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STRATEGY SELECTION OF HEALTHCARE SECTOR DEVELOPMENT AND RISK MANAGEMENT OF ITS IMPLEMENTATION

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Introduction. The topic of this study is the necessity to implement all stages of strategic planning for health sphere development, such as analysis of the internal and external environment, selection of a specific strategy for further development, and identification and management of risks associated with the implementation of the chosen strategy.

Aim and tasks. The purpose of the study is to justify a comprehensive strategy for health sphere development based on the results of SWOT analysis, the characteristics of its main components, the identification of fundamental and specific risks of its implementation, and the development of their minimization directions.

Results. The study offers an application of recovery, restructuring, and reengineering strategies based on a SWOT analysis of the health sector in Ukraine. It offers cost management and risk management strategies as additional strategies. This study analyzes the fundamental and specific risks of health sector strategic development based on expert assessments. It determines that socio-political (weighted score of 7.28 points), personnel (7.94 points), and production and financial risks (7.67 points) pose the greatest threat in 2023. In addition, social and political risks tend to increase during the next two years to 7.67 points, personnel risks to 8.12 points, and production and financial risks could decrease to 6.39 points.

Conclusions. The strategy of functioning of socio-economic system could be chosen under both favorable and unfavorable external and internal conditions; the implementation of the recovery strategy is appropriate for solving the problem of unsatisfactory regulatory and legal support for functioning of industry; restructuring strategy envisages the implementation of organizational, economic, technological and social transformations aimed at improving quality of medical services and managing the assets of medical institutions; the implementation of reengineering strategy creates the necessary prerequisites for a fundamental rethinking of essence, tasks, techniques and methods of marketing activity of medical institutions in general, as well as the development of effective solutions for the formation and implementation of their assortment, communication and service policy in particular.

Keywords: health strategy, reengineering, cost management, risk management.

1. Introduction.

It is possible to ensure the effectiveness of strategic management of the socioeconomic system by considering the influence of external and internal factors. Studies of strategic planning by medical institutions and the health sphere currently contain only definitions using SWOT analysis of external opportunities, threats, and the strong and weak characteristics of research objects. However, such an analysis is not the goal of strategic analysis but the basis for choosing a certain strategy or several development strategies that appropriately specify the desired goals and optimal actions to achieve them.

It should also be noted that focusing on the quality system for the application of risk-based thinking “enables the organization to identify factors that could cause its processes and its quality management system to deviate from the planned results” (International Organization for Standardization, 2015). That is, the identification, assessment and development of risk minimization measures is a mandatory component of strategic planning since strategic management involves the use of a flexible approach to determining priority areas of development. Risk management allows for flexibility in strategic plans.

2. Literature review

The issues, directions, and prospects of strategic management and reform in the health sphere have recently been actively discussed. It was legal (World Health Organization, 2022) and financial (Jagric et al., 2022) aspects of strategic management of the industry, determine priorities (Lytvyn et al., 2022), and strategic orientations of the medical services provision system in Ukraine (Roborgh et al., 2023).

It also defined the essence of strategic management, analysed the demands arising from changes in the political, social, and economic value systems of post-industrial society (Huebner & Flessa, 2022), and described the process and steps that allow the formulation of an appropriate management strategy and strategic business development plan in the healthcare sector (Al Suaidi, 2022).

Historical and current healthcare policies and strategies at the global level were examined (Byskov et al., 2019), and the impact of healthcare providers on the effectiveness and cost of strategies to improve the productivity of healthcare workers in low- and middle-income countries (Rowe et al., 2019), reviewed strategic planning as an operational perspective for the healthcare system (Dennis, 2019), and examined strategic planning in healthcare (Rasouli et al., 2020). Researchers also focus on risk management to implement its issues in healthcare reforms (Cojocaru et al., 2022).

Currently, there are classifications of strategies for the development of socioeconomic systems, and the basis of each is a certain classification feature. Thus, this study distinguishes between active and passive strategies (World Health Organization, 2021) depending on the time of implementation and speed of response to changes: fundamental (strategies of business creation), development, support, and fading (Brin & Holtvyanska, 2021) depending on the stage of the life cycle of the organization; another one distinguishes cost leadership, wide differentiation, optimal cost strategy, focusing strategy, market niche strategy based on product differentiation, competitive strategies in new, mature, and fading industries, competitive strategies in fragmented industries and international markets, and corporate diversification strategies (Thompson & Strickland, 2001) depending on the specifics of competition.

Pylypiv et al. (2020) provided the most extensive classification of strategies for the development of socio-economic systems, with generalizations of such classification features as the level of decision-making, development style and type, degree of riskiness, ambitiousness of expectations, character of growth, orientation, degree of regulation, forecasting results, and interaction with the external environment.

