

The Importance of Strategic Planning and Management in Health: A Systematic Review

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Abstract

Introduction: Strategic planning is a process that involves reviewing the organization's needs, environmental conditions, customer, organizational capabilities and weaknesses that are designed with the goal of deciding on the organization's mission, goals, and strategies. Each organization's strategy is a set of goals. In this study, we decided to have a review on strategic planning in health domain.

Methods: Embase, PubMed/MEDLINE, ISI/Web of Science (WOS), Scopus, and Iranian databases, such as MagIran, SID, and Irandoc, were searched from 2000 to 2017. Also, the grey literature (via Google Scholar) was searched. Studies written in English or in Persian were searched, and keywords used included Strategic Management, Strategic Health Planning, and Health strategic management.

Results: Based on the inclusion criteria, the search of databases resulted in 30 articles that fully covered the studies that carried out a full strategic management and planning in health. The results of the present study indicated that RBV is used for strategic health planning and RDT has a strong influence on strategic decision-making. Strategic planning is one of the most important issues in a productive health care center. The decision-making levels in the health sector can be divided into three strategic, middle, and operational categories. During the strategic planning process in the health sector, attention is drawn to the two approaches to RDT) Resource dependency theory) and RBV (Resource based view).

Conclusion: Health by investing and using resources and key talents of management, in the strategic planning process increases the organization's capacity and its ability to face changing circumstances and environments. Studies show that the success of a strategic planning in a health center depends on participation of beneficiaries, namely doctors, nurses and managers.

Keywords: Planning, Strategic planning, Health strategic management, Health and care.



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Introduction

Hospitals are always in competition and survival, and medical costs are constantly rising; however, patients do not like to pay more. Injuries and mortality of patients due to unintentional and preventable errors while working on the therapeutic factors are increasing worldwide. Personnel, nurses and doctors are constantly facing repetitive problems; therefore, it makes them tired or leave their work environment sooner than the appointed time. Most hospitals have an experienced and up-to-date medical staff and they are benefited with the latest scientific methods in the world; however, because all hospital processes are performed

separately and uncoordinatedly, with errors and waste of time and resources, despite the high-level professional work which is done. The result is not desirable and favorable for the therapeutic agents and patients. The strategic planning process is creating a specific mission statement, goals, and objectives that support the mission and strategy of the organization. The organization's strategic plan is a guideline of an effective management for implementing a short and long-term health promotion program. Strategic planning is a tool that provides guidelines for the realization of a mission with maximum efficiency and impact planning to be effective, and strategic planning must set out specific objectives, descriptions

of resources, steps and procedures required in order to be effective and profitable. As a rule and principle, most strategic plans should be re-launched and reviewed every 3 to 5 years (1, 2)

Strategic planning is a process that involves reviewing the organization's requirements, environmental conditions, customer relationships, organizational capabilities and weaknesses that are designed to decide on the organization's mission, goals, and strategies. Strategic planning is a belief that encourages the managers to think about long-term and future prospects and anticipate distant horizons as well as technique and skill. In an organization in which this belief does not exist, there will not be a proper platform for strategic planning growth. Strategic planning coordinates the managers in their daily activities and tasks by presenting long-term goals and explaining the missions of the organization. Planning has the effectiveness of direction. It can be said that strategic planning can be considered as the most effective and useful way to determine a strategy in the organization (3). Health, as defined by the World Health Organization, is the full physical, mental and social well-being (4, 5). A healthy person is the centerpiece of sustainable development, and today's societies want a suitable substrate to produce and accelerate to reach development. Therefore, studying all influential components of the field of health is one of the tasks of health researchers. As long as an efficient health system does not dominate the society, societies and nations cannot achieve their economic and social goals (6). The health sector's performance in every country plays an important role in providing the community's health. In fact, being public and beneficial are a health system's specifications. Due to the importance of humans in health issues, the topics and plans of this area are important (7). Each organization's strategy is a set of goals that serve as a tool for helping the organization to reach the target audience (8). It should be noted that the strategic planning of an organization is significantly different from the long-term and traditional organization planning. In fact, Pearl found that more than 96 percent of health centers have institutionalized long-term organizational planning (9).

