A strategic perspective of management in the UAE

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ABSTRACT

Management and strategy are important factors in any organisation's success. The United Arab Emirates (UAE) has vast oil and gas reserves and is also currently the hub for international trade and corporate business. Al Maliha Polyclinic, is a private multi-specialty primary care health centre with GP clinics, dental and eyecare services and investigational facilities. Its main objective is to provide a high standard of primary healthcare services to the population in a remote area in an efficient and economical manner. It's income is sourced primarily by out-of-pocket financing by patients as well as insurance companies. and success depends on its reputation and the standard of the services it provides. Its future strategy is to sustain itself in the region with expansion in the form of a hospital to cater to the growing healthcare needs of the population. Migration of the population to urban areas could lead to a reduction in the patient population. Its strategy of offering incentives to employees as well as providing a high standard of care to the population in an economical, efficient manner locally should counteract these factors.

This paper describes the strategic perspective of management of a polyclinic centre in Dhaid, United Arab Emirates (UAE). The country's healthcare system and the macro, micro and internal environment of the clinic are reviewed and a SWOT analysis is discussed based on the PESTEL and 7S Framework. Following this, the future strategies for the organisation are presented including the high and low road scenario for the organisation over the next 5–10 years.

The organisation is located in Dhaid, a rural area within the city of Sharjah (one of the emirates of the UAE). Its strategy is focused on the needs of its patient population, maintaining high standards of service, dealing with local competition, technological development and recruitment of qualified staff, and on liaising with pharmaceutical and insurance companies for funding. As the UAE is an Islamic state, its social and traditional factors have a great influence on the working hours and also on the turnover of the organisation.

The objective of this organisation is to provide a comprehensive service of unbeatable quality and efficiency which would cater to the varying needs of the local population in a profitable manner.

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Background

Al Maliha Polyclinic is a multi-specialty clinic which was founded in 1990 in a one bedroom flat with a single-handed doctor and nurse, and today is a primary healthcare organisation in a three storey building providing several services to its patients. The director is the sole owner of the organisation and is also a highly reputed and well-known general practitioner (GP).

The clinic is situated in Dhaid, with a population of approximately 25 000. The setup offers high quality primary care services in the form of GP clinics, dental and eyecare, laboratory and radiological investigations and also runs a pharmacy.

Environmental and health system analysis

Brief description of the country

The UAE is located within the Arabian Peninsula in the Middle East with an estimated geographical area of 77 700 square kilometers. The hot climate of the UAE has given rise to a desert environment.

The National Bureau of Statistics has reported that the population of the UAE was 8.19 million

in 2010 (UAE Interact, 2011). UAE nationals comprise approximately 20–25% of the total population (Ministry Of Health 2002; United Arab Emirates Year Book 2004).

The UAE's illiteracy rate is currently 10%, mostly reflecting the illiteracy of the elderly population. The numbers of children attending school has risen recently, to a total of 750 234 in 2008–2009. With these changes in mind, it is thought that the country will attain 100% literacy within the next five years.

Since its formation in 1971, the UAE has enjoyed political stability and economic growth. In 2010, the UAE's economic growth was approximately 3.2 %, with an inflation rate of 1.56 % in 2009 (UAE Interact, 2011). UAE's oil and gas reserves were reported to be approximately 10% and 4%, respectively, and they are estimated to last for more than 122 years. The unemployment rate in the UAE is low at 0.5%.

The GDP per capita income for the UAE was $38 900 in 2009, placing it at 23rd place in the world (CIA World Factbook, 2010).

The strategic plan for Dubai for the next five years aims to maintain Dubai's position as a hub for trade and corporate investment and build on its reputation as an excellent destination for business (Dubai Healthcare, 2006). A two-fold increase is expected in employment figures by 2015 and an 11% growth in GDP is expected by 2020. The healthcare budget as a proportion of the total governmental budget is expected to remain constant based on previous trends (7.7% in 1982/1983, and 7.7% in 2001).

The healthcare system in the UAE, as in other developing countries, is subject to four challenging social trends:

- An ageing population
- Technological developments
- Rising consumer expectations
- Increasing expenses.

Health status

The UAE's 'health for all' strategy is based on the principle that the availability of quality healthcare is a basic right for all citizens. It is modeled on the WHO definition of health: 'A state of complete physical, social and mental well-being, and not merely the absence of diseases and infirmity'.