Welter and Smallbone (2017) use growth and stabilization of the size of the enterprise and restructuring and reduction of its assets as classification features and single out a group of strategies, which include strategies of development, stabilization, and survival.

Despite the great diversity and even some inconsistency of approaches to the classification of strategies for the development of socio-economic systems, the task was not set to systematize the classification characteristics. However, the above examples allow us to generalize the understanding that the strategy of functioning of the socio-economic system could be chosen both under favorable and unfavorable conditions. Without diminishing the contribution of these authors to the development of the theory and practice of strategic management in the health sphere (Mikhno et al., 2020), it was considered expedient to choose a comprehensive strategy for industry development based on the results of SWOT analysis, to identify and assess the risks of its implementation, and to offer measures to minimize them.

3. Aim and tasks.

The purpose of the study is to substantiate a comprehensive strategy for the development of the healthcare sector based on the results of a SWOT analysis and the characteristics of its main components, as well as identify the fundamental and specific risks of its implementation and develop directions for minimizing them.

4. Results.

According to the accumulated experience in strategic management, the selection of a certain type of strategy for any socio-economic system's development is based on comparing the directionality of external factors that influence the existing strengths and weaknesses of the internal environment. The main tasks are performed by comparing the external and internal environments and their characteristics, which are identified using SWOT analysis. These tasks are: to establish the relationship between the main issues of the health care sector with its strengths and weaknesses, as well as with favourable factors and threats from the external environment; to search for optimal solutions for using the industry's strengths and favourable external conditions to solve its main issues; and to determine the measures to eliminate or reduce the impact of weaknesses and external threats on the further functioning of the health care sector.

The results of this SWOT analysis identify ten significant threats, six opportunities in the external environment, ten most significant weaknesses, and nine strengths in the internal environment of the health sphere (Fig. 1).

The predominance of threats in the external environment and approximately the same number of strengths and weaknesses in the internal environment determine that two fields of the SWOT matrix are relevant for choosing a strategy for health sphere development: the "Strengths and Threats" field (S&T) and the "Weaknesses and Threats" field (W&T).

The weaknesses of the internal environment are still more than the strengths. Therefore, the strategies of the W&T field—restoration, restructuring, and reengineering—become the most important. The implementation of the recovery strategy is appropriate for solving the issue of unsatisfactory regulatory and legal support for the industry. Thus, the main strategic goals are to create a foundation for further health sphere development based on restructuring and reengineering.

Currently, there is no generally accepted definition of the essence of the restructuring process in scientific and legislative sources, which causes the existence of a large number of definitions, given the complexity and multidirectionality of the said process.

The restructuring strategy of the health sphere is to provide for the implementation of organizational, economic, technological, and social transformations in the direction of improving the quality of medical services (standardization and internal support) and managing the assets of medical institutions (diversification of sources of financing, renewal of fixed assets, modernization of the network of medical institutions, improvement of motivational measures).

Reengineering involves the creation of completely new and more efficient business processes based on quality management, which emphasizes process management. Under the condition of effective application of reengineering, a significant reduction in costs, an expansion of the scale of economic activity, and the introduction of technological innovations could be achieved.

		External environment	
		Opportunities	Threats
		1. Access to the Internet and mobile devices. 2. Implementation of the advanced medical technologies in Ukraine. 3. The level of medical services demand. 4. Nature and level of competition in industry. 5. Development of the insurance services market. 6. Activities of developers of computer software products	1. Increasing inequality in the distribution of material goods and access to medical services. 2. Volume of internal and external investments. 3. The level of bureaucracy and corruption. 4. Slowing down of economic reforms. 5. Instability of the Government. 6. International and internal population migration. 7. Population aging. 8. Non-compliance of drinking water with current hygienic requirements. 9. Growing consumer demands for the quality of medical services.
Internal environment	Strengths 1. State control. 2. Number of medical personnel. 3. Qualification level of medical personnel. 4. Provision of medical facilities with working capital. 5. Provision of medical facilities with medical materials and medicines. 6. Provision of medical facilities with vehicles. 7. Correspondence of the type of organizational structures to the goals of the institutions. 8. Distribution of management powers. 9. Quality of planning and control processes at the institution level	Field of “strengths and opportunities” (S&O) Direction of efforts: development and expansion of activities due to the use of strengths and external opportunities. Possible strategies: increasing production volumes, entering new markets, introducing new technologies, expanding the assortment	Field of “strengths and threats” (S&T) Direction of efforts: using strengths to reduce the negative impact of the external environment by introducing anti-crisis measures Possible strategies: cost control, risk management
	Weaknesses 1. Regulatory and legal support for the functioning of the industry. 2. Standardization of the quality of medical services. 3. Insufficient funding. 4. Unsatisfactory quality and quantity of fixed assets. 5. Unsatisfactory state of the network of medical institutions. 6. Unsatisfactory level of communication development. 7. Assortment policy of medical institutions. 8. Service policy of medical institutions. 9. Inefficiency of motivational measures.	Field of “weakness and opportunities” (W&O) Direction of efforts: using external opportunities to overcome weaknesses Possible strategies: attraction of investment funds for updating technologies, equipment, structural transformations	Field of “weakness and threats” (W&T) Direction of efforts: complete reformatting of activities Possible strategies: restoration, restructuring, reengineering

Fig. 1. Matrix of SWOT analysis of the healthcare sector in Ukraine.

