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Strategic Agility and Sustained Competitive Advantage of Private
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STRATEGIC AGILITY AND SUSTAINED COMPETITIVE ADVANTAGE OF PRIVATE HEALTHCARE PROVIDERS IN KENYA

 ¹Mwenemeru Eunice Mugure, ²Dr. Jared Deya, ³Prof. Allan Kihara

¹ PhD Student, Jomo Kenyatta University of Agriculture and Technology

^{2,3} Lecturer, Jomo Kenyatta University of Agriculture and Technology

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Abstract

Purpose: This study investigated influence of strategic agility on sustained competitive advantage of private healthcare providers in Kenya, while examining the moderating effect of organizational culture on this relationship.

Methodology: Grounded in the Dynamic Capability Theory, the study employed a descriptive cross-sectional survey design targeting senior managers of private healthcare providers within Nairobi Metropolitan. Both descriptive and inferential statistical methods, including correlation, regression, and moderation analyses, were used to assess influence of strategic agility.

Findings: Findings revealed that strategic agility significantly enhances sustained competitive advantage, positioning healthcare organizations to swiftly respond to market dynamics, adopt innovations, and improve service delivery. Notably, healthcare providers that exhibited high levels of strategic agility, demonstrated through environmental scanning, proactive decision-making, and adaptive capabilities, recorded superior financial performance, increased market share, and improved patient satisfaction. Furthermore, organizational culture was found to significantly moderate this relationship, with cultures emphasizing teamwork, role clarity, and customer-centric values amplifying the impact of strategic agility on competitive advantage. The study concludes that strategic agility is a crucial driver of competitive advantage in Kenya's private healthcare sector, especially when reinforced by a positive organizational culture.

Unique Contribution to Theory, Practice and Policy: It recommends that healthcare leaders prioritize developing agile strategies and fostering organizational cultures that support rapid adaptation, continuous learning, and innovation to achieve long-term sustainability and competitiveness.

Key Words: *Strategic Agility, Sustained Competitive Advantage, Private Healthcare Providers, Organizational Culture*

Background of the Study

Strategic agility has emerged as a critical capability for organizations operating in rapidly changing and highly competitive environments, including the healthcare sector. It refers to an organization's ability to sense market changes, adapt strategies, and swiftly implement innovations to maintain competitiveness (Doz & Kosonen, 2010). In healthcare, strategic agility enables institutions to respond to evolving patient needs, technological advancements, policy shifts, and competitive pressures. Agile organizations demonstrate flexibility, market acuity, and dynamic decision-making, allowing them to seize emerging opportunities and mitigate risks (Weber & Tarba, 2014; Rudof, 2022).

In Kenya, the private healthcare sector plays a significant role in service delivery, accounting for 47% of all healthcare facilities and serving more than half of the population (Kenya Health Sector Strategic Plan, 2018–2023). However, increasing market competition, technological disruptions, changing disease patterns, and regulatory reforms such as the rollout of Universal Health Coverage (UHC) have made strategic agility essential for survival. Healthcare providers must continuously scan the environment, anticipate changes, and reconfigure resources to sustain their market positions (Milu, 2021).

Globally, strategic agility has been linked to improved organizational performance, innovation adoption, and sustained competitive advantage (Park, 2020). Yet, its application in healthcare remains under-researched, especially in developing economies like Kenya, where private healthcare providers operate under intense competition and resource constraints. Understanding the role of strategic agility is vital for informing leadership practices that enhance adaptability and long-term competitiveness in the sector.

Statement of the Problem

Kenya's private healthcare sector is a major provider of health services, serving over 52 percent of the population and accounting for a substantial share of national healthcare delivery (Kenya Health Sector Strategic Plan, 2018–2023). Despite this significant role, private healthcare providers operate under increasing strategic pressure arising from rising operational costs, technological disruption, regulatory reforms such as the Social Health Insurance Act, and intensified market competition (Garattini & Padula, 2019; Kaluyu & Odollo, 2023). These conditions demand rapid sensing of environmental changes, timely strategic responses, and continuous reconfiguration of organizational capabilities. However, sector observations indicate that many private healthcare institutions exhibit slow decision-making, limited innovation uptake, and reliance on static planning approaches, which constrain their responsiveness to policy shifts, evolving patient expectations, and technological change (Laibon, 2023; Kaluyu & Odollo, 2023).

These limitations suggest that private healthcare providers may possess resources and technologies yet lack the agility-based capabilities required to convert them into sustained competitive advantage. In service-intensive and highly regulated sectors such as healthcare, the ability to adapt strategies quickly, reallocate resources, and renew organizational processes is critical for maintaining long-term market positioning (Teece, Pisano & Shuen, 1997; Teece, 2020). Weak strategic agility therefore threatens the competitive sustainability of providers and may limit their contribution to Kenya's Universal Health Coverage goals.

