher, in accordance with the ***internal residential newsletter*** (for those patients using the residential care services), the ***community newsletter*** sent throughout the regional district in which this hospital was situated, and finally the organisation's ***website***. All of these sources of information have been explored for additional information.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

Through an analysis of the hospital's strategic plan the organisation's it was determined that the mission statement was focused on health, the aged, and the community in which the hospital operated. All of these aspects were combined to enable the hospital to meet the needs of the local community. The mission statement was also outlined in the community newsletter.

3.2 Vision statement

The vision statement of this case organisation was clearly defined in the strategic plan. Similar to the mission statement, the vision statement was focused on health, the aged, and the community. Interestingly, however, the service aspects of the hospital were given focus in the vision statement, when compared to the mission statement. This vision statement was also outlined in the community newsletter.

3.3 Objectives

Objectives were clearly outlined in the strategic plan and were associated with a timeline. These objectives were focused on the number of and type of beds the hospital wanted to provide and the services they wanted to implement in the future for the community benefit.

3.4 Values

The organisational values are outlined in the organisation's strategic plan. These values were related to the organisation's integrity, focus, quality, service, and teamwork. The values of the organisation were also outlined in the community newsletter.

3.5 Documented strategic plan

A documented strategic plan was provided as additional evidence by the case organisation. The strategic plan was for a period of three years. Outlined within the plan were the vision, purpose, values, objectives and goals, and the measurements of success to be used. The measurements of success were broken down into the aspects of development, finance and funding, operations, marketing, and performance outcomes.

3.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital were outlined on the organisation's website (as detailed previously). Details as to what these services involved, from a patient's perspective, were also provided on the website. The services provided at the current time and in the future also played a role in the objectives/goals of the organisation dictating where the organisation would like to move towards in relation to the services offered to the community.

4.2 Website

The website for this case organisation outlined in detail the services offered by the regional private hospital, but also provided additional information. This information related to the model of care the hospital provides being explained in 'everyday' language as well as the care program provided to patients and live-in residents.

4.3 Advertising materials

Advertising materials for this case organisation consist of regular articles in the local newspaper, the internal newsletter within the organisation, and the community newsletter distributed throughout the local region.

4.4 Newsletter

Both an internal newsletter and a community newsletter were distributed by this case organisation. The internal newsletter provided a letter from the CEO highlighting the recent activities within the organisation, a profile of a resident in the aged care facility of the regional private hospital, some poetry and word games, jokes, and interestingly the minutes from the last meeting held with the 'live-in' residents. The community newsletter, on the other hand, provided a note from the CEO, and a note from the Chairman of the hospital board. Again activities within the hospital were highlighted in the community newsletter in accordance with contact details for management staff in the hospital. The vision, mission, and values of the organisation were also detailed in the community newsletter.

4.5 Documented strategic plan

A documented strategic plan was provided as additional evidence by the case organisation. The strategic plan was for a period of three years. Outlined within the plan was the vision, purpose, values, objectives and goals, the measurements of success to be used. The measurements of success were broken down into the aspects of development, finance and funding, operations, marketing, and performance outcomes.

4.6 Communication with the community

Communication with the community proved to be very important to this case organisation. This was seen in the community newsletter distributed by the hospital and the regular articles placed by the hospital in the local paper detailing events associated with the health care facility.

Case study 4

1.0 Firm background

This case organisation was an acute care private hospital located in the state of Queensland. It was a not-for-profit organisation and was registered as a charity. This particular regional private hospital was located in a township with a population of over 100,000 people.

1.1 Hospital selection

This hospital was selected as a result of its geographical location, the population of the region in which it is located, the recent growth the hospital had experienced, plans for the future that the organisation had, and the large number of services offered by the hospital.

1.2 Services offered

This hospital was a 137 bed facility that offers a range of services, including: ICU; cardiac catheterisation; mental health; renal dialysis; cancer care centre; day surgery, pathology; sleep studies; gastroenterology; ENT; vascular; Urology; orthopaedics; gynaecology; dental; neurology; plastic reconstructive surgery.

1.3 Year established

1966

1.4 Classification

Urban, Queensland.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The CEO assisted in identifying the key strategic decision makers within this regional private hospital. As a result interviews were conducted with the ***CEO***, the ***Director of Clinical Services***, and the ***GP Liaison Officer***. These three interviewees accounted for **all** the key strategic decision makers in this regional private hospital.

2.2 Additional sources of evidence collected

A ***company profile*** was provided as an additional source of evidence, as were various ***information booklets*** on the services offered by the regional private hospital. This profile and service information was analysed in accordance with the organisation's ***website***.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

The mission statement was clearly listed in the company profile as well as the organisation website. This mission statement is directed towards the quality of both care and service provided by the hospital.

3.2 Vision statement

An analysis of the organisation's website provided a statement that resembled a vision statement for the hospital. This statement referred to the hospital's commitment to the community in which it operated in relation to meeting the needs of the community.

3.3 Objectives

The hospital's objectives were clearly outlined in both the company profile and the organisation's website. These objectives were related to the Christian values of the hospital, quality service, relationships with medical professionals, the physical environment of the hospital, resource management, recruitment and selection of staff, hospital facilities, information systems, the role of the hospital in the community, and the management of revenue generated by the hospital.

3.4 Values

The values of the hospital were listed clearly in both the company profile and the organisation's website. The values were related to patients, visitors, and staff. The values included: respect; dignity; empathy; courtesy; fairness; and honesty.

3.5 Documented strategic plan

A documented strategic plan was viewed by the researcher when visiting this case organisation. Due to confidentiality reasons this plan was not made available for analysis in this research project. The plan did, however, indicate goals to be achieved, tasks to be performed, who was ultimately responsible for the achievement of these individual aspects of the overall plan, and a timeframe for achievement.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by the hospital were outlined on the organisation's website, in the company profile, and in separate service brochures. Details on what each service involved were provided in all three sources of information with contact details given for further information to be made available.

4.2 Website

The website for the organisation provided general information on the regional private hospital, mainly relating to the hospital's available facilities. Information for patients was also outlined such as accommodation, food services, laundry, and mail. Services offered by the hospital were expanded on through the website with both onsite services and clinic services being detailed. Information required by visiting medical officers (VMOs) was also detailed on the website. Other information sources provided included hospital events, new activities in the hospital, media releases, job opportunities, donations, and information about the companies mission statement, values, and objectives.

4.3 Advertising materials

Advertising materials and activities undertaken by the company included a glossy magazine detailing the hospital profile, brochures on services provided by the health care facility, and regular newspaper advertisements highlighting hospital services.

4.4 Newsletter

N/A

4.5 Documented strategic plan

A documented strategic plan was viewed by the researcher when visiting this case organisation. Due to confidentiality reasons this plan was not made available for analysis in this research project. The plan did, however, indicate goals to be achieved, tasks to be performed, who was ultimately responsible for the achievement of these individual aspects of the overall plan, and a timeframe for achievement.

4.6 Communication with the community

The two key forms of community communication undertaken by this particular case organisation included regular newspaper stories and advertisements, and regular participation and involvement in community events.

Case study 5

1.0 Firm background

This regional private hospital was an acute surgical, medical, rehabilitation and palliative care hospital in the state of New South Wales. The case organisation was located in a community with a population of just over 40,000 people.

1.1 Hospital selection

This organisation was selected due to its geographical location, the number of different towns that the community was made up of which the hospital services, the recent growth experienced by the hospital, and the large number of services offered by the hospital.

1.2 Services offered

This hospital was a 110 bed facility that offered services in the areas of: ear nose and throat surgery; general surgery; gynaecology; ophthalmology; oral / maxillo facial surgery; orthopaedics; urology and vascular surgery; day surgery unit; palliative care; rehabilitation unit; physiotherapy and occupational therapy unit; dietician; cardiology, gastroenterology, plastic surgery, vascular surgery, orthopaedics; chapel services; pharmacy; pathology; and radiology.

1.3 Year established

1921

1.4 Classification

Urban, New South Wales.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The CEO of this case organisation assisted in identifying the key strategic decision makers within the organisation. Resulting from this the ***CEO*** and the ***Chief Financial Officer*** were interviewed. The Director of Clinical Services was not available for interviewing; however, two from three key strategic decision makers were interviewed for this particular case organisation.

2.2 Additional sources of evidence collected

Additional sources of evidence that were collected and analysed included information on ***donations and bequests*** that could be made towards the organisation, a ***patient feedback sheet*** that was encouraged to be completed, the ***written strategic plan*** for a period of one year, and finally the organisation's ***website*** was also included in the case analysis.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

The mission statement for the organisation was outlined on the website. The statement addressed aspects such as the community which the hospital services, faith, hope, charity, the provision of quality health care, and compassion and respect for patients.

3.2 Vision statement

The vision statement of the hospital was also depicted on the website. This statement considered the aspects of human life, quality health services, individual and community life, and the catholic church.

3.3 Objectives

The objectives and goals of this regional private hospital were outlined in the strategic plan provided for analysis. These objectives and goals were related to the improvement of performance, quality care, choice in hospitals, the addition of new services, and staff development.

3.4 Values

The values of the regional private hospital were clearly described on the organisation's website. The values of the organisation were related to compassion, respect, and teamwork.

3.5 Documented strategic plan

The documented strategic plan provided for analysis was for a period of one year. The plan described the hospital as it stood currently, identified strategic goals, how

the organisation was to meet those goals, and how the achievement of those goals was to be measured.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this case organisation were outlined on the website. In addition to identifying which services were available at this regional private hospital, comprehensive information on what each service involves was provided on the website.

4.2 Website

The website for this hospital provided information on a number of organisational aspects. An overview of the organisation is provided initially when entering the website. Users of the website can find out information on the organisation structure, mission, values, and vision. Information was provided on the services provided by the hospital, as was information on admission and the procedures associated with that process. Doctors associated with specific services were also identified. Information pertaining to career opportunities, events and news, donations and bequests, and contact information were also included on the organisation's website.

4.3 Advertising materials

Advertising material made available for analysis included the website and information on donations and bequests. The website provided an overview of the hospital and its offerings to the community, while the donations and bequests

pamphlet discussed the benefits of donations and bequests to the organisation and contact information regarding this aspect.

4.4 Newsletter

N/A

4.5 Documented strategic plan

The documented strategic plan provided for analysis was for a period of one year. The plan described the hospital as it stood currently, identified strategic goals, how the organisation was to meet those goals, and how the achievement of those goals was to be measured.

4.6 Communication with the community

Community communication was undertaken to a certain extent by this case organisation. This was seen through the patients being given opportunity to provide feedback to the organisation. The CEO also noted that it was imperative for the organisation to have a presence in the community.

Case study 6

1.0 Firm background

This regional private hospital that among other services provided, a coronary care unit, a day surgery and a pre-admission clinic. The organisation was located in a community with a population of less than 15,000 people, in the state of New South Wales.

1.1 Hospital selection

The selection of this regional private hospital was based on geographical location, the variety of services offered to the community in which the hospital operates, recent growth experience by the hospital, and plans for additional services to be offered by the hospital in the near future to the community.

1.2 Services offered

The case organisation was a 94 bed facility with services offered in the areas of: cardiothoracic surgery; cardiac and vascular angiography; 24-hour chest pain emergency service; hospital day procedure unit; and pre-admission clinic.

1.3 Year established

1978

1.4 Classification

Rural and remote, New South Wales.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

In this particular case organisation the Director of Nursing also performed the role of CEO, due to the recent resignation of the CEO. The Quality Risk Manager of the organisation assisted in the identification of key strategic decision makers. Based on these suggestions the ***DON/CEO***, the ***Business Manager***, and ***the Quality Risk Manager*** all participated in a semi-structured interview. At the conclusion of the interviews the researcher determined that based on lack of cooperation, participation, and knowledge in the subject areas the interview from the Quality Risk Manager was not to be included in the analysis of the research project. **All** key strategic decision makers within the organisation were interviewed, with the DON/CEO and Business Manager providing the required depth of information in the key subject areas of the research project.

2.2 Additional sources of evidence collected

The only available additional source of evidence made available to the research was the hospital's ***website***, which was analysed and documented through this case-study write-up and Appendices E and F.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

Through an analysis of the organisation's website it was seen that one statement resembled a mission statement, despite the fact that it was not entitled as such. The statement focused on the provision of high quality care with a patient focus.

3.2 Vision statement

Similarly to the mission statement, the vision statement was not specifically outlined on the organisation's website. However, a statement was made that reflected a vision statement focussing on meeting patient's needs.

3.3 Objectives

N/A

3.4 Values

The values of the hospital were seen to be related to admission planning, inpatient care and service, and continued support in recuperation.

3.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital were outlined on the organisation's website (as detailed previously). A basic description of these services was also provided on the website, with specific reference given to the coronary care unit and the day surgical and pre-admissions clinic.

4.2 Website

The website for this regional private hospital provided a variety of information on the organisation. An overview of the hospital and its role was provided initially on entering the site, with further information being offered on the services offered by the hospital, visiting information, what to expect as a patient when staying there, career information, the latest hospital news, and finally contact information.

4.3 Advertising materials

The website was an effective and comprehensive advertising tool used by this regional private hospital.

4.4 Newsletter

N/A

4.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.6 Communication with the community

Communication with the community was shown to be important for this hospital. Participation was seen in community and outreach programs, community groups, and generally listening to the needs of the community in which the hospital operated. The reputation the hospital held in the community was also indicated by interviewees as an aspect of importance that should be considered.

Case study 7

1.0 Firm background

This regional private hospital offered specialties in surgical, medical, obstetric and rehabilitation services. The hospital was located in a community with a population of less than 150,000 people, in the state of New South Wales.

1.1 Firm selection

This regional private hospital was selected based on its geographical location, the number of services it offers, recent growth experienced by the hospital, and plans for future growth within the organisation.

1.2 Services offered

A total of 171 beds were offered by this regional private hospital while providing services in the areas of: general surgery - colorectal surgery; obstetrics - birthing suites - neonatal nursery; gynaecology; ears, nose and throat; orthopaedics; plastic surgery; vascular surgery; urology; thoracic surgery; facio-maxillary surgery; endoscopic procedures; rehabilitation; and chronic pain management.

1.3 Year established

1991

1.4 Classification

Urban, New South Wales.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The General Manager/CEO of this organisation assisted in the identification of participants who were the key strategic decision makers in the hospital. Resulting from this the ***General Manager/CEO***, the ***Finance Manager***, and the ***Director of Nursing*** all participated in a semi-structured interview. These three interviewees accounted for **all** the key strategic decision makers in this regional private hospital.

2.2 Additional sources of evidence collected

An additional source of evidence made available for analysis was the organisation's ***website***. This website was analysed and documented though this case study write-up and Appendices E and F.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

Through an analysis of the organisation's website it was determined that one statement made resembled a mission statement, despite the fact that it was not entitled as such. The focus of this statement was on the achievement of excellence in health care.

3.2 Vision statement

N/A

3.3 Objectives

N/A

3.4 Values

The outlining of values was not made explicitly clear on the hospital's website. It was outlined, however, that the hospital was dedicated to high standards of ethics and corporate behaviour, the policies that govern the quality and safety of health care, and the identification, assessment and management of risks.

3.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital were outlined on the organisation's website (as detailed previously). This, however, was the only information provided regarding the hospital's services. No further information detailing what was involved in the services was provided.

4.2 Website

The website for this regional private hospital provided information for patients and visitors, news and events, health professionals, and the location of the hospital. Included in the information for patients and visitors was an overview of services, patient information, obstetrics, day surgery, rehabilitation, chronic pain, and contact information. The news and events information provided media releases and media contract information. Information for health professionals included employment, graduate registered nurse program, future directions, and prostheses changes.

4.3 Advertising materials

No additional advertising materials were provided by this organisation to the researcher for analysis. It was discussed, however, during the course of the interviews that outdoor advertising was about to commence for the organisation, so as to enhance community awareness.

4.4 Newsletter

N/A

4.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.6 Communication with the community

Communication with the community was seen as important to this regional private hospital. The hospital participated in community awareness and community education programs and focused on building up relationships with specific community groups. It was seen throughout the interviews that to make the community aware of what the hospital had to offer was very important to this case organisation.

Case study 8

1.0 Firm background

This regional private hospital offered health care services in the areas of surgical, medical, day surgery, palliative care, and postnatal care. This case organisation is located in a community with a population of just over 25,000 people, in the state of New South Wales. This hospital is part of a larger health care structure that offers community care, aged care, and senior's assistance as well as hospital care in the form of regional private health care facilities.

1.1 Firm selection

This regional private hospital was selected based on its geographical location, the number of services it offers, growth recently experienced by the hospital, and plans for the future within the organisation.

1.2 Services offered

This regional private hospital had a total of 41 beds and offered a range of services including: general surgery; ear, nose and throat; ophthalmology; orthopaedic; gynaecology; dental; pain management; cosmetic surgery; physiotherapy; dietician; radiology; pathology; diabetes education; aged care assessment team; district nursing services; pastoral care; district nursing; aged care services; diabetes education, dietician; and podiatry services.

1.3 Year established

1997

1.4 Classification

Rural and remote, New South Wales.

2.0 Sources of evidence

Once the firm was selected and had agreed on participating in the research study the key strategic decision makers within the organisation were identified and approached to participate in the research through the form of a semi-structured interview.

2.1 Participant selection

The CEO/General Manager and the Director of Nursing were dual roles within this particular case organisation. The ***General Manager/DON*** assisted in identifying other key strategic decision makers within the organisation. Based on this the ***Manager for Outreach Services*** was also identified, accounting for **all** strategic decision makers in this case organisation at a local level. The General Manager/DON reported to the wider health care structure which this hospital belonged to, however, the local hospital strategic decision making was conducted by the above mentioned employees of this regional private hospital.

2.2 Additional sources of evidence collected

An additional source of evidence made available for analysis was the organisation's ***website***. This website was analysed and documented though this case study write-up and Appendices E and F.

3.0 Organisational strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's organisational strategy was determined.

3.1 Mission statement

Through an analysis of the organisation's website the organisation's mission was clearly identified. This statement addressed the promotion of life, service, peace, and dignity.

3.2 Vision statement

The vision statement was also stated on the hospital's website. This statement addressed the sustainability and vibrancy of care within the regional private hospital.

3.3 Objectives

There were no specific objectives of the organisation identified on the website. It was, however, stated that the hospital wanted to undertake collaborative renewal, and re-found and grow their services.

3.4 Values

The values of this regional private hospital were outlined on the website as compassion, excellence, honesty, hospitality, and respect.

3.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.0 Marketing strategy

Through the semi-structured interviews and the additional sources of evidence collected and reviewed information pertaining to this hospital's marketing strategy was determined.

4.1 Services outlined

The services offered by this hospital have been outlined on the organisation's website (as detailed previously). This, however, was the only information provided regarding the hospital's services. No further information detailing what was involved in the services was provided.

4.2 Website

The regional private hospital's website outlined the services provided by the organisation, the history of the organisation, the mission, the overall care philosophy undertaken by the hospital, and the structure and leadership of the hospital. Information was also provided through this website on developments within the organisation, ways in which the hospital can be supported, media releases, career opportunities, and contact information.

4.3 Advertising materials

No advertising materials were provided to the researcher for further analysis. However, the General Manager/DON described how all newspaper advertising had ceased and no changes in business had been viewed as a result.

4.4 Newsletter

N/A

4.5 Documented strategic plan

The researcher was not provided with access to a documented strategic plan during the course of this research project, however, an analysis has been conducted of the hospital's website. This analysis is documented in the current case write-up and Appendices E and F.

4.6 Communication with the community

In discussing the community in which the hospital operated it was viewed that community engagement was of importance to the organisation's marketing strategy. This was evident in the number of community based services the hospital offered and community events the organisation participated in.

