

# Evaluating the Impact of Strategic Management Practices and Performance in Public Health Sector

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**Abstract---** *The recent restructuring in public administration because of new public management (NPM) has taken strategic management (SM) to the forefront of several public organizations. However, few studies examine how public organizations practice and which tools are used. Consequently, calls for such studies were made. In 2000s, the market transformation and pioneers in evolving tactics became the principal prerequisites for competitive dominance. Until recently, the traditional management and organizational strategies in place were inadequate to meet new rising demands. This study demonstrates the level of strategic management adopted by the management of health institutions. It is discussed in this study that if the management knows about strategic management tools that form the basis of strategic management applications, what strategic management tools they use, their satisfaction with them and what instruments they plan to use in the future. Additionally, changes in the field of strategic management, the priorities for choosing strategic management tools, the importance of strategic thinking and the impact on performance of strategic management understanding are discussed.*

**Keywords---** *New public management (NPM), Organizational strategies, Public organizations practice, Strategic management (SM), Traditional management.*

## I. INTRODUCTION

In today's world many of the classical strategic theories in the business world have caused rapid changes in the age of technology and information out of date. It is not sufficient for companies to benefit from new technologies so that their success and competitiveness can be increased. In their economies it is also necessary to strengthen the uniform distribution, competitiveness and access to consumers [1]. The enterprises efforts are structured to lay down strategic dominance strategies. Imagination becomes the most important quality of enterprise in the 21st century. In this sense, the primary aim of the businesses is to enter the future by identifying strategies that will change. To ensure businesses have a better and more sustainable structure in their business life and allow them to succeed, multiple strategic approaches should be used.

In several public organizations, strategic management (SM) has become increasingly important on the agenda and is now reported in practice due to changes in new public management (NPM) [2]. Nevertheless, the implementation of SM in action and its possible consequences is too little understood [3]. The importance of studying strategy and strategic

thinking in public organizations over the past decade has been emphasized by a limited, yet increasingly rising, research field. All these studies discuss the implementation of SM, but few analyze the practical application of SM by public organizations and the methods used to achieve a strategic objective.

It is not easy to include SM in the public sector, as it is focused on the production, benefit and competitive advantages, which are not always well-adjusted for the public sector by private sector theories. In light of NPM changes in the public sector that have added private and corporate elements in recent decades. Furthermore, previous research found that NPM has various unwanted impacts, such as strengthening the focus on internal efficiency at the expense of external efficiencies and, at the expense of longer-term and results-oriented results in the short-term, output-oriented, and measurable results which hamper application of SM.

In health organizations and other institutions, strategic management is an important concept. Health institutions need a strategic management framework in order to survive in a competitive environment, to evaluate the institution's internal and external climate, to recognize its strengths and weaknesses, and to identify structural challenges and issues which will give the institution opportunities. Faced with globalization and the idea of competition following globalization, healthcare organizations, like other institutions, start to give more strategic thinking and decision-making.

Although the management concept is very old, the business management concept is a philosophy which arose and is still established about a century ago [4]. The reason why the concept of management is so new is the lack of big manufacturing companies until the industrial revolution which started in the 18th century. From this point of view it may be characterized as the "pre-period" or "pre-period scientific" time before the industrial revolution. Yet coordinating activity can be said to occur in antiquity, even in the early ages, since people and communities worked together to achieve the same goal in the past.

### **I.I. Strategy Process:**

Strategic planning relies on a strategy phase view. Some researchers may claim that the seeds of viewing strategy as a method were plant. The focus of this new area of research started with shifts in strategic practices over long periods [5]. Some researchers stated that the strategy as a direction of the process clearly sees the public and non-profit sectors as sites of interest as well as private enterprises. Nonetheless, most work on private companies remains as rigorous as this approach. When applied in a public sector context, the strategy process is commonly seen as a number of organizational activities, some parallel to each other, but mostly sequential and in different phases [6]. In summary, the public sector Strategy research primarily focuses on the policy work by discussing strategic planning, development, execution, assessment and monitoring processes.