Although strategic agility is widely discussed in strategic management literature, empirical evidence on how it influences sustained competitive advantage within Kenya's private healthcare context remains limited. Local research has largely focused on operational performance, service quality, or financing issues, with minimal attention given to agility-oriented leadership capabilities and their interaction with organizational culture in shaping long-term competitive positioning (Naliaka & Namincha, 2022; Ndambuki, Bowen & Karau, 2020). This creates both a contextual gap, concerning the Kenyan private healthcare sector, and a conceptual gap, regarding how agility capabilities translate into durable competitive advantage under different organizational culture conditions. This study therefore sought to address these gaps by examining the influence of strategic agility, moderated by organizational culture, on sustained competitive advantage among private healthcare providers in Kenya.

Specific Objectives

1. To assess influence of strategic agility on sustained competitive advantage of private healthcare providers Kenya
2. To examine moderating effect of organizational culture on strategic agility and sustained competitive advantage of private healthcare providers in Kenya

Study Hypotheses

The study sought to test null hypotheses below;

H₀₁: Strategic agility has no significant influence on sustained competitive advantage of private healthcare providers in Kenya

H₀₂: Organizational culture has no moderating effect on strategic agility and sustained competitive advantage of private healthcare providers in Kenya

LITERATURE REVIEW

Theoretical Review

Dynamic Capability Theory

This theory states that a firm derives sustained competitive advantage from its ability to build, integrate and reconfigure its resources and capabilities to adapt to a rapidly changing business environment (Teece, Pisano & Shuen, 1997). It explains that dynamic capabilities are the processes that facilitate a firm to reconfigure its resources and strategy to realize sustained competitive advantage and superior performance in an unpredictable business environment. The DC theory was developed as a reaction to the inability of the RBV to interpret the development and redevelopment of resources and capabilities to address dynamic business environment (Bleady *et al*, 2018)

The theory is an extension of resource-based view (RBV) and tries to address some weaknesses of the RBV which states that firm's sustained competitive advantage is based on acquisition of internal resources that are valuable, rare, inimitable and non-substitutable (VRIN). The theory centres on the concept that an organization has to adapt to its competitive environment in order to survive.

Private healthcare providers with ability to quickly and appropriately respond to or drive change through innovative strategies while still maintaining flexibility and focus may realize and sustain their competitive positions in the industry. This theory supports strategic agility as a construct in this study and the first research hypothesis.

H₀₁: Strategic agility has no significant influence on sustained competitive advantage of private healthcare providers in Kenya

Expectancy Value Theory

Kurt Lewin (1890-1947) established the concept of level of aspiration based on an individual's expectation or goals of his /her own future achievement in completing a specific task. He assessed motivation levels in multiple children using a ring toss game to understand individual child's aspiration to complete the task of tossing a ring onto a peg. This experimentation became the foundation for the development of expectancy-value theory. John Atkinson (1960s) further extended Kurt Lewin's work by initiating an achievement motivation theory that integrated needs, expectancy and values into a single framework. In the 1980s the theory was further developed by Jacquelynne Eccles who argued that expected success and subjective task values influence individual level of motivation. Therefore, people choose a specific behaviour based on what they expect as the results of chosen behaviour.

Organizational culture cultivates values which interact to predict team engagement, interests, achievements and overall success of an organization. Specific reward systems motivate an individual/ group aspiration towards organizational success. This theory provides generalized ideology that individuals make decisions based on set expectations and values.

It is envisaged that organizational culture of a given private hospital would play a moderating role in enhancing its growth, development and sustained competitive advantage in Kenyan healthcare providers. Number of clients in individual private healthcare providers depend on customer satisfaction and how its brand image is perceived by the public notwithstanding physical infrastructure, modern diagnostics and interventional technology installed. This theory links with the second research hypothesis of the study.

H₀₂: Organizational culture has no moderating effect on strategic agility and sustained competitive advantage of private healthcare providers in Kenya

Empirical review

Strategic Agility

Thomas, Kraus, Kallinger and Bican, (2020) studied organizational ambidexterity and competitive advantage while analyzing the role of strategic agility in the exploration-exploitation paradox in Germany. The study established that firms that are strategically agile have the capacity to remain competitive by focusing on their objectives and being responsive to business environmental dynamism through the ability to quickly scan changes and realignment of strategic orientation to shifting requirements, trends and opportunities. Furthermore, the scholars indicate that agile leaders have the ability to anticipate and effectively respond to business environment volatility, uncertainty, complexity and ambiguity in the interest of sustaining growth and competitiveness. Thomas *et al* (2020) further notes that strategic agility enables leaders to identify and create opportunities that positively impact the future of the organization. The study agrees with Ramsey (2023); Uigoh (2022) that strategic leaders intentionally focus on organization's key resources that are likely to have a high positive impact in sustaining future success by organizing the resources into capabilities that are responsive to environmental dynamics to achieve competitive advantage.