The current methodological toolkit of reengineering provides to design fundamentally new business processes the application of vertical "compression" of business processes (reducing the time for decision-making due to the reduction of functional hierarchy levels), horizontal "compression" of business processes (elimination of unnecessary approval procedures at one-level hierarchy), reducing the amount of resources involved in the implementation of business processes, developing processes with built-in control mechanisms, etc. The implementation of the reengineering strategy creates the necessary prerequisites for a fundamental reinterpretation of the essence, tasks, techniques, and methods of marketing activities of medical institutions in general, as well as the development of effective solutions for the formation and implementation of their assortment, communication, and service policies in particular.

The strategies of cost management (control) and risk management to reduce the negative impact of external threats on the activities of medical institutions are the strategies of the "strength and threats" field.

Normal functioning of the health care system is possible with sufficient funding (Lekhan et al., 2004). Such measures as increasing the amount of financing for the industry at the expense of reducing the financing for other sectors of the budget sphere, as well as the introduction of new taxes, are ineffective. Instead, strategies of cost containment (or cost control) and efficient allocation of resources are quite promising.

It is possible to reduce costs by reducing excessive demand for medical services (participation of the population in paying for services through insurance premiums, establishing a basic package of services) and reducing excessive supply (stimulating competition in the industry, limiting costs, reducing the number of beds and doctors, controlling spending on material and financial resources, frugal use of high-cost technologies, control of the effectiveness of capital investments).

The main condition for the implementation of the specified strategy is to preserve the high quality of the medical services provided. Due to economically reasonable cost management, it is possible to reduce the negative impact of such external threats as deepening inequality in the distribution of material goods and access to medical services, growing consumer demands for the quality of medical services, and a low level of entry barriers to the industry.

Development of a risk management strategy with specific measures to minimize all possible risks of activities in the provision of medical services to reduce the negative impact of insufficient investment, increased population migration, and aging of the population.

The following groups were identified as fundamental (objective) risks of health sphere strategic development: economic, socio-political, and organizational. According to the expert assessment of the risks of the external and internal environment, within each of the specified groups, it is necessary to single out the five most significant risk factors. Methodological techniques for choosing such factors could be the result of a pairwise comparison based on multidimensional scaling, expert opinions, or the results of PEST and SWOT analyses. Experts have established weighting coefficients for each factor. The sum of all the weighting factors for one group is equal to one. The factor that had a greater influence on the evaluated processes received a greater weighting factor. Each factor is evaluated on a 10-point scale, which illustrates its influence on health-related strategic development. The final value of the grades was maintained by multiplying the point grades by weighting factors. The value of the total assessment of a certain type of risk for a year was determined by a simple addition of the weighted point estimates of all factors within the group.

The following economic risk factors were identified: deepening inequality in access to medical services, rate of decline in GDP, inflationary processes, increased competition in the industry, decreased demand, and volume of domestic and foreign investment (Table 1).

Table 1. The system of fundamental risks of health sphere functioning.

Groups and risk factors		Coefficient (share)	Estimation, 2023		Estimation, 2025	
			points	weighted score	points	weighted score
Economic risks	Widening inequality in access to services	0,26	8	2,08	9	2,34
	The pace of GDP reduction	0,20	8	1,60	7	1,40
	Inflationary processes	0,22	7	1,54	5	1,10
	Increasing competition in the industry	0,15	3	0,45	4	0,60
	Volumes of internal and external investments	0,17	6	1,02	6	1,02
Total		1,00		6,69		6,46
Socio-political risks	The instability of the political situation	0,18	6	1,08	7	1,26
	The level of corruption	0,23	8	1,84	8	1,84
	Slowing down of economic reforms	0,18	6	1,08	6	1,08
	International and internal population migration	0,21	8	1,68	9	1,89
	Aging population	0,20	8	1,6	8	1,6
Total		1,00		7,28		7,67
Organizational risks	Increasing requirements for the quality of medical services	0,23	5	1,15	8	1,84
	Non-compliance of drinking water with current hygienic requirements	0,23	4	0,92	6	1,38
	Price and technical availability of innovations in the provision of medical services	0,17	3	0,51	4	0,68
	The level of consumer loyalty and trust	0,18	6	1,08	7	1,26
	The threat of cyber attacks	0,19	5	0,95	5	0,95
Total		1,00		4,61		6,11

