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## **THE IMPACT OF STRATEGIC MANAGEMENT PRACTICES ON THE QUALITY OF HEALTHCARE SERVICES IN HOSPITALS**

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### **ABSTRACT**

Over the past few years, the healthcare organizations have been under continued pressure of improving the quality of the service and operating in complex and resource constrained settings. As a reaction to these issues, strategic management practices have become an essential tool of enhancing organizational performance and quality of healthcare services. This paper seeks to explore the effects that strategic management practices have on the quality of healthcare services in the hospitals. The study conceptualizes strategic management practices using the strategic management theory as well as writing on the quality of healthcare, which portrays strategic management practices as a multidimensional construct that includes the strategic planning, strategic leadership, strategic resource management, and strategy implementation and evaluation. The quality of healthcare services is also theorized as a multidimensional outcome, which includes reliability, responsiveness, patient safety, professional competence, and overall satisfaction of the patient.

The research design of the study is the quantitative research design, and the research methodology is a structured questionnaire aimed at collecting data on healthcare professionals and administrative staff of the public, private, and semi-government hospitals. All the variables will be measured with multi-item scales modified on the basis of well-established measures in the literature of strategic management and healthcare quality and evaluated with the help of five-point Likert scale. The hypotheses and research model proposed are based on the well-known theoretical approaches, such as the Resource-Based View and the Stakeholder Theory. This study will add to the body of literature on healthcare management as it will help elucidate the strategic position of management in healthcare organizations by combining strategic management practices with the quality of healthcare service outcomes. It is hoped that the findings will provide meaningful recommendations to hospital managers and policy makers who are interested in improving the quality of healthcare services by using effective strategic management approaches in the backdrop of the current healthcare transformation efforts.

**KEYWORDS:** Strategic management practices; Health care services quality; Hospitals; Strategic planning; Strategic leadership.

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## 1.0 INTRODUCTION

Over the last few years, the health care systems around the globe have been subjected to unprecedented pressures that are caused by blistering technological innovation, escalating patient expectations, escalating expenditures, and escalating demands in quality, safety, and sustainability of healthcare provision (Porter and Lee, 2013; Rys and Topor-Madry, 2025; World Health Organization, 2020). Hospitals as the key stakeholders of healthcare systems are not evaluated by clinical outcomes only, but to a growing extent by their capacity to offer high-quality and patient-centered care and remain operationally efficient in dynamic and complicated surroundings (Albreak et al., 2025; Ginter et al., 2018). Strategic management practices, in this case, have become an essential managerial tool to help organizations improve their performance and the quality of the provided healthcare services (Ginter et al., 2018).

The strategic management process helps hospitals to develop the clear vision and mission, match internal resources with the external environment and use the resources efficiently to pursue the long-term goals (Andrieiev et al., 2024; Hanson et al., 2021). In contrast to traditional methodologies of administrative work, strategic management has an emphasis on proactive planning, strategic leadership, constant evaluation, and organizational learning, which is especially crucial in the context of healthcare organizations where prevailing uncertainties, professional complexity, and high stakeholder engagement are the key characteristics (Bryson et al, 2018; Bryson et al, 2015; Prenestini et al., 2021). As a result, hospitals where such practices of the strategic management are implemented more frequently are prone to a higher level of service reliability, patient safety, responsiveness, and general patient satisfaction (Mosadeghrad, 2014; Ginter et al., 2018).

On the national level, the significance of strategic management in healthcare has been well highlighted on the context of the Saudi Arabia Vision 2030, which co-locates the quality of healthcare, its efficiency and sustainability at the heart of the national development agenda (Rahman, & Al-Borie, 2021). Vision 2030 emphasizes the necessity to improve the performance of healthcare organizations, service quality, patient experience, and optimal resource use as a result of modern managerial and strategic practices (WHO, 2020). According to these purposes, hospitals are strongly demanded to go beyond the efficiency of their operations and pursue strategic approaches that help to promote the quality of healthcare services, innovation and long-term value creation (Prenestini et al., 2021).

Although the empirical evidence on healthcare quality is increasing, most of the available literature is centered on clinical, technological, or operational factors that determine the quality of the provided services (Al-Assaf et al., 2024; Porter and Lee, 2013). Little has been done to illustrate the strategic managerial underpinnings that influence the quality of healthcare outcomes (Ginter et al., 2018). Besides, strategic management and healthcare service quality are usually considered two distinct streams of research, which leads to a fragmented perception of the process through which strategic management practices on an organizational level can be translated into improved quality of healthcare services (Andrieiev et al., 2024; Perez, 2021). This is specifically noticeable in the conceptual and theory-based researches, wherein strategic management approaches are blended with the healthcare quality models, particularly in the newly developed and healthcare reform-focused systems.