Sampath (2019) explored significance of strategic agility in building sustained competitive advantage for retail banks in India and established that organizational ability to create barriers to imitation due to unique isolating mechanisms could explain why differences in performance or competitive advantage exist within firms with apparently similar capabilities. The study emphasizes that strategic agility is an organization's ability to appropriately adapt to changes in the business environment by spotting both opportunities and risks while rapidly and repeatedly initiating quick, decisive and effective strategies. A study linking strategic agility to superior

organizational performance through strategic foresight in Nigeria by Arokodare and Asikhia (2020) acknowledge that globally firms encounter challenges in maintaining long-term business superior performance. The study further posits that the majority of firms in 21st century have recorded fast decline in financial and non-financial performance as a result of poor understanding and implementation of strategic agility dimensions in tackling dynamic business trends and environmental turbulence.

Although prior studies consistently link strategic agility to competitive positioning and organizational performance, the bulk of empirical evidence originates from manufacturing, banking, and technology-intensive sectors where market structures, regulatory exposure, and service complexity differ markedly from healthcare environments (Thomas et al., 2020; Arokodare & Asikhia, 2020; Khoshnood & Nematizadeh, 2020). Even healthcare-based studies, such as Abusalma (2021), are limited in contextual diversity and do not sufficiently account for developing health systems characterized by resource constraints, institutional pressures, and service-driven competitive dynamics. Moreover, much of the literature treats agility as a general adaptability construct without isolating its dimensions in relation to sustained competitive advantage under sector-specific constraints. This indicates a contextual and dimensional gap, particularly in Kenya's private healthcare sector, where environmental turbulence, regulatory reforms, and technological shifts require rapid strategic reconfiguration (Teece, Peteraf & Leih, 2019). Empirical clarification of how market acuity, change disposition, and strategic innovation translate into sustained competitive advantage in this setting remains limited. This gap justified the present study's objective to examine the influence of strategic agility on sustained competitive advantage among private healthcare providers in Kenya.

Organization Culture

Putri et al (2022) studied effect of independence, professionalism and experience of internal auditors on fraud prevention with organizational culture as a moderating variable. The study explains that OC is a system which outlines longstanding norms and behaviours that employees conform to. Further opining that OC is very crucial since it affects how organization members work, creates good behaviour and subsequently reduces fraudulent incidences. The scholars observed that an organization culture can be positive when internal stakeholders display consistency in ethical behaviour. Therefore, a good OC discourages members against fraudulent behaviour in a firm (Wicaksono & Urumsah, 2020). These sentiments echo Mayer et al (2020) that a culture influences the mindsets of individuals towards an action hence individuals can behave ethically/unethically depending on subscribed habits of an OC. Fuadah et al (2022) evaluated the relationship between sustainability reporting, E-commerce, firm performance and tax avoidance with organizational culture as a moderating variable in Small and Medium Enterprises in Palembang, Indonesia. The study found that despite the OC significantly shaping

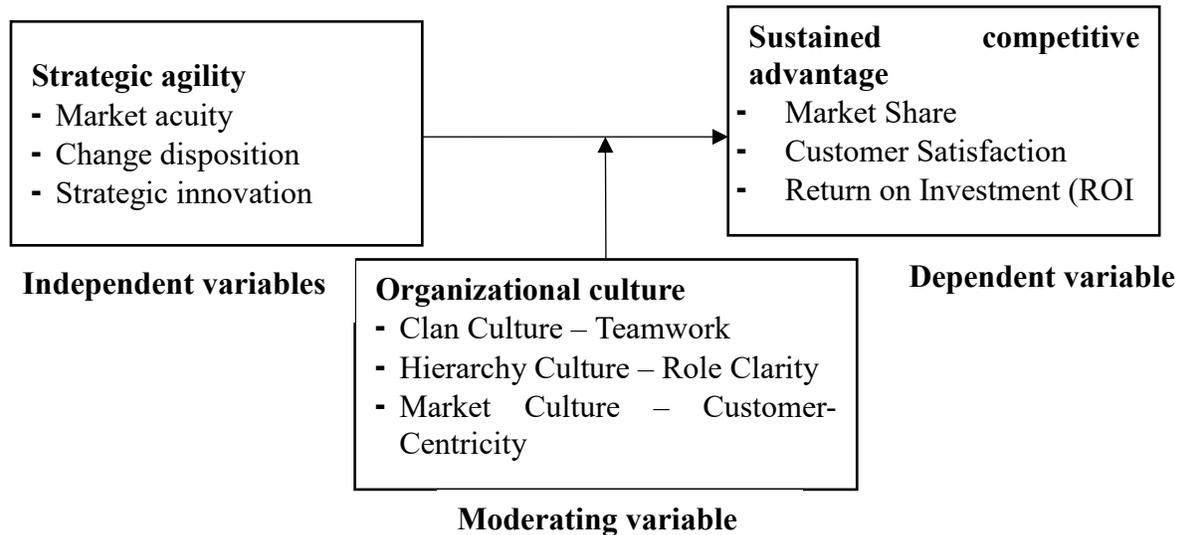
behaviour of individuals in organizations it did not strengthen the relationship between tax avoidance and company performance of SMEs in Indonesia.

