

Evaluating Managerial Competencies for Improved Hospital Performance and Patient Satisfaction

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Abstract: *Healthcare organizations operate in increasingly complex environments characterized by technological advancements, rising patient expectations, workforce shortages, and financial constraints. Effective managerial competencies have emerged as critical determinants of hospital performance and patient satisfaction. Hospital managers play a pivotal role in coordinating resources, ensuring quality healthcare delivery, fostering organizational effectiveness, and maintaining patient-centered care.*

This review paper examines the concept of managerial competencies in healthcare settings and explores their relationship with hospital performance and patient satisfaction. The paper synthesizes existing literature on leadership, communication, strategic planning, decision-making, human resource management, and quality improvement competencies. Findings indicate that hospitals led by competent managers demonstrate higher operational efficiency, improved clinical outcomes, increased employee engagement, and enhanced patient satisfaction. The review highlights the need for continuous competency assessment and professional development programs to strengthen healthcare management practices.

Keywords: Managerial Competencies, Hospital Performance, Patient Satisfaction, Healthcare Management, Leadership, Quality Improvement.

I. INTRODUCTION

Healthcare systems worldwide face increasing demands for quality, accessibility, efficiency, and patient-centered care. Hospitals, as central healthcare institutions, rely heavily on managerial effectiveness to achieve organizational goals and maintain service excellence. Hospital managers are responsible for coordinating human, financial, and technological resources while ensuring high-quality patient care (World Health Organization, 2022).

Managerial competencies refer to the knowledge, skills, behaviors, and abilities required to perform management functions effectively (Boyatzis, 2018). In healthcare organizations, these competencies influence strategic planning, decision-making, communication, leadership, financial management, and quality improvement initiatives (Stefl, 2018).

Research suggests that effective managerial competencies contribute significantly to organizational performance and patient satisfaction (Griffith et al., 2016). Therefore, evaluating and developing these competencies is essential for healthcare institutions seeking sustainable improvement.

OBJECTIVES OF THE REVIEW

The objectives of this review are to:

- Examine the concept of managerial competencies in healthcare management.
- Identify key managerial competencies required in hospitals.
- Analyze the relationship between managerial competencies and hospital performance.
- Explore the influence of managerial competencies on patient satisfaction.

- Provide recommendations for competency evaluation and development.

CONCEPT OF MANAGERIAL COMPETENCIES

Managerial competencies encompass a combination of technical, interpersonal, conceptual, and leadership skills that enable managers to perform effectively (Katz, 2010). In healthcare settings, competencies extend beyond administrative functions to include patient-centered leadership, quality management, and interdisciplinary collaboration.

According to the Healthcare Leadership Alliance (HLA), healthcare managers should demonstrate competencies across five domains:

Leadership

Communication and relationship management

Professionalism

Knowledge of the healthcare environment

Business and financial management (Stefl, 2018)

These competencies enable managers to navigate organizational complexities while promoting quality care and operational excellence.

THEORETICAL FOUNDATIONS OF MANAGERIAL COMPETENCIES

Competency Theory

Competency theory proposes that superior performance results from specific measurable characteristics that distinguish high-performing managers from average performers (Boyatzis, 2018).

Transformational Leadership Theory

Transformational leaders inspire employees through vision, motivation, intellectual stimulation, and individualized consideration (Bass & Riggio, 2016). Studies indicate that transformational leadership improves organizational outcomes and patient satisfaction.

Resource-Based View (RBV)

The RBV suggests that organizational success depends on unique internal resources, including competent managerial talent (Barney, 2017). Effective managers create competitive advantages through strategic utilization of resources.

KEY MANAGERIAL COMPETENCIES IN HOSPITALS

Table 1. Major Managerial Competencies in Healthcare Organizations

Competency	Description	Impact on Hospital Performance
Leadership	Guiding employees toward organizational goals	Enhances productivity and morale
Communication	Effective information sharing and collaboration	Improves teamwork and patient interactions
Strategic Planning	Long-term organizational planning	Supports sustainability and growth
Decision-Making	Problem-solving and evidence-based decisions	Increases operational efficiency
Financial Management	Budgeting and resource allocation	Reduces costs and improves resource utilization
Human Resource Management	Workforce planning and development	Improves employee retention
Quality Improvement	Monitoring and enhancing healthcare quality	Improves clinical outcomes
Change Management	Managing organizational transformation	Facilitates innovation and adaptation

MANAGERIAL COMPETENCIES AND HOSPITAL PERFORMANCE

Hospital performance refers to the effectiveness, efficiency, quality, and financial sustainability of healthcare organizations (Arah et al., 2013).

