

## The Influence of Top Management Team Competencies on Strategic Decision-Making in Hospital

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### **ABSTRACT**

Top management team (TMT) competencies are pivotal in navigating hospitals' strategic challenges, yet their collective impact remains underexplored amid evolving healthcare complexities. This narrative review synthesizes 15 studies (2010–2025) to analyze how TMT competencies—leadership, communication, strategic thinking, and adaptability—shape strategic decision-making and identifies gaps in cross-cultural applicability. A systematic search across PubMed, Scopus, and ScienceDirect employed PICO criteria, prioritizing peer-reviewed empirical studies. Data were analyzed thematically, integrating quantitative and qualitative findings. TMT competencies significantly enhance decision-making quality, particularly in resource-limited settings. Key themes include: (1) team synergy outweighing individual prowess, (2) adaptive training as a critical enabler, and (3) unmet needs for context-specific competency frameworks. The study underscores the urgency of developing culturally tailored training programs and leveraging mixed-methods research to optimize TMT effectiveness. Policymakers and hospitals must prioritize competency integration to foster resilient, patient-centered leadership.

**Keyword:** Top Management; Competencies; Hospital; Strategic Decision

### **INTRODUCTION**

Healthcare management is intricate and requires competencies that guide overarching decisions in hospitals. Hospitals worldwide are adapting to changes driven by emerging technologies, evolving regulations, and an increased emphasis on patient-centered care models. Top management teams (TMT) play a crucial role in ensuring that an organization not only survives but also adapts to changing circumstances. Examining the impact of TMT competencies on strategic decisions is essential, as numerous studies highlight the significance of adaptive leadership in enhancing operational performance and tackling systemic challenges within healthcare environments. Rojko et al. (2025). Research indicates that hospital managers possessing strong communication, strategic planning, and problem-solving skills significantly improve organizational effectiveness and responsiveness to emerging healthcare demands (Razzano, 2025). This trend appears to be more pronounced in developing countries, where enhanced leadership correlates directly with improved health outcomes (Razzano, 2025).

Current literature identifies several themes related to TMT competencies, emphasizing the importance of managerial training and the implementation of innovative management models that utilize emotional intelligence and situational awareness. Research has identified competencies including financial acumen, legal knowledge, and experience in healthcare

management as essential for effective decision-making, especially in resource-constrained environments (Brown, 2023). Nonetheless, despite these insights, there are still gaps in the systematic evaluation of how these competencies translate into strategic outcomes within hospitals, particularly concerning their influence on operational efficiency, quality of care, and staff engagement (Kruk et al., 2018).

Moreover, an examination of the current framework reveals insufficient research on the adaptation of these competencies to different organizational contexts and healthcare systems, particularly in areas with distinct sociocultural dynamics (Plsek, 2013). Although some competencies, like financial management and regulatory compliance, have received greater emphasis, interpersonal and team dynamics, which are equally crucial for cohesive decision-making processes, have been comparatively overlooked (Schelling et al., 2024) (Brown et al., 2023). The emerging field of health management highlights the necessity of thoroughly investigating the relationship between TMT competencies and the quality of strategic decisions; however, this area remains insufficiently researched (Elshafie et al., 2020).

This literature review addresses gaps in the existing research by synthesizing literature on the competencies of top management teams (TMTs) in hospitals and their impact on strategic decision-making processes within healthcare organizations. This review will utilize various studies to emphasize the competencies essential for effective healthcare leadership and will examine the relationship between these competencies and strategic outcomes (Malmoon, 2020; Schelling, 2024). This study will also examine the impact of continuous professional development and training programs on improving managerial capabilities, as highlighted in the literature (Verhoef, 2019). The review will enhance the understanding of effective management practices and underscore the necessity of specific competencies that align with the evolving demands of healthcare. This examination will facilitate a thorough discussion on the critical relationship between TMT competencies and strategic decision-making in hospital settings.

This research advances prior studies by synthesizing recent evidence (2010–2025) to systematically examine how top management team (TMT) competencies influence hospital strategic decision-making, highlighting three key contributions: (1) while existing studies (e.g., Rojko et al., 2025; Razzano, 2025) focus on isolated skills like leadership or data analytics, this review identifies interdependencies among competencies (e.g., strategic thinking combined with team dynamics) and their synergistic impact on decision quality; (2) though prior works (Kakemam et al., 2019; Schelling et al., 2024) recognize competency gaps, they lack frameworks for cross-cultural and resource-diverse settings, whereas this study explicitly proposes culturally adaptive models to address this global healthcare leadership gap; and (3) unlike siloed methodologies (e.g., Razzano's 2025 quantitative surveys or Mehmood et al.'s 2025 qualitative case studies), this review advocates for mixed-methods approaches to bridge theory-practice divides, providing actionable insights for training and policy development.