Rokhimakhumallah (2020) studied effect of performance management system and remuneration to employee performance with organizational culture as a moderating variable. The findings indicate that based on the contingency theory, OC can be used to moderate relationship between performance management system and employee performance noting that there is no one-fit-for-all strategy to enhance firm performance. The study observe that employee remuneration did not have significant effect on employee performance while stating that a strong OC should be anchored on detailed organization policies, regulations and standard operating procedures to reduce performance variations and provide quality services/products for sustained competitive advantage.

Okocha and Akhigbe (2020) on a study titled moderating role of organizational culture on the relationship between intellectual capital and sustained competitive advantage in Nigeria established that organizations have unique cultures which make them distinct from their counterparts. Further opining that firms may select a specific or combination of organizational culture sub-types which include; clan culture, adhocracy culture, market culture and hierarchy culture but whichever the case, OC can enhance innovativeness and performance or become a barrier to the same. Furthermore, it all dependents on the ideals upheld by the stakeholders noting that strong positive OC is a market differentiator that indirectly influences firm competitive advantage and performance.

Conceptual Framework

Taylor & Francis (2023) define conceptual framework as a network or a 'plain' of linked concepts. Particularly the conceptual framework in this study attempts to show a link between strategic agility, (independent variable), organizational culture (moderating variable) and sustained competitive advantage (dependent variable) of private healthcare providers in Kenya.

**Figure 2.1: Conceptual Framework****Strategic Agility**

SA requires invention of new business models and new categories, not rearrangement of the old ones, to effectively cope with discontinuities and disruptions experienced in volatile business environment (Weber & Tarba, 2018; Mohamoud 2023) hence organizations with such inventions are said to be strategically agile. Gayathri (2019); Alhadid (2019) define SA as the firm's ability to adapt to changes in the business context, spotting both opportunities and risks and launching new strategies rapidly and repeatedly to respond to the environmental dynamism. Center for Management and Organization effectiveness (CMOE) explains that strategic agility (SA) is the ability for organizations to see shifts inside the business as well as externally in the business environment in which they operate. SA is about staying competitive by recognizing and capitalizing on strengths and opportunities as well as identifying weaknesses and potential threats and swiftly mitigating them. Sustained competitive advantage and superior firm performance can be realized through market-based organization learning. This is possible by crafting, implementing and evaluating effective strategies that focus on putting up entry barriers and building a powerful brand image which cannot be replicated by competitors while controlling the pricing and clearly differentiating products and services (Kibe & Okello, 2019).

Strategic agility of private healthcare providers in Kenya was assessed based on the market acuity, change disposition and strategic innovation. Gayathri (2019) explains that market acuity is the ability of an organization to clearly assess a competitive environment and create services/product that outperform the competitors. Change disposition is the ability to readily accept and implement changes in a firm. Strategic innovation is a future oriented approach that contain creative discovery

in identifying management techniques while looking at the wide system beyond product and process with a goal of creating value that positively impact company's growth and performance in a competitive manner (Dogan, 2020). It involves redesigning corporate strategy to enhance business growth, provide value-added products and services in order to attain competitive advantage. Organizations that are strategically agile are more likely to establish strategies that are well aligned to the dynamic business environment and may realize high performance as a means to sustained competitive advantage.

Organizational Culture

Organizational culture influences how employees interpret strategic priorities, coordinate their actions, and commit to organizational goals. Cultures that emphasize quality patient care, client satisfaction, employee engagement, and continuous improvement are more likely to support sustained competitive advantage because they shape how effectively organizational capabilities are deployed (Brown et al., 2020). For culture to contribute to strategic sustainability, it must be aligned with organizational structure and long-term objectives. In this study, organizational culture is conceptualized through orientations consistent with the Competing Values Framework, and operationalised using teamwork, role clarity, and customer-centricity, which represent distinct cultural orientations relevant to private healthcare settings.

Teamwork, reflecting a clan culture orientation, emphasizes collaboration, shared responsibility, and collective problem-solving. Clan-oriented cultures prioritize internal cohesion and flexibility, enabling employees to share knowledge, coordinate service processes, and respond jointly to operational challenges (Salas et al., 2020). In healthcare environments where multidisciplinary coordination is critical, teamwork strengthens internal integration and supports effective execution of strategic initiatives. Role clarity, associated with a hierarchy culture orientation, emphasizes structure, formal procedures, and clearly defined responsibilities. Hierarchy cultures promote stability and control through established systems and reporting relationships. Clear role definitions reduce ambiguity, improve accountability, and enhance task performance by guiding employees on expected responsibilities and performance standards (Shahidul, 2023; Rukiya, 2023). In healthcare contexts where procedural consistency and compliance are essential, role clarity supports operational reliability and reduces performance variability.

Customer-centricity, aligned with a market culture orientation, reflects an external focus on competitiveness, performance, and responsiveness to client needs. Market-oriented cultures encourage employees to provide superior service experiences that create value for customers and differentiate the organization within competitive environments (Alessandro et al., 2020). In private healthcare, such cultures strengthen patient responsiveness and service quality, reinforcing the organization's market position.