The results of the assessment of the levels of the above-mentioned risks in 2023 and 2025 show tendencies both to increase and decrease. The most important economic risks for the health sphere strategic development are the rate of GDP reduction, inflation, and deepening inequality in access to medical services. Despite the recent spread of economists' opinions on the inadequacy of the GDP indicator for the current task of measuring the economic potential of a certain country (Mitchell et al. 2005), it remains one of the main indicators of macroeconomic analysis. The importance of this indicator for our analysis is due to the fact that GDP is the main source of forming the state budget (GDP growth is an important factor in increasing budget revenues), the funds of which, in particular, are directed to financing the health sphere. During an international comparison, the amount of financing in the health sector was measured as a percentage of the GDP.

The experts of the International Monetary Fund (IMF) estimate that the gross domestic product of Ukraine will decrease by 30.3% in 2022. The forecast for 2023, depending on the nature and intensity of military operations, ranges from a decrease of 3.0% to an increase of 1.0%. Over the next two years, the indicator is expected to grow by 3.2 and 6.5%, respectively (GDP, inflation, and real wages, 2023).

The National Bank of Ukraine (NBU) predicts GDP growth of 0.3% in 2023 because of the lack of access to ports and a decrease in cropland. Despite the presence of positive expectations, that emphasizes that the overall projected growth is much smaller than the decrease in 2022.

The Growford Institute (Boghdan, 2022) forecast for 2023–2025 shows that financial constraints will force the ratio of health care costs to GDP at the level of 3.6–3.7% (Fig. 2), which, in turn, will lead to underfunding of the industry.

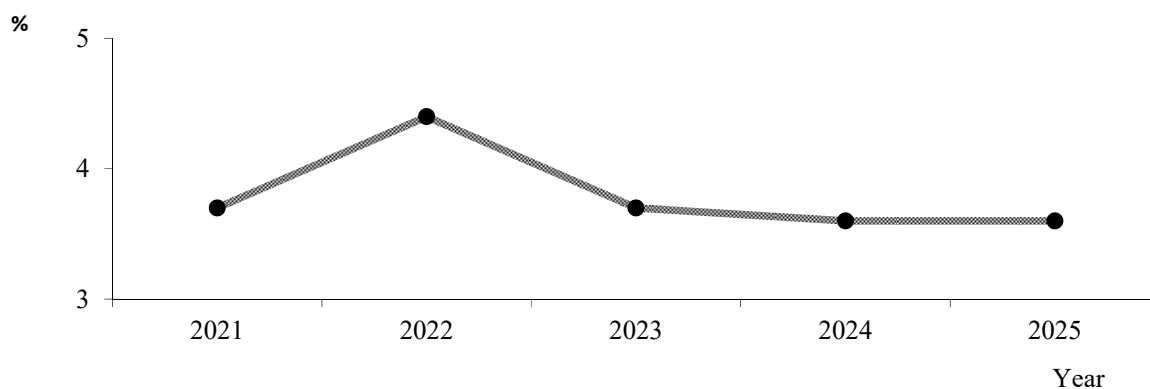


Fig. 2. Dynamics of expenditure of the consolidated budget of Ukraine in health sphere (forecast).

Source: based on (Boghdan, 2022).

These circumstances led to high-weighted estimates of the negative impact of GDP growth rates on health sector development (1.6 points in 2023 and 1.4 points in 2025). In any case, inflation is a negative factor and, at the same time, an integral component of market economic processes. The increase in the prices of medicines and medical goods, household goods, fuel, and lubricants leads to additional expenses for medical institutions and increases the cost of medical services, which requires an increase in the amount of state funding and household spending on health care.

The devaluation of the national monetary unit leads to the impoverishment of the population and, ultimately, to the deterioration of its health.

According to the National Bank of Ukraine (2023) estimates, in 2023, inflation in Ukraine slowed down to 21.3% annually (in 2022 the indicator was 26.6%). Given these circumstances, the National Bank of Ukraine predicted an inflation level of 14.8% in 2023. However, inflationary pressure on business production costs remains significant. According to experts from the National Bank of Ukraine, inflation is expected to decrease to 6.7% by 2025 (Inflation and GDP in 2023: expert forecasts, 2023). According to the IMF forecast, inflation in Ukraine will be 20.0% in 2023 (Fig. 3) and decrease to 8.0% by 2025 (National Bank of Ukraine, 2023). Considering the aforementioned forecasts, we estimated the inflation factor at 1.54 points for 2023 and 1.1 points for 2025.

