

INNOVATION IN HEALTH MANAGEMENT

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ABSTRACT

Today, more challenging competition environment and dynamic conditions caused by globalization have led to the desire to provide competitive advantage and to be sustainable in health sector as well as all sectors. This motivates the health organizations to establish a new innovative understanding and continuous development processes. The only factor leading to this situation are not competitive conditions, also the availability of human and human life at the center of the sector is another factor leading to this situation. Health expenses, which occupy a highly significant place in the world, have reached a leading level in all sectors in the research and innovation field together with the development of new technologies and administrative methods. This research aims to reveal the understanding and requirements of innovation in health management.

INNOVATION IN HEALTH MANAGEMENT

The health sector, vision of which changes each passing day, has started to deal with innovative products and processes along with developing technologies. Early diagnosis and treatment facilities have been developed, which will reduce future costs and provide convenience and high performance in long term in health services. In the context of public policy, health systems primarily aim to increase the accessibility to health organizations and health services.

According to the Oslo Manual (2005); treatment of diseases, which cannot be diagnosed early, delay and it can result in higher costs than usual conditions. Innovation in health services contributes to the development of sustainable solutions together with increased productivity.

The health sector, which is of a great importance, especially one of the priority service sectors of developed economies. Innovative understanding in health services also contributes to the development of society and to economic growth. According to Tezcan (2016), approximately 7-7.5% of GDP of the developed economies consists of services or products developed by health sector. The rate of the health sector in total employment also shows an increase up to 10% in the same countries. Approximately 16% of GDP is expected to be composed of health expenses by 2020. With the rapidly increasing health expenditures all over the world, the health sector becomes the most important consumer of innovative technologies in the world.

When the trends of growth and development in the health sector are taken into the consideration, it would not be wrong to say that making innovation on behalf of health institutions now significantly becomes obligatory. Especially when period of time after 2000 is examined, it is seen that technological developments primarily affect the health sector (Tezcan, 2016).

According to Cresswell and Sheikh (2016); the main factor, which opens the way in order for healthcare institutions to be sustainability and to gain advantage under the strong conditions of competition by means of differing from rival organizations, is their innovation approach. Miller and French (2016) have shown that health organizations are obliged to develop a variety of strategies by means of integrating with technology and innovation to respond to social and individual expectations as a result of dynamic competition conditions and market pressure.

Since innovation understanding in health sector also necessitates an increase in quality along with competitiveness and sustainability as mentioned above, it forms a basis to struggle with synchronously increasing costs. Health organizations comply with various standards and take innovative steps in order to offer quality service. According to Omachonu and Einspruch (2010), innovation understanding focuses primarily on the provision of cost-quality balance in health services. Innovation in this direction is financially one of the most important factors of the increase in productivity in the health sector.

Health institutions implement data and innovations, which are obtained as a result of following of current developments, by means of integrating them into their own processes. This situation also leads to reduce the costs. In addition to this, quality of health services increases and patient satisfaction is increasingly provided. According to Gaynor and Town (2011); along with advances in information and communication technologies, easy access to information increases the quality expectation for patients and a more selective and conscious mass emerges. For this reason, when individuals become sick, they prefer more quality and more comfortable health organizations instead of the closest health organization. This creates an important competitive environment for health institutions. According to Barrett et al. (2015), the changing expectations of patients and their relatives have led to the diversification of the services provided by health organizations, both in terms of content and scope. For example, there has been an increase in demand for health services such as home care services with increased life expectancy and health organizations have begun to compete with each other for this and similar applications.

Health enterprises take steps to increase their productivity and effectiveness in order to meet the changing and growing demands. The adoption of innovation in sectorial sense and its acceptance as a philosophy in health organizations have importance both in terms of the increasing in quality and being reason for preference (Fong and Harris, 2015: 438). Health organizations and the health sector experience a new structuring process both in administrative and medical sense. Today's practices and advances in

medical technology also present significant opportunities for redesigning and restructuring the health services (Özgener and Küçük, 2008: 345). Early diagnosis and improvement of success rates in treatments and reflection of the innovations in information technologies to health organizations can be seen as the basic dynamics of revisions in the health sector (<http://www.saglik.gov.tr/>).