Strategic Planning Process

Strategic Planning Process, as it is shown, is a series of proceedings which are:

- An analysis of the environment to identify those forces and changes that may affect the organization's work.
- Evaluation of the strengths and weaknesses of

the organization - the potential of the organization to cope with change(CHANGIN)

- Assessment of opportunities and threats
- Identificatin and evaluation of different strategies in organization management
- Selection of the best option that balances the organization's potential forces with the challenges of changing circumstances
- Preparation and provision of the basics of strategy
- Implementation and evaluation of the strategy (Figure 1)

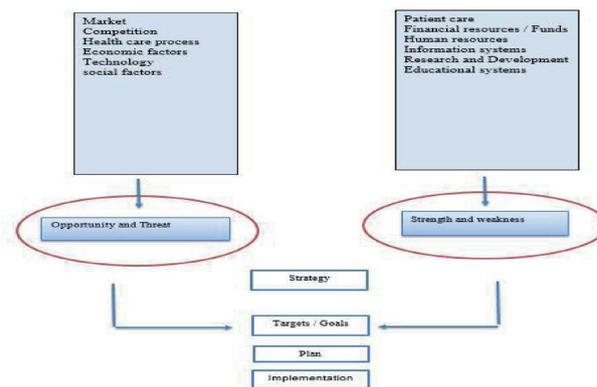


Figure 1: Key Steps in Strategic Planning

The present study aimed to identify and understand the importance of management, strategic planning and decision making, differences and similarities in different health care centers, and the way the resources are allocated to strategic decision making process by health care managers.

Methods

This study is a systematic review of the published articles between 2000 and 2017 which was performed according to the "Preferred Reporting Items for Systematic Reviews and Meta-Analyses" (PRISMA) guidelines and checklist (10). Three authors independently searched Embase, PubMed/MEDLINE, ISI/Web of Science (WOS), Scopus, and Iranian databases, such as MagIran, SID, and Irandoc, from 2000 up to 2017. Also, the grey literature (via Google Scholar) was searched. Studies written in English or in Persian were searched. The search strategy was as follows: Strategic Management OR Strategic Health Planning * AND (Health *) OR RDT OR Health strategic management AND management. The articles were included in the review by the following inclusion criteria:

Study Selection and Data Extraction

Studies were included if they met the following criteria: 1. Study type: Studies original on strategic

managemnt in the health sector; 2. Study setting: All of the early studies that emphasized the importance of strategic management in health and those in other strategic managements in industry were excluded; 3. Outcome: The stuides in which the importance of strategic management and planning in the health sector is defined and a conceptual model is presented; 4. The studies published in English or Persian languages.

Data Extraction

Three authors independently extracted the following information from selected studies: (1) Strategic planning process; (2) RBV, RDT in strategic management; (3) Health system problems; (4) Location of the study; (5) Strategic Planning Model of Iran’s Ministry of Health; (6) The year of the study; and (7) Location of the study. Any disagreement in this regard was resolved through consensus; if not, however, the corresponding author was consulted. Information was entered into the forms designed for this purpose.

Data Analysis

The selected studies were fully reviewed, and the required data were extracted and summarized, using the tables designed. Endnote X5 software was used to organize the studies; the titles, abstracts and results of quality evaluations were surveyed based on PRISMA checklist, and the duplicates were found. Excel 2016 was used to analyze the data in grap form (Figure 2).

Results

In the initial search, 3200 studies were identified. After screening the studies using the exclusion criteria, 1218 of them were selected. Then, through complete reviews of full texts of the studies, 120 of them were excluded from the study, and finally we selected and assessed the results of 30 studies that carried out a full strategic management and planning in health. Flowchart of the screened, excluded, and included studies are presented in Figure 2. Also, the results of quality evaluation are presented based on PRISMA checklist. Moreover, in this study we considered the problems of healthcare systems