In this regard, this paper would set out to create a theoretical framework to describe how strategic management practices influence quality of healthcare services in hospitals. Based on the strategic management theory and the literature on quality in health care, the study conceptually hypothesizes the role of practices like strategic planning, strategic leadership, resource management and strategy implementation in enhancing the quality of healthcare services in major dimensions, including reliability, safety, responsiveness and patient satisfaction (Kaplan & Norton, 2001; Ginter et al., 2018). Instead of using empirical analysis, this research uses the conceptual approach to postulate a comprehensive model that could be used as a basis of subsequent empirical research.

The value of the paper contribution is that the paper adds to the theoretical knowledge on the strategic role of management in healthcare organizations especially in relation to national healthcare transformation programs like the vision 2030. The study answers the calls of more theory-based research in healthcare management and offers important perspectives to researchers and hospital administrators, as well as policymakers interested in improving healthcare quality by implementing strategic managerial interventions by providing a conceptual framework that makes the relationship between the strategic management practices and the outcomes of healthcare service quality more organized (West et al., 2015).

## 2.0 LITERATURE REVIEW AND RESEARCH HYPOTHESIS

### 2.1 Strategic Management Practices in Hospitals

The concept of strategic management practices has become one of the central mechanisms to enhance the effectiveness of organizations and quality of services offered in healthcare facilities (Andrieiev et al., 2024). There is a high level of complexity in the environment of hospitals as a result of rapid change in technology, escalating patient expectations, regulatory pressures, and limited resources. Strategic management offers a systematic framework in these settings, which allows hospital to match the long-term goals to the operational processes and quality enhancement programs (Ginter et al., 2018; Hanson et al., 2021; Prenestini et al., 2021).

Theoretically speaking, the Resource-Based View (RBV) is based on the premise that the best way of hospitals to attain higher levels of service quality is by efficiently allocating strategic resources including managerial skills, qualified medical staff, organizational practices, and medical equipment (Barney, 1991; Kraaijenbrink et al., 2010). Simultaneously, Stakeholder Theory

emphasizes the significance of strategic planning, which allows fulfilling the demands of various stakeholders, especially patients, healthcare providers, regulation bodies, and society at large (Freeman et al., 2020; Harrison and Wicks, 2013). All these views lead to the same conclusion that the practice of strategic management is very vital in determining the quality of the healthcare services.

## **2.2 Strategic Planning and Quality of Healthcare Services**

The strategic planning is a fundamental aspect of the strategic management practice and it can be defined as the methodical procedure of establishing the mission, vision, long-term objectives, and strategic priorities of the hospital (Perera and Peiró, 2012). Strategic planning in healthcare organizations will help them to respond proactively in case of environmental uncertainty, and also to incorporate quality improvement goals into organizational strategies (Bryson et al, 2018; Bryson et al, 2015; Ginter et al., 2018).

Empirical and conceptual research indicates that hospitals where strategic planning processes have been established are better positioned to predict the demands of the patients, coordinate the clinical and administrative processes, and maintain the dependability and safety of the services (Ginter et al., 2018; Prenestini et al., 2021; Karam et al., 2018). In addition, incorporating quality goals into strategic plans improves the uniformity in service provision and patient-centred care. In this regard, strategic planning should have a positive impact on the quality of healthcare services.

*H1a: Strategic planning has a positive effect on the quality of healthcare services at hospitals.*

## **2.3 Strategic Leadership and Quality of Healthcare Services**

The concept of strategic leadership suggests that the top management can express the vision clearly, motivate employees, and lead the organization towards reaching the strategic goals (Jabbar and Hussein, 2017). Leadership commitment in hospitals is especially essential because healthcare personnel has professional autonomy, and coordination between functions is required ( Perez, 2021).

In the recent literature, it is underlined that strategic leaders create the culture of innovation, accountability, and constant improvement, which directly leads to the improvement of service quality and patient safety (West et al., 2015; Al-Sawai, 2013). Leaders who are on the frontline to support quality initiatives and empower the employees have higher chances of enhancing responsiveness, professional competence and patient satisfaction. Thus, strategic leadership is likely to make a strong positive contribution to the quality of healthcare services.

