

The Importance and Relevance Of Improving Competitiveness Management Strategies In Medical Institutions

Abdurakhmanova Shokhida Ravshanovna

Assistant, Department of the Management and Marketing, Fergana state technical university, Fergana, Uzbekistan

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Abstract: This article emphasizes the importance and relevance of improving competitiveness management strategies for healthcare organizations. It analyzes reforms in the healthcare system, the specifics of the medical services market, and the strategic focus of organizations. It substantiates the need for innovative approaches to enhancing competitiveness, developing human resources, and establishing an effective management system. The study's findings demonstrate the importance of strategic management mechanisms in ensuring the sustainable development of healthcare organizations.

Keywords: Competitiveness, medical institutions, strategic management, healthcare system, innovative development.

Introduction: Competitiveness is an indicator that reflects the degree to which an economic entity effectively utilizes resources compared to its competitors, serving as a key factor in determining a company's position in the market. This concept is directly applicable to medical institutions, which represent an important component of the social sector, as competition plays a vital role in improving the quality of medical services and meeting public needs.

In Uzbekistan, a series of reforms have been implemented to foster a competitive environment in the healthcare sector, reduce state participation, and enhance the activity of the private sector. In particular, the Presidential Decree of the Republic of Uzbekistan No. PF-6019 dated July 6, 2020, "On additional measures to further develop the competitive environment and reduce state participation in the economy" [2], as well as Resolution No. PQ-3450 dated December 29, 2017, "On creating additional conditions for the development of private medical organizations" [1], are aimed at improving management efficiency and introducing the principles of healthy competition in medical institutions.

Under these circumstances, improving the strategy for managing competitiveness in healthcare institutions

acquires special relevance. Such an approach contributes to the sustainable development of the healthcare system through the rational use of resources, enhancement of service quality, and the implementation of patient-oriented innovative management mechanisms.

Literature Review

Issues related to ensuring competitiveness, developing management strategies that are flexible and adaptive to market conditions, and employing modern marketing and management methods have been widely explored at the international level by scholars such as Adam Smith [3], A. Marshall [4], Michael Porter [5], Igor Ansoff [6], and Peter Drucker [7].

The founder of classical economics, Adam Smith, in his seminal work "An Inquiry into the Nature and Causes of the Wealth of Nations," defined competition as "a vital factor through which individuals, driven by personal interest, contribute to the overall economic benefit of society via market mechanisms. Competition is the principal driving force of a free market economy."

Michael Porter, in his influential book "Competitive Strategy," described competition as "the act of choosing to compete in order to win; it is a process of deliberate differentiation and continuous

improvement in strategic direction and operational practices.”

The studies mentioned above emphasize that competition serves as a fundamental mechanism of market dynamics. However, they also reveal that in the social sectors—particularly in healthcare—many issues related to the effective application of competition principles remain unresolved and require further scientific and managerial attention.

Methodology

The research employs a set of general scientific methods, including system analysis, monographic study, graphical representation, comparative analysis, expert evaluation, PESTEL analysis, SWOT analysis, and the Balanced Scorecard (BSC), among others. In the process of thoroughly analyzing competitive advantages and factors influencing efficiency in medical institutions, the use of statistical and economic analysis methods holds particular significance.

This methodological approach enables the collection and analysis of data that determine the competitiveness of organizations and serves as a basis for evaluating their performance efficiency. Throughout various stages of the research process, these methods were applied in different combinations to ensure the scientific validity of the final results, conclusions, and recommendations.

Results and Discussion

The increasing intensity of competition in the healthcare system requires medical institutions to adopt effective strategic management approaches to ensure sustainable success and growth. In the modern context, the competitiveness of healthcare organizations is a multifaceted concept based on their ability to provide high-quality medical services, enhance patient satisfaction, and maximize operational efficiency.

To achieve competitive advantage, healthcare institutions must actively integrate technological innovations, make data-driven managerial decisions, and continuously improve their service delivery processes. Establishing a patient-oriented management culture plays a crucial role, as the introduction of personalized service packages increases patients’ trust, strengthens the institution’s market position, and ensures sustainable competitive advantage.

Technological innovations are an essential strategic factor in improving competitiveness. The implementation of electronic medical record (EMR) systems, telemedicine, digital diagnostics, and precision medicine technologies enhances service

quality, promotes efficient use of resources, and facilitates faster and more informed management decisions.

Another important determinant is operational efficiency, which remains central to competitiveness. Through rational resource utilization, process optimization, cost control, and balanced management of human and technical resources, healthcare institutions can not only improve service quality but also achieve greater financial stability. Consequently, strengthening strategic management contributes to the sustainable development of healthcare institutions in competitive environments and enhances the overall efficiency of the healthcare system.

Managing the competitiveness strategy of a medical institution involves developing and implementing a long-term strategy focused on maintaining quality, stability, and adaptability to both internal and external changes. Internal factors include the management system, institutional image, client acquisition strategies, resource optimization, staff development, and trust-building, while external factors encompass epidemiological conditions, health policy reforms, technological advances, and market competition.

Therefore, the concept of “management of competitiveness strategy” is not limited to minimizing institutional risks. It also includes strengthening competitive advantages—such as a skilled workforce, effective technological tools, a quality service delivery system, and adaptability to environmental changes—through integrated and scientifically grounded strategic mechanisms.

After analyzing the external and internal environment, organizations should develop conceptual strategies for success, taking into account their current condition, market and industry environment, competitors’ status, available resources and opportunities, and consistency with their long-term objectives.

If the strategy is selected according to the following criteria, it can be optimal and effective for organizations:

- Consistency of the strategy with the organization’s overall mission and objectives;
- Ability of the strategy to ensure competitive advantage and differentiation from competitors;
- Consideration of the organization’s existing resources and capabilities;
- Assessment of the potential risks and opportunities of the strategy;
- Consideration of the short-term and long-term results of the strategy.

Along with taking these criteria into account, medical institutions should also consider the classification of strategies. Because even if organizations have sufficient resources and opportunities, they may still lose their market position by choosing a strategy inconsistent with their position in the market. Therefore, it is necessary to elaborate on the types of strategies classified by category and subcategory.

Organizations, in the process of creating competitive products or services, evolve through functional, business, and corporate levels, developing and implementing their strategies at these levels.

Functional strategies are developed for separate functional departments of an organization (for example