### **I.I.I. Strategy as a plan:**

Action and organizations are driven in a deliberate and purposeful way according to the pre-defined and stated objectives.

### **I.I.II. Strategy as an emerging direction:**

The advancement of course of action by the actions and participation of organizations, instead of the previously defined and announced goal, within environmental sensitivity.

### **I.I.III. Strategy as location:**

Explaining and controlling the relationship between the organization, the organization and its environment, in the organizational framework as established by standards and functions.

### **I.I.IV. Strategy as a perspective:**

The perspective of the organizations that meet in the joint action and their common standards, values and behavior.

In the 21st century, the reach of all types of organizations has grown and transformed into more complex structures and operating systems as our world faces significant technical and economic changes. It is therefore difficult to take measures in order to make it difficult to thrive and grow companies and to manage the companies. As a result, business management's ability to predict and to gain information about the opportunities and risks they may face leads to better and more reliable strategies. Consequently, these strategies must be implemented effectively. The strategy; the potential course of external factors and alternative behavior is necessary to forecast. The strategy demonstrates the capacity for harmonious combination of opposing forces through efficient strategy identification and testing. The value of the undertaking can be viewed from a broad perspective by evaluating the possibilities of the person, what is being done, and the strengths and weaknesses of the company.

### **I.II. General characteristics of Strategy:**

Throughout today's complex and dynamic business environment, strategy is a method that inspires and directs workers to succeed and achieve competitive advantage in the marketplace. The features of the approach that serves as a guideline for the operations of the business that harmonizes the whole enterprise can be summarized as follows:

#### **I.II.I. An art of analysis:**

This art is a method of thought that is focused on the inter-factor logic concepts and connections in an open system that seeks to take choices and remove barriers for decision making, rather than just a single line or solution [7].

#### **I.II.II. Factor of purpose:**

The strategy of a company serves the overall goals of the company and makes sure the forces are brought together around it.

#### **I.II.III. Regulates interaction relations with the business environment:**

It offers the opportunity to understand economic, technical, political, and social environmental changes, mitigate the adverse effects on the company and take advantage of them in a timely manner [8].

### **I.III. Strategic management concept:**

Initially a military concept, the strategy has become an approach that should be used by the companies in order to adapt to the changing conditions and to succeed in a competitive environment [9]. Just as plans are made in order to achieve victory at a minimum level of loss of the minimum strategy after evaluating the status of the unit, the situation of the enemy and the available opportunities, transmissions must be well following changing market conditions to survive and prevent competitors and be well aware of the present characteristics of competitors. It must be acknowledged. As a result of the dizzying growth and improvements in transport technology, information and communication technologies, the consumer awareness and aspirations of individuals in the global world have been evolved. Therefore, companies

should adopt a strategic management style that will enable us to move towards the future of transmission instead of the traditional methods in order to adapt to rapid change and maintain their existence in a long term. Strategic management helps the organization to adjust, analyze and predict the future to the environment. This sets common goal at all organizational levels and ensures cohesion and the formation of alignment of goals. Strategic management should be seen and applied as a business process. The strategic management process should be seen as the compilation, review, selection, decision making and execution of information to support a company's long-term life and to provide a competitive advantage that is sustainable.

Strategic management, research planning, evaluation, selection efforts for the planning of the strategy, the implementation of strategies before and after implementation of the top staff coverage, all structural and motivational measures within the organization, the sum of the processes which concern the activities [10]. Although the definition of a management term is not known, management is the most accepted opinion. "Management has to work through others." On the other hand, strategic management is a technology of management that expresses the creation, preparation, execution and control of effective organization strategies for achieving its objectives.

#### **I.IV. Development of strategic management:**

In the 1970s, the economic and industrial pillars were rocked by many uncontrollable and self-contained problems. Production has declined, inflation has risen, trade imbalances and cost competition. However, decreasing efficiency, increased regulatory output, low growth rate, technological obsolescence, the Third World's rising debt, new technology, money market volatility, serious world competitiveness and socio-political concerns impacted all institutions and organizations trying to establish a strategic direction. All these issues led to an exploration of the continuing methods of implementation and management [11].