*H1b: The strategic leadership has a positive impact on the quality of healthcare services in hospitals.*

## **2.4 Strategic Resource Management and Quality of Healthcare Services**

Strategic resource management entails the conviction of financial, human, and technological resources and their effective distribution and delivery in support of organizational objectives (Basiru et al., 2023). Resource limitation tends to become a serious issue regarding the quality of

services in healthcare settings, which is why resource management becomes a strategic concern (Mosadeghrad, 2014; Prenestini et al., 2021; WHO, 2020).

The literature suggests that hospitals with a planned approach to the allocation of resources are in a better place to invest in personnel development, esoteric medical equipment, and patient protection systems and enhance the reliability and efficiency of services (Kaplan and Norton, 2001; Kuhlmann et al., 2023). Efficiency in resource and quality priorities will help the hospitals to ensure that they provide high quality and constant healthcare services.

*H1c: Strategic resource management has a positive impact on the quality of the healthcare service within hospitals.*

### **2.5 Strategy Implementation and Evaluation and Quality of Healthcare Services**

Strategy implementation and evaluation are the activities that involve the strategic plans being implemented, followed and changed according to the performance feedback (Basiru et al., 2023). Effective implementation of strategies will guarantee the transformation of strategic wills into operational habits that will improve the quality of services (Bryson et al, 2018; Bryson et al, 2015). Performance indicators help the management of a hospital to detect areas where quality is compromised, take corrective measures, and maintain quality improvement in the long run (Kaplan and Norton, 2001; Perez, 2021; Parand et al., 2014). Research indicates that hospitals that have strong implementation and evaluation systems are more patient safety and responsive with better service quality.

*H1d: Strategy implementation and evaluation have a positive impact on the quality of healthcare services in hospitals.*

### **2.6 Strategic Management Practices and Quality of Healthcare Services**

Following on the discussion above, the strategic management practices are combined in enhancing the quality of healthcare services through aligning with patient needs and optimizing use of resources as well as a culture of continuous improvement (Bhaladhare&Rishipathak, 2025). This proposal suggests that the integrated construct of strategic management practices has a positive influence on the quality of healthcare services in hospitals (West et al., 2015; Prenestini et al., 2021).

*H1: The practices of strategic management positively influence the quality of healthcare services in the hospital.*

## **3.0 RESEARCH METHOD**

The research design used in this study is a quantitative research. It is so because the study aims to look at the effects of strategic management practices on the quality of healthcare services offered in hospitals. The theoretical approach is methodological and corresponds to the number of previous studies on healthcare management (Basiru et al., 2023; Prenestini et al., 2021; Karam et al., 2018). The primary data collection tool was a structured questionnaire, which was required to measure the perceptions of the respondents towards strategic management practices and quality of healthcare

services, as per the accepted practices in healthcare management research (Bhaladhare and Rishipathak, 2025; Ginter et al., 2018).

### 3.1 Data Collection

A self-administered questionnaire will be used to collect data where employees in hospitals will be entitled to fill in the questionnaire. Healthcare professionals and administrative staff directly involved in strategic decision-making processes or service delivery processes (managers, department heads, physicians, nurses and administrative personnel) will be the target population. Such a strategy will make sure that the respondents are knowledgeable and experienced enough to give informed answers on strategic management practices and quality of services (Ginter et al., 2018; Perez, 2021; Parand et al., 2014).

The questionnaire shall be given electronically or in paper-based form, as it will be most accessible and appropriate to the organization. The respondents will be allowed to participate voluntarily and their identity/ anonymity and their responses will be guaranteed confidentiality. The instructions will be made clear to improve the level of response accuracy and to minimize possible bias, the respondents will be told that there will be no right or wrong answers, which was consistent with the best practice of conducting surveys within the healthcare research environment.

The research will encompass the various forms of hospitals, such as, public, private, and semi-government hospitals, and this will add to the overall generalizability of the findings since it will provide a more comprehensive insight on strategic management practices to different healthcare settings, this study and past studies alike (Prenestini et al., 2021; Kuhlmann et al., 2023).

### 3.2 Measurement of All Variables

The measures of all variables in this study were based on multi-item scales that were adjusted according to already existing well-established instruments in the strategic management and healthcare quality literature. All measurement items were measured using a five-point Likert scale (1 (strongly disagree) to 5 (strongly agree)) as had been previously done (Karam et al., 2018; Al-Sawai, 2013).