## METHOD

The research method applied a narrative review. The data analysis included peer-reviewed articles between 2010-2025, focusing on hospital management. Representative studies from leading journals are prioritized, along with pivotal works that introduced new

frameworks or concepts. The search period is from April 1, 2025 to April 7, 2025.

The PICO structure is utilized where the population is focused on the top management in hospitals, particularly, within healthcare settings globally. The emphasis is on both team dynamics and individual competencies. The interventions are aimed at the implementation or assessment of specific competencies among TMTs, such as leadership, communication, strategic thinking, financial management and adaptability. Comparisons are hospital management practices without targeted competency development or training programs. The expected outcomes include improved strategic decision-making in hospitals, leading to better organizational performance, enhanced quality of patient care and more efficient resource utilization.

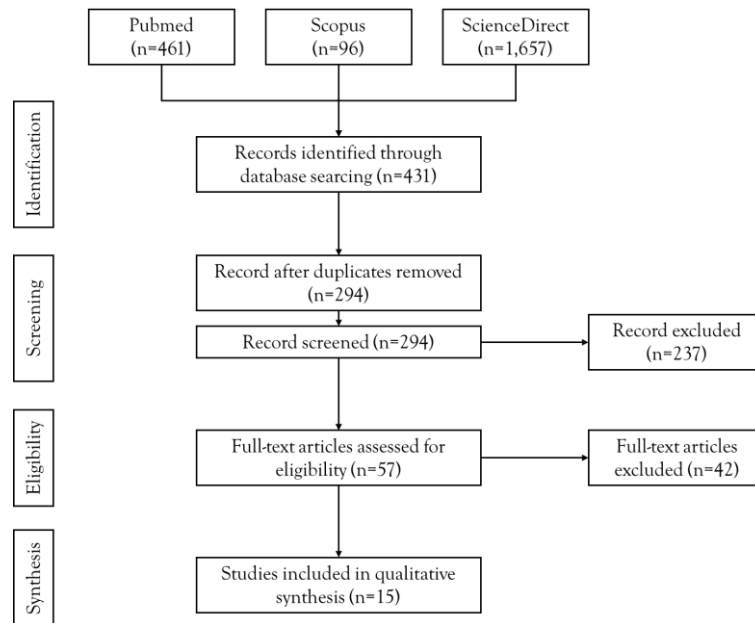
**Table 1. Online Database Search**

Search Engine	Keyword	Record
PubMed	("Top Management" OR "Executive") AND ("Competencies" OR "Skills") AND "Hospital" AND "Strategic Decision Making"	461
Scopus	("Top Management" OR "Executive") AND ("Competencies" OR "Skills") AND "Hospital"	96
ScienceDirect	("Top Management" OR "Executive") AND ("Competencies" OR "Skills") AND "Hospital" AND "Strategic Decision Making"	1,657

The inclusion criteria comprised of articles published in English or Indonesian, accessible full-text articles, and academic or research papers from empirical/original reputable research journals, focusing on the influence of top management team competencies on strategic decision-making in hospital.

The exclusion criteria excludes studies that is not directly related to healthcare leadership and management competencies. Studies further excludes articles that is published prior to 2010. Furthermore, non-empirical studies such as opinion pieces, editorials or commentaries without supporting data and articles that lack methodological rigor or transparency are not part of the studies.

To guarantee alignment with the review's goals, pertinent information about the study period, publication year, language, research design and methodology was gathered. Studies is a compilation of systemic review, scoping reviews, qualitative studies, and cross-sectional surveys in the last 15 years. Studies is also conducted in diverse healthcare systems across regions. These diverse designs contribute to a robust evidence base on influence of top management team competencies on strategic decision-making in hospital.



**Figure 1. Diagram of PRISMA**

This study analyzed 15 articles published from 2010 to 2025, focusing on various components of TMT competencies on strategic decision-making in hospital. Articles are originated from various countries including United States, Slovenia, Pakistan, Switzerland, Egypt and many more. Table 1 presents the initial search results from several online databases with restriction on the keyword shown on the table. This initial search was conducted to gain overall understanding on the topic being studies before futher screening is done.

Additional screening is carried out to further filtering out the articles that is irrelevant to the topics, unrelated with the hospital management and removed articles that are duplicates. Hence, the study concludes with 15 articles that are relevant to the topic that is being studied. Table 2 presents the 15 articles that is sourced from PubMed, Scopus and ScienceDirect. Overall, these articles demonstrates the key competencies that is important for decision-making in hospital landscape.