Appendix D: Marketing strategy aspects

Case Organisation	Marketing Strategy Aspects						
	Services Offered Outlined	Website	Advertising Material	Newsletter	Documented Strategic Plan	Communication with the Community	
						Community Activity Participation	Brochures offering additional information to the community
1	✓	✓	✓			✓	✓
2	✓	✓	✓			✓	
3	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓		✓	✓	✓
5	✓	✓	✓		✓	✓	
6	✓	✓	✓			✓	
7	✓	✓	✓			✓	
8	✓	✓				✓	

Appendix E: Organisational strategy aspects

Case Organisation	Organisational Strategy Aspects				
	Mission Statement	Vision Statement	Objectives	Values	Documented Strategic Plan
1	✓	✓	✓	✓	
2	✓	✓	✓	✓	
3	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓
6	✓			✓	
7	✓			✓	
8	✓	✓	✓	✓	

Appendix F: Findings

Figure 1 ***Marketing*** **and related linkages in CEO analysis** ***(marketing strategy)***

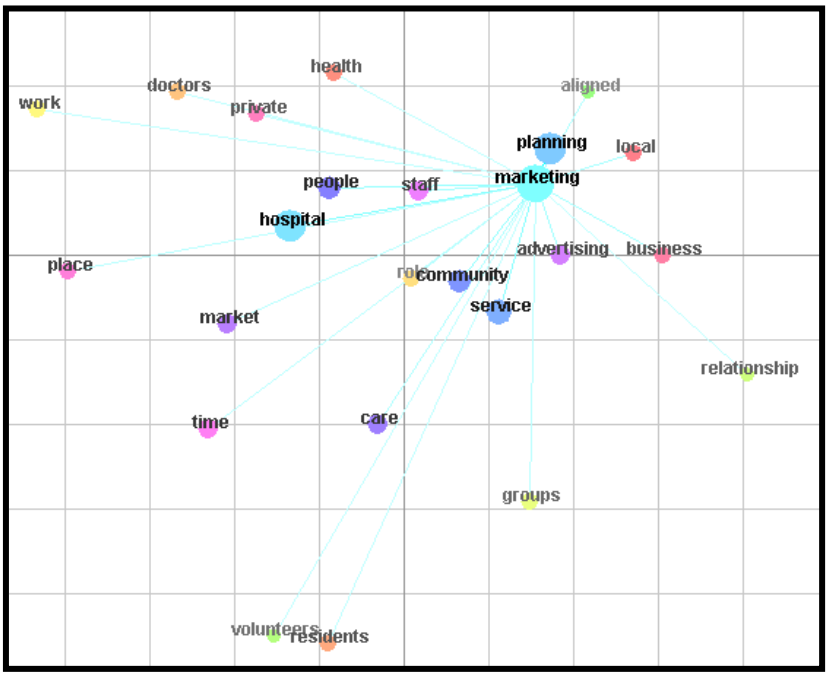


Figure 2 ***Marketing*** **and related linkages in remaining strategic decision maker analysis** ***(marketing strategy)***

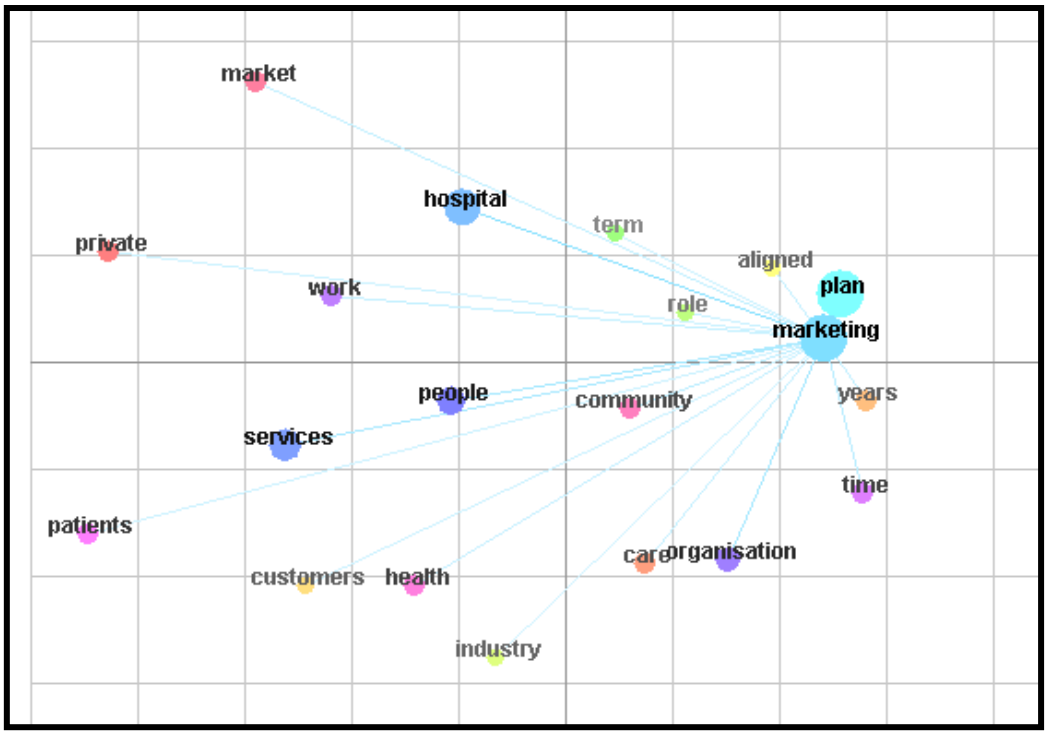


Figure 3 ***Marketing*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

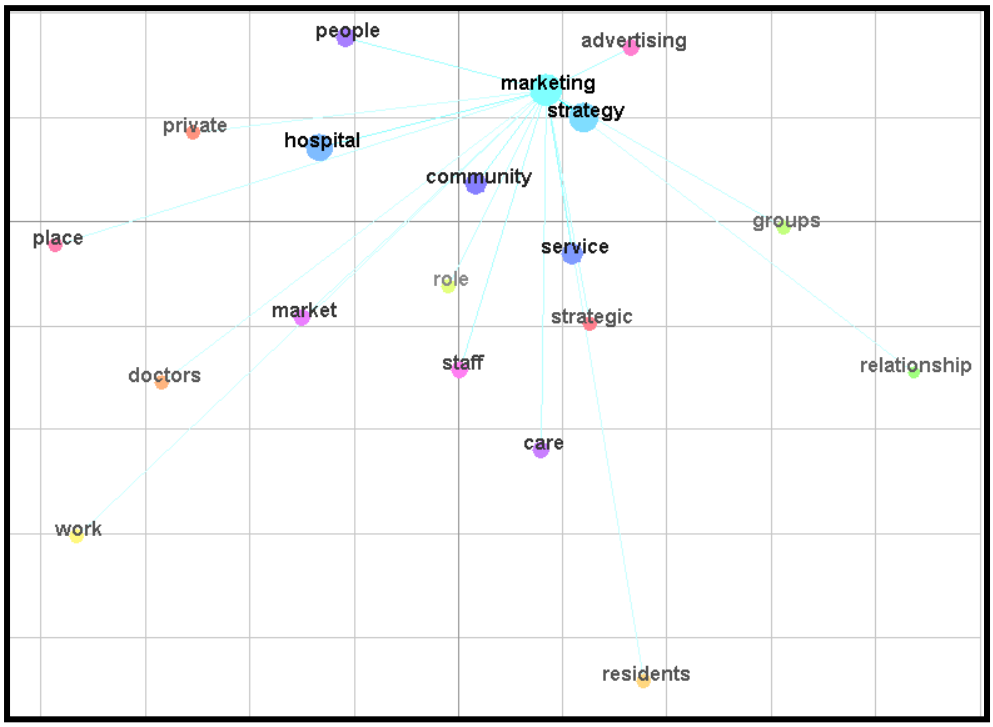


Figure 4 ***Marketing*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(marketing strategy)***

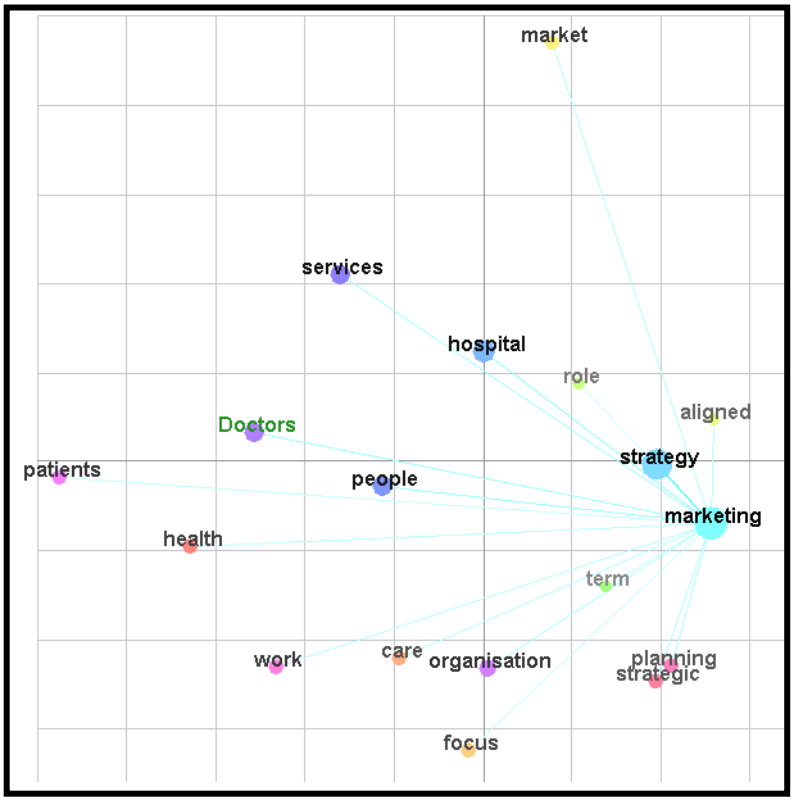


Figure 5 ***Hospital*** **and related linkages in CEO analysis** ***(marketing strategy)***

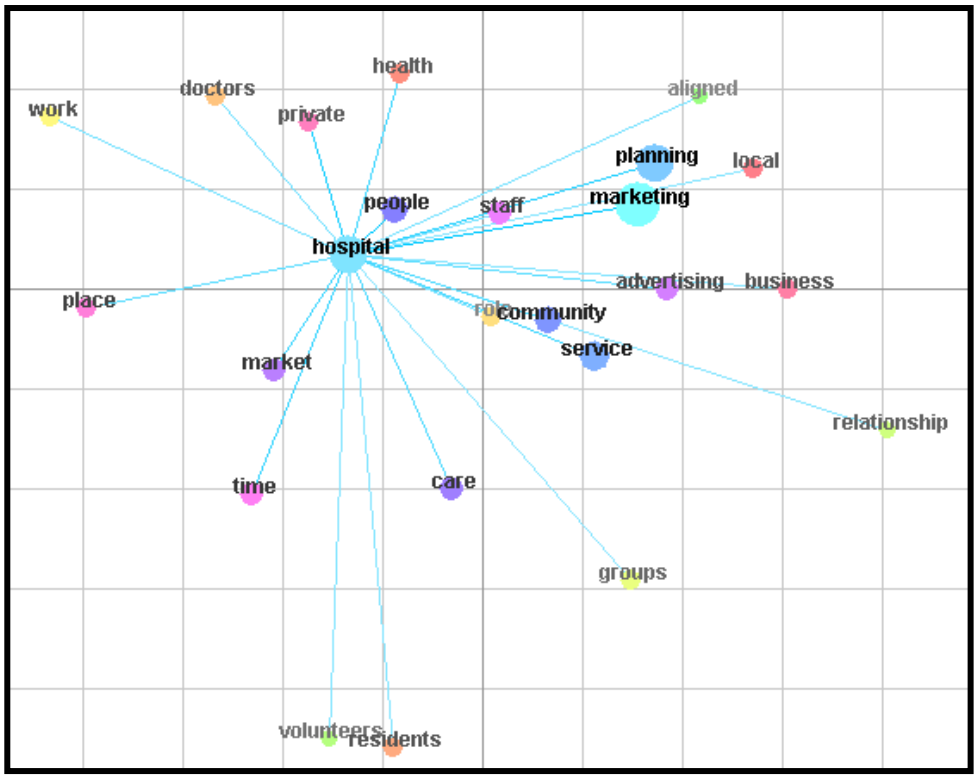


Figure 6 ***Hospital*** **and related linkages in remaining strategic decision maker analysis** ***(marketing strategy)***

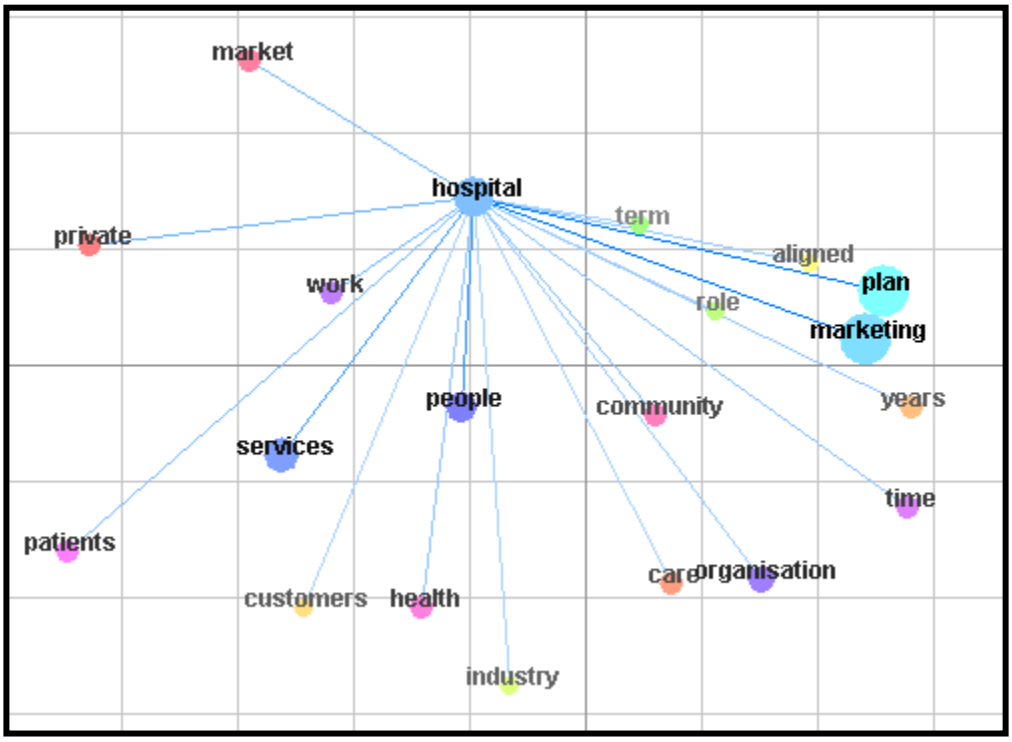


Figure 7 ***Hospital*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

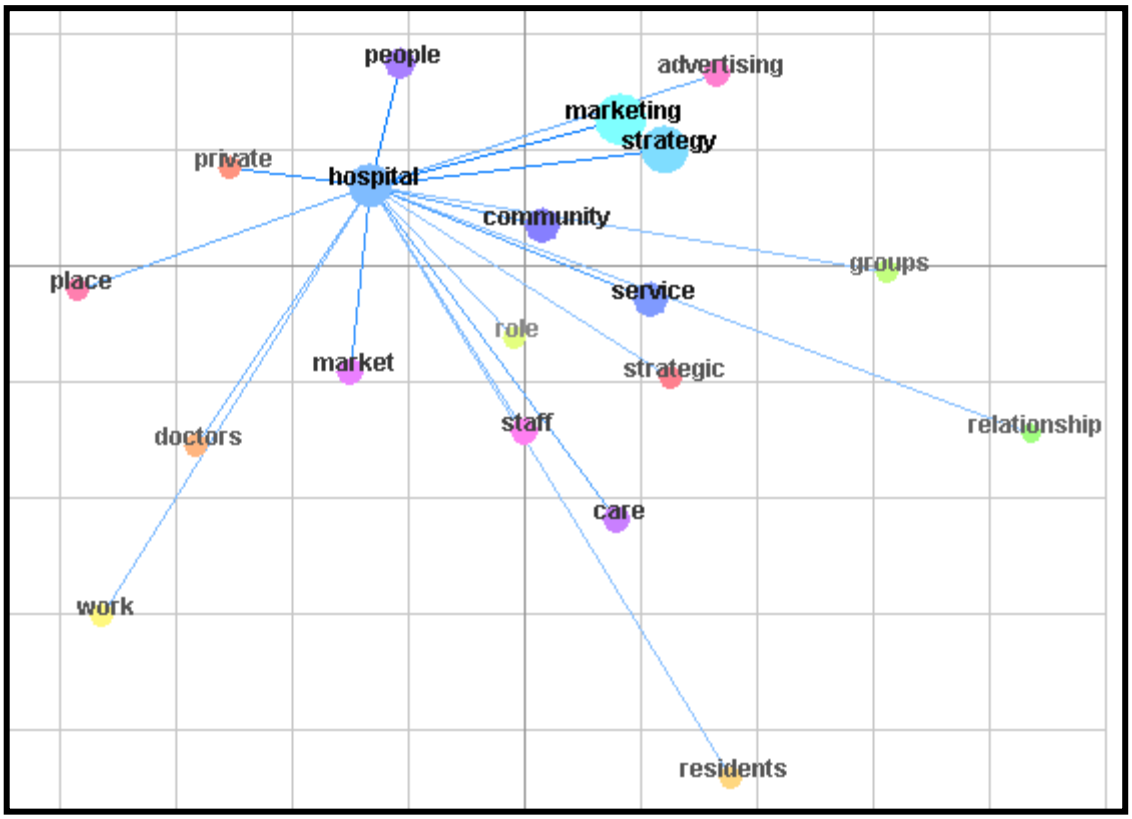


Figure 8 ***Hospital*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(marketing strategy)***

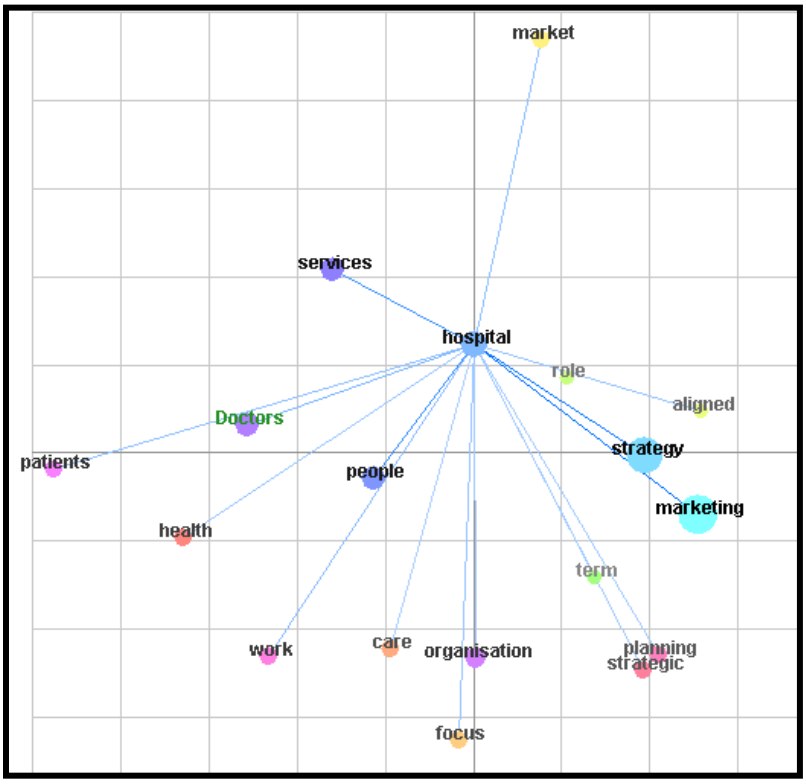


Figure 9 ***Planning*** **and related linkages in CEO analysis (marketing strategy)**