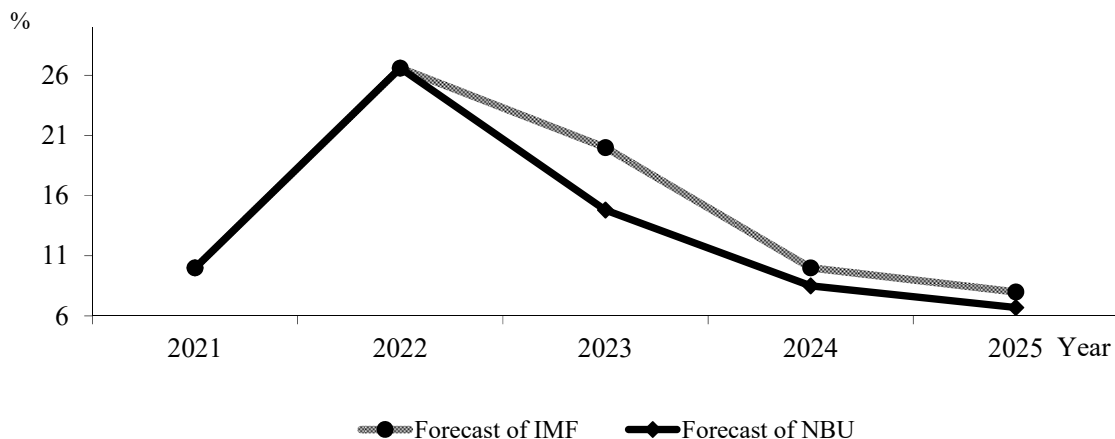


Fig. 3. Forecast inflation levels.

Source: based on (National Bank of Ukraine, 2023).

The most important factor contributing to economic risks is the deepening of inequality in access to medical services. The main reason for this deepening is a significant decrease in the level of well-being of the population, which is due to a high level of unemployment and a significant level of inflation in the country. According to the IMF, the real salary (adjusted for inflation) decreased by 21.1% in 2022 and is forecast to decrease by another 2% in 2023.

Despite the expected increase in wages in 2024 and 2025 by 2.5 and 5%, respectively, it could state the fact of a significant drop in the standard of living of the population. Given the decline in income, inequality in access to health services may increase significantly, which is reflected in our analysis by an increase in the weighted coefficient score from 2.08 to 2.34 points.

A significant increase in the discount rate to 25% per annum in June 2022 as an anti-inflationary measure has a negative impact on the possibility of increasing domestic investment in the form of bank loans, as it leads to an automatic increase in interest on loans. During 2022, Ukraine did not make any real foreign investments due to the conduct of military operations.

To stimulate investment activity, it is necessary to ensure the implementation of several reforms related to the creation of a basis for investment policy aimed at achieving specific goals, strengthening institutions for investment promotion, creating a competitive business-friendly environment, continuation of the anti-corruption reform, strengthening the regulatory and institutional framework for the regulation of capital investments, acceleration of the privatization process, and acceleration of accession to the EU (Jagric et al., 2023). Thus, it could be generalized that the situation with the volumes of internal and external investment will not change significantly in the next few years. In 2023–2025, the risk of a high level of competition could increase somewhat, which is associated with the structural restructuring of the network of medical institutions and the increase in the number of privately owned institutions.

Thus, the sum of the weighted point estimates of economic risks for 2023 is 6.69 points, and for 2025, it is 6.46 points. The decrease in the importance of economic risks by 0.23 points could not be considered significant, which means that the strategy for health sphere development should contain measures to minimize these risks. The management of economic risks in the health sphere strategic development includes the following measures: ensuring equal access of all segments of the population to medical services through an optimal combination of state and private social insurance, ensuring optimal allocation of resources and cost control, and increasing the investment attractiveness of industry.

The group of social and political risks consists of the instability of the political situation in the country, the level of corruption, the inhibition of economic reforms, international and internal migration of the population, and aging of the population. The most important of these are the levels of corruption, migration, and aging of the population.

According to the State Anti-Corruption Program for 2023–2025 (Cabinet of Ministers of Ukraine, 2023), among the corruption problems in the health sector is the insufficient integration of the electronic health care system with other databases. Due to these conditions, it is not possible to predict the complete elimination of corruption manifestations within the next two years; therefore, we estimate this risk factor at 1.84 points both as of 2023 and as of 2025.

In 2022, the international and internal migration of the population reached catastrophic proportions, which was connected to the conduct of military operations in the territory of the country. However, these processes will continue in 2023, and it is possible to predict their continuation in 2025 as well, which will be due to post-war crisis phenomena in economic and social life. Given the aging population and subfertility of the post-war period, it is unlikely that the weighted point estimates for 2023 and 2025 are the same.