The strategies of management were theorized as a multidimensional construct that included four dimensions:

- Strategic Planning, which is measured with the help of such items as the clarity of strategic plans, alignment of strategic objectives, anticipation of future needs of patients, and integration of quality improvement goals (Bryson et al., 2018; Bryson et al., 2015; Ginter et al., 2018).
- Strategy Leadership, which is assessed using the items that evaluate top management commitment, leadership endorsement of innovation, employee empowerment, and strategic vision clarity (West et al., 2015; Al-Sawai, 2013).
- Strategic Resource Management, which is measured by the items gauging the sufficiency and compatibility of financial, human, and technological resources to the quality goals (Mosadeghrad, 2014; Prenestini et al., 2021).

- Strategy Implementation and Evaluation, which is measured with the help of items concerning effective implementation of strategic plans, periodic strategy review, performance indicator usage, and corrective actions (Kaplan and Norton, 2001; Bryson et al, 2018; Bryson et al, 2015).

Measurement items in these dimensions were based on the same previous research on strategic management within the healthcare system and the state sector organizations guaranteeing content validity and theoretical coherence (Karam et al., 2018; Harrison and Wicks, 2013).

The quality of healthcare services was used as a multidimensional construct which captured the opinions of patients and employees on the performance of the services. The construct had items that reflected:

- ✓ Service reliability,
- ✓ Sensitivity towards patient needs,
- ✓ Patient safety,
- ✓ Professional competence of the medical personnel, and
- ✓ Satisfaction with patients in general.

They were based on the healthcare service quality frameworks and SERVQUAL-based measures, which are typically, utilized in healthcare management studies (Mosadeghrad, 2014; WHO, 2020; Ginter et al., 2018). The multidimensional method of measurement is comprehensive in evaluating the quality of healthcare services and it is in line with modern day practices of quality assessment of healthcare institutions.

#### **4.0 CONCLUSION, LIMITATIONS AND FUTURE RESEARCH OF THE STUDY**

This paper conceptually analyzed how strategic management practices have influenced the quality of healthcare services provided in hospitals and specifically strategic planning, strategic leadership, strategic resource management, and strategy implementation and evaluation. Based on the theories of strategic management and literature on healthcare quality, the research formulated a theoretically formulated framework to connect the managerial practices with the results of healthcare service quality. The results enhance the need to embrace the concept of strategic management within healthcare organizations, whereby the quality of services is becoming a strategic rather than a functional or clinical concern. Strategic management practices allow hospitals to match the needs of the patients with the organization goals, to use the resources efficiently, and create the culture of ongoing improvement. Such lessons are especially applicable to the sphere of healthcare transformation efforts, which focus on quality, efficiency, and sustainability. Generally, the research study adds to the literature on the field of health care management since it presents a systematic model that can maximize the realization of the goal of strategic management practices towards promoting the quality of healthcare services. The suggested framework can be of practical value to hospital managers and policymakers who wish to improve the quality of the services provided by using strategic decisions and alignment between the managers.

Although this study has merits, it has a number of limitations which ought to be noted. To begin with, the research depends on self-reported data gathered by means of a questionnaire, which can be

exposed to the bias of responses or the common method variance. Second, the cross-sectional aspect of data restricts the possibility to record dynamic change in strategic management practices and quality of services provided across time. Third, the research is based on internal management activities and does not directly address the external environmental issue, including regulatory pressures, market competition, or technological disruptions, which can impact the quality of healthcare services. Also, although various kinds of hospitals were involved in the study, no profound analysis of contextual differences regarding the size of the organization, ownership, and forms of its governance were studied.

It is recommended that future studies should expand this study in various aspects. It is possible to conduct longitudinal studies to determine the effect of strategic management practices change on healthcare service quality over a period of time. The scholars can also consider the role of mediating variables, e.g., organizational culture, employee engagement, or innovation capability, and moderating variables, e.g., the size of hospitals or the type of their ownership. Furthermore, the mixed-methods approaches may be considered to be followed by future researches to provide better understanding of the strategic decision-making process in healthcare organizations by involving both quantitative surveys and qualitative interviews. The generalizability of the findings would also be increased by comparative studies of various healthcare systems or countries. Lastly, the study can be enhanced with further studies on how strategic management practices affect emerging healthcare trends, including digital transformation and sustainability programs, to gain more insight into the interaction of the two factors and their complex effects on the quality of healthcare services.

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