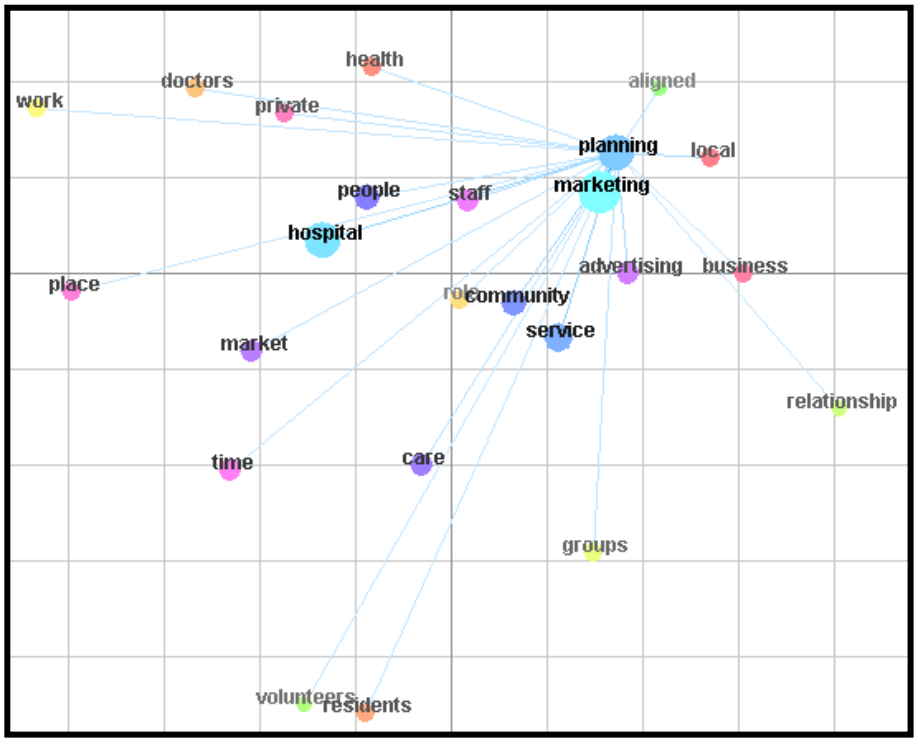


Figure 10 ***Plan*** **and related linkages in remaining strategic decision maker analysis** ***(marketing strategy)***

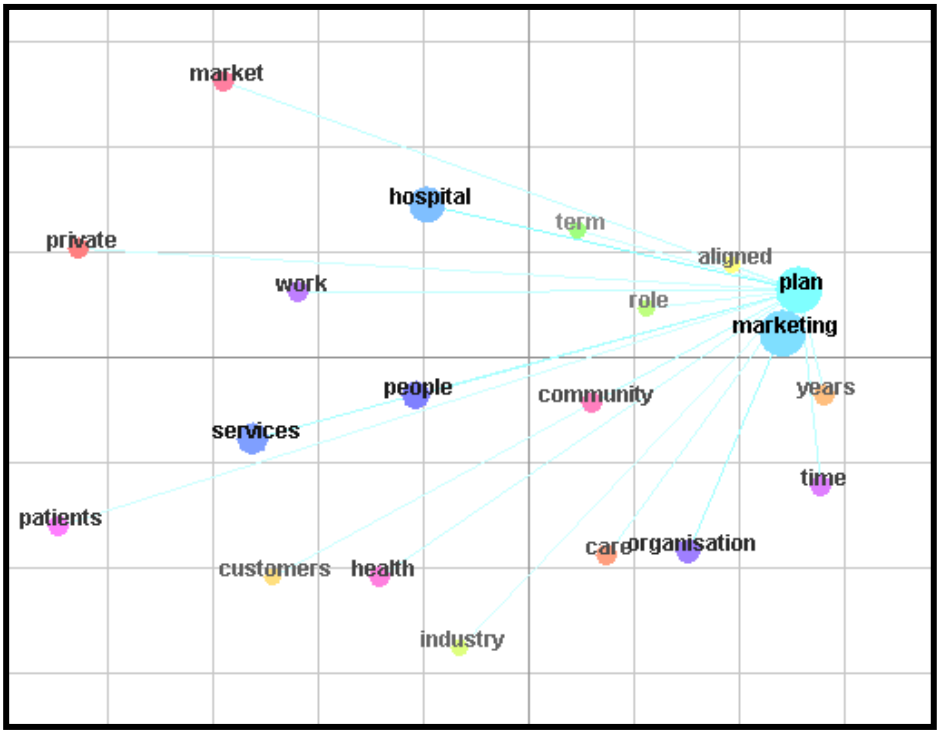


Figure 11 ***Services*** **and related linkages in remaining strategic decision maker analysis** ***(marketing strategy)***

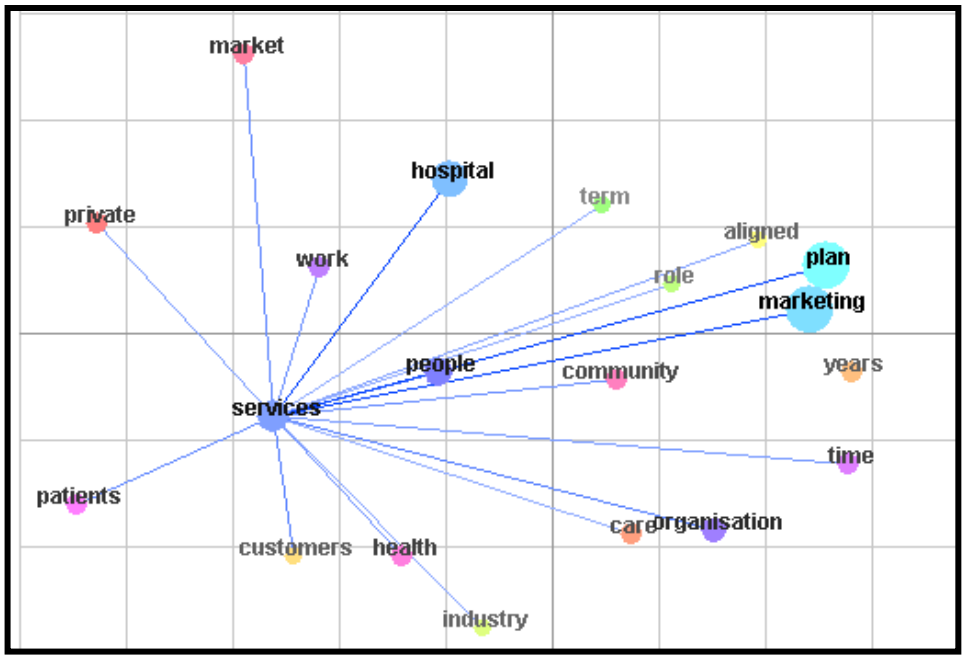


Figure 12 ***Organisation*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(marketing strategy)***

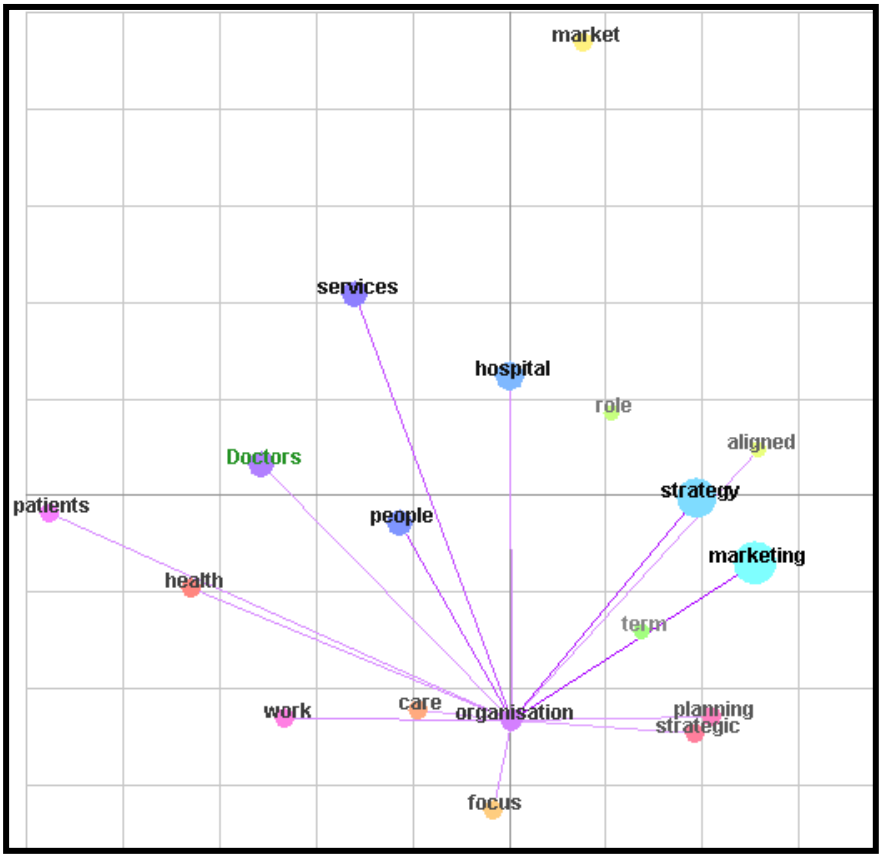


Figure 13 ***Strategy*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

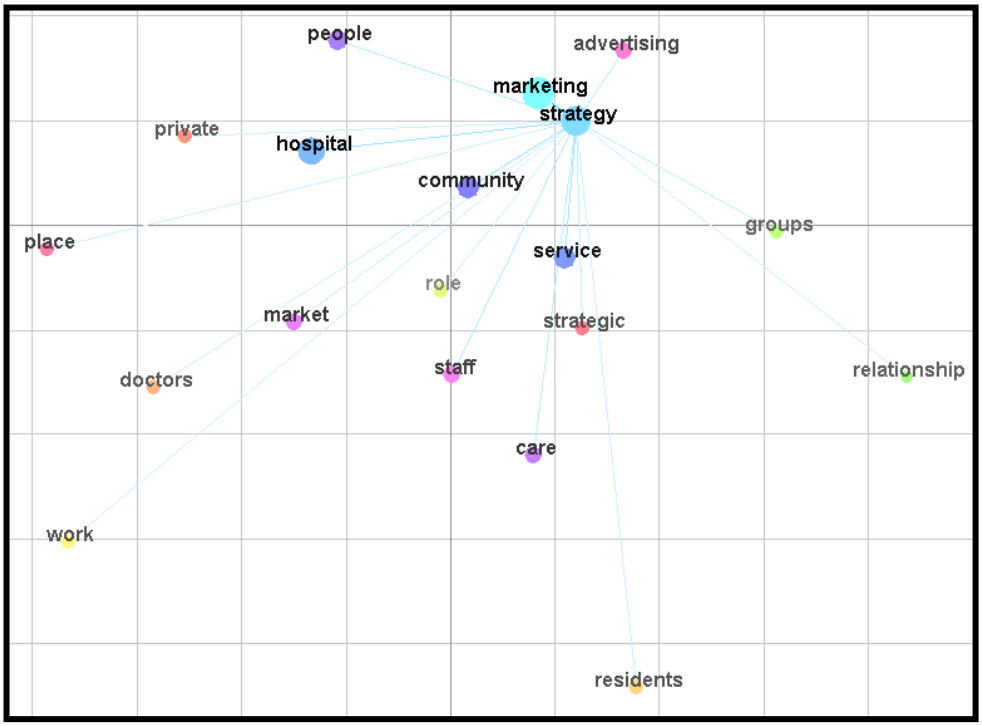


Figure 14 ***Strategy*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(marketing strategy)***

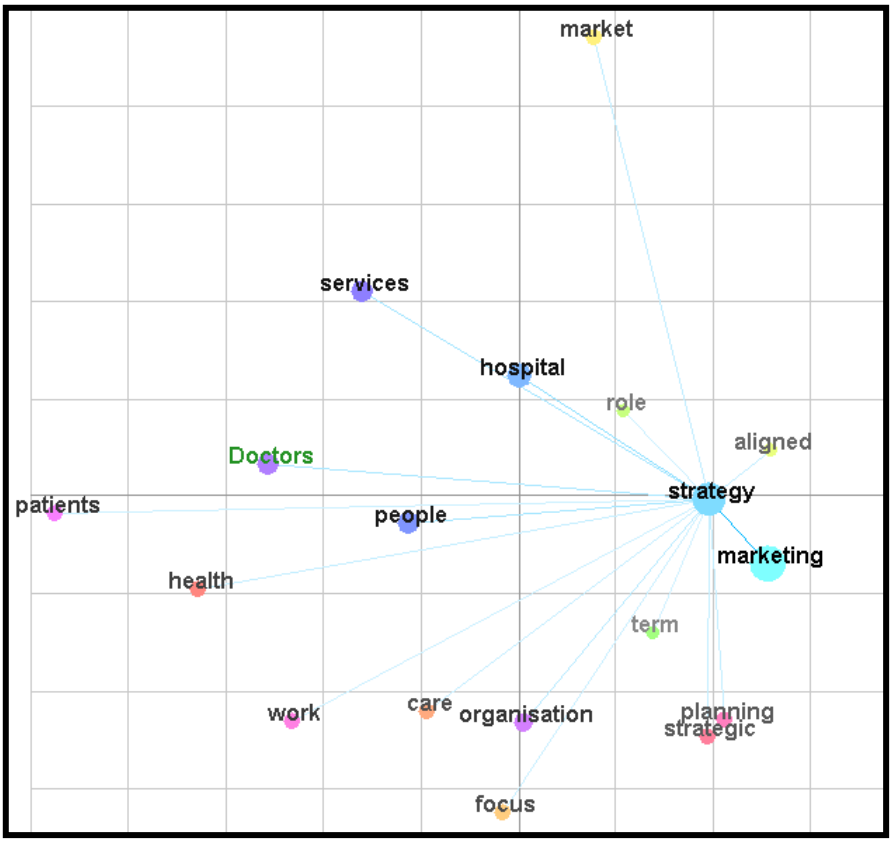


Figure 15 ***Doctor*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

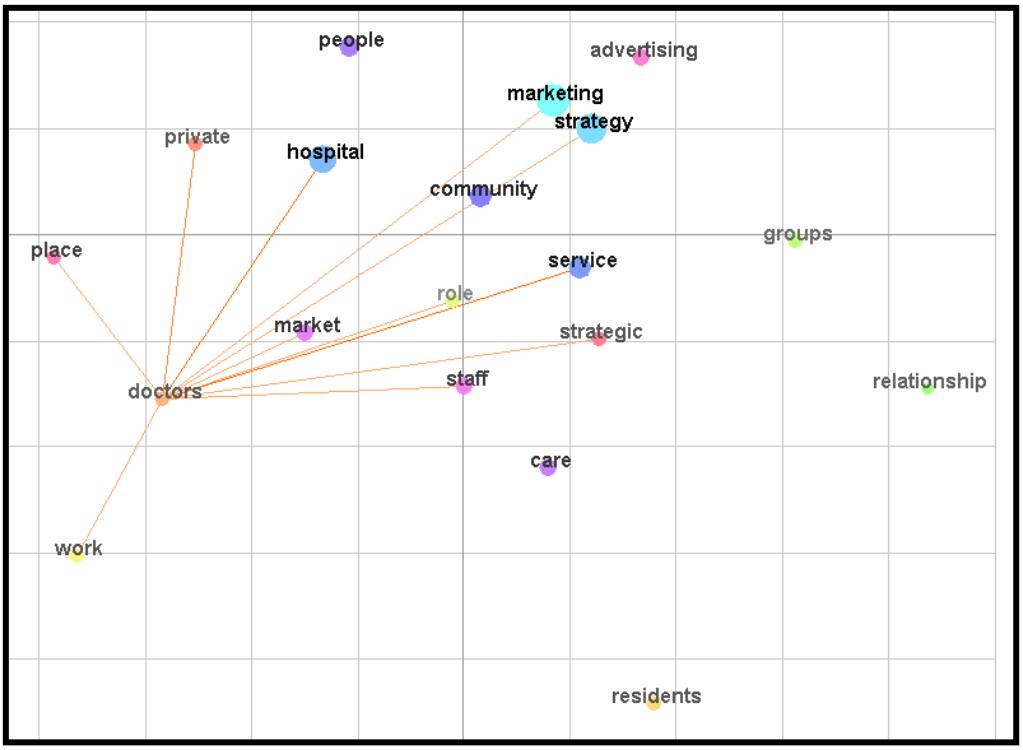


Figure 16 ***Doctor*** **and related linkages in remaining strategic decision maker analysis – structured analysis approach** ***(marketing strategy)***

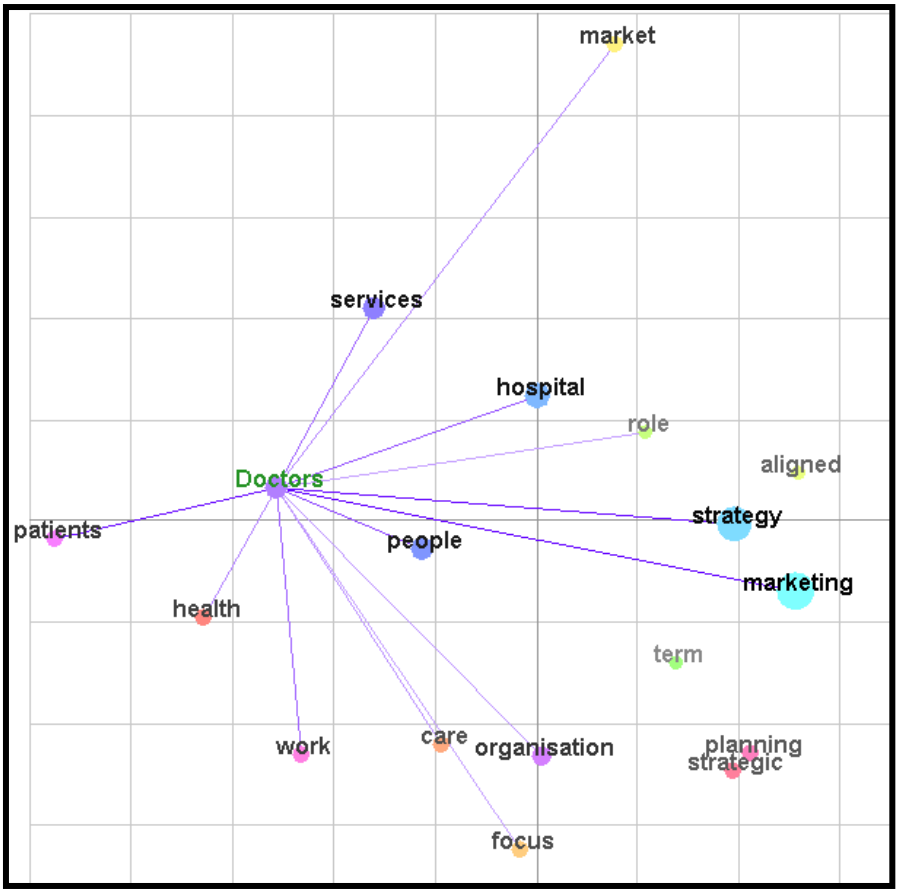


Figure 17 ***Advertising*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

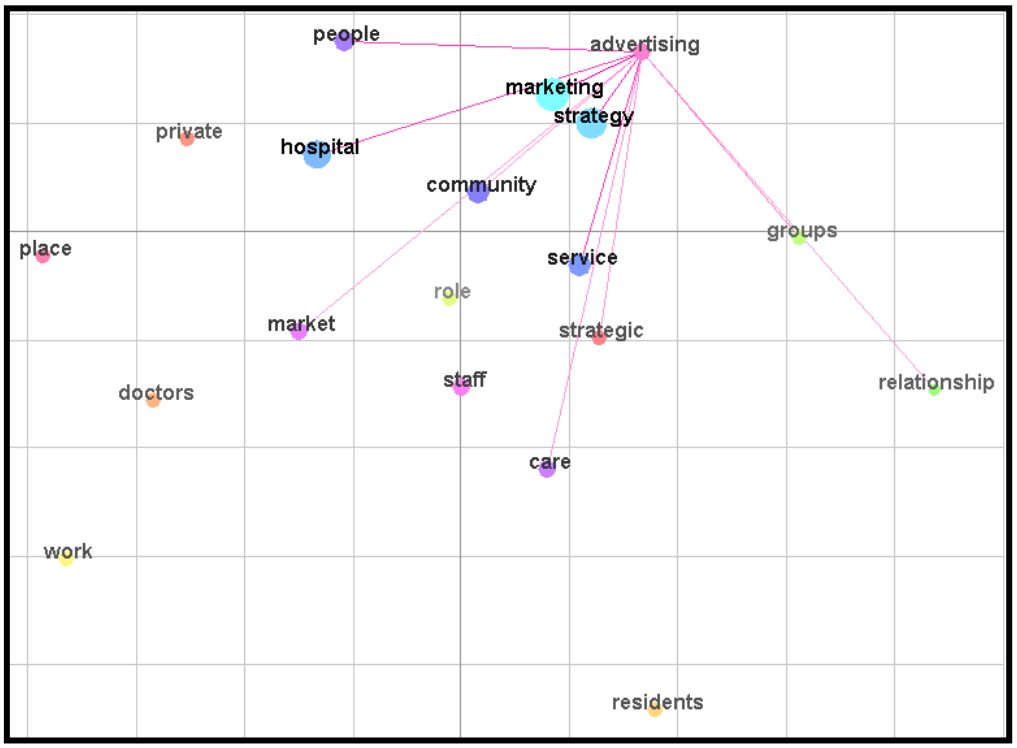


Figure 18 ***Relationship*** **and related linkages in CEO analysis – structured analysis approach** ***(marketing strategy)***