Regarding the stability of the political situation in the country in 2025, we could expect an increase in negative manifestations, considering the complex social and psychological processes that will take place against the background of economic uncertainty. The difficult political and economic situation will also, in our opinion, not contribute to the acceleration of economic reforms.

Thus, the generalized assessment of socio-political risks is higher than the assessment of economic risks and tends to increase by 0.39 points. Management of the specified socio-political risks requires the government to develop comprehensive anti-crisis programs that include measures for political, economic, infrastructural, and social regulation.

Organizational risks include (in descending order of importance): growing consumer demands for the quality of medical services; non-compliance of drinking water with current hygienic requirements; the threat of cyber-attacks; the level of consumer loyalty and trust; and the price and technical availability of innovative medical technologies.

Product quality is its ability to satisfy consumer needs. To ensure the appropriate quality of medical services, it is necessary to introduce certain standards and certification of the quality system, which will create the necessary conditions for identifying inefficient links of the medical institution, promote more effective use of its resources, eliminate duplication of work and determine responsibility for their implementation. Currently, the mentioned processes do not meet the current expectations of consumers, which led to the assessment of this factor at 1.15 points. The forecast for changes in the current situation for the next two years is assessed as negative due to the difficult socio-political and economic situation in the country. In terms of the level and quality of water supply, Ukraine occupies one of the last places in Europe. As a result of inspections of the State Production and Consumer Service (2023) conducted in 2020 on more than 21,000 facilities of centralized and decentralized water supply, violations of sanitary legislation were found in 50.4% of them.

The non-compliance of drinking water with current sanitary requirements is the reason for the increase in the level of infectious diseases and poisoning. Among the reasons for non-compliance, experts note: violation of the arrangement and organization of well sanitary protection zones; physical wear and tear of equipment; lack of laboratory water control, preventive flushing of water supply facilities; insufficient supply of disinfectants, etc. (State Production and Consumer Service, 2023). Eliminating the above-mentioned problems will require the involvement of certain investment funds. However, the significant infrastructural losses and other negative consequences of military aggression could affect an increase in the risk of non-compliance of drinking water with current hygienic requirements in 2025 compared to 2023. Increasingly large-scale implementation of digital technologies in the process of providing medical services to some extent actualizes the risk of cyber-attacks, which could lead to financial losses and negatively affect the quality of medical care (Koval et al., 2022). Nevertheless, considering the high professionalism of domestic IT specialists, we estimated this risk at 0.95 points both at the beginning and at the end of the forecast period. The level of consumer loyalty and trust in the healthcare system is a reflection of its image created in the country's information space. Factors, including demographic, socio-economic, religious, cultural-behavioural and psychological factors affect this image.

However, the key ones are the quality of medical care and the efficiency of the health care system. Neither the first nor the second characteristics currently meet the desired level, which caused this risk factor to be assigned a rating of 1.08 points as of 2023. The risk of price and technical availability (or unavailability) of innovations in the medical field also tends to grow, while the issue is not so much the price as the availability of the necessary amounts of financial funds. Thus, the organizational risks of health sphere strategic development during 2023–2025 could increase by 1.5 points, although the total weighted estimates for this group of risks at the beginning and end of the period are significantly lower than for the other two groups.

Organizational risk management requires finding additional sources of funding and developing an effective communication policy. As specific (subjective) risks of health sphere strategic development, we identified the risks of state regulation (since the management of the industry is carried out by the system of central, regional, and local state authorities), personnel, manufacturing, and financial risks (Table 2).

The main risks of government regulation include a decrease in public trust in the government, ineffective (insufficient) regulatory

support for the functioning of the industry, unsatisfactory standardization of the quality of medical services, and poor implementation of healthcare reform at the state level, regional level and the ineffectiveness of strategic management. In 2023, the highest scores were given to the factors of unsatisfactory standardization of the quality of medical services (1.84 points) and poor implementation of health care reform at the regional level (1.4 points).

Table 2. The system of specific risks of health sphere functioning.

Types of risks		Coefficient (share)	Estimation, 2023		Estimation, 2025	
			points	weighted score	points	weighted score
Risks of state regulation	Decrease in trust in the Government	0,17	4	0,68	5	0,85
	Regulatory and legal support for the functioning of the industry	0,21	4	0,84	4	0,85
	Standardization of the quality of medical services	0,23	8	1,84	7	1,61
	Quality of health care reform implementation at the regional level	0,20	7	1,40	6	1,20
	Effectiveness of strategic management	0,19	6	1,14	6	1,14
Total		1,0		5,90		5,64
Personnel risks	Inadequate level of remuneration of employees	0,23	8	1,84	9	2,07
	Resistance to change	0,17	6	1,02	7	1,19
	Reduction of personnel potential	0,16	7	1,12	7	1,12
	Personnel turnover	0,22	9	1,98	8	1,76
	Inefficient motivational system	0,22	9	1,98	9	1,98
Total		1,0		7,94		8,12
Manufacturing and financial risks	Insufficient funding	0,24	9	2,16	7	1,68
	Formation of hospital districts	0,21	8	1,68	6	1,26
	Unsatisfactory assortment policy of medical institutions	0,17	7	1,19	7	1,19
	Lack of risk management activities at all levels	0,20	6	1,20	5	1,00
	Inefficiency of the management of medical institutions	0,18	8	1,44	7	1,26
Total		1,0		7,67		6,39