The mean life expectancy at birth has increased by one year to 77 years from 2005 to 2010. It is 74 years for men and 79 years for women (CIA World Factbook, 2010).

The crude death rate (deaths per thousand) has decreased from 7.3 in 1975 to 2.11 in 2010. Infant mortality rate (deaths per thousand) has fallen from 65 in 1975, to 12.7 in 2010 (males: 14.86; females: 10.44) (CIA World Factbook, 2010).

The main diseases affecting the population of the UAE include cardiovascular diseases, cancers, chronic obstructive pulmonary disease and diabetes. Road traffic accidents are also among the leading causes of mortality (World Health Organization (WHO), 2006) (*Appendix 4*). Tobacco smoking is also considered a significant healthcare problem.

Infectious diseases including hepatitis, meningitis and to a much lesser extent, tuberculosis, are prevalent in the UAE and the MoH is running campaigns against these. A high incidence of genetic disorders (Elass, 2009), and a high carrier frequency of beta-thalassaemia (8.5%) is reported in the country (Tadmouri et al, 2009).

The WHO suggests that rising incidence of chronic disease is a direct result of risk factors such as tobacco use, physical inactivity and unhealthy diets (WHO, 2005). The MoH is raising awareness of these issues and a federal law was passed in January 2010 banning smoking in most public places and regulating the tobacco industry.

The MOH is also incorporating all children in its vaccination programme. It has also targeted tuberculosis for eradication.

Medical examinations are mandatory for couples

intending to get married and include tests for sickle cell anaemia, hepatitis B, HIV, rubella, haemoglobin variance, thalassaemia, and syphilis (El Shammaa, 2009).

Plans to make social health insurance mandatory for all are currently being implemented. This move has been designed with advice from WHO and will apply to all individuals, regardless of nationality, age or sex (United Arab Emirates Year Book, 2004).

Healthcare system

The organisation and provision of healthcare services in the public sector is the responsibility of several governmental authorities, the Ministry of Health (MoH), Health Authority Abu Dhabi (HAAD) and the Dubai Health Authority (DHA). A significant proportion of healthcare is provided by the private sector which is regulated by these authorities. (WHO, 2006).

The public sector is funded via the government, rulers' funds, funds sourced via fees for annual health cards and charity. The private sector is funded by primarily by out-of-pocket financing by patients themselves and increasingly by private health insurance.

The total health expenditure as a percentage of GDP has decreased from 3.6 in 1990 to 2.7 in 2004 (Ministry of Health, 2005) (*Appendix 3*). Out-of-pocket expenditure has decreased from 67.3 % to 64.9% from 2005 to 2007.

95% of the population are reported to have access to safe water, and 97 % of the population have access to good sanitation facilities (Al Abed and Hellyer, 2000).

Based on the vision 2020 which entails health for all, a fee of US$ 82 is currently collected annually from all individuals for a health card which enables access to healthcare services at all governmental facilities for minimal additional payment (Regional Health Systems Observatory, 2006).

In 2010, a phased introduction has begun to a new health-funding model proposed by DHA in 2009. This scheme involves employers being charged a compulsory fee, the Health Benefit Contribution (HBC), for each employee, which would be used for their healthcare (Till and Jones, 2008).

Increasing ageing of the population and increasing prevalence of chronic disease place a significant burden on the healthcare system in the years to come. Technological developments in medical and surgical treatments lead to more effective and expensive management options, and also, in turn lead to increasing expectations and demands from patients. The social, political and economic environment that healthcare organisations have to survive in, is a rapidly-changing and high-pressured environment (Walshe and Smith, 2005).

Recently the focus of the MoH is to enhance the referral and family care system and further develop disease surveillance, trend analysis, research and privatisation (WHO, 2006).

Hospital autonomy, management of personnel and materials, risk management and patient safety are presently weak due to lack of experienced managers and the lack of scientific research and national guidelines. The MoH has established collaboration with the United Nations Development Programme and UNICEF to facilitate exchange of information and technical assistance for socio-economic development and the development of health services (WHO, 2006).

The World Bank has reported that Dubai and Abu Dhabi are second and third popular locations for medical tourism following Jordan. The UAE has been reported to have eradicated polio and was declared free of malaria in 2002.