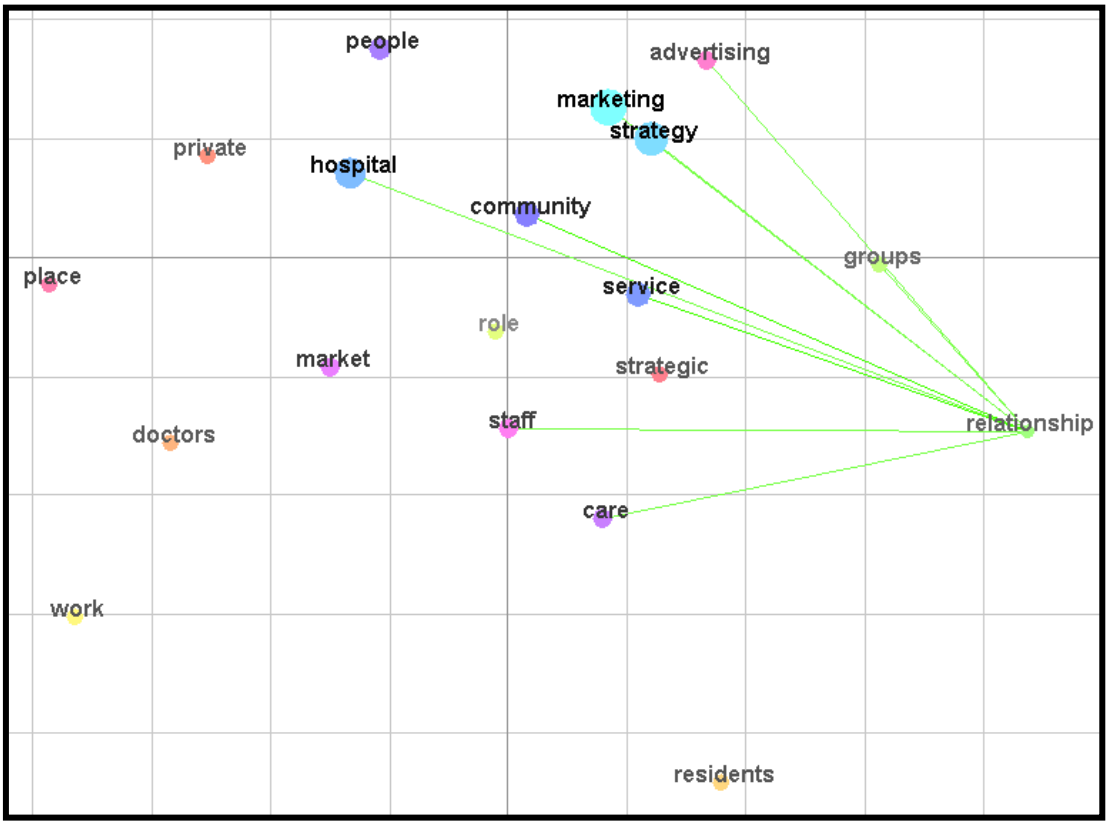


Figure 19 ***Marketing*** **and related linkages in CEO analysis** ***(environment)***

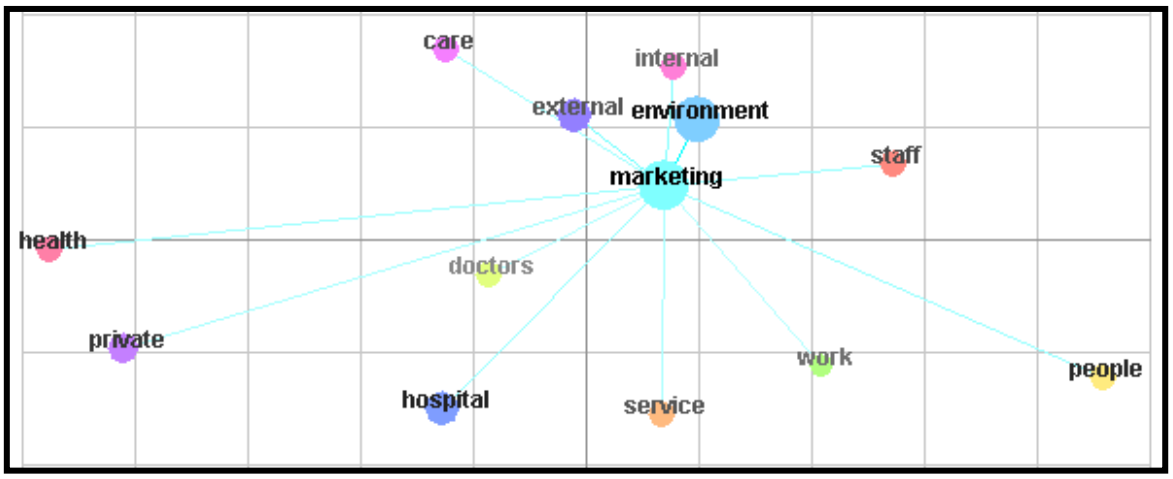


Figure 20 ***Environment*** **and related linkages in CEO analysis** ***(environment)***

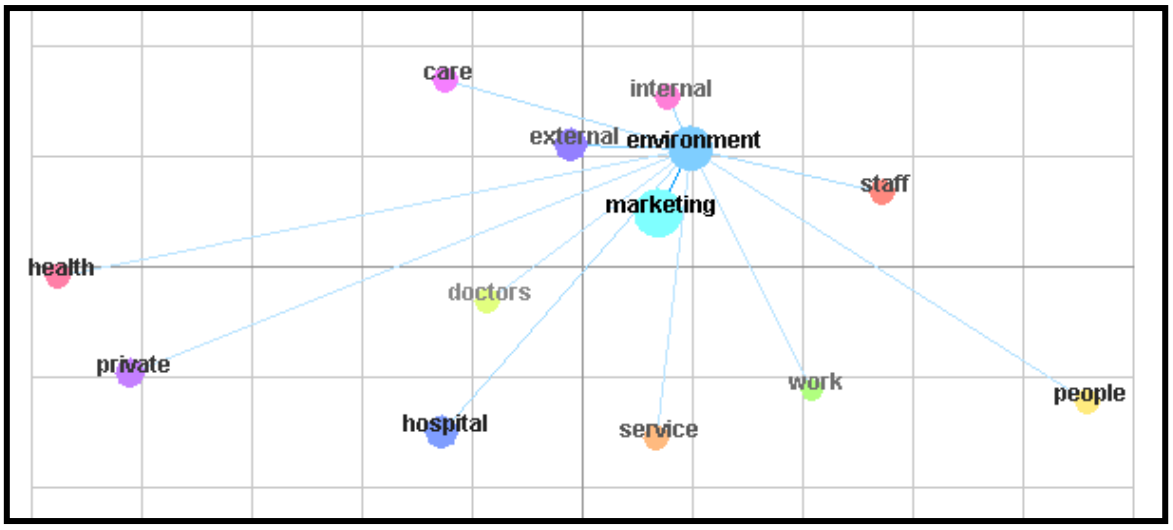


Figure 21 ***Hospital*** **and related linkages in CEO analysis** ***(environment)***

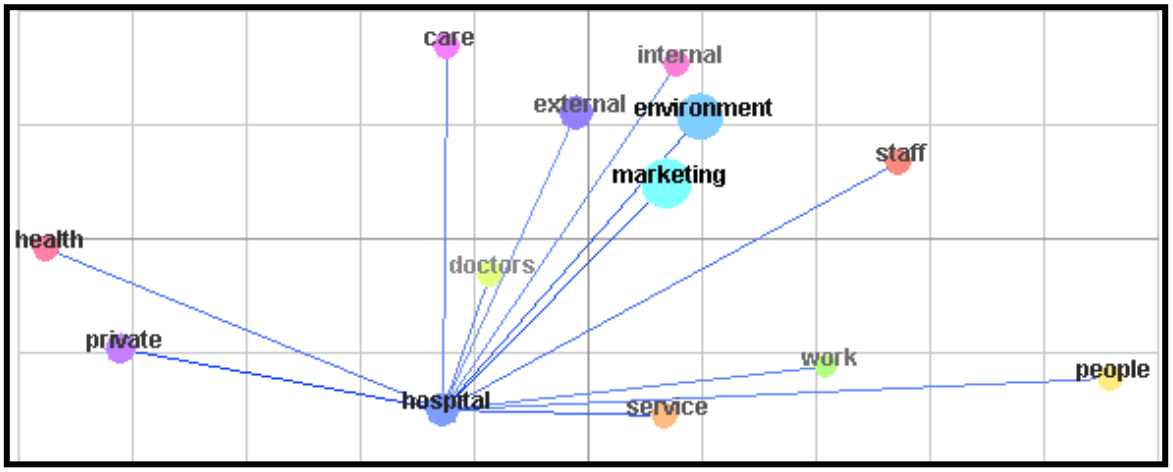


Figure 22 ***Hospital*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

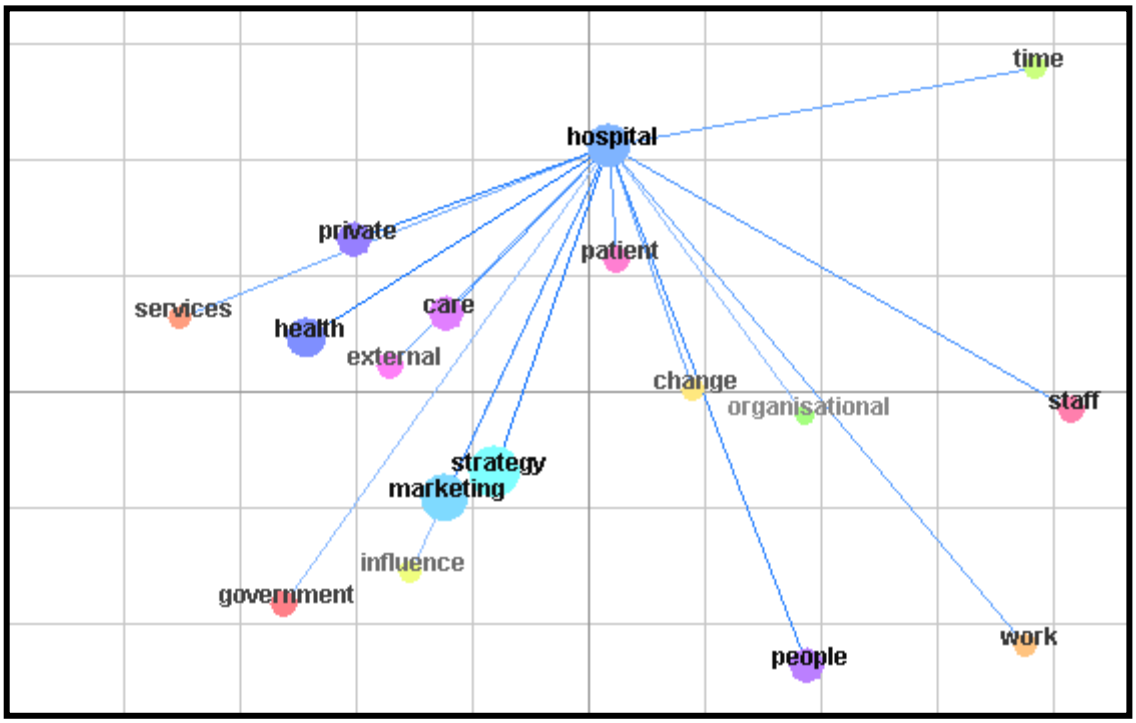


Figure 23 ***Strategy*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

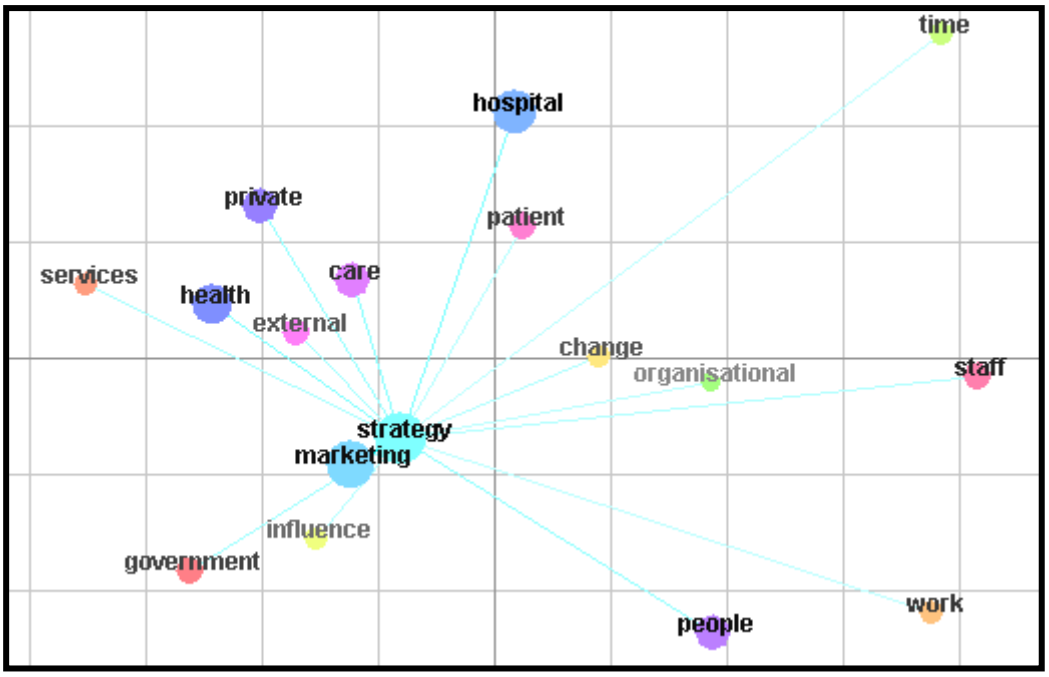


Figure 24 ***People*** **and related linkages in CEO analysis** ***(environment)***

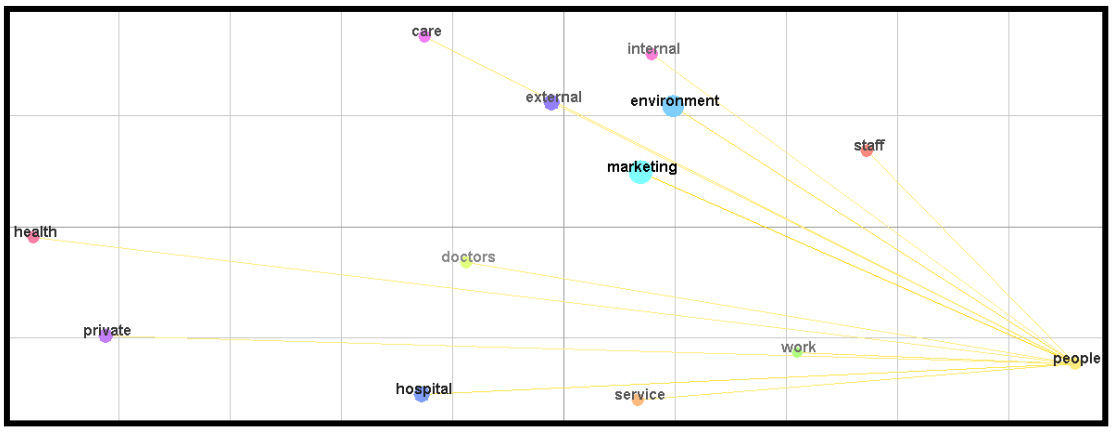


Figure 25 ***People*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

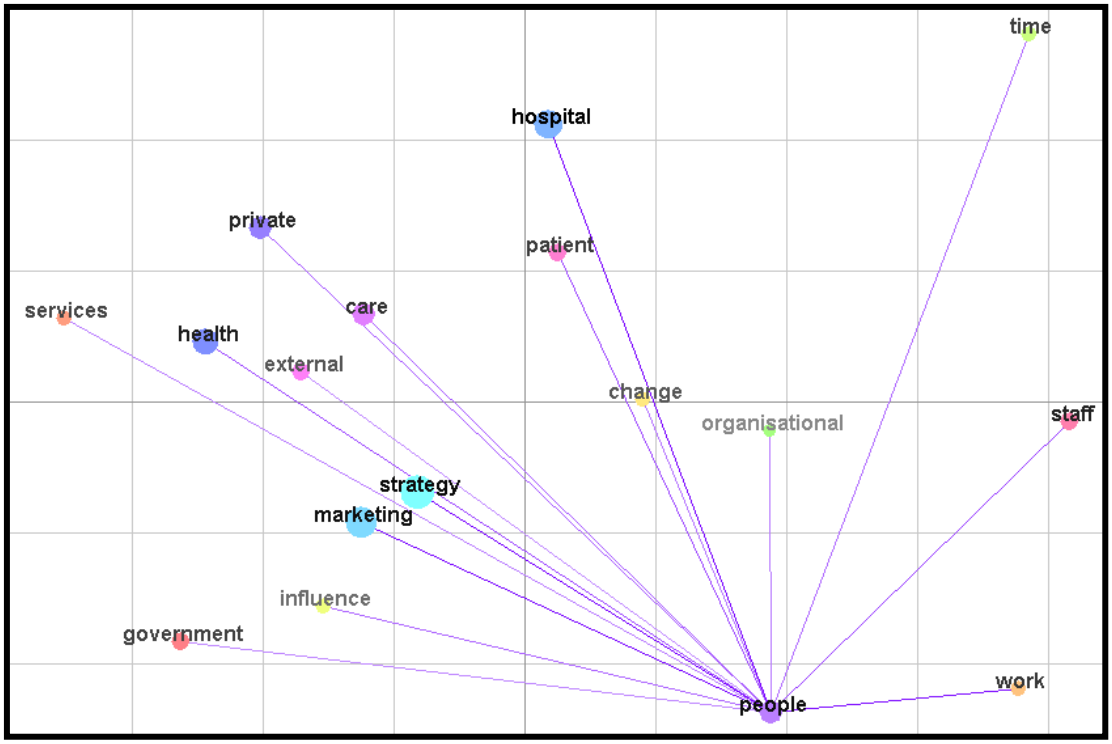


Figure 26 ***External*** **and related linkages in CEO analysis** ***(environment)***