The issue of providing medicals with industry standards remains unresolved at the moment, although the relevant activity is carried out by the State Enterprise “State Expert Center of the Ministry of Health of Ukraine”, which gives reasons to predict a decrease in the negative impact of this factor on health sphere strategic development. But, considering the significant number of problems both in society in general and in the industry in particular, a

significant reduction in the risk of the absence of the necessary standards could not be expected. Ultimately, the achievement of the strategic goals of industry development depends on the quality of the implementation of health reform at the regional level. Inadequate quality could be due to insufficient understanding by civil servants of local authorities and local self-government of the essence of strategic transformations and low motivation for their implementation.

The overall weighted assessment of the risks of state regulation of the health sphere in the next two years tended to decrease slightly (by 0.26 points). The management of the specified risks should involve the development of specific measures to minimize the negative impact of each risk factor, but all of them are based on increasing the effectiveness of state control in achieving strategic development goals. Among the most influential personnel risks are inadequate levels of remuneration for medical workers, personnel resistance to transformation, reduction of personnel potential, personnel turnover, and an ineffective motivational system.

The biggest threats are high staff turnover (1.98 points), low employee motivation (1.98 points), and an unsatisfactory level of remuneration (1.84 points), which is the root cause of most personnel risks. The predicted changes in the manifestation of the specified risks in 2025 are an aggravation of the problem with the payment of labour (2.07 points), considering the lack of funds during the war and after its end, a slight increase in resistance to changes on the part of employees in connection with the structural transformation of medical institutions and networks of institutions, and a slight decrease in staff turnover.

At the same time, the threatening scale of the decrease in personnel potential (mostly due to the reasons for international migration) and the inefficiency of motivational systems will remain unchanged, as both problems will require a longer time to be solved. The general level of personnel risk tends to increase slightly (by 0.18 points).

Minimizing personnel risks requires a comprehensive approach, which should provide sufficient financial support, social development of teams, and social protection of employees; increase the effectiveness of communication processes in medical institutions; and create conditions for the motivated improvement of employee qualifications. The group of manufacturing and financial risks consists of insufficient financing for the industry, problems in forming hospital districts, unsatisfactory assortment policies of

medical institutions, lack of risk management activities at all management levels, and inefficiency in the management of medical institutions. The biggest threat to further health sphere strategic development is the lack of financial resources aimed at ensuring its functioning (2.16 points). The arrival of international financial aid during the next two years could contribute to reducing the level of this risk (1.68 points).

However, it will remain quite high in 2025, as its significant reduction is possible under the conditions of stable receipt of tax deductions to the state and local budgets, as well as under the condition of the development of the health insurance system. The risks associated with the formation of hospital districts (1.68 points) and inefficiency of the management of medical institutions (1.44 points) are also quite significant. However, the aforementioned problems will be solved over time, so the predictive indicator of the impact of this risk tends to decrease (1.26 points).

In addition, the risk of inefficient management of medical institutions has certain prospects for reduction because of the presence of medical workers with a significant interest in obtaining managerial knowledge.

Thus, the general level of manufacturing and financial risks of health sphere strategic development during 2023–2025 tends to appreciably decrease (by 1.28 points), but the estimates obtained during the analysis remain quite high, which necessitates the development of measures that minimize manufacturing and financial risks. Such measures include finding and promoting the development of additional sources of funding for the health sphere, effective resolution of organizational problems through the formation of hospital districts, and increasing the efficiency of the management of medical institutions (Fig. 4).

Therefore, the most popular measure to minimize the risks of strategic development in the healthcare sector is the search for and development of additional sources of funding for the operation of the industry. However, this measure is not a single one, as the complexity of existing problems is quite diverse and multidirectional.