Health-Care Systems’ Problems

It has been considered as an impressive point and

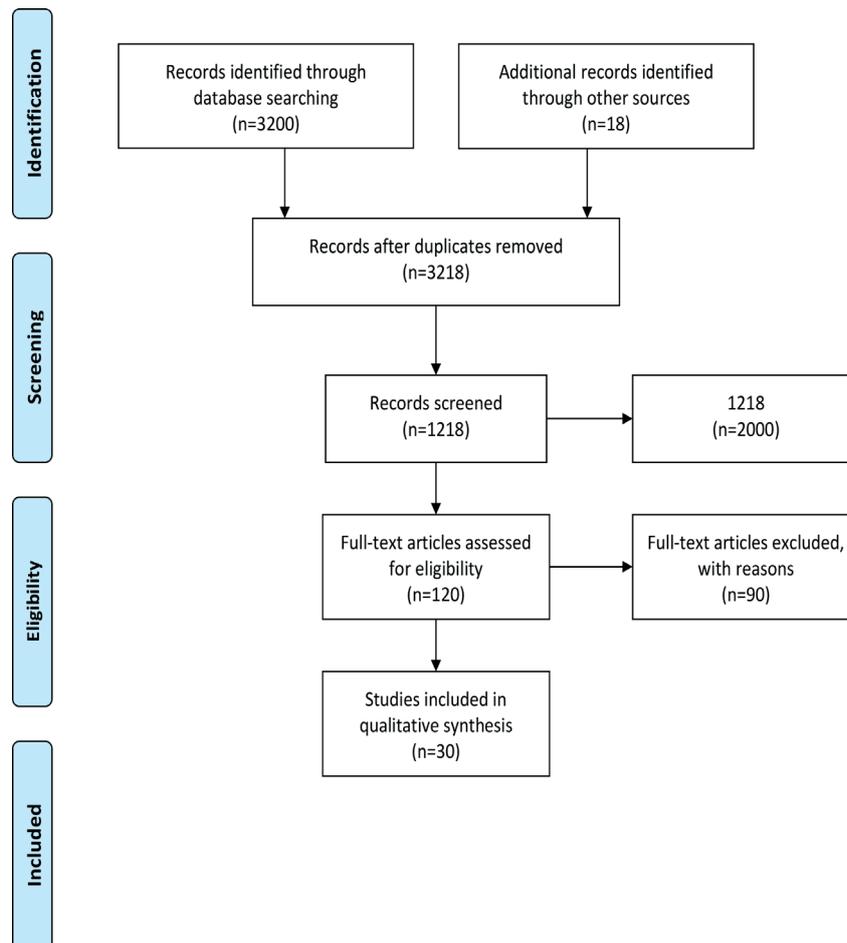


Figure 2: Flowchart of screened, excluded, and included studies

hospitals have focused on problems which are soluble. The hospitals' problems include:

Shipping supplies are delayed because of inappropriate orders which is the main cause of making mistakes in receiving supplies.

Personnel or new equipment has their own problems.

Equipment such as wheelchairs are returned because they have been produced inappropriately

Protective equipment are not used

Dangers and latest disorders don't get reported.

The space available in cellars are not used efficiently.

Personnel are not responsible for their action and try to represent others as the guilty people who ignore the rules.

Personnel don't have commitment and quit the workplace when they are expected to be there.

Bureaucracy can result in delays in treatment and as a result long lines can be made (11)

In recent years, the significance of cultivating health-care systems has been risen dramatically. The most noticeable consequences are:

1) increase in health-care expenditure in developing and developed countries

2) increase in demands for health-care services and ienhancement of the patients' expectation from the quality of services concurrently (12).

The diagram below demonstrates health expenditure increase from 1995 to 2014 (Figures 3 and 2, Tables 1 and 2, Figures 5 and 6).

The statistics show the significance of health sectors, and different countries pay specific attention to them. Strategic plans are one of most important issues in health-care centers. The classical long run

plans in health-care centers try to persue the local plans and control them and satisfy huge demands (13). The number of hospitals which have prepared the active strategic plans is indefinite, but the point is that many of these hospitals are suffering from inaccurate procedures (14).