Leadership Competency

Leadership is consistently identified as a critical factor influencing hospital performance. Competent leaders create supportive work environments that improve employee engagement and productivity (West et al., 2015).

Research has demonstrated that leadership effectiveness contributes to lower mortality rates, higher staff satisfaction, and improved organizational outcomes (Wong et al., 2013).

Strategic Management Competency

Strategic planning enables hospitals to anticipate challenges and align resources with organizational objectives. Managers with strong strategic competencies enhance adaptability and long-term performance (Mintzberg et al., 2019).

Financial Management Competency

Effective financial management ensures sustainable resource allocation and cost control. Hospitals with financially competent managers often achieve better operational efficiency and service quality (Gapenski & Reiter, 2016).

Human Resource Management Competency

Healthcare organizations depend heavily on skilled personnel. Effective HR management promotes employee satisfaction, retention, and performance, directly affecting organizational outcomes (Buchan & Aiken, 2018).

MANAGERIAL COMPETENCIES AND PATIENT SATISFACTION

Patient satisfaction is a key indicator of healthcare quality and organizational performance (Donabedian, 2019).

Table 2. Influence of Managerial Competencies on Patient Satisfaction

Managerial Competency	Influence on Patient Satisfaction
Leadership	Promotes patient-centered culture
Communication	Enhances patient-provider interactions
Quality Management	Reduces medical errors
Decision-Making	Improves responsiveness to patient needs
Human Resource Management	Ensures adequate staffing levels
Change Management	Facilitates innovation in patient services

Communication Competency

Communication competency significantly affects patient experiences. Managers who promote clear communication improve coordination among healthcare professionals and enhance patient trust (Institute of Medicine, 2011).

Quality Improvement Competency

Managers who implement quality improvement programs contribute to safer care, reduced errors, and improved patient outcomes, leading to higher satisfaction levels (Berwick et al., 2018).

Patient-Centered Leadership

Patient-centered leadership focuses on respecting patient preferences, needs, and values. Studies indicate that organizations emphasizing patient-centered care achieve superior satisfaction scores (Doyle et al., 2013).

Methods for Evaluating Managerial Competencies

Healthcare organizations employ various approaches to assess managerial competencies.

Table 3. Methods for Evaluating Managerial Competencies

Evaluation Method	Description	Advantages
360-Degree Feedback	Assessment from supervisors, peers, and subordinates	Comprehensive evaluation
Performance Appraisal	Formal review of managerial performance	Identifies strengths and weaknesses
Competency-Based Assessment	Measures competency indicators	Objective evaluation
Self-Assessment	Manager evaluates personal competencies	Encourages reflection
Employee Surveys	Staff perceptions of managerial effectiveness	Provides organizational insights
Patient Satisfaction Surveys	Measures patient perceptions	Links management to service outcomes

360-Degree Feedback

This method provides comprehensive perspectives on managerial behavior and effectiveness from multiple stakeholders (Bracken & Rose, 2011).

Competency-Based Assessments

Competency frameworks help identify performance gaps and training needs, facilitating continuous professional development.

CHALLENGES IN EVALUATING MANAGERIAL COMPETENCIES

Several challenges affect competency assessment in healthcare settings:

- Lack of standardized competency frameworks.
- Subjectivity in evaluation processes.
- Resistance to feedback.
- Limited managerial training opportunities.
- Rapid changes in healthcare environments.

These challenges require organizations to establish reliable assessment systems and promote a culture of continuous learning.

STRATEGIES FOR ENHANCING MANAGERIAL COMPETENCIES

Hospitals can strengthen managerial competencies through:

- Leadership development programs.
- Continuous professional education.
- Mentorship and coaching initiatives.
- Competency-based recruitment and promotion.
- Performance monitoring systems.
- Digital health management training.
- Evidence-based management practices.

Table 4. Strategies for Competency Development

Strategy	Expected Outcome
Leadership Training	Improved leadership effectiveness
Coaching and Mentoring	Enhanced decision-making abilities
Continuing Education	Updated management knowledge
Competency-Based Recruitment	Better managerial fit
Performance Feedback Systems	Continuous improvement
Technology Training	Improved digital competency

II. CONCLUSION

Managerial competencies play a fundamental role in improving hospital performance and patient satisfaction. Effective leadership, communication, strategic planning, financial management, and quality improvement competencies contribute to organizational success and superior patient experiences. Regular competency evaluation enables healthcare organizations to identify strengths, address gaps, and enhance managerial effectiveness. Investing in competency development programs is essential for achieving sustainable healthcare excellence and patient-centered care. As healthcare systems continue to evolve, competency-based management approaches will remain critical for improving service quality, operational efficiency, and patient satisfaction.

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