

SWOT Analysis is The Most Popular Management Strategy Tool in The Health Care Sector, Why? A Literature Review

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ABSTRACT

This paper is a literature review that examines the use of SWOT analysis in health facility services. This study was conducted to see to what extent the use of SWOT analysis in the health sector and why this strategic tool has become so popular, including in the health sector. This paper identified 24 articles with related topics published the last decade. The use of SWOT analysis that has been carried out includes, among others for medical tourism 27,27%, development of information technology (IT) in the health industry 18,18%, while for making of dengue fever maps, strategies in individual medicine based on scientific evidence, strategy in developing health promotion, and strategy for public hospital facilities (buildings, infrastructure, organization and environment), strategy for reduce medical waste management primary health care, and staregy for national health insurance 9,09% each. SWOT analysis is the most popular tool used in the health sector because of its ability to analyze in detail both internal and external environmental changes and integrate strengths, weaknesses, opportunities and threats within the organization. Besides, this analysis is easy to do so it is not wrong if the use of this management tool is becoming very popular, including in the health sector.

Keywords

strategic management, medical, strategic, tools, environment factors

Introduction

Based on previous research conducted in health care facilities, it has shown that according to the various strategic tools, the use of SWOT (short for Strengths, Weaknesses, Opportunities and Threats) analysis is the most popular used by health care facilities. The study shows that 64.2% of health care facilities use SWOT analysis in making a health service business plan 1. SWOT (short for Strengths, Weaknesses, Opportunities and Threats) is the most popular strategic tool for conducting business internal and external environmental analysis in creating a company's business strategy 2. SWOT analysis is a long-standing method of gathering information to structure and maintain a fit between a business and its environment 3. There are not many studies that provide information regarding the use of SWOT analysis in the health care sector and why this strategy tool is becoming the most popular among other strategic tools such as Balanced scorecard (BSC), Break-even analysis, PEST (political, economic, socio-cultural, technology). This study is a literature review to see the reasons

why SWOT analysis is the most popular strategic management tool in the field of health services and has been used for analysis of what SWOT analysis is used in health services.

Literature Review

The management strategy model of a company describes the way the company conducts its business, it describes the interdependent activities carried out by the company and by its partners 4. The company will not be able to compete for a long time if it does not have a management strategy 5. Any changes in internal or external environmental factors will lead to changes in business strategy 6,7. SWOT (the acronym standing for Strengths, Weaknesses, Opportunities and Threats) is a popular tool to analyze the internal and external environments of an organization to achieve a scientific and systematic approach to take strategic decisions. As far as strategic factors are concerned, the internal and external factors are the most important factors for an organization's future. In SWOT analysis these internal and external factors (also called SWOT

factors) are categorized into four groups called SWOT groups: strengths, weaknesses, opportunities, and threats 2. Currently SWOT analysis is the method most widely used. This tool is able to formulate business strategies based on the weaknesses, strengths, opportunities and threats that exist around the business environment 8. SWOT analysis is a tool used in screening the business environment including internal analysis (strengths and weaknesses), and external analysis (opportunities and threats). This environmental analysis is very important for health facilities in formulating strategies, because the global health environment is always changing rapidly 9. Strengths are internal attributes of the organization that are helpful to the achievement of the objective. Weaknesses are internal attributes of the organization that are harmful to the achievement of the objective. Opportunities are external conditions that are helpful to the achievement of the objective. Threats are external conditions that are harmful to the achievement of the objective 10.

Checking the internal and external environment of the company important in the strategic planning process. SWOT analysis, which includes a strength analysis, weaknesses, opportunities and threats investigate both, internal and external as well as positive and negative company factors. Based on a SWOT analysis, a marketing strategy can be developed using company strengths as well as avoiding company weaknesses to enable the company to benefit from the future opportunities related to future risks 11. The benefit of a SWOT analysis is that this tool is able to access the internal and external environment of the business. With this, the company will be able to focus on strengths and opportunities and manage weaknesses and threats 12.

The strategy starts with a goal, which naturally follows from the company mission that is the reason for its existence. Goals are concrete goals that the company wants to achieve. They must be challenging but achievable and measurable. To draw up a strategic plan to achieve these goals, a company has to analyze the situation. SWOT analysis is a tool for the analysis of such situations. As generally defined, SWOT analysis is an approach to consider the obstacles and

performance enhancers of an organization meetings in the internal and external environment. The basic assumption of a SWOT analysis is that a company must align internal activities with external realities in order to be successful. The SWOT analysis provides a framework for analyzing strengths and weaknesses (internal), as well as opportunities and threats (external). This helps focus on strengths, to minimize weaknesses, and take advantage of opportunities as much as possible available 13.

