



**AMREF INTERNATIONAL UNIVERSITY**  
**SCHOOL OF PUBLIC HEALTH**  
**DEPARTMENT OF HEALTH SYSTEMS MANAGEMENT AND DEVELOPMENT**  
**BACHELOR OF SCIENCE IN HEALTH SYSTEMS MANAGEMENT AND**  
**DEVELOPMENT**  
**END OF SECOND SEMESTER MAIN EXAMINATION MAY-AUGUST 2025**

**HMD 227 Strategic Management in Health Care**

**TIME:** Two Hours

**Date :** 4 AUGUST 2025

**TIME :** Two (2) Hours      Start: 4:30 PM      End...6:30 PM

**INSTRUCTIONS TO CANDIDATES**

- 1) This exam is out of 70 marks
- 2) Section-A is compulsory with a Total of 30 Marks
- 3) Answer any TWO (2) questions in Section B

***Read carefully the additional instructions preceding each section.***

**Section A**

1. Define the term core competencies in healthcare organizations. **(3 marks)**
2. Outline the FIVE forces in Porter's Five Forces model for analyzing healthcare competition. **(4 marks)**
3. Identify FOUR (4) types of organizational structures commonly used in healthcare organizations. **(4 marks)**
4. Define value-based care in healthcare delivery. **(3 marks)**
5. Outline the key components of a SWOT analysis framework. **(4 marks)**
6. Distinguish between growth strategies and consolidation strategies in healthcare. **(4 marks)**

7. Identify THREE (3) key governance challenges facing healthcare organizations in Kenya. **(3 marks)**
8. Define the Resource-Based View (RBV) theory in strategic management. **(2 marks)**
9. Outline THREE (3) types of market segmentation used in healthcare organizations. **(3 marks)**

## SECTION B: LONG ANSWER QUESTIONS (40 MARKS)

### ANSWER ANY TWO (2) QUESTIONS

#### Question 1 (20 marks)

County health systems in Kenya operate under complex governance arrangements where they must balance political accountability to elected officials, professional healthcare standards, and efficient service delivery to achieve Universal Health Coverage objectives.

- a) Analyze five strategic challenges that arise from multiple stakeholder accountability in county health systems (6 marks)
  - b) Evaluate how competing stakeholder demands affect strategic decision-making and organizational performance. **(6 marks)**
- b) Assess the effectiveness of different stakeholder engagement strategies that county health systems can use to manage conflicting expectations while maintaining strategic focus and operational efficiency. **(8 marks)**

#### Question 2 (20 marks)

XYZ Women's Hospital has built a strong reputation in maternal and reproductive health but faces an increasingly competitive market with general hospitals expanding women's health services and new specialized clinics entering the market. The hospital is considering strategic options to maintain its market leadership while exploring growth opportunities.

- a) Conduct a strategic analysis using Porter's Five Forces model to assess the competitive environment facing XYZ Women's Hospital, and evaluate which competitive forces present the greatest threats to the hospital's market position. **(12 marks)**
- b) Recommend a competitive strategy for the hospital that leverages its core competencies while addressing the identified competitive threats, justifying whether specialization or diversification would be more effective. **(8 marks)**

#### Question 3 (20 marks)

Kenya's healthcare sector is experiencing rapid transformation with emerging technologies, changing demographics, and evolving patient expectations. Healthcare organizations must develop strategic capabilities to monitor performance, adapt to change, and drive innovation

while maintaining quality care delivery. Many organizations struggle with measuring strategic success beyond traditional financial metrics and fail to anticipate future healthcare trends.

- a) Evaluate the challenges healthcare organizations face in measuring strategic performance beyond financial indicators **(6 marks)**
- b) analyze why traditional performance metrics may be inadequate for assessing strategic success in healthcare settings. **(6 marks)**

b) Develop a comprehensive strategic performance measurement framework that healthcare organizations can use to track strategic progress, incorporating both quantitative and qualitative indicators relevant to healthcare outcomes and stakeholder satisfaction. **(8 marks)**

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