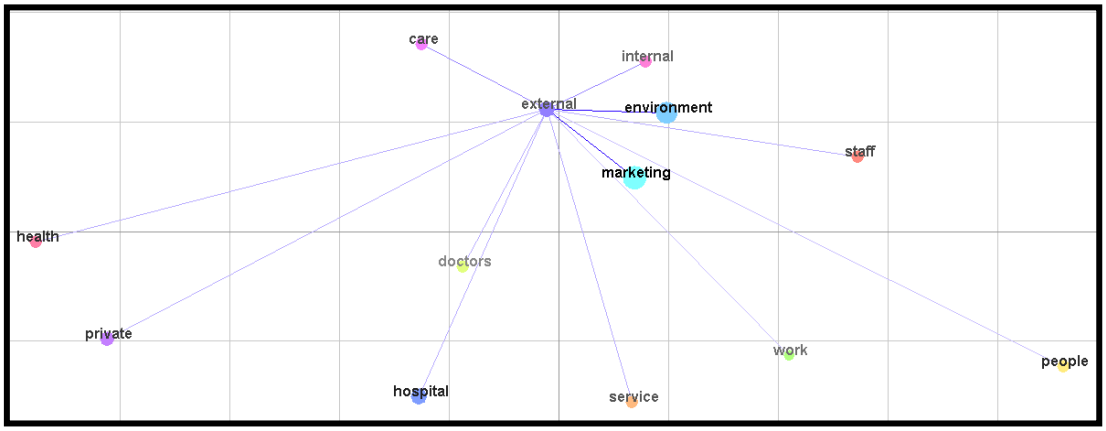


Figure 27 ***External*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

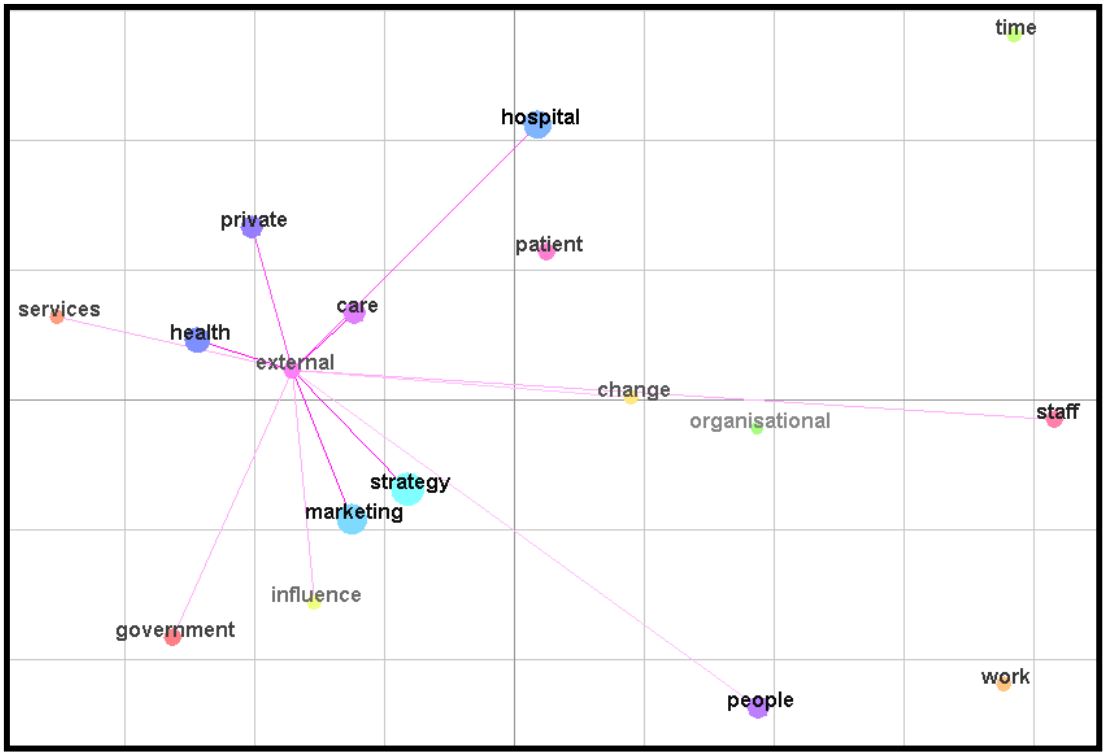


Figure 28 ***Service*** **and related linkages in CEO analysis** ***(environment)***

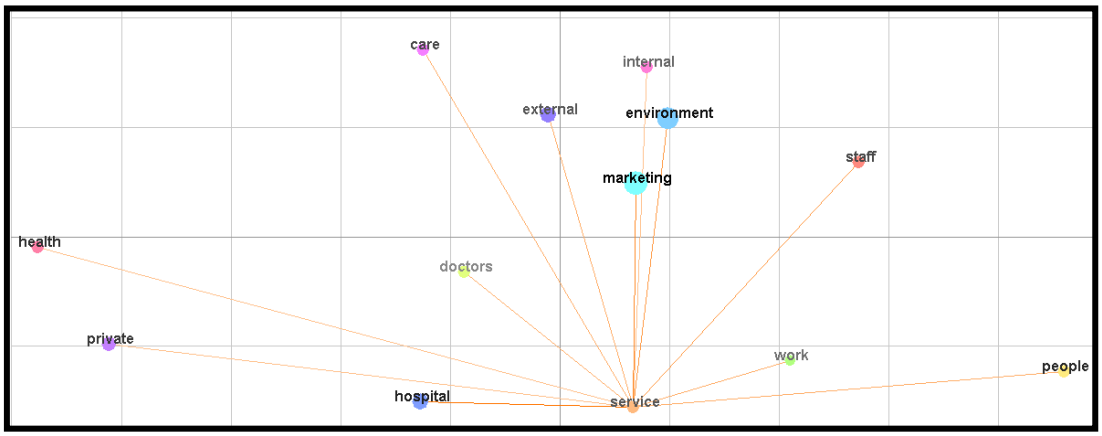


Figure 29 ***Service*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

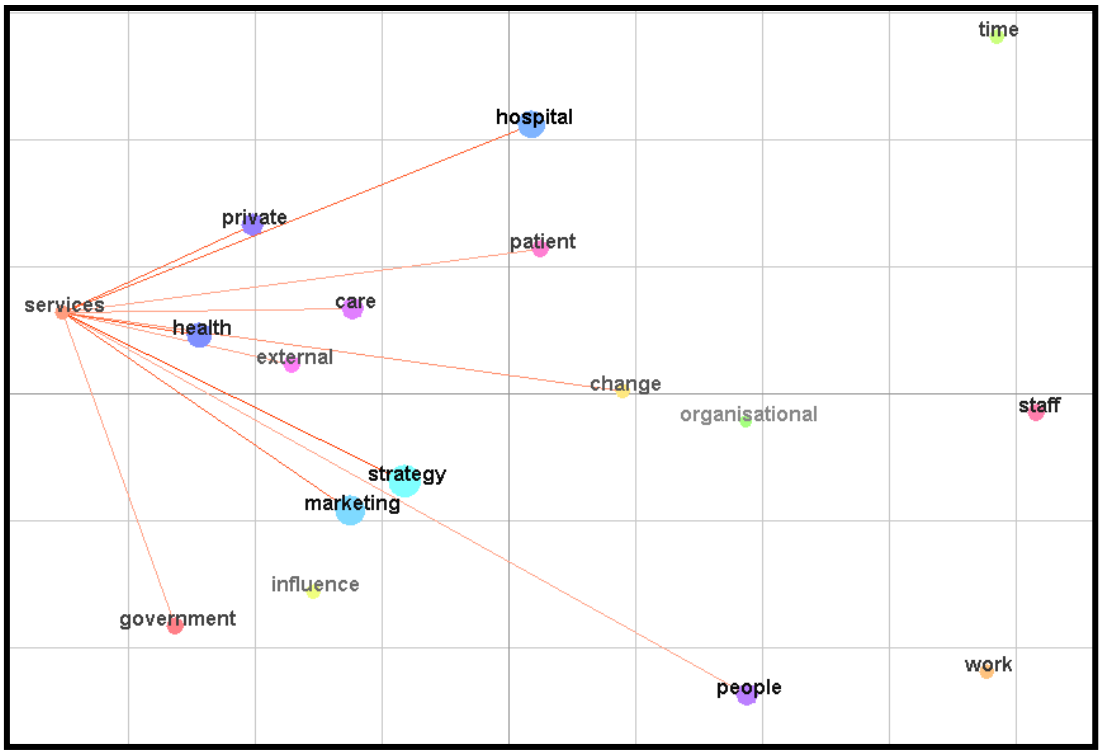


Figure 30 ***Internal*** **and related linkages in CEO analysis** ***(environment)***

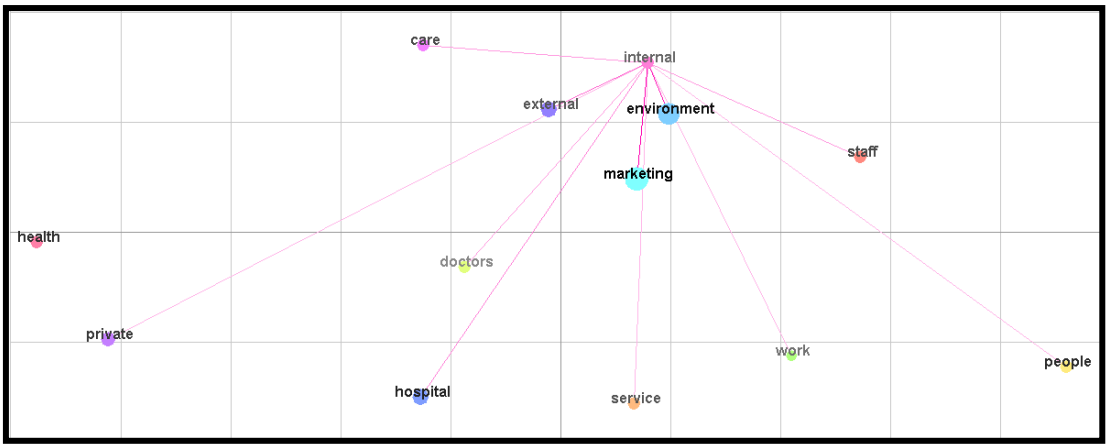


Figure 31 ***Government*** **and related linkages in remaining strategic decision maker analysis** ***(environment)***

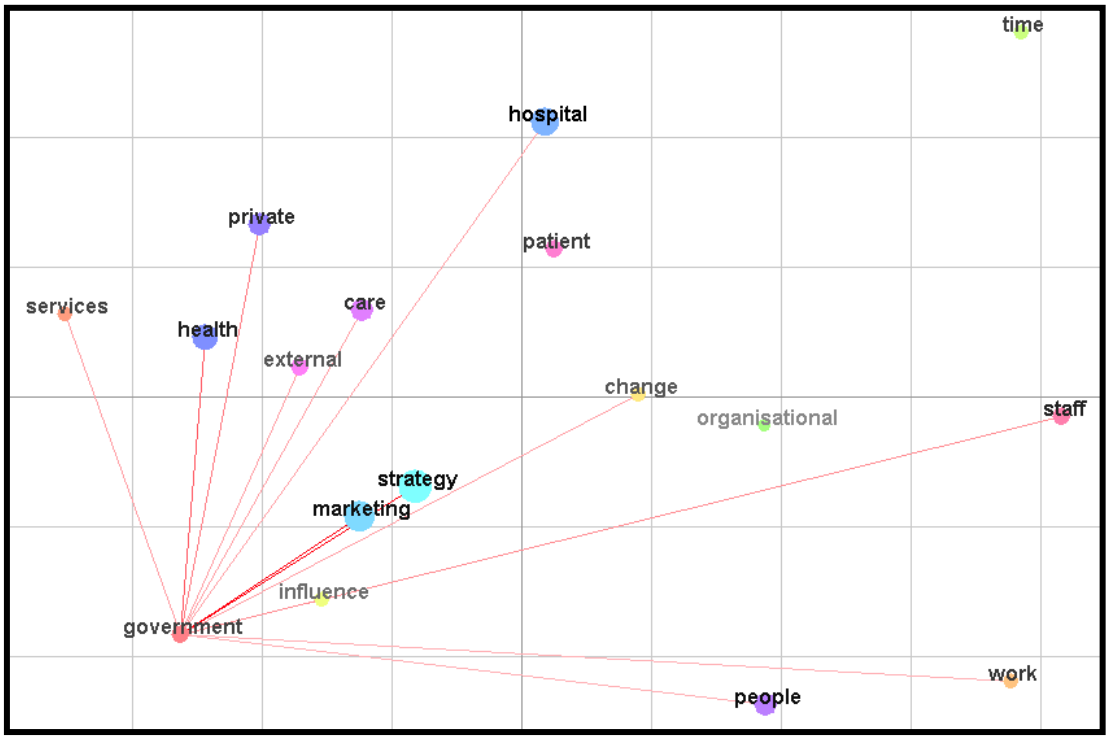


Figure 32 ***Staff*** **and related linkages in CEO analysis** ***(implementation)***

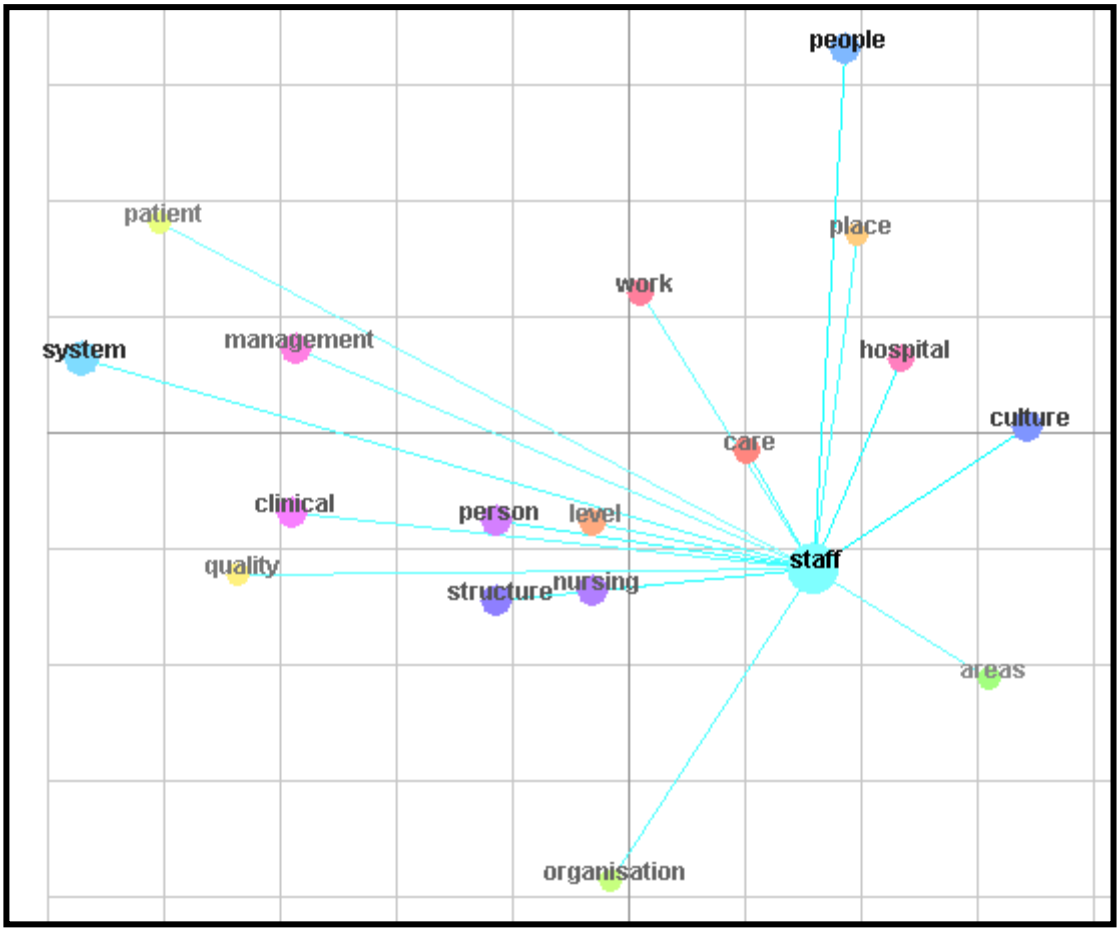


Figure 33 ***People*** **and related linkages in CEO analysis** ***(implementation)***

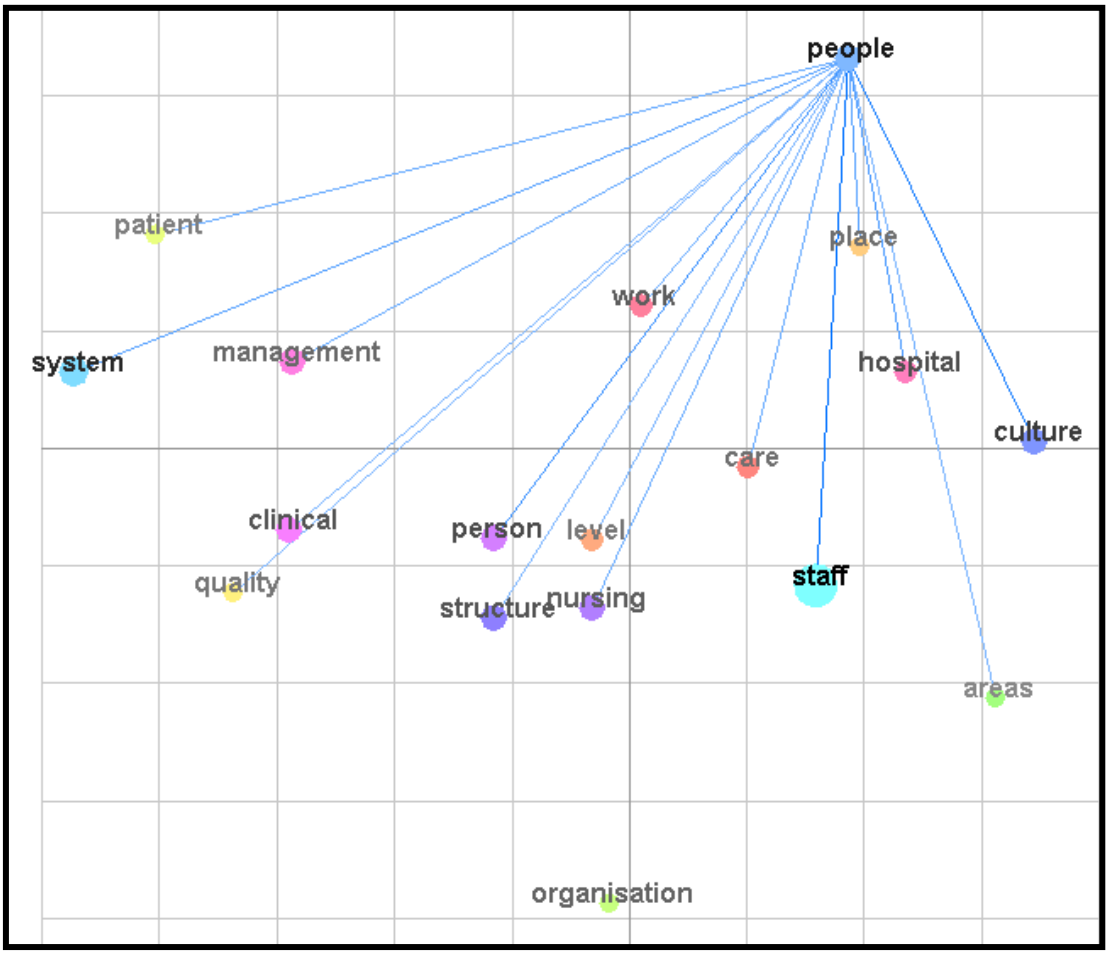


Figure 34 ***People*** **and related linkages in remaining strategic decision maker analysis** ***(implementation)***