Both public and private hospitals have continued to increase, from 19 hospitals in 1975 to 57 hospitals in 1997 (Ministry of Planning UAE, 1998; United Nations Development Programme,

1999; Shihab, 2007). Numbers of insurance companies have increased from only 40 in 1975 to over 300 companies in 2006 (WHO, 2006). Large projects such as the Dubai Healthcare City, an area containing hospitals and specialist clinics, which was launched in 2002, are currently undergoing expansion.

Healthcare organisation

Al Maliha Polyclinic was founded by its director, Dr Nasir Kamal, in 1990 in a one bedroom flat as a primary care set up with one nurse. It aimed to provide services to address the basic healthcare needs of the community in a remote area (Dhaid, UAE).

The setup has evolved since its formation to a 3 story building which contains an easily accessible reception area with separate male and female waiting rooms (to comply with the culture and traditions of Dhaid), GP consulting rooms, dental and eyecare facilities, laboratory for microbiological and blood sample analysis, radiological facilities including X-ray and ultrasound, a pharmacy and a filing room. The staff now includes six full-time doctors, two part-time doctors, eight nurses, two dentists, two dental assistants, two lab technicians, two x-ray technicians, three receptionists, two insurance coordinators, three drivers and two domestic staff. It enjoys an easily accessible location on the main street of Dhaid. The clinic caters to the local population including the nationals (many of whom are nomadic Bedouins) as well as the expatriate population (mostly labourers).

The main objective is to provide services to the patient for all his/her health care needs in a remote area in a primary care setting and facilitate referral to appropriate secondary care services if required, while upholding the standards set by the government.

The SWOT table for the organisation has been formulated following a thorough PESTEL (*Appendix 1*), micro and 7S Framework (*Appendix 2*) analysis and has been in *Table 1*.

Table 1. SWOT table for the organisation

Strength	■ Brand name/reputation ■ Multitasking efficient employees ■ Infrastructure ■ Location ■ MoH approved standards of healthcare
Weakness	■ Risk of losing employees and need to provide incentives to retain staff ■ Difficulty getting appropriately licensed staff ■ Regulations restricting ownership of the property ■ High rent for the property ■ Limited pool of patients
Opportunity	■ Cater to the locals from different surrounding regions ■ Expansion of infrastructure ■ Widen insurance dealings ■ Preventive healthcare measures ■ Collaborations
Threat	■ Local competition ■ Dependence on staff/risk of losing employees ■ Change in governmental policies ■ Migration of the regional population to urban lands ■ Rise in the rent of the property

The employees perform multiple tasks in addition to their role. For example, the director is a GP who is also the executive manager of the health centre. The members of the nursing staff also look after stock and expiry of medicines, accounts and payment. Although the employees are quite efficient in carrying out their tasks, the clinic strives in continuous efficiency improvements in all departments. Located in the heart of the village, and the fact that there are only a few other healthcare facilities in the region, gives the organisation several opportunities to expand and add more healthcare services.

One of the major threats is the establishment of other healthcare facilities in the area which would lead to increasing competition for a limited pool of patients. This might force a reduction in fees and may lead to a compromise in service quality.

The organisation's strategy, based on the above SWOT and future trends of the region, is to create a healthcare facility where the majority

Table 2. Key findings and drivers of change

Factor		Probability	Impact factor
Political	Change in policies	80%	10
	Terrorism	20%	8
	Revolution	5%	8
	War	5%	7
	Decentralisation	85%	8
Economical	Recession	100%	6
	High cost of living	100%	10
	High standard of living	70%	9
	Inflation	90%	10
	Salary	50%	9
	Construction/property market	75%	9
Social	Ageing population	65%	5
	Population shift to urban regions	30%	10
	Culture and traditions	10%	2
	Religious fanaticism	20%	3
	Work attitudes	15%	9
	Income distribution	10%	8
	Increased immigration/ population	75%	9
Technology	Computers	100%	5
	Internet	100%	5
	Modern medical equipment	70%	6
Environment	Global warming	20%	4
	Harsh hot weather	100%	1
	Tsunami	10%	3
	Earthquake	30%	10
Legal	Requirement of latest technology	80%	2
	Age discrimination	100%	5
	Sex discrimination	5%	6
	Recycling	90%	3
	Strict health and safety laws	100%	1
	Staff licensing	100%	1
	Property ownership	90%	10

of the basic healthcare needs of a community can be taken care of under one roof. The loyalty of the consumer is gained by keeping expenses as little as possible for its excellent services. It is also focused on retaining qualified staff and technological developments to ensure a high quality of service. Al Maliha clinic has utilised the surrounding real estate for staff accommodation, which could be used to facilitate expansion of the premises when the need arises.