Sustained Competitive Advantage

Sustained Competitive Advantage (SCA) is achieved when organizations maintain superior market performance over time by developing unique capabilities that competitors cannot easily replicate (Barney, 1991; Porter, 1985). This study examines the role of strategic agility, the ability to anticipate, adapt, and respond swiftly to market changes, in driving SCA among Kenya's private healthcare providers. Agile healthcare organizations leverage market acuity, innovation, and change disposition with flexible operations to consistently outperform competitors.

Measuring SCA involved analyzing market share, customer satisfaction, and Return on Investment (ROI). Higher market share reflects competitive strength and industry dominance (Theodore, 2022), while customer satisfaction, based on the disconfirmation paradigm, captures a healthcare provider's ability to meet or exceed patient expectations (Wernerfelt, 1984; Guido, 2015; Kitilu, 2023). ROI, meanwhile, quantifies the profitability of strategic initiatives, signalling sustained financial health (Morgan & Stanley, 2022). Strategic agility empowers healthcare leaders to navigate dynamic market conditions, seize emerging opportunities, and secure lasting competitive advantage in a challenging healthcare landscape.

METHODOLOGY

The study adopted a descriptive cross-sectional research design rooted in positivist philosophy, allowing for the systematic assessment of strategic agility's impact on competitive advantage of private healthcare providers in Nairobi Metropolitan. This design provided a structured framework to analyze how agility elements, market acuity, change disposition, and strategic innovation, shape sustained competitive advantage. The population comprised 958 private healthcare providers, with sampling focusing on Levels 3 to 6 where strategic leadership practices are prevalent. A combination of stratified random sampling and purposive sampling targeted senior leaders best positioned to articulate their organizations' agility strategies. Applying Yamane's formula (1967), the sample size was determined as 282 organizations, ensuring proportional representation by facility level. Data was gathered using structured questionnaires with Likert-scale measures capturing strategic agility dimensions, organization culture indicators and competitive outcomes. A pilot study on 28 organizations confirmed instrument reliability and validity. Cronbach's alpha values exceeded 0.7, confirming consistency. Data analysis involved descriptive statistics, Pearson correlation, and regression modelling to evaluate strategic agility's predictive strength. Hierarchical regression further tested the moderating role of organizational culture. SPSS v28 supported data processing, with results presented graphically. The study maintained high ethical standards, ensuring voluntary participation and data confidentiality.

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive Analysis

Strategic Agility

The first specific objective of the study was to assess influence of strategic agility on sustained competitive advantage of private healthcare providers in Kenya. On a scale of 1 to 5 whereby 1=strongly disagree and 5 =strongly agree, respondents were asked to indicate their opinion on various statements. Table 1 presents the results for questions related to strategic agility

Table 1: Descriptive Statistics on Strategic Agility Indicators

Statement	Mean	Std. Dev.
We embrace dynamic strategies that make us enjoy client loyalty for >5 years	4.164	0.691
Through strategic innovation, products/services are provided at competitive prices	4.145	0.706
Our organization has improved its speed to offer superior customer experience and revenue	4.151	0.695
Change is readily accepted and implemented	4.058	0.772
Research is encouraged to provide data for decision-making and seize opportunities	4.115	0.711
Aggregate Score	4.127	0.715

The findings from the Likert-scale questions related to strategic agility reveal a strong agreement among respondents on the positive influence of strategic agility on various organizational aspects. The high mean scores (all above 4.0) across statements such as embracing dynamic strategies for client loyalty (mean = 4.164), providing competitive pricing through strategic innovation (mean = 4.145), improving speed to offer superior customer experience and revenue (mean = 4.151), accepting and implementing change (mean = 4.058), and encouraging research for decision-making (mean = 4.115) indicate a consistent recognition of the importance of strategic agility. These results suggest that dynamic strategies are crucial for retaining clients and ensuring long-term competitive positioning, aligning with Kibe and Okello (2019), who emphasize the necessity of such strategies for sustained client loyalty. Additionally, the significance of strategic innovation in providing competitive pricing and creating market value supports Dogan's (2020) assertion that

innovation is essential for differentiating products and services in a competitive market. The emphasis on research and market intelligence further underscores the role of market-based organizational learning in sustaining competitive advantage, as noted by Kibe and Okello (2019). These findings highlight the critical role of strategic agility in enhancing the sustained competitive advantage of private healthcare providers in Kenya.

Organizational Culture

The second objective of the study was to examine the moderating influence of organizational culture on strategic agility and sustained competitive advantage of private healthcare providers in Kenya. On a scale of 1 to 5 whereby 1=strongly disagree and 5 =strongly agree, respondents were asked to indicate their opinion on various statements. Table 2 presents the mean and standard deviation for the Likert-scale questions related to organizational culture.