Due to globalization, rapid technological developments, the emerging markets and the intense uncertainty generated because of shifts in customer expectations, businesses had to think more strategically. Prior to the 1980s, strategic management was mostly carried out in privately-owned fields, while many companies now use strategic management as a tool. Situational analyzes (SWOT), portfolio analysis, Q sorting analysis; vision mission statements, scenario analysis, search conferences, brainstorm, dolphin technique and nominal group technology are the main tools for the strategic management process. Other tools which can be employed in the strategic management process include open-group discussions, quality circles, cost-benefit analyzes and risk analysis.

#### **I.V. Characteristics of strategic management:**

Strategic management includes the general management features. In comparison, however, some characteristics of strategic management can be listed. The basic characteristics of strategic management should be demonstrated in order to better understand the issue of strategic management. Functional management and project or plan management, which separate these features from strategic management, are as follows:

- Strategic management is primarily a top-level management issue. Strategic management is a function of top management because it concerns the future of the company as a whole.
- The future is focused and connected with the company's long-term goals. Think of what the business will be in the specified time horizon and how these results can be achieved.

- Through strategic management, the whole company is seen as interdependent and its parts. Strategic management therefore discusses not only the entire business, but also the components of it. If an entire decision or any of its components is made, its effect on the other components is taken into consideration.
- Strategic management describes organizations as processes that are available. Businesses communicate with each other and are environmentally based. Any environmental changes also affect the company. Strategic management also controls the climate closely.
- Strategic management takes into account with honesty the company's goals and society's needs. The strategic management of its external systems bears social responsibility.
- Lower level managers are motivated by the strategic management. In other words, strategic management priorities, decisions and events are a common point of action for everyone up to the lowest level within the organization.
- The most effective allocation of the company's capital is strategic management. This distributes the resources needed to achieve the main objectives of the organization in accordance with the commodity or consumer compositions.
- Strategic management stresses the importance of teamwork-based achieving the goals of the company. The approaches are established with a broad involvement in the management and the organization chooses the best decision-making techniques.
- Strategic management contributes to defining and managing the organization's most successful issues. Full measures of consistency are widely used in this sense.
- Strategic management enables future activities of the organization to be planned, organized, coordinated, carried out and controlled.

#### **I.VI. Strategic management process:**

Special decision-making or problem-solving can take the strategic management process into the view. In this context, the strategic management process can be characterized as all the information gathering, review, selection, decision making and execution activities intended to maintain the long-term interests and achieve a sustainable competitive advantage of the organizations. The changing environment and the change of competitors have contributed to a strategic consciousness of organizations. Therefore, strategists must be chosen and named to participate in an organization for the purpose of executing the procedure. While analyzing the internal and external contexts, the employed strategists assess the situation, reveal the current circumstances and challenge future developments. The mission, vision, and goals of the organization will be determined once all the analysis is made in the strategic orientation phase. The response is how these goals and objectives can be executed according to the strategies identified during the strategy formulation process. In the strategic control process, quantitative and qualitative data extracted from the approaches used after the analyses of the organization's structure and the decisions taken in the strategic implementation period in which the strategic plans are being formed are analyzed.

## II. CONCLUSION

Now, when global waves have changed the perception of time and space and radically changed the social structure, restructuring in public health and management has become a necessity. The descriptive term "strategy" is useful since it lets us concentrate on what people do in their daily work, how they do it, and what happens in action when strategic theories like SM are implemented and with which instruments. As regards strategic work, the public sector has a number of unique and specific features which tend to create tensions when applying SM in practice and tools. The public sector, which develops different bureaucratic organizing practices and processes to address these tensions, can therefore be said to be inherent in pluralistic organizing tensions. Turkey is intended as a point of reference in the health sector in its geography. Radical changes and innovations in the industry are underway in line with this objective. On the other hand, the regulations have opened the way for patients to receive medical care from both private hospitals and public health institutions. The number of private health care providers is growing quickly and therefore there is more competition.

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