After examination of the macro environment using PESTEL, the microenvironment and the internal environment using the 7S, which does not include external environment or performance variables and has thus been linked to PESTEL, (Mohammed and Ahmed, 1995) it is observed that extensive product planning has been carried out both in the clinic and the pharmacy.

The branding of the organisation relies on the reputation of Al Maliha clinic and its director, Dr. Nasir Kamal, which has promoted loyalty from patients and attract patients from a wide area. Extensive advertising in the local newspapers has been undertaken to recruit qualified and experienced staff to provide excellent standards of care. All the employees receive training to market themselves and the clinic effectively. Promotions and concessions are given to patients as per the director's notice to assist patients and helps retain loyalty. All documentation is currently on paper records, which are then copied into electronic records. The organisation concentrates on its strengths and operates primarily in fields of established expertise.

Scenarios

The organisation in 5–10 years time

The economic developments expected for the UAE in the coming years will bring about overall development in Dhaid. This would benefit Al Maliha Polyclinic as increasing employment opportunities will attract immigrants thereby increasing the consumer population. The government's new urban hospital projects could potentially pose a threat to the organisation by attracting the current medical and nursing staff.

Growing healthcare needs of an expanding and

KEY POINTS

- This paper discusses new information and ideas relating to aspects of management in the private healthcare sector in UAE
- It is important to create an awareness of the national issues affecting private healthcare organisations
- Collaboration and sharing of ideas between professionals is encouraged
- The authors provide informed ideas to sustain effectively in the present market with immense competition in the UAE, which would be accepted by any private healthcare organisation in the world

ageing population and growing goodwill of the organisation will lead to increased demand for its services and Al Maliha Polyclinic aims to expand and incorporate a secondary care hospital with inpatient and investigational facilities so as to avoid the need for referral to other distant hospitals. This would increase its revenue and stand it in good stead to cope with the increasing demands of the population and the increasing competition.

High road scenario

Changes in government policies which would allow the organisation to expand and liaise with insurance companies would help secure its base within the region and surpass its competition. If regulations allow the purchase and legal ownership of the property, the income currently used to pay rent would be saved in the long run. Decentralisation of MoH duties would allow the organisation to make changes according to local needs.

The country's economic growth, particularly in the construction business, would lead to increased job opportunities and lead to an increase in the patient population. An increased population income and higher standard of living would allow the organisation to increase its prices, and in turn improve its services.

Expected road scenario

Policy changes are likely in the next few years, with current plans to decentralise and implement changes, which the organisation would be required to incorporate. A high probability of the recurrence of the construction boom will increase the patient population as mentioned earlier.

Changing health needs with ageing of the population and rising prevalence of chronic diseases pose challenges to the healthcare system in general. Al Maliha Polyclinic presently caters to a significant elderly population in the local area and manages chronic disease and as a result is well equipped to cope with these changes.

Low road scenario

Changes in governmental policies against private organisations with strict regulations limiting their ability to expand and provide certain services would make the organisation very vulnerable. Staff leaving the organisation to work in urban areas would lead to problems with providing services, and the organisation would need to offer increased incentives to its employees. Changes in the work ethic and attitudes of staff could affect the organisation badly as, being a service-oriented organisation, it depends on dealings with patients in a sensitive and positive manner. A rise in the rent of the property would increase expenses of the organisation which might lead to increased prices. If the financial climate of the country continues to take a down turn, this would result in a lower GDP, per capita income and lower spending power. Job opportunities would decrease resulting again in reduced income and also in reduced immigration to the area. Rising inflation would further compound the situation.

Recommendations

Global trends of increasing healthcare needs, rising costs, increasing consumer demands and expectations, misplaced priorities, limited resources and economic recession have significant effects on the healthcare industry. Health expenditure is predicted to increase dramatically in the near future and has been reported to triple in the next ten years up to 16% of GDP in high income countries.