Table 2: Descriptive Statistics on Organizational Culture Indicators

Statement	Mean	Std. Dev.
Our OC fosters positive synergy amongst teams towards a common goal	4.174	0.687
Our organization has a culture of providing clear guidance to avoid role ambiguity	4.170	0.693
Our OC emphasizes customer centricity and patient satisfaction in service delivery	4.201	0.672
OC in this organization provides for amicable problem resolution with an emphasis on improving an individual and building a strong team for competitive advantage	4.210	0.649
All employees are committed to providing a positive customer experience and consultation is encouraged horizontally and vertically at all times	4.201	0.652
Aggregate Score	4.192	0.671

The high mean scores (all above 4.0) indicate a strong agreement among respondents on positive effect of organizational culture on various organizational aspects. The mean scores suggest that fostering positive synergy among teams (mean = 4.174, SD = 0.687), providing clear guidance to avoid role ambiguity (mean = 4.170, SD = 0.693), and emphasizing customer centricity and patient satisfaction (mean = 4.201, SD = 0.672) are critical for maintaining competitive advantage. The emphasis on amicable problem resolution and team building (mean = 4.210, SD = 0.649) and the commitment of employees to providing a positive customer experience (mean = 4.201, SD = 0.652) further highlight the importance of a strong organizational culture. These findings support the literature by Brown et al. (2020) and Salas et al. (2020), who emphasize the role of a positive

organizational culture in enhancing team performance, customer satisfaction, and overall organizational effectiveness. Overall, the high aggregate score (mean = 4.192, SD = 0.671) underscores the critical role of organizational culture in moderating the relationship between resource optimization and sustained competitive advantage, ensuring alignment with organizational goals, and fostering a supportive and collaborative work environment.

Sustained Competitive Advantage

The primary objective of this study was to evaluate the influence of resource optimization on sustained competitive advantage of private healthcare providers in Kenya as captured by three critical performance indicators: market share, customer satisfaction, and return on investment (ROI).

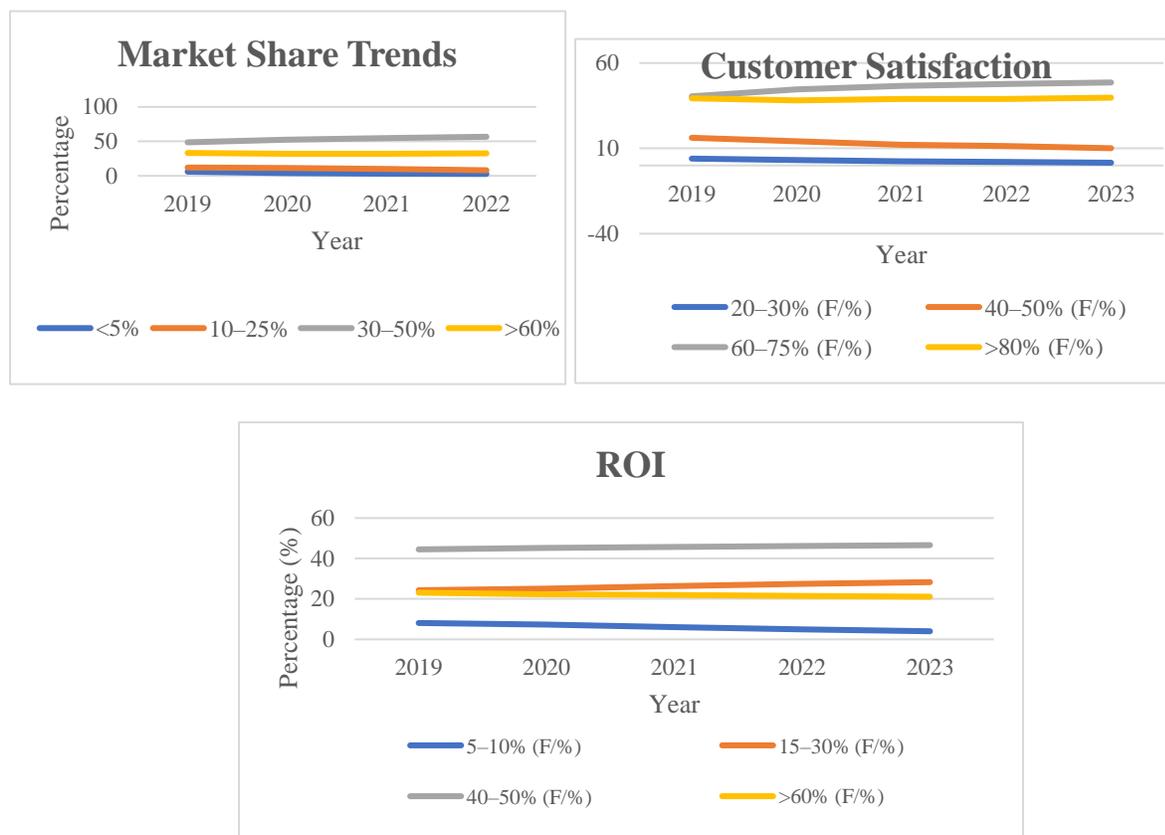


Figure 1: Trends in Market Share, Customer Satisfaction, and ROI Among Private Healthcare Providers (2019–2023)

Figure 1 indicates a consistent upward trend across all three indicators of sustained competitive advantage between 2019 and 2023. The proportion of providers in the 30–50% market share category increased from 42.0% to 53.4%, while those below 25% steadily declined, suggesting sector consolidation and improved competitive positioning among mid-sized providers. Customer

satisfaction also improved, with institutions reporting satisfaction levels above 60% increasing over the study period, while low satisfaction categories decreased, reflecting sector-wide service quality improvements. ROI performance remained stable and strong, with the 40–50% return category consistently representing the largest group and low-return cases declining from 9.1% to 4.6%, indicating enhanced capital efficiency.