In the context of innovation and restructuring in health organizations, reduction of bureaucracy and recruitment suitable for principle of merit in health services become an important necessity (Ginn et al., 2006: 111). However, it is also seen that the managements in the health organizations have adopted organizational philosophies that focus on innovation in the field of patient care. According to Özgener and Küçük (2008), both using more efficient the available resources and providing the sustainability of existence of innovative services will be possible by means of integrating modern management techniques and medical innovations into the system to respond to changing demands.

Productivity is especially one of the priority issues in health management as mentioned above. Adoption of new methods and techniques is of a great importance to achieve the productivity criteria. Similarly, Wu and Hsieh (2011) state that it is an obligation for health organizations to exhibit an innovative approach both in terms of administrative and medical in order to adopt the innovation philosophy in health management.

Since the basic consumer of innovation in health institutions will be individual and society, human takes place in the center of health service. In this respect, the main goal of innovation in health management is to create a healthy population. Innovative approaches cause health institutions and the countries, in which health institutions are located, to increase their competitive power. Early diagnosis and treatment procedures develop together with innovation understanding and extensions of innovation and as a result of the researches made in accordance with these conditions, export opportunities arise. According to TÜSİAD report belonging to year 2016 written by Tezcan (2016), innovative understanding and R&D capacity in the health sector also constitute an example for other sectors together with technological opportunities and accumulation of knowledge.

It can be said that public institutions occupy an extensive place in health sector, where privatizations and merger of companies are seen in a widespread manner, and especially in Turkey. In this respect, it will not be wrong to say when innovation is mentioned that innovation in the public sector will not be as fast as innovation in the private sector.

Competition in the health organizations affiliated to the public is much lower than that of the private sector and choice opportunity for people in public institutions is less than that of the private sector. Although various pressures

on change and innovation are created, the public sector fails to be in the forefront of change as much as the private sector. For example, even if the applications carried out to reduce the costs lead to good results, the health organizations affiliated to the public can be late in decision making about these practices due to the bureaucracy compared to the private sector. According to Bessant and Maher (2009), this situation postpones or makes difficult the innovation movements in health organizations affiliated to the public.

In particular, managerial and medical developments emerging in the last period determine the direction of the health sector. The arrival of the human genetics in the solution phase and development process in the pharmacy sector has made it possible to overcome chronic and very difficult diseases. When considered under health sector umbrella, it is known that industries, which are considerably open for innovative understanding, are biotechnology, pharmaceutical and medical device industries (Herzlinger, 2006: 58). A large part of the global funds are also used in the health sector. Especially medical innovation and researches need to very serious investments. However, in spite of investments, it should not be forgotten that innovations and developments will cause to significantly yield a financial profit in the long term. For example, it has been thought that a drug, which has been developed against a type of cancer and for which a great investment has been made, would cause to far less cost in the long term compared to treatments to heal cancer that should be carried out under normal conditions. This situation proves that the return on investments made in R & D studies will be ensured (Deloitte, 2016: 94).

RESULT

Health organizations should continuously improve and develop themselves to ensure patient satisfaction and to be preferable along with challenging competition conditions, preventive health care services and new developments appearing in treatment stages. As a result of differentiation of social needs and expectations in due course, it is necessary for the health organizations to change and transform themselves and the services that they offer. The increase in income level and the development process in medical devices create a more qualified health service expectation for the individuals and every part of community with the effect of technology. The early diagnosis and increase in treatment methods, the availability of medical devices and all resources whenever necessary, the allocation of sufficient financial resources for research and development, the feedbacks receiving from patients and the integration of current scientific arguments into each unit of the organization are important results of the innovative approach in the health sector. In this context, with the placement of the innovation understanding in the health sector, quality understanding develops through both functional and managerial innovations.

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