Appendix 1. PESTEL Analysis

Factor	
Political	Changes in policies
	Terrorism
	Revolution
	War
	Decentralisation
Economical	Recession
	High cost of living
	High standard of living
	Inflation
	Salary
	Construction of property market
Social	Ageing population
	Population shift to urban regions
	Culture and traditions
	Religious fanaticism
	Work attitudes
	Income distribution
	Increased immigration/population
Technology	Computers
	Internet
	High tech medical equipment
Environment	Global warming
	Harsh hot weather
	Tsunami
	Earthquake
Legal	Requirement of latest technology
	Age discrimination
	Sex discrimination
	Recycling
	Strict health and safety laws
	Staff licensing
	Owning property

(Pricewaterhousecoopers, 2005). It is important to identify possible strategies and solutions to enable governmental health authorities to counteract these changes and importantly the need for improvement in efficiency. All healthcare organisations should focus on looking beyond their own boundaries to achieve stability and sustainability of healthcare services in general. They should formulate strategies to grow income and find ways to improve quality and productivity simultaneously.

Four priorities that should be taken into account in the future

With regards to Al Maliha clinic, the four main priorities for the future are to:

- Maintain the quality and production of its healthcare, which continues to satisfy the MoH criteria through recruiting appropriately qualified medical and nursing staff and continuing training strategies
- Improve the efficiency of staff and motivate them to provide a good public relations department, as the satisfaction of the patient is of primary concern
- Focus on acquiring the latest technology in the region in terms of IT facilities and equipment to increase the type of investigations offered and the accuracy of diagnostic tests
- Expansion of the clinic and inclusion of more investigational and inpatient services in a controlled manner as per the increasing demand and healthcare needs of the population. Emphasis should be given to generate revenue such as investment elsewhere to help with expenses.

To deal with competition, Al Maliha Polyclinic will be required to maintain high standards in its services provided and add services as per the increasing demands of the population in a profitable manner. Additional income is currently generated through investment elsewhere (such as properties, shares/bonds) to help with the rent expenses; this will also ensure these expenses are covered in times of financial hardship.

The local and expatriate population of Dhaid, being a small rural region of Sharjah, would benefit from technological developments, which would provide diagnostic tests results locally, and save time and travel to other centres. Investment in technology will improve diagnostic accuracy and overall efficiency, while minimising administrative delays (Pricewaterhousecoopers, 2005). The organisation should aim to be the pioneers in

technological developments for that region which will also place them ahead of the competition.

Other general recommendations based on its SWOT analysis would be to design financial incentives, insurance benefits and packages to attract larger numbers of patients. The organisation could access new sources of capital through increasing dealings with insurance companies, liaising with hospitals and specialist services and by creating public-private partnerships. BJHCM

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Appendix 2. McKinsey 7S Framework

Structure	Mainly it runs a centralised structure but it is decentralised when need arises, promoting individual atonomy within the boundaries of the organisation's core values. Due to the allocation of duties and flowcharted procedures, the task of decentralisation becomes much easier
Strategy	Using all its resources to meet the needs of the patients, in turn, achieving its goals
Shared values	Each new member in the team is guided and trained by an experienced staff member to meet the goals of the organisation
Systems	Each procedure and routine processes have been put up in a flow chart on the notice board which enables the staff to follow in a well-planned and systematic format. The flow of information is mostly verbal, on a one-on-one basis, as the whole setup is in one building. Hence, chance of communication gap is minimal
Style	The head of the organisation molds his resources to meet the demand at hand-keeping in consideration to the norms of the government and respect of its staff
Staff	Except academics, the staff consist of doctors, dentists, technicians, administrators with multi-skilled staff
Skills	Mult-skilled staff makes the organisation prosperous and acts as a boon. Its reputation brings in and retains its patients. Providi ng high standards of healthcare at a nominal fee

Appendix 3. Health expenditure

Indicators	1990	1995	2000	2002	2004
Total health expenditure/ capata (Dh)	2527	2535	2317	2508	2450
Total health expenditure as % of GDP	3.6	3.6	3.2	3.5	2.7

Source: Ministry of Health, 2006

Appendix 4. Major causes of mortality in the UAE

Cause	Percentage
Cardiovascular disease	28.7
Road traffic accidents	15
Cancer	8.6
Congenital anomalies	4.7
Diabetes mellitus	2–3

Source: Ministry of Health stategic plan (2000–2010), United Arab Emirates, Ministry of Health, 2000