

# NECESSITY FOR STRATEGIC MANAGEMENT IN HEALTH SERVICES<sup>1</sup>

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## ABSTRACT

*In the last decade, strategic management has become the favorite model within which documents the evolution of decision that much of the firms in developed countries and is expanding at a high pace and in other countries, including those in transition. Marking a milestone sufficiently outlined the developments in science and global practice management, this model has emerged as a natural reaction to one of the trends show the world that the second half century they cross - accelerating change and enhance the effects them.*

**KEYWORDS:** *strategic management<sup>2</sup>, health services*

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For Romanian organizations, consistent practice of strategic management as a form of manifestation of function prediction, is undoubtedly a necessity, especially since the transition to a market economy provides new challenges before them and environmental factors generators of turbulence are much stronger than normal market economy conditions and, of course, determined attitude and specific behaviors from industry and other "actors" and interest groups that interact with businesses.

The transition from a centralized economy and monopoly, with a structure outs (in the sense of connection predominantly unilateral, without optional alternative) to a market economy based on market mechanisms of action law of supply and demand, is certainly a of the toughest challenges of the current period. Complex processes - the extent of privatization, restructuring, price liberalization and elimination of subsidies - that accompany economic reform and institutional and legislative changes, deep changes in coordination mechanisms at various levels and in foreign markets model, while the tendency to join the new economic area with the intention of integrating into the Euro-

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<sup>2</sup> Popa, I., Dobrin, C., Ceptureanu, S., Ceptureanu, E.- *Romanian SME' Strategies, Policies and Competitive Advantages*, IACSIT 2009, ISBN: 978-0-7695-3521-0, listata IEEE Xplore, indexata EI (Compendex) si ISI Thomson (ISTP)IACSIT, Singapore

Atlantic structures are changes, significant changes and scale characterizing the Romanian environment.

Strategic management and use of appropriate economic strategy must take account of new domestic and international conditions in which the industry to operate in this way to be able to define a viable economy to guide management of the company to achieve its goals in terms of profitability .

The use of strategic management, organization management must take into account a number of *factors* with increased action and the *mutations* that occur in consumer preferences, among whom may be mentioned as most important following:

- increased competition between different companies in foreign markets;
- development and expansion of modern processing technologies, such as flexible processing systems, robotics, etc. leading to increased product quality and reducing costs, shortening time to market of new products;
- quality of products offered on the market increased substantially and increasing consumer demands on the basis of the quality report;
- expand the use of electronic computers with positive effects on the quality of decisions and increasing economic and managerial performance.

Taking into account the action of these factors and mutations, to define an economic strategy, as specific targets, lines of business the company so that the organization to remain competitive and, if possible, to enable its growth.

Necessity to strategic management is evidenced by the Romanian companies and the prospect of Romania's EU integration.

The success or failure of firms in the country on their way to integration into the European single market is crucial subject to how they will cope with different environmental mutations (weak and uncertain economic growth, many offers, sometimes in very small series, internationalization high and very tough competition, numerous and rapid technological changes, etc..).

#### **Setting priorities and planning health services:**

In health care sector are described different types of planning processes: planning for the allocation of resources to standardize procedures. Usually these forms involve three dimensions: operational planning, tactics and strategy. (Blum, M.L)

Regardless of the approach, the ultimate aim of social and health services planning is to provide health benefits to the population more effective if certain actions decent random, random. For this it is necessary;

- a) to clarify what it wants to improve;
- b) to identify socio-health status present;
- c) to consist deficiencies (current insufficiency);
- d) to suggest how to address these problems;
- e) to suggest the degree of improvement of the situation produce by planning (Baranowsky)

Many researchers assert that the essence of health planning is the correct identification of population needs, identify their needs and users' objectives in setting priorities for resource allocation take into account the most pressing / pressing needs.

Transformations of large amplitude and depth of the health sector, high complexity, the public nature of these services and the environment in which medical institutions operate are only some of the factors that led to the proliferation and gradual maturation of managerial methods used in public health.

Medical work is conducted under specific conditions, with objectives substantially different from those of other economic sectors. In this regard, under the general objectives of the reform of medical institutions (hospitals, institutes, medical centers and health centers) are included:

1. *technical efficiency*, ie the appropriate use of limited resources from the hospital by eliminating waste. Thus, reorganization of the hospital structure should lead to lower costs for services provided;

2. *allocative efficiency*, which means maximizing the value obtained for the resources spent by allocating it according to the results and impact on health status (years of life gain, increased quality of life, increase access to priority services);

3. *increasing access for disadvantaged groups* (poor, rural people, etc..) through the distribution of resources in the public system centered on those most in need of services and limited access to them;

4. *adequacy of hospital services structure by restructuring their expectations of users*, so that public services to meet public expectations, with accountability to it.

In the not too distant future, only health units which change their strategies accordingly will survive. Organizations that are oriented according to the present is already past. The new socio-political development together with future market trends should be investigated, evaluated and involved, through planning, the current medical activity. Health units need visions for the future staff be motivated to adapt qualitative and quantitative requirements, which are in continuous growth. In this regard, it is necessary that requires strong managerial skills to successfully take over responsibility in new areas of activity, which require interdisciplinary knowledge and experience. Healthcare managers must have, among other things, some special qualities like the capacity to communicate effectively and to motivate quality employees.

Reforming health units and hospitals in particular requires a set of actions that lead to achievement of certain objectives in accordance with the strategies in health services. In other words, if the objectives consist of improving efficiency and increasing capacity to respond patient needs and expectations, organizational reform has a real potential for success.

**Key strategic and operational actions required in hospitals are:**

1. *improving hospital management*, which involves a series of activities:

- identify performance indicators of the management team (directors, deputy directors, chief accountant, assistant chief);
  - hospital performance assessment and development of measures for improvement;
  - linking incentives or penalties hospital management team with performance;
  - identify the job roles and responsibilities of those involved in hospital management and operation of the sections, etc.;
  - continuous data collection necessary management information system;
2. *improvement of hospital structure* (buildings, equipment, etc.) involving:
- organization assessment and sanitary measures necessary to obtain authorization for the operation of hospitals;
  - proper maintenance of buildings and equipment: development of an annual plan on investment and capital repairs of buildings and equipment, operation of equipment according to their technical specifications to achieve maximum efficiency in

their use (number and appropriate staff training, supply of consumables required etc.) analysis of economic efficiency service contracts for equipment;

- re-sections, departments, to increase efficiency;

3. *efficient use of hospital human resources* by pursuing the following activities required:

- staff performance evaluation based on performance criteria defined in accordance with the objectives of the annual plan of the hospital;

- establish specific criteria for evaluation and stimulation of staff;

• develop plans recruitment specialist to ensure the necessary services to patients insured;

4. *developing and implementing a system for monitoring quality of care*, involving a range of activities:

- use a system to assess patient satisfaction on hospital services;

• use an identification system on quality of care issues in each section or department of the hospital.

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