The simultaneous improvement in market share, service perception, and financial returns suggests stronger alignment between internal capabilities and external demands. These findings support the Resource-Based View, which posits that organizations leveraging valuable and inimitable resources achieve superior long-term performance (Barney, 1991). They also align with healthcare studies linking service quality and resource deployment to competitive strength and organizational sustainability (Mani et al., 2021; Alahmar & Benlamri, 2020). The parallel upward trends therefore indicate that private healthcare providers are increasingly translating strategic resource use into both financial and non-financial competitive outcomes.

Simple Regression Analysis

To test the study's null hypotheses, simple regression analyses were conducted to evaluate the influence of each independent variable on sustained competitive advantage. Each hypothesis was tested at a 95% confidence interval, and significance was determined at a p-value of less than 0.05 (significance level).

The first specific objective of the study was to assess influence of strategic agility on sustained competitive advantage of private healthcare providers in Kenya. The associated null hypothesis was: **H₀₁**: Strategic agility has no significant influence on sustained competitive advantage of private healthcare in Kenya.

Table 3: Regression Results for Strategic Agility and Sustained Competitive Advantage

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.556 ^a	.310	.308	.325

a. Predictors: (Constant), Strategic Agility

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	17.897	1	17.897	96.741	0.000 ^b
Residual	40.020	217	0.185		
Total	57.917	218			

Beta Coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t-value	Sig.

	B	Std. Error	Beta		
(Constant)	.645	.120		5.375	0.000
Strategic Agility	.520	.075	.556	6.938	0.000

a. Dependent Variable: Sustained Competitive Advantage

b. Predictors: (Constant), Strategic Agility

The regression results indicate that strategic agility significantly predicts sustained competitive advantage among private healthcare providers in Kenya. The adjusted R^2 of 0.310 shows that 31% of the variation in sustained competitive advantage is explained by strategic agility, with the remaining 69% attributed to other factors. The model was statistically significant, $F(1,217) = 98.679$, $p < 0.001$, confirming a meaningful linear relationship.

The fitted regression equation, $Y = 0.645 + 0.520X$, shows that a one-unit increase in strategic agility leads to a 0.520-unit increase in sustained competitive advantage. The beta coefficient ($\beta = 0.520$, $p < 0.001$) confirms a strong positive effect. These findings support existing literature which links strategic agility with improved adaptability, resource reconfiguration, and long-term competitiveness in dynamic environments (Teece et al., 2016; Doz & Kosonen, 2010; Weber & Tarba, 2014). Accordingly, the null hypothesis was rejected, indicating that strategic agility is a significant driver of sustained competitive advantage.

Hierarchical Regression Analysis

Testing H_{02} : Moderation influence of Organizational Culture.

The second specific objective of the study was to evaluate the moderating effect of organizational culture on the relationship between strategic agility and the sustained competitive advantage of private healthcare providers in Kenya. The associated null hypothesis was:

H_{02} : Organizational culture has no moderating effect on the relationship between strategic agility and sustained competitive advantage of private healthcare providers in Kenya.

To test this hypothesis, a hierarchical regression analysis was performed in three steps:

1. Step 1: The independent variable (strategic agility) was regressed on the dependent variable (sustained competitive advantage).
2. Step 2: The moderating variable (organizational culture) was added to assess its main effect on sustained competitive advantage.
3. Step 3: Interaction terms between independent variable and the moderating variable were introduced to evaluate the moderation effect of organizational culture on the relationship between strategic agility and sustained competitive advantage

Table 4: Coefficients for Moderation Effect of Organizational Culture

Model	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t-value	Sig.
(Constant)	0.742	0.221		3.358	0.001
Strategic Agility (X)	0.293	0.071	0.348	4.127	0.000
Organizational Culture (Z)	0.385	0.057	0.419	6.754	0.000
X* Z (Strategic Agility × Z)	0.189	0.055	0.205	3.436	0.001

The regression coefficients in Table 8 further illustrate the moderating effect of organizational culture. The coefficient for organizational culture (Z) is 0.385, indicating that a one-unit increase in organizational culture leads to a 0.385-unit increase in sustained competitive advantage, independent of interaction effect. This highlights the direct positive effect of a strong organizational culture on competitive advantage sustained, a conclusion that echoes the findings of O'Reilly et al. (2018), who argue that culture is a key intangible asset that differentiates successful firms from their competitors.