Another point worth mentioning is that strategic planning procedures between two health-care centers

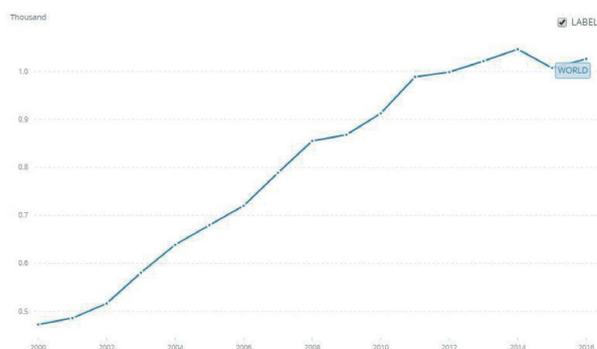


Figure 3: The health sector's share of GDP in developed countries (source: world bank group 2017)

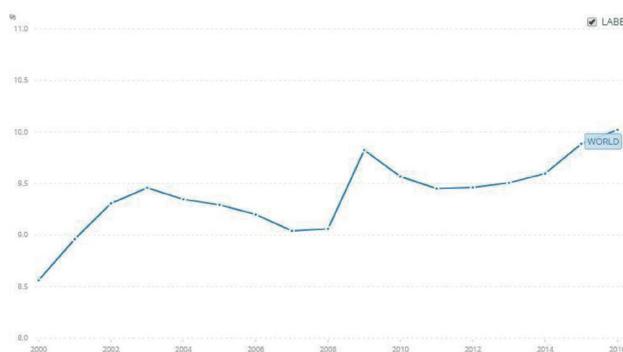


Figure 4: Current health expenditure (% of GDP) (source : world bank group 2017)

Table 1: The health sector's share of GDP in developed countries in 2017(World health organization 2017)

Row	Country	Per capita treatment(US Dollar)	Percentage of GDP
1	Switzerland	9,835.96	12.3
2	Norway	7,477.90	10.4
3	United states	9,869.74	17.1
4	Netherlands	4,742.03	10.1
5	Iran	415.39	<10

Table 2: Current health expenditure (% of GDP) (World health organization 2017)

Row	Country	2000	2017
1	Switzerland	9.34	12.3
2	Norway	7.71	10.4
3	United states	12.51	17.1
4	Netherlands	7.06	10.1
5	Iran	5.24	8.7

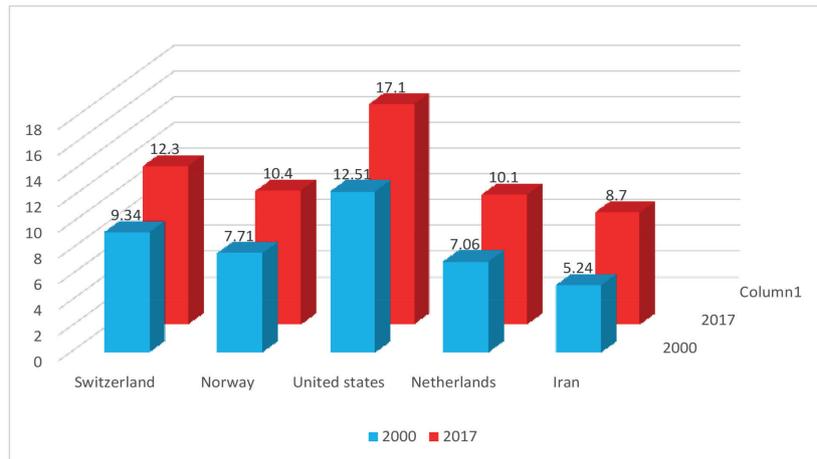


Figure 5: Comparative graph of the current health expenditure



Figure 6: The current health expenditure per capita US Dollar A), Current health expenditure (% of GDP; B))

with almost the same size but located in different areas have lots of similarities and differences. Resources dependence theory and resources-based viewpoint are two mechanisms used for responding to environmental factors and making the best of internal and external resources in cultivating health strategies (15). Both theories are used by health-care managers in order to analyze the whole situation and the evaluation of internal and external resources.

Health organizations had better pursue strategic plans because:

- 1) the clients who are not specifically loyal to

health-care centers have consistent demands. It is assumed that patients are the only clients of the centers and it is obvious that health-care centers will encounter clients who have more information and consequently demand various things.