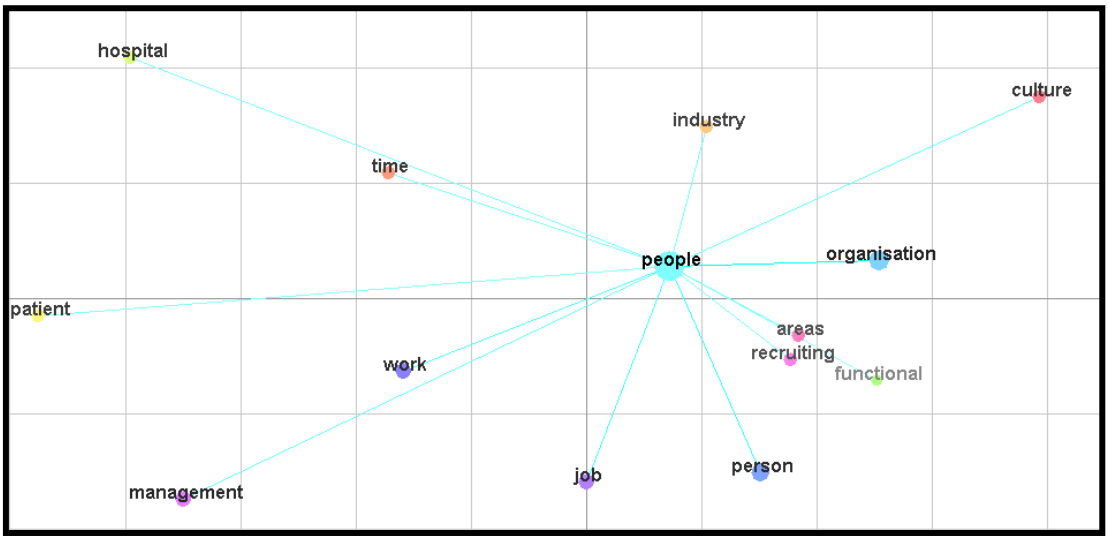


Figure 35 ***System*** **and related linkages in CEO analysis** ***(implementation)***

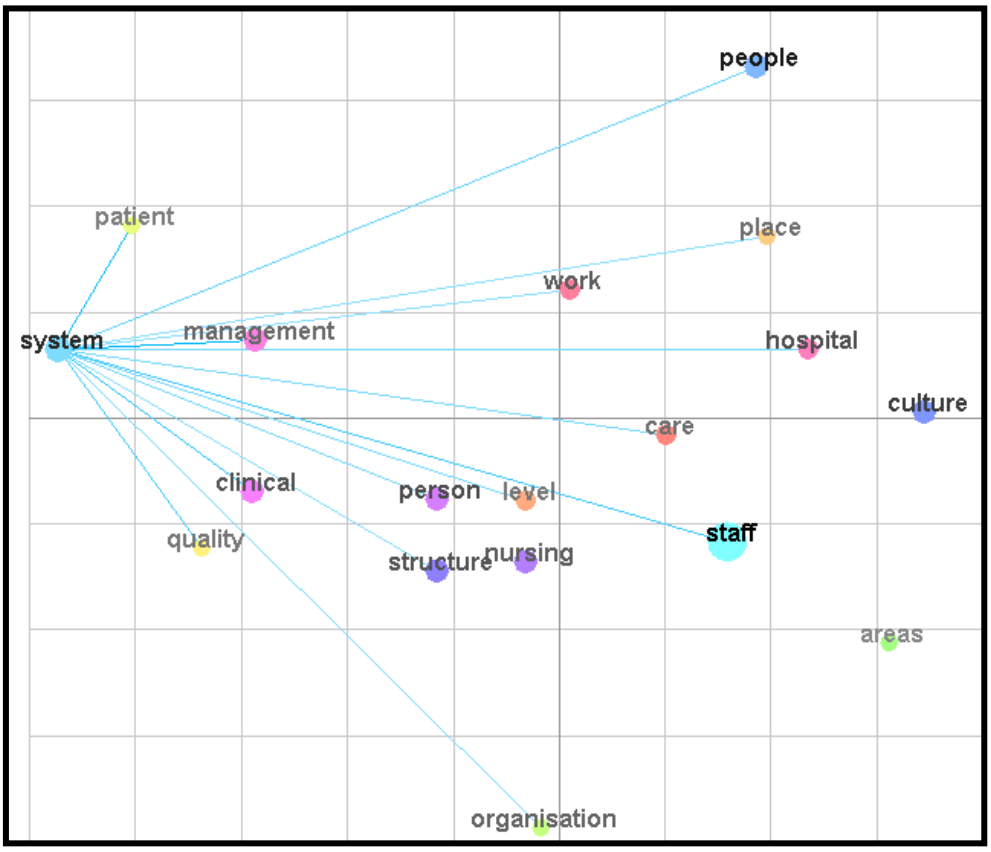


Figure 36 ***Organisation*** **and related linkages in remaining strategic decision maker analysis** ***(implementation)***

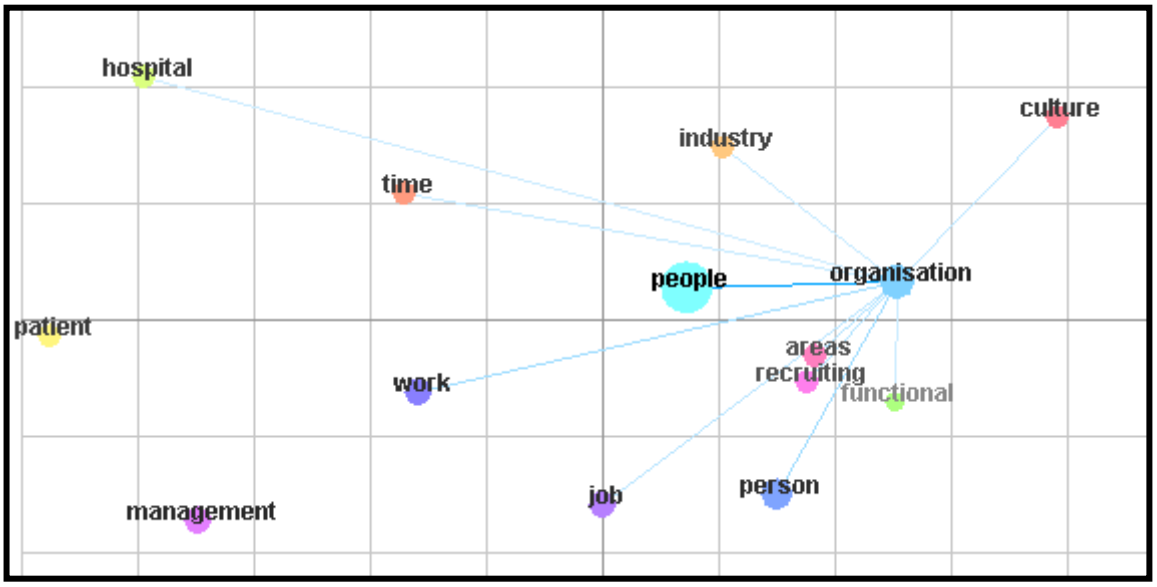


Figure 37 ***Management*** **and related linkages in remaining strategy decision maker analysis** ***(implementation)***

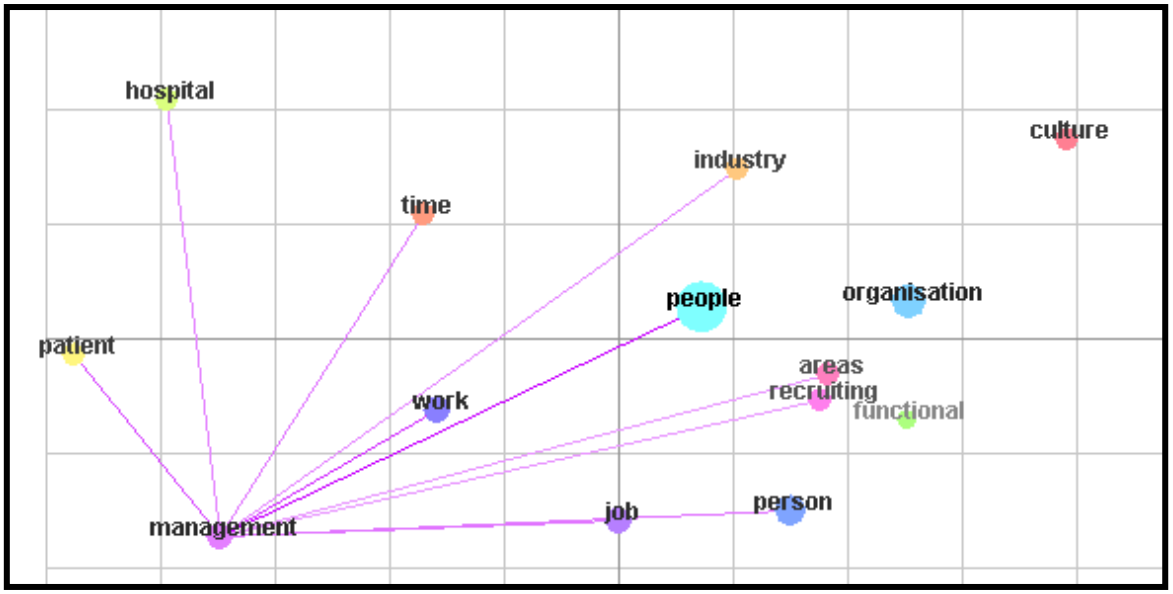


Figure 38 ***Culture*** **and related linkages in CEO analysis** ***(implementation)***

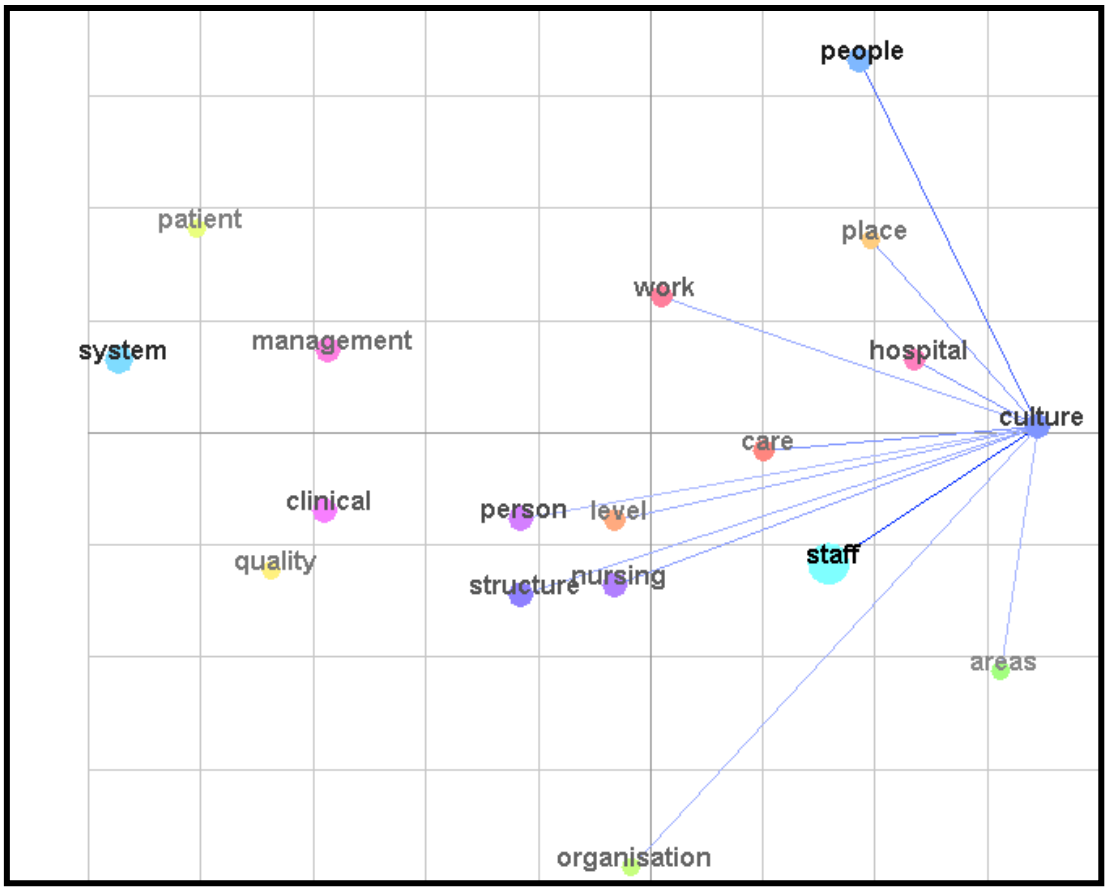


Figure 39 ***Culture*** **and related linkages in remaining strategic decision maker analysis** ***(implementation)***

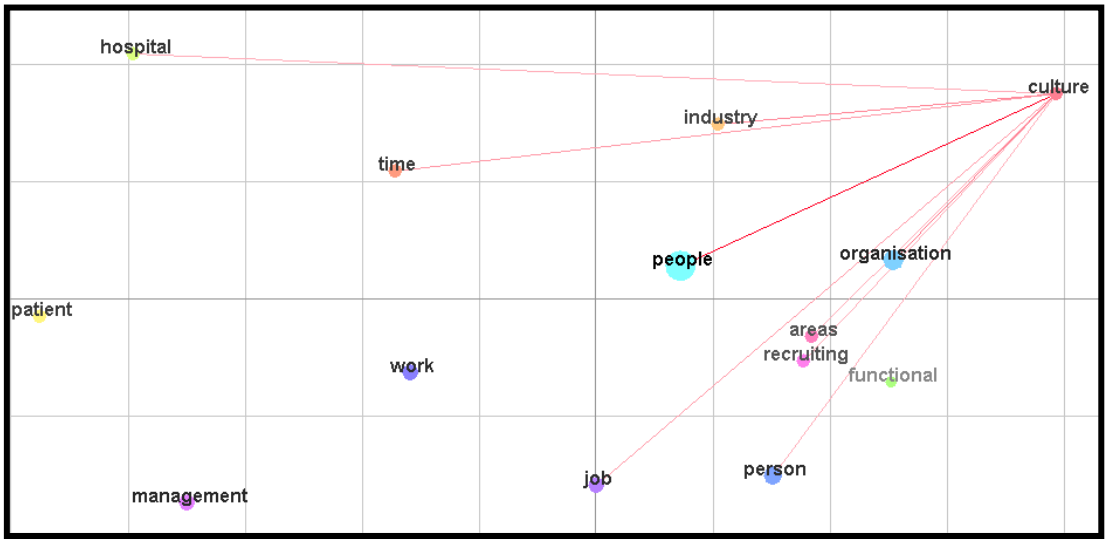


Figure 40 ***Work*** **and related linkages in CEO analysis** ***(implementation)***

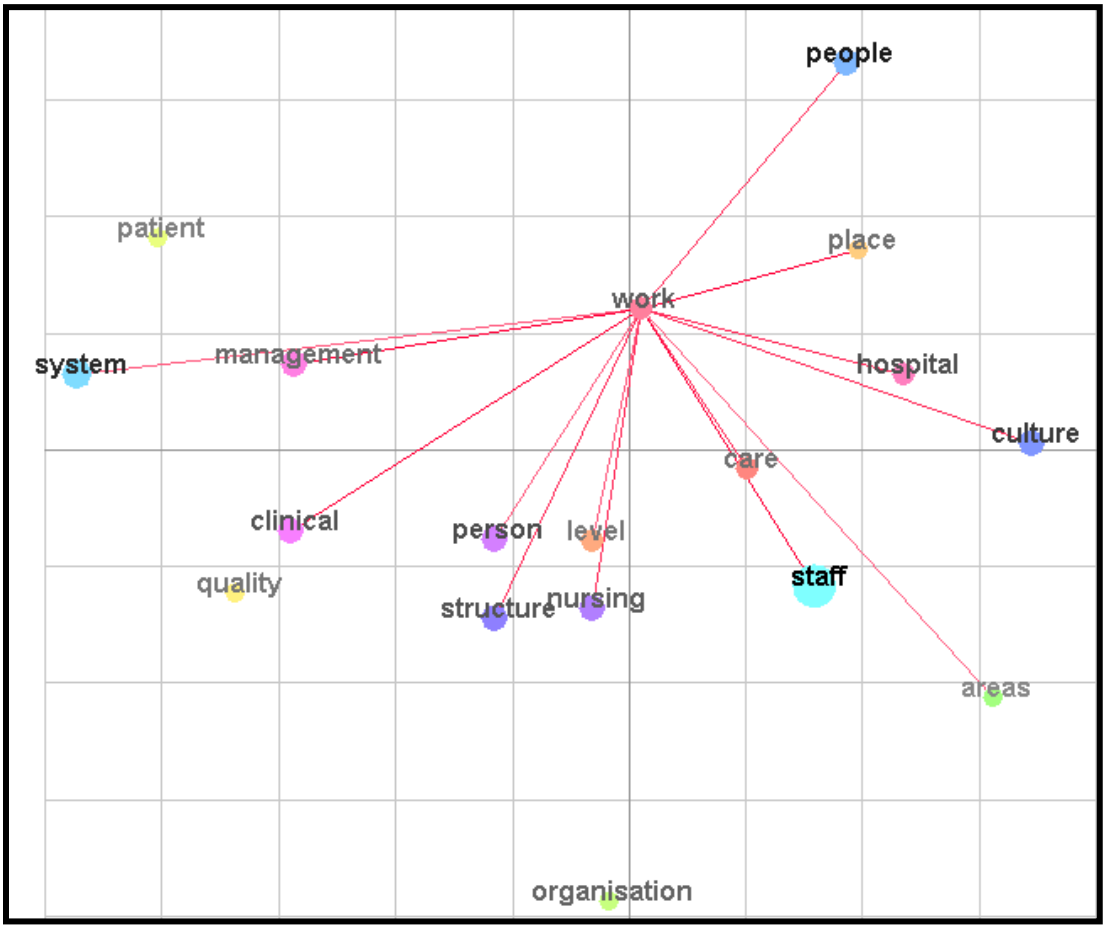


Figure 41 ***Work*** **and related linkages in remaining strategic decision maker analysis** ***(implementation)***

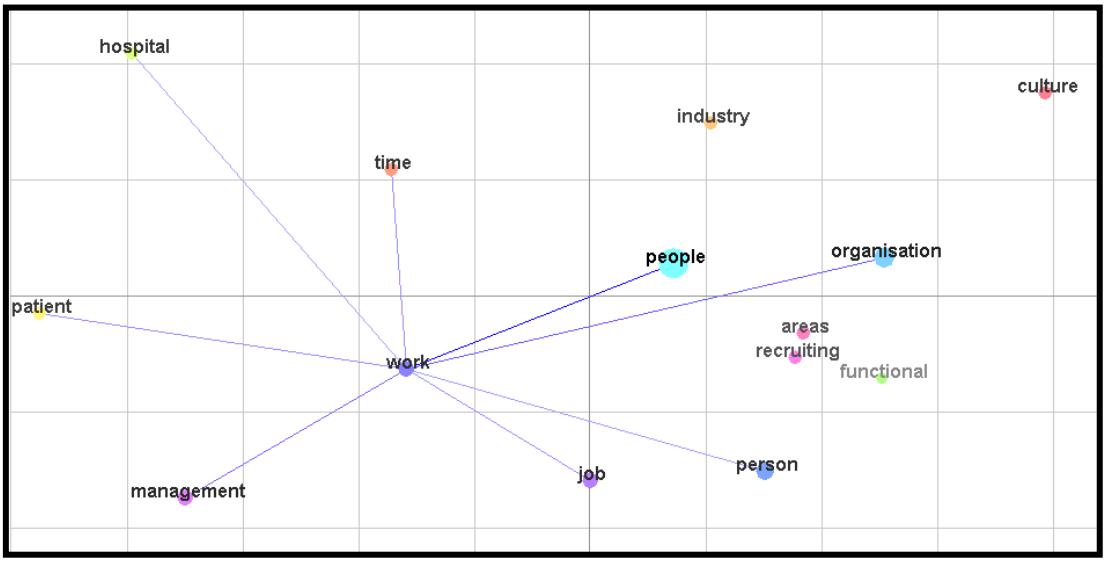


Figure 42 ***Structure*** **and related linkages in CEO analysis** ***(implementation)***