The results of the processed SWOT analysis will display several strategic outputs. Strength-opportunities strategy (SO strategy) this is a strategic recommendation issued to respond to the company's strengths with the opportunities that exist. Companies can maximize these recommendations to bring out a company's competitive advantage. The next strategy is the weaknesses- threats strategy (WT strategy). The strategy is possible chosen in a precarious situation where strength is rare and threats are increasing. This includes defensive strategies for managing weaknesses and threats. The next recommendation output from the SWOT analysis is the weaknesses- opportunities strategy (WO strategy) this strategy provides recommendations for the company to be able to manage and improve weaknesses to take existing business opportunities. The last of the SWOT analysis recommendations is the strength-threats strategy (ST strategy).

This strategy provides recommendations for the company to be able to maximize its strength to fight against threats that are expected to arise 14. SWOT analysis was originally intended for use in business and industry, as a scanning process in the strategic planning process. Recently, a SWOT analysis has been used to research a variety of aspects of health and health promotion, including the capacity of community organizations 15.

Method

This paper is a review and study of various research related SWOT analysis in the health sector. The articles collected by the Google database, Google Scholar and Mendeley. A review was conducted on articles with topic SWOT

analysis in the health sector. We identified approximately 24 articles that were published in the last decade

Results and Discussion

Research related to the use of SWOT analysis has begun to be carried out in health facility services. Several studies have shown that the use of SWOT analysis in health facilities has been carried out, among others, to determine strategies in the field of medical tourism. Globalization has given rise to new patterns in the consumption and production of health services over the past few decades. Currently there is no limit in patients taking medical treatment between countries into a phenomenon which can be referred to as "medical tourism" This treatment can cover a variety of medical services, but most commonly includes dental care, nursing, cosmetic surgery, elective surgery, and fertility treatment 2,16,17. SWOT analysis in the secondary area is also used in the making of dengue fever maps¹⁸. SWOT analysis is used for development of information technology (IT) in the health industry 3. SWOT analysis is used for define strategies in individual medicine based on scientific evidence 8. SWOT analysis is used for strategy in developing health promotion 19. SWOT analysis is used management strategy for public hospital facilities (buildings, infrastructure, organization and environment) 19,20. The use of SWOT analysis based on existing research if it is made in the table is as follows

Table 1. Summary of research on the use of SWOT analysis in the health sector

The field of use of SWOT analysis	Percentage (%)
Medical tourism	27,27%
Development of information technology	18,18%
Making of dengue fever maps	9,09%
Strategies in individual medicine based on scientific evidence	9,09%
Strategy in developing health promotion	9,09%
Strategy for public hospital facilities (buildings, infrastructure, organization and	9,09%

environment)	
Reduce medical waste medical waste management primary health care	9,09%
National health insurance	9,09%

Source 2,3,8,15–19,21–23

Based on table 1, it is known that the use of SWOT analysis has been widely used for various purposes in health care facilities. In previous studies it was known that SWOT analysis was mostly used for strategy formulation in the medical tourism sector, while in other sectors it was still minimally used. In the field of medical tourism, environmental analysis is needed, especially a good external environment, including how the conditions across countries are so that the use of SWOT analysis in this case is very appropriate and popularly used. SWOT analysis is the most popular tool used in the health sector because of its ability to analyze in detail both internal and external environmental changes and integrate strengths, weaknesses, opportunities and threats within the organization. Besides, this analysis is easy to do so it is not wrong if the use of this management tool is becoming very popular, including in the health sector. However, SWOT analysis also has several disadvantages, namely SWOT factors are not prioritized by their significance thus it may result in an improper strategic action. While most studies of SWOT analysis have only focused on solving these shortcomings separately 24.

Conclusion

SWOT (the acronym standing for Strengths, Weaknesses, Opportunities and Threats) is a popular tool to analyze the internal and external environments of an organization to achieve a scientific and systematic approach to take strategic decisions. SWOT analysis is the most popular management fly in the health sector. This is because SWOT analysts are able to analyze the business environment in detail and are easy to use. This is very compatible with the health conditions that change very rapidly. The use of SWOT analysis that has been carried out includes, among others, for medical tourism, making of dengue fever maps, development of information technology (IT) in the health industry, strategies

in individual medicine based on scientific evidence, strategy in developing health promotion, strategy for public hospital facilities (buildings, infrastructure, organization and environment), strategy for reduce medical waste medical waste management primary health care, staregy for national health insurance.

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