2) competitive rivals have increased dramatically
 a) health-care systems have widespread access to specialists and adroit doctors; as a result, this situation can lead to more competitive atmosphere.

b) Nowadays, some issues such as specialism and job preference can be discussed among the specialists. Thus, it is not a privilege to have specialists in different health-care majors.

3) the limited resources for producing services: this factor is of critical importance when a crisis happens. This limitation can be overcome by increasing the extent of commitment for allocating resources based on a reasonable procedure which can be found in an effective strategic plan

4) the implementation of working procedures: one of objectives of setting strategies is to gain patients' satisfaction and do the job in the best way. For this reason, implementation of work procedures is of crucial importance.

5) dimension and complication of health-care organizations: due to issues discussed above, strategic planning is a useful factor and practicable way to improve health-care centers. Health-care centers can lose competitive motivation if they do not have any definite strategic planning (16, 17) (Figure 7).

Different Levels of Decision Making and Decisions Related to Them

In organizations other than health-care centers, strategic planning is designed by the person at the apex of the pyramid and this planning includes the whole organization. In health-care centers, it is believed that the whole health-care center should have

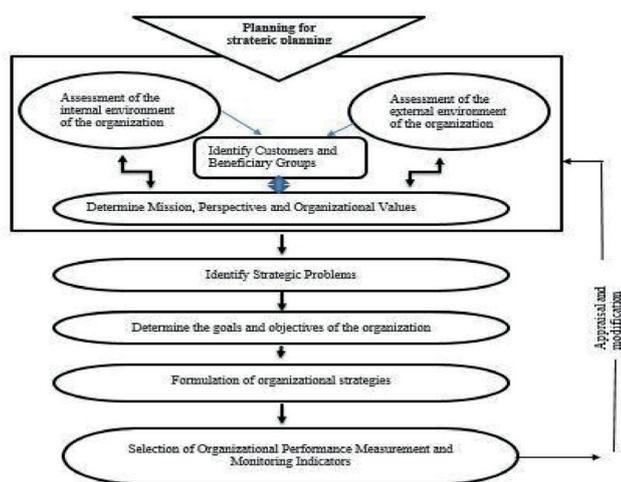


Figure 7: Strategic Planning Model of Iran’s Ministry of Health

a comprehensive strategic plan and other sections have their specific strategies which are considered as appropriate strategies and also these strategies should not be different from each other (17). The chart below demonstrates different levels and related decisions to each level in health-care centers (18) (Table 3).

RBV and RDT in Health Strategic Management

The theory based on resources emphasize important independent features which result in various production or significant decrease in price. This procedure emphasizes organizational strategic

resources such as physical resources, human resources, organizational activities, related information, etc. that are rare and their alternatives are expensive.

This theory’s function (RDT) in planning and strategic management is similar to theories which are open to be developed and internalized (19, 20). This theory(RDT) also focuses on the way the managers can take active steps to decrease unreliability strategically (21).

RBV is used in strategic planning process in parallel with RDT; however, it is a modern theory and has not been assimilated yet. RBV focuses on gaining competitive privilege by the use of organization’s internal resources through development and employment. RBV also concentrates on strategic management, strategic human resources management and strategic information technology (22) (Table 4).

Discussion and Conclusions

Rahmani, Royani and Ahmadi in a study entitled “Strategic Plan for Establishing a Quality System in the Diagnostic Laboratory” concluded that there was a significant difference in the quality of the laboratory after development and implementation of the program. They expresses the importance of dealing with problems in a targeted way and developing and implementing strategic planning (24)

Arbab Kash et al. in a study entitled “Success

Table 3: Different levels and related decisions to each level in health-care centers

Strategic	Access policies	Patient admission policies without prior appointment	Number of servers	Schedule type
Middle	Assign capacity to the patient group	Scheduled for medical appointment	Prioritizing different groups of patient	
Operational	Visiting day	Time visit	Patient selection from waiting list	