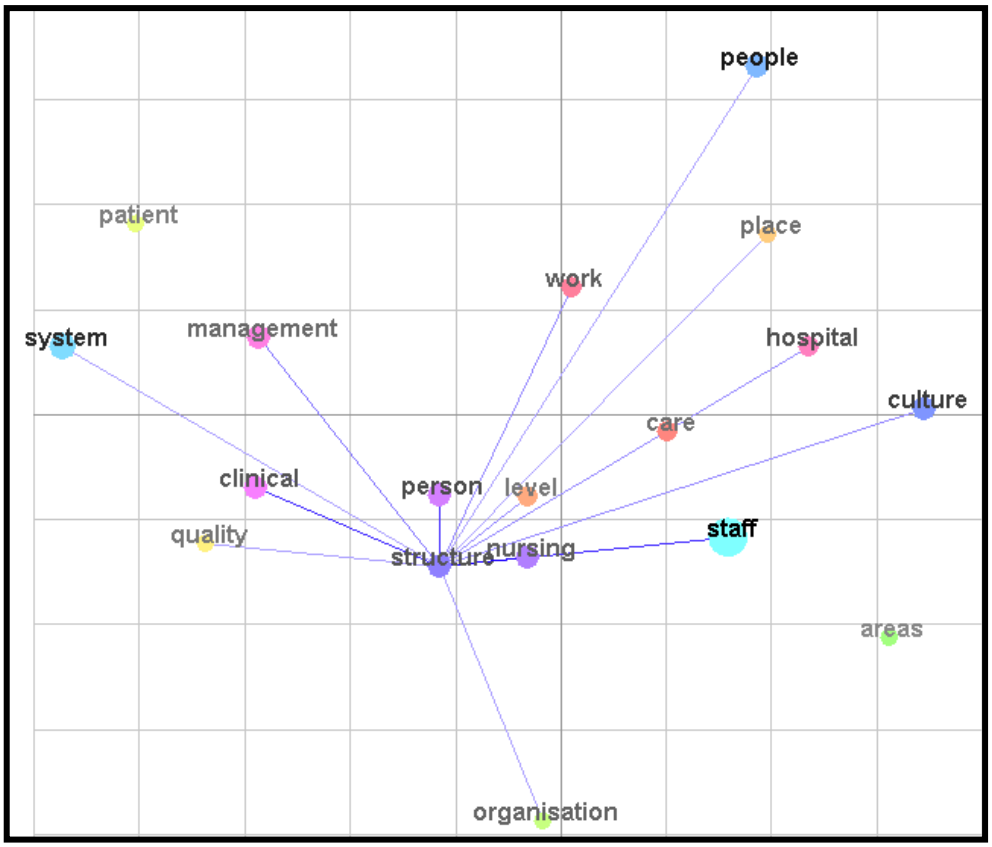


Figure 43 ***Time*** **and related linkages in remaining strategic decision maker analysis** ***(implementation)***

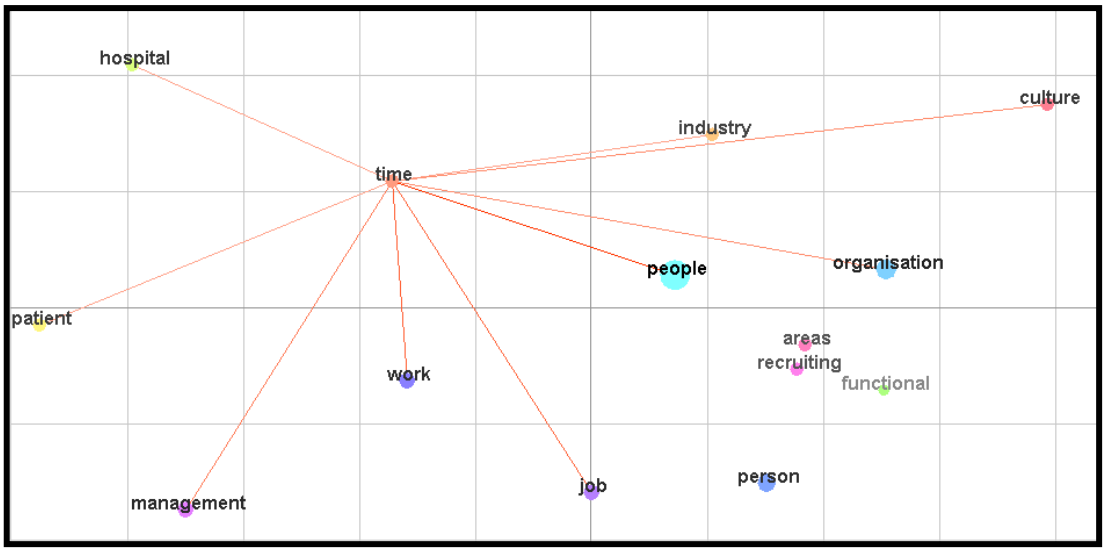


Figure 44 ***Marketing*** **and related linkages in CEO analysis** ***(evaluation and control)***

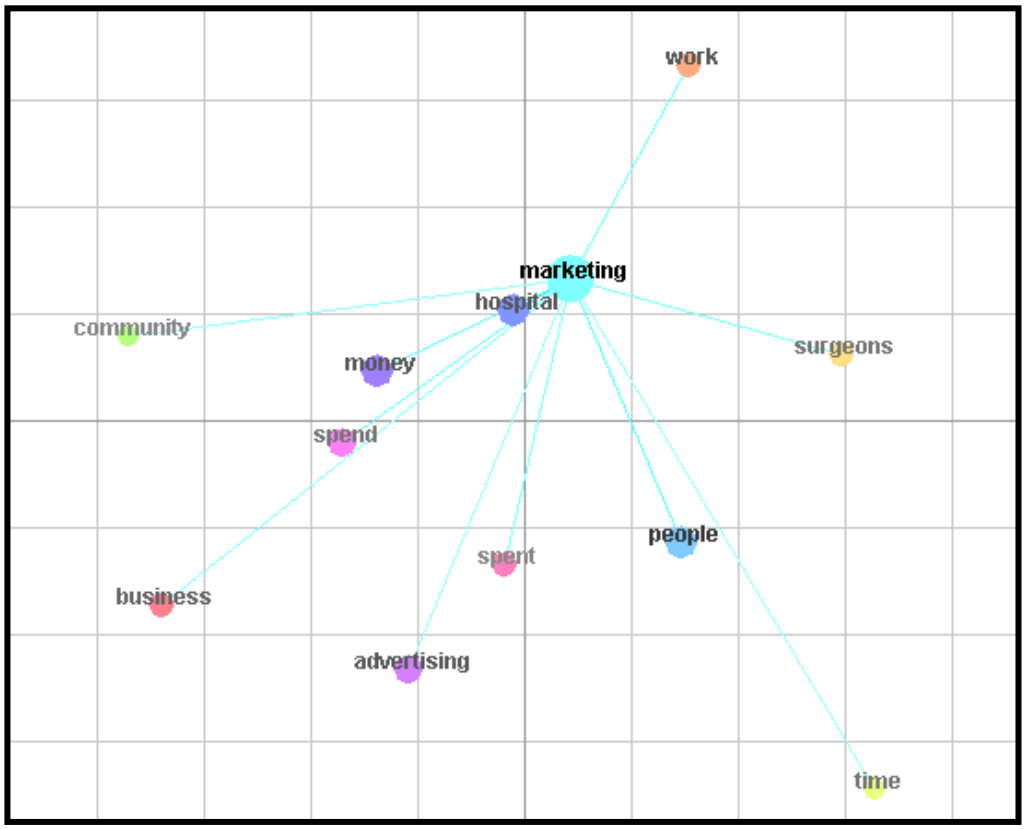


Figure 45 ***Marketing*** **and related linkages in remaining strategic decision maker analysis** ***(evaluation and control)***

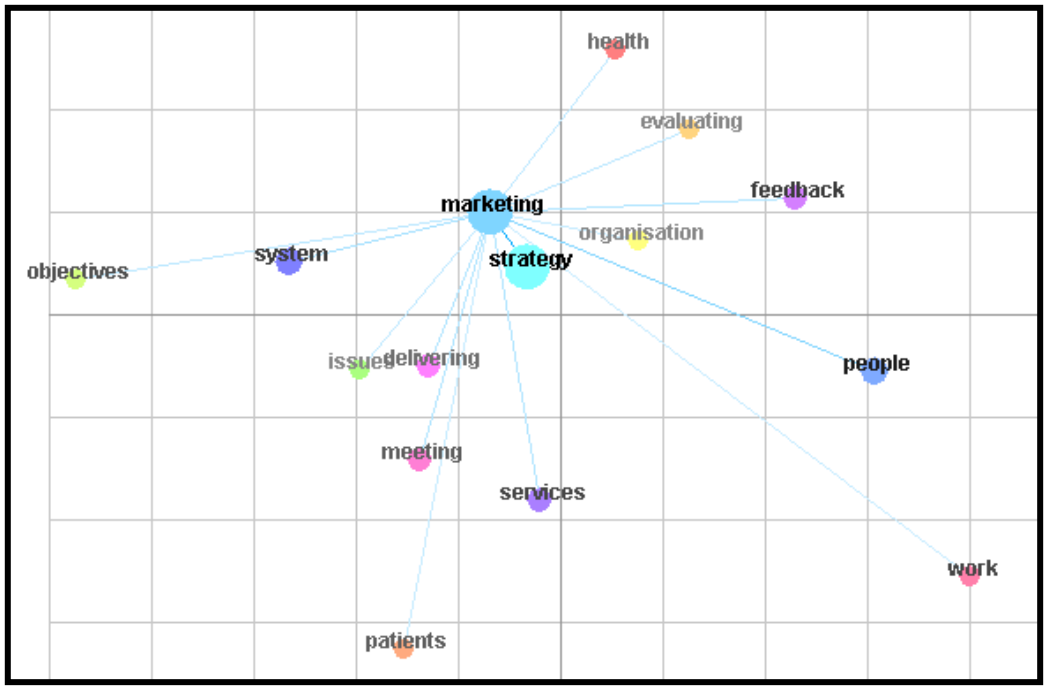


Figure 46 ***People*** **and related linkages in CEO analysis** ***(evaluation and control)***

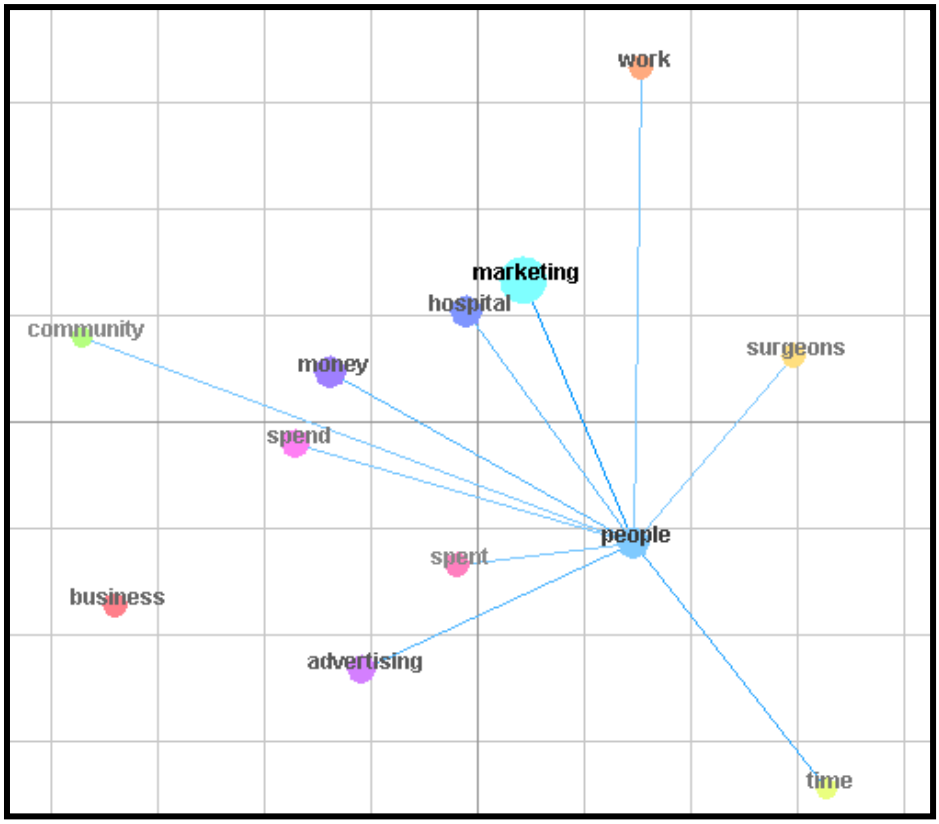


Figure 47 ***People*** **and related linkages in remaining strategic decision maker analysis** ***(evaluation and control)***

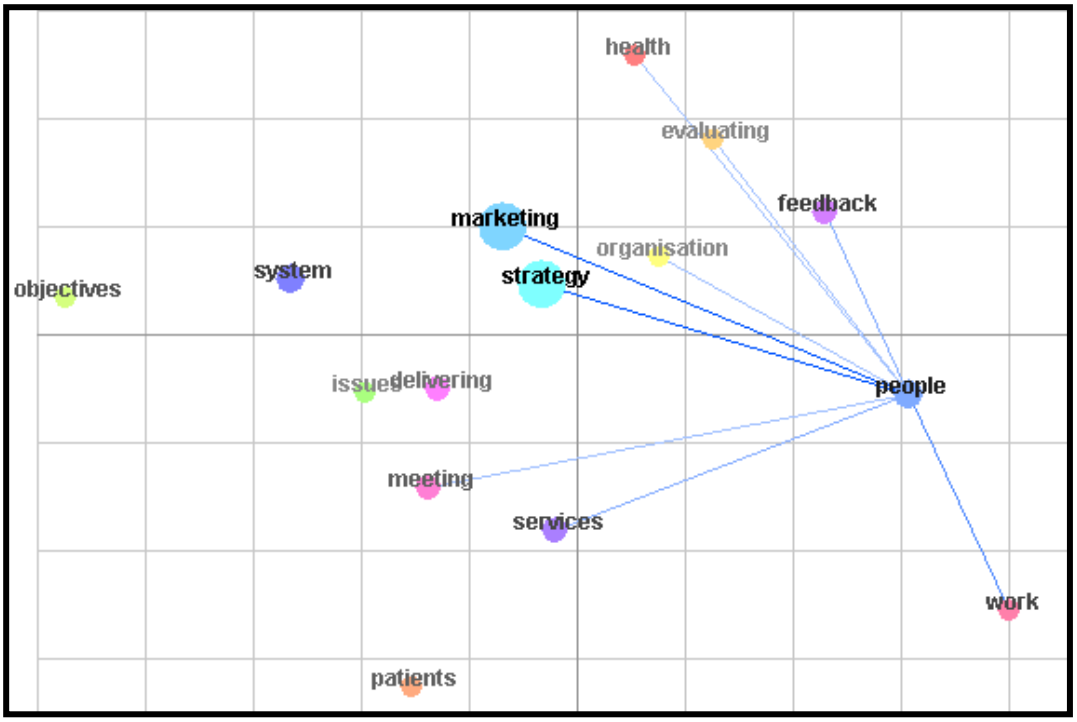


Figure 48 ***Strategy*** **and related linkages in remaining strategic decision maker analysis** ***(evaluation and control)***

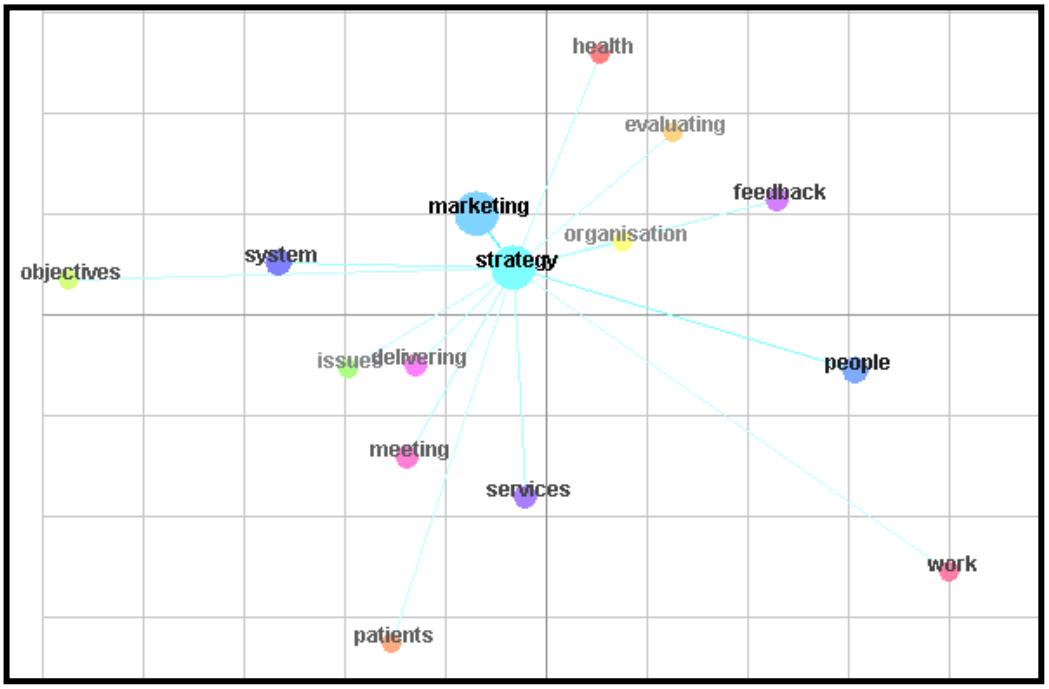


Figure 49 ***Advertising*** **and related linkages in CEO analysis** ***(evaluation and control)***

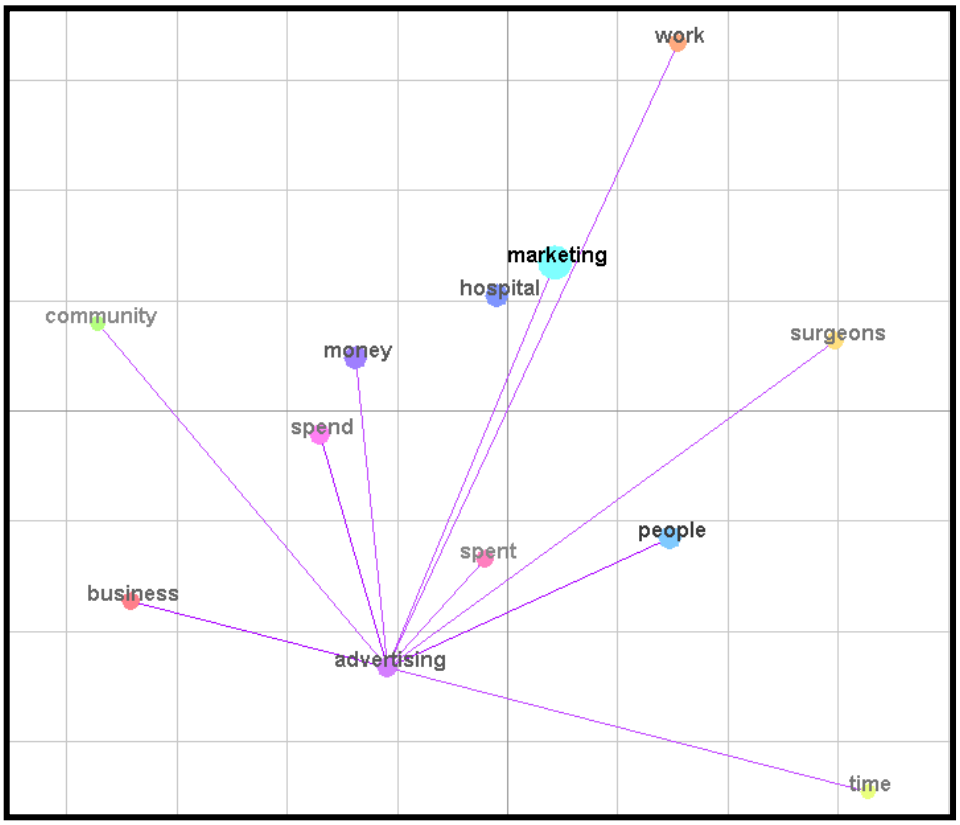


Figure 50 ***Money*** **and related linkages in CEO analysis** ***(evaluation and control)***