The interaction terms also show significant positive moderation effect. The interaction between strategic agility and organizational culture ($\beta = 0.189$, $p < 0.05$) demonstrates that effect of strategic agility on sustained competitive advantage is strengthened by a supportive organizational culture. This finding is in line with the views of Weber and Tarba (2018), who argue that organizations with both high agility and strong culture are better able to respond to market changes and capitalize on new opportunities.

Conclusions

The first hypothesis (H01) proposed that strategic agility has no significant influence on the sustained competitive advantage of private healthcare providers in Kenya. Based on the study findings, this hypothesis was rejected. The results demonstrated that strategic agility positively and significantly influences sustained competitive advantage. Healthcare providers that exhibited market acuity, change disposition and strategic innovation were able to respond effectively to dynamic market conditions, technological changes, and shifting patient needs. These organizations demonstrated superior capability in identifying emerging opportunities and mitigating risks, enabling them to maintain a competitive edge in the healthcare sector. Therefore, the study concludes that strategic agility is a crucial leadership capability that allows private healthcare providers to sustain their market position and improve their financial and non-financial performance in a volatile healthcare environment.

The second hypothesis (H02) proposed that organizational culture has no moderating effect on the relationship between strategic agility and sustained competitive advantage of private healthcare providers in Kenya. The findings of the hierarchical regression analysis led to the rejection of this

hypothesis. The study found that a positive and strong organizational culture significantly moderates the relationship between strategic agility practices and sustained competitive advantage of private healthcare providers in Kenya. Organizational culture characterized by teamwork, role clarity and customer-centricity enhanced the implementation and impact of strategic agility. Private healthcare providers with supportive cultures were better placed to translate leadership strategies into tangible outcomes, including increased market share, improved customer satisfaction, and higher returns on investment. As a result, the study concludes that organizational culture is not just a moderating factor but a strategic enabler that strengthens the effectiveness of strategic leadership practices and ensures long-term competitive advantage.

Recommendations for Policy and Practice

Strategic Agility

Based on the study findings, it is recommended that private healthcare providers institutionalize continuous environmental scanning and market intelligence mechanisms. This will enable healthcare leaders to identify emerging opportunities, anticipate threats, and make timely and proactive strategic adjustments. Healthcare organizations should also foster a culture of innovation by investing in research and development initiatives and forming partnerships with technology providers. Such collaborations facilitate the creation of innovative healthcare products and services, which are essential for maintaining competitive advantage in an increasingly dynamic healthcare landscape. Leadership capacity-building programs focusing on agility, change management, and risk assessment should be rolled out to enhance managers' capabilities to lead organizations through uncertain times.

From a policy perspective, the Ministry of Health (MoH), Social Health Authority (SHA), and relevant regulatory agencies should design policies that promote and reward strategic agility in the healthcare sector. Incentive schemes such as grants, tax breaks, fast-tracked approvals and reimbursements should be offered to healthcare providers investing in new technologies or innovative healthcare delivery models. Furthermore, regulations should allow flexibility for healthcare providers to adapt quickly to changing circumstances without bureaucratic delays, particularly in response to emerging health crises.

Organizational Culture

The study revealed that a positive organizational culture significantly strengthens the effect of strategic agility on competitive advantage. Therefore, it is recommended that private healthcare providers intentionally cultivate organization cultures that promote teamwork, role clarity, and customer-centricity. Organizations should invest in continuous leadership development, team-building activities, and structured onboarding programs to foster clarity of roles and collaborative

work environments. Healthcare providers should embed patient-centered care into their cultural framework, ensuring that all staff understand the importance of providing quality healthcare services with empathy and professionalism.

At the policy level, the Ministry of Health and healthcare regulatory bodies should develop guidelines that assess and promote positive organizational cultures within healthcare institutions. Cultural audits focusing on teamwork, customer service, and role clarity should be made part of the accreditation process. Patient-centric practices should be recognized and rewarded through national healthcare awards or incentive programs, reinforcing the importance of a strong organizational culture in achieving sustained healthcare delivery.

Recommendations for Further Studies

Longitudinal study design is recommended for future research to track changes in strategic agility practices and competitive advantage over time. This would provide insights into the long-term effects of strategic leadership decisions and allow for the examination of trends and causal relationships that cross-sectional studies may not capture.

Moreover, future studies should explore the individual effect of each dimension of organizational culture, such as team work, role clarity and customer-centricity, to assess their specific moderating effect on strategic agility and competitive advantage. Examining these sub-components would deepen understanding of how cultural elements can be leveraged to enhance healthcare performance.

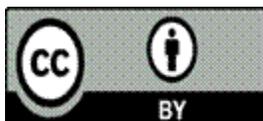
Finally, researchers could explore the role of emerging technologies, such as artificial intelligence, big data analytics, and telemedicine, as mediators or moderators in the relationship between strategic agility and sustained competitive advantage. With the rapid digital transformation in healthcare, understanding how technology integrates with leadership strategies would be crucial for guiding future competitiveness in the sector.

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