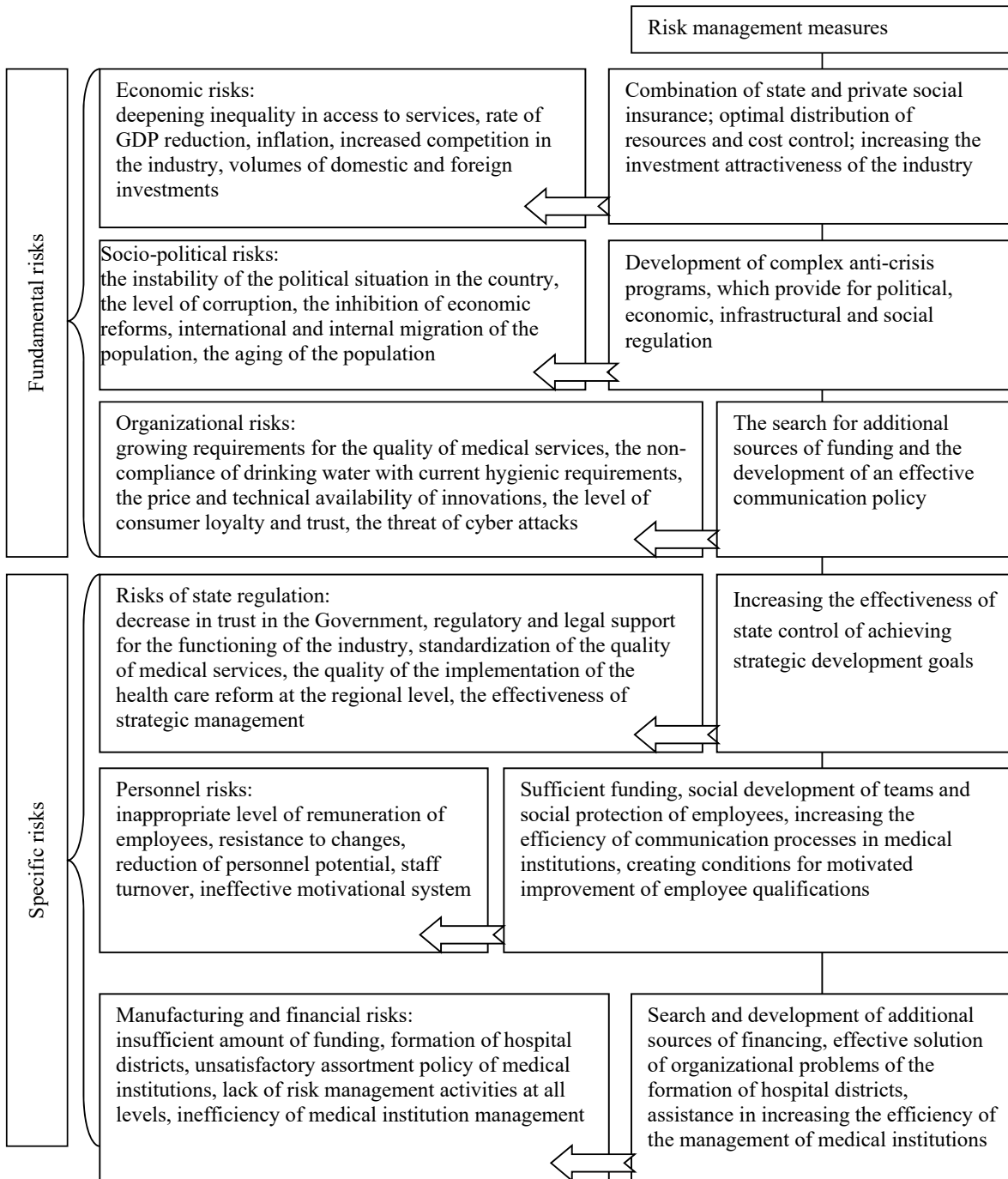


Fig. 4. Measures to minimize the risks of health sphere strategic development.

5. Conclusions.

The research determined that both favorable and unfavorable external and internal conditions affect the choice of strategy for socioeconomic system functioning. According to the results of the SWOT analysis of the health sphere in Ukraine, recovery, restructuring, and re-engineering strategies are the main development strategies.

The implementation of the recovery strategy aims to solve the issue of unsatisfactory regulatory and legal support for industrial functioning. The restructuring strategy should facilitate the implementation of organizational, economic, technological, and social transformations to improve the quality of medical services and manage the assets of medical institutions.

The implementation of the reengineering strategy will create the necessary prerequisites for changing the marketing activities of medical institutions as a whole, as well as developing effective solutions for the formation and implementation of their assortment, communication, and service policies in particular. Cost and risk management strategies should be used as additional strategies. The main goal of developing and applying these strategies is to reduce the negative impacts of external threats on the activities of medical institutions.

The analysis of fundamental and specific risks of health sphere strategic development based on expert assessments made it possible to generalize that as of 2023, the biggest threat is socio-political (a weighted score of 7.28 points), personnel (7.94 points), and industrial financial risks (7.67 points).

At the same time, social and political risks tend to increase during the next two years to 7.67 points, personnel risks to 8.12 points, and manufacturing and financial risks to 6.39 points.

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