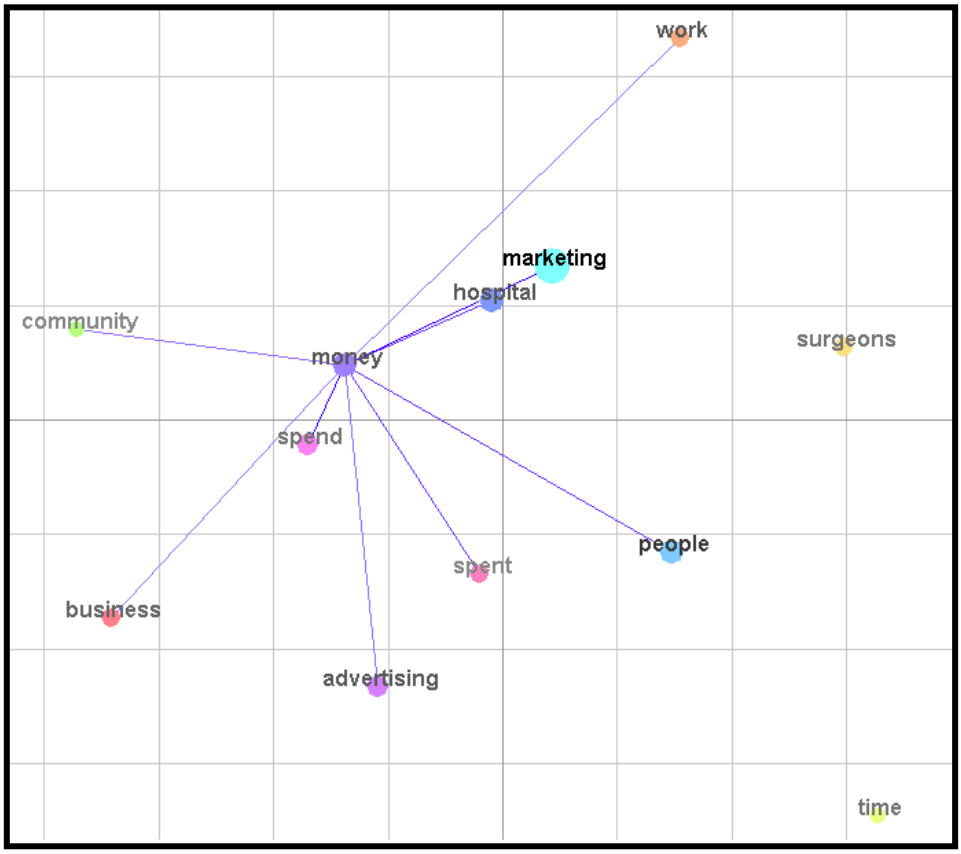


Figure 51 ***Surgeons*** **and related linkages in CEO analysis** ***(evaluation and control)***

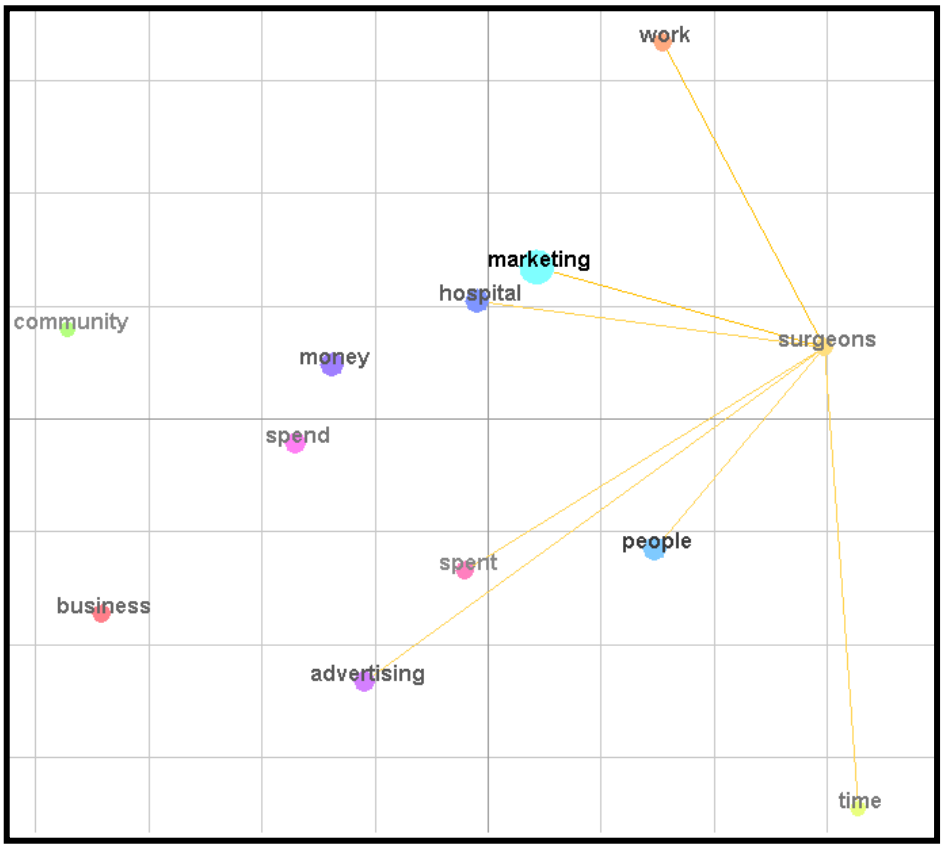


Figure 52 ***Feedback*** **and related linkages in remaining strategic decision maker analysis** ***(evaluation and control)***

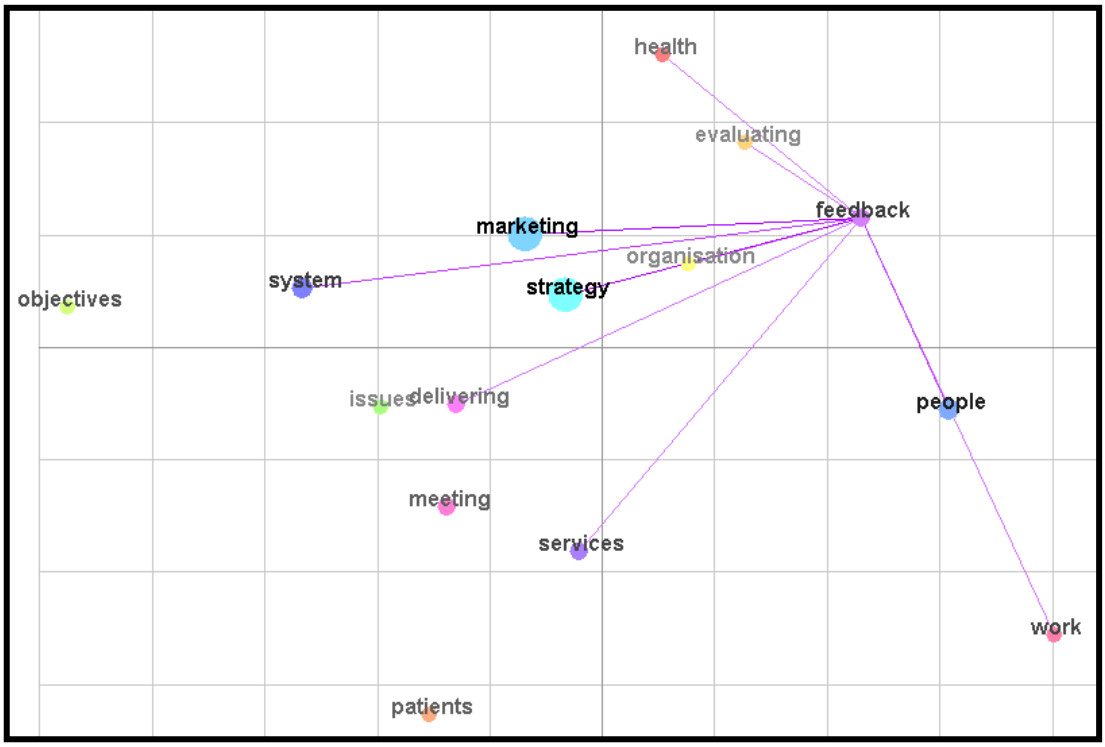
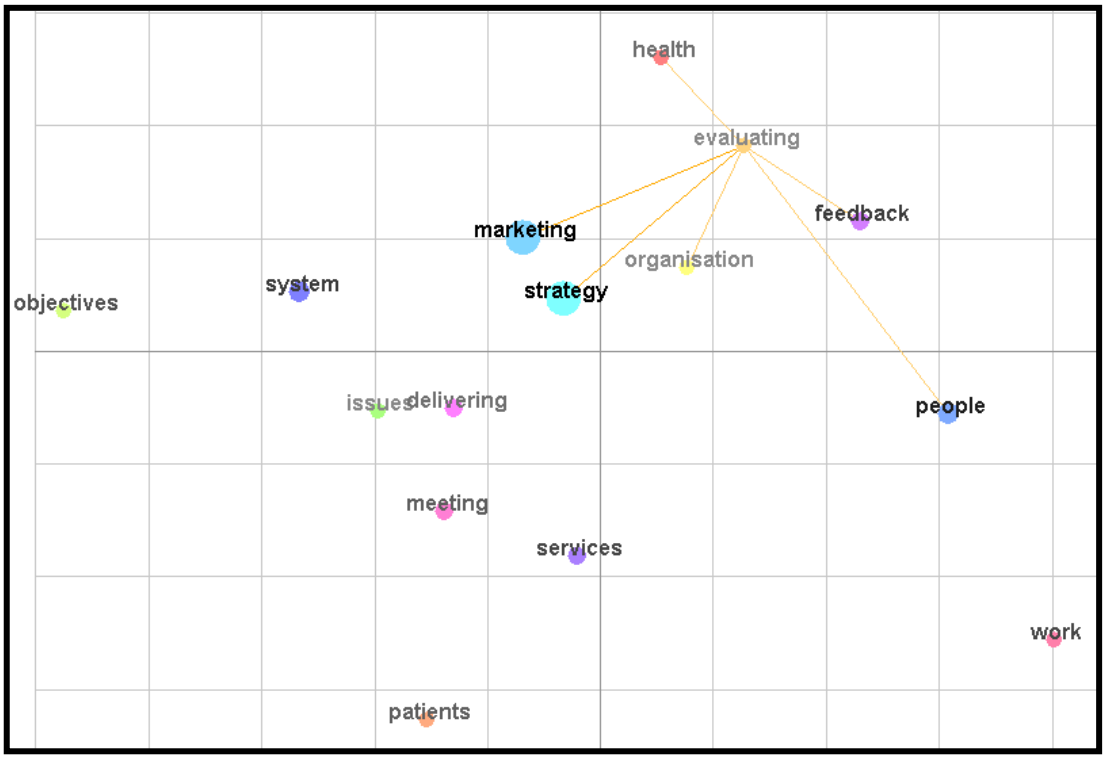


Figure 53 ***Evaluating*** **and related linkages in remaining strategic decision maker analysis** ***(evaluation and control)***



Appendix G: Cross state analysis of marketing strategy

Figure 1 **Concept map – Queensland regional private hospitals *(marketing strategy)***

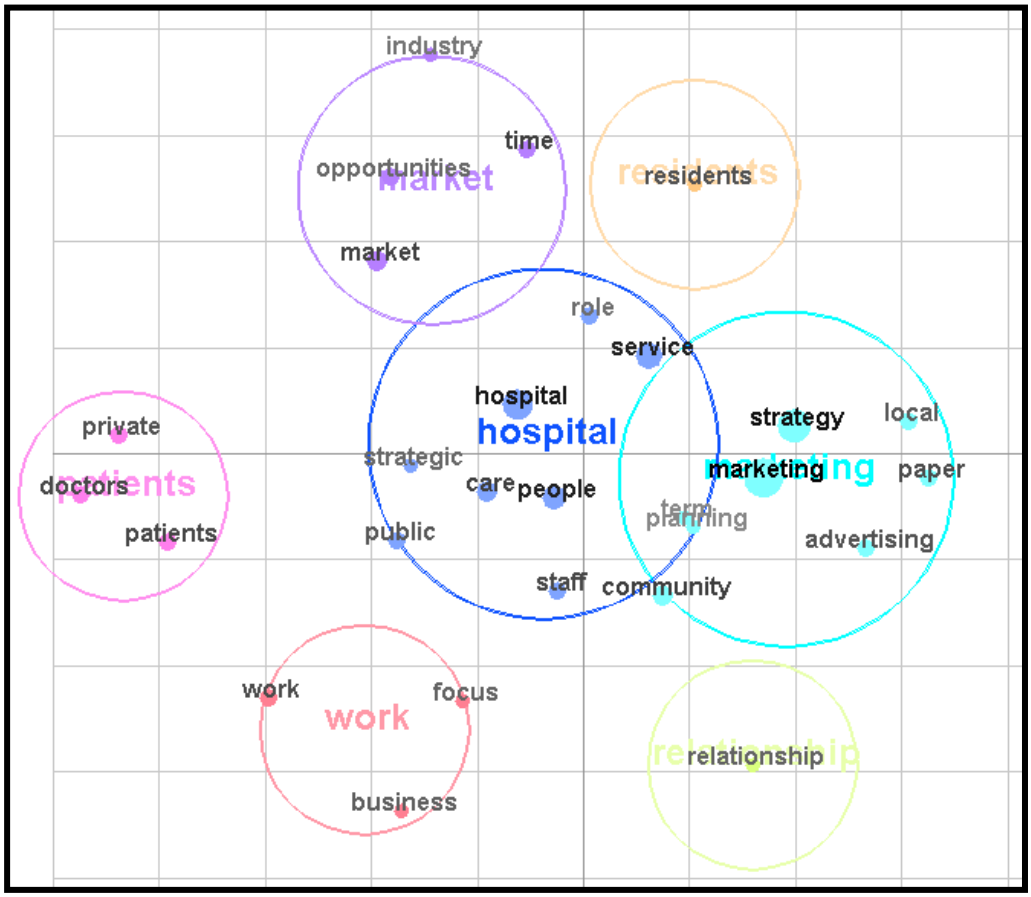


Figure 2 **Bar chart – Queensland regional private hospital analysis *(marketing strategy)***

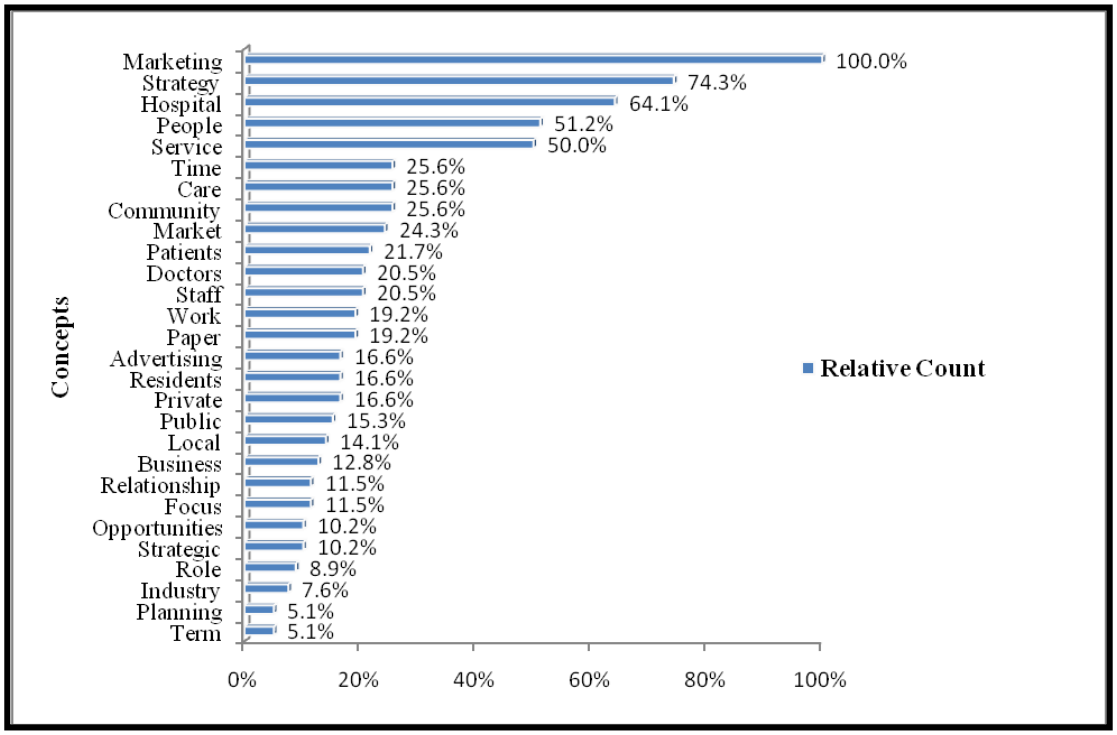


Figure 3 **Concept map – New South Wales regional private hospitals *(marketing strategy)***

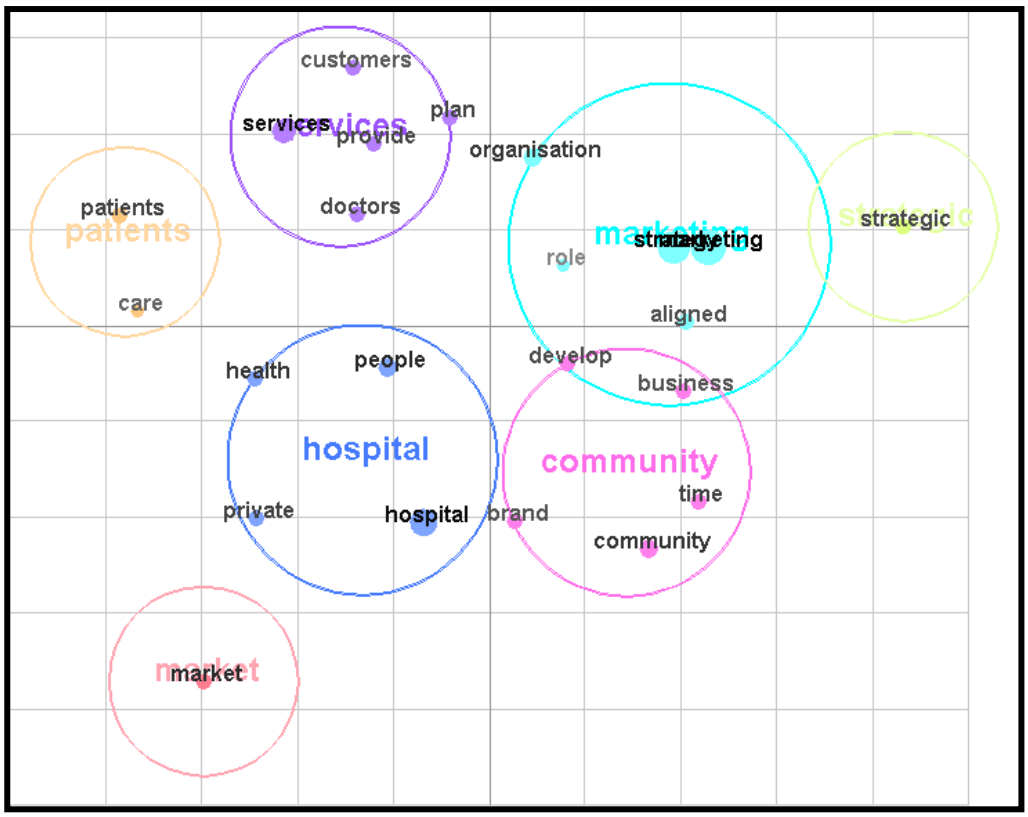


Figure 4 **Bar chart – New South Wales regional private hospital analysis *(marketing strategy)***