Table 4: Findings extracted from the studies

Author/ year	Journal	Field of study	Aim
Francisco de Paula Rodriguez Pereraa / 2012 (15)	Rev Esp Cardiol.	Strategic Planning in Healthcare Organizations	The purpose of this study was to identify the advantages, drawbacks and errors of strategic planning, the strategic planning process
Scott A Fritzen/ 2007 (23)	Human Resources for Health	Strategic management of the health workforce	This article discusses the workforce strategy. Influential factors for strategic workforce management are also mentioned.
Bitar Arbab Kash/2013 (18)	Healthcare strategic management	Healthcare strategic management and the resource based view	The purpose of this comparative case study is to examine how two large health systems formulate and implement strategy with a specific focus on differences and similarities in the nature of strategic initiatives across the systems. The aim is to gain a better understanding of the role of resource dependency theory (RDT) and resource-based view (RBV) in healthcare strategic management.
Florin Ioniță/2013 (21)	Procedia - Social and Behavioral Sciences	Strategic management of the Romanian Health System	This study discusses the domain and measurement of health systems and designs a framework for strategic management.

factors for strategic change initiatives: A qualitative study of healthcare administrators' perspectives" show the strategic planning in health centers and the differences and similarities between the planning process at these centers. Finally, they concluded that the resource-based strategic planning process (RBV) in health centers was very similar to each other (25). This result is consistent with the findings of our study, indicating that RBV is strategic for health planning and RDT has a strong influence on strategic decision-making. As a result, they are very similar to each other, so we can provide a conceptual framework.

Parra et al. (2012), in a research entitled *Strategic Planning in Medical Organizations*, explores the strategic planning process in the health sector, concluded that the strategic planning process in health centers was a viable process. Planning regular, logical, society, and integrating short, medium, and long-term integration into health centers through allowing the organization to focus on the developments need to move forward (15). They also concluded in this study that strategic planning was a systematic and comprehensive process, which is consistent with our study.

Schwarz and Ken (2002), in a study entitled "The Need for Doctors' Participation in Strategic Planning in Health Centers" assessed the importance of the participation of doctors in the strategic planning process; they concluded that the success of a strategic planning at a health center depends on stakeholder participation, namely doctors, nurses and managers (13).

On the one hand, the standard of living and people's expectations continue to be rising, and on the other hand the technology has improved and health-care centers have no choice but to change and improve their performance. Due to the fact that health-care centers are run by physicians and decisions on the general health-care policies are made by them, there are numerous problems found in the managerial system. It seems inevitable that more attention should be paid to strategic management as it plays a vital role in this issue. Strategic management consists of several factors, all of which emphasize the importance of management and improving the organizations' performances in the long run that is because patients' satisfaction and the public health in the society can be improved.(26).

That was an effort to provide a simple and brief abstract of the most important strategic issues in the health systems engineering and management. Also, according to the latest findings, there are lots of golden opportunities for researchers to boost health

in the society. There is so much hope that researchers' innovative performances and their attention to health sectors will lead to improvement in the health systems' performances.(27, 28).

The recent findings have shown that Resource Dependence Theory (known as RDT) plays a fundamental role in making strategic decisions in the health field. It was also observed that changes in performance and implementing strategies are derived from resources allocation and their consistency which categorically proves the fact that Resource-Based View (known as RBV) is more applicable to use in health strategic planning, while organizations are involved in external strategic plans. The provided information helps us provide a theoretical framework in health strategic management which is a balance of both RBV and RDT's functions (29, 30) (Figure 8).



Figure 8: The conceptual framework

The conceptual framework of RDT and RBV in Strategic Health Management represents the internal and external view of resources and processes of the strategic decision-making in the health sector. This framework begins with the analysis of the status of your work.

At this stage, both the RDT and the RBV approach should be used. The important point is that after the review we came to the conclusion that the RBV approach had an important role in the strategic planning process in the healthcare. Through investing and using resources and key management talents during the strategic planning process health systems increase the organization's capacity and the ability to deal with changes in the environment (20, 21).

Ethical Considerations

Ethical issues (including plagiarism, informed consent, misconduct, data fabrication and/or falsification, double publication and/or submission, and redundancy) were thoroughly observed by the authors.

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Conflict of Interest: None declared.

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