## RESULTS AND DISCUSSION

### Results

Over the past few years, senior management team competencies and their impact on strategic decision-making inside hospitals have been explored in rather different ways. Early research mostly concentrated on the general characteristics needed for good management in healthcare environments, stressing important qualities such leadership, communication, and decision-making capacity. Research by Rojko et al., 2025 developed a basic knowledge of managerial responsibilities while identifying essential competences that were vital for optimal operation withih healthcare organizations, finally on the strategic decision-making in hospital.

The emphasis moved to the particular skills of top management teams as the healthcare scene grew more complicated and regulatory demands grew more important and better patient outcomes became a must. Based on (Mehmood et al., 2025), the study underlined the need of strategic management skills closely connected to hospital performance.

### **The Role of Team Dynamics in Strategic Decision-Making**

Researches started looking at how these talents affected strategic decision-making since they realized that the success of hospital leadership depended on team dynamics and pooled expertise as much as on personal ability. Further empirical research revealed that varied top management teams with a wide spectrum of competencies usually produced more informed and balanced judgments that improved the performance of the company.

Recent studies highlight how senior management teams should be constantly educating and adjusting in response to quick changes in healthcare surroundings. The study shows a change towards a more complex knowledge of how collective competencies within management teams are realized in strategic decision-making, so supporting the claim that good leadership in healthcare environments demands both individual expertise and collaborative skills, so determining the future path of hospital management practices.

### **Key Competencies for Effective Leadership in Healthcare**

In hospitals, the link between strategic decision-making and senior management team competencies is multifarious and vital for improving organizational performance. The need of managerial skills in negotiating the complexity of healthcare systems is a recurrent topic in the literature. Furthermore, empirical data shows that in healthcare environments effective leadership is greatly shaped by competences like leadership, strategic thinking and communication plya (Razzano, 2025).

Organizational knowledge and interpersonal abilities help to further reinforce the capacity for strategic decision-making. Managerial abilities affect not just personal performance but also the general effectiveness of hospital decision-making procedures in which different teams function. In settings marked by fast technical developments and legislative changes, this shift to competency-based training is particularly important.

### **Methodological Approaches to Studying TMT Competencies**

Various methodological approaches have been used to investigate TMT abilities and their impact on strategic decision-making in hospitals, each of which adds specifically to knowledge of this relationship. Surveys and structured questionnaires are common tools used in quantitative studies to evaluate competences, such those shown in research including a large sample of hospital managers, which expose notable differences between perceived and actual competencies. The fact that these research rely on self-assessment emphasizes the need of critically assessing competency levels since results show great differences in managerial confidence and actual performance ability.

On the other hand, qualitative approaches such as case studies and interviews let one have better understanding of the contextual elements affecting TMT performance. One study, for instance, used focus groups to clarify the complexity of strategic decision-making procedures and underlined the need of informal mentoring and real-world experience in acquiring leadership competences. In quantitative studies, this subtlety is sometimes lost when statistical significance takes front stage over rich narratives essential for grasp of managerial dynamics.

Mixed-methods have also become popular since they combine the contextual depth of

qualitative insights with the numerical strength of quantitative data. This duality has worked well for analyzing competencies versus the operational constraints hospital management teams confront. Therefore, although quantitative techniques offer broad generalizations, qualitative approaches fill in the gaps and generate a complete picture that guides both theoretical and practical consequences for improving TMT competencies in strategic healthcare decision-making.

### **Theoretical Perspectives on TMT Competencies**

The literature on top management team (TMT) competences and their impact on strategic decision-making in hospitals combine several theoretical points of view that together show the interaction between managerial capacities and organizational results. Framework based on human capital theory contends that strategic decisions and general performance are greatly shaped by the knowledge and expertise of TMT members. Particularly in complicated healthcare situations where strategic clarity is essential, research shows that the depth of managerial experience corresponds favorably to successful decision-making (Suppic et al., 2010).

Moreover, strategic leadership theory holds that TMT competencies improve not just the quality of decisions but also company culture, therefore influencing more general strategic efforts (Rojko, 2025). Results implying that the capacity of top management to negotiate uncertainty and problems directly links with favorable healthcare outcomes (Razzano, 2025). On the other hand, other research show the limits of concentrating just on talents without addressing contextual elements such team dynamics and organizational structure.

According to the dynamic capabilities framework, for example, strategic adaptability and competitive advantage are finally driven by the interaction and teamwork across diverse managerial competences. Therefore, even although personal competencies are vital, synergy among team members and their capacity to adapt to environmental changes could be equally significant (Schelling et al., 2024). Studies have also highlighted the need of continuous training courses meant to close competency gaps, so allowing TMTs to adapt properly to changing healthcare difficulties, especially in areas with developmental inequalities.

### **Discussion**

The relationship between better health outcomes and efficient TMT leadership is considerably stronger in developing countries. Research indicates that managerial training and innovative management models, which incorporate both technical and emotional intelligence, are essential for navigating resource-constrained environments (Brown et al., 2023). However, even with these insights, there is still a lack of knowledge on how particular TMT competencies translate into strategic choices that affect operational efficiency, patient care quality and staff satisfaction.

### ***Core Competencies of Effective TMT***

Leadership and communication are essential competencies for top management teams. Effective communication promotes alignment among departments and aids in the execution of strategic initiatives. Research indicates that hospital administrators possessing effective

communication abilities are more adept at addressing evolving healthcare demands (Razzano, 2025). Furthermore, leadership frameworks such as the Leadership Competencies Model illustrate that adaptability in leadership styles is essential for tackling evolving challenges in healthcare.

Strategic thinking allows top management teams to foresee future challenges and appropriately align organizational resources. Evidence indicates that strategic management competencies markedly improve hospital performance through the promotion of proactive decision-making (Mehmood et al., 2025). Problem-solving skills enhance leaders' ability to effectively address unexpected issues. The incorporation of data analytics into decision-making processes enhances operational efficiency (Razzano, 2025).

The effectiveness of top management teams (TMTs) is significantly influenced by interpersonal dynamics and collaborative efforts, despite the importance of individual competencies. Teams possessing diverse skill sets are more likely to arrive at balanced decisions due to their ability to leverage a wider array of perspectives. This underscores the significance of cultivating a collaborative environment within TMTs to improve strategic outcomes.

### ***Theoretical Frameworks on TMT Competencies***

Human Capital Theory examines the value of individuals' skills and knowledge as a form of capital that contributes to economic productivity and growth. Human capital theory asserts that the skills and experiences of team members are fundamental to effective decision-making. In healthcare environments, the level of managerial expertise is directly linked to improved outcomes, particularly in high-stakes decision-making contexts (Schelling et al., 2024). This theory emphasizes the necessity of ongoing professional development to sustain competency levels.

Strategic leadership theory connects top management team competencies with organizational culture and strategic initiatives. Research indicates that leaders adept at managing uncertainties and dilemmas play a crucial role in enhancing organizational resilience (Rojko et al., 2025; Mehmood et al., 2025). This is consistent with research highlighting the importance of mentorship in cultivating future leaders in healthcare organizations (Mehmood et al., 2025).

The dynamic capabilities framework emphasizes the significance of adaptability in environments characterized by rapid change. The synergy between individual talents and team collaboration enhances resilience and provides a competitive advantage. This viewpoint is especially pertinent in healthcare, where regulatory modifications and technological progress necessitate flexible decision-making (Schelling et al., 2024).

### ***Bridging Gaps***

Continuous training programs are crucial for providing TMTs with the necessary skills to tackle emerging healthcare challenges. Studies demonstrate that competency-based training effectively addresses deficiencies in managerial skills, especially in resource-limited environments (Kakemam et al., 2019). Programs designed to enhance both technical and interpersonal skills demonstrate significant effectiveness.

Mentorship is essential for promoting leadership development in hospitals. Mentors

offer guidance and support, enabling emerging leaders to navigate complex organizational dynamics (Mehmood et al., 2025). This method improves individual skills and reinforces team unity.

The incorporation of technology into decision-making processes serves as a means to improve TMT effectiveness. Data analytics tools offer actionable insights that guide strategic decisions, enhancing operational efficiency and patient outcomes (Razzano, 2025).

## CONCLUSION

Strategic decisions in hospitals are heavily influenced by the skills of the top management team (TMT), where effective leadership relies on collective collaboration rather than individual ability alone. As healthcare grows more complex, competencies like communication, strategic planning, and problem-solving—when shared across the team—enhance proactive decision-making, especially in resource-limited settings. Continuous, tailored training for TMTs is crucial to meet evolving demands, potentially improving operations, care quality, and patient outcomes. However, gaps remain in understanding how TMT skills adapt across diverse healthcare systems and cultures, how individual and team dynamics interact, and how these competencies evolve over time. Future research should develop a culturally adaptive framework for TMT skill optimization, employing mixed-methods and cross-system comparisons to identify best practices. This would empower hospitals to strengthen leadership resilience, ensuring systems remain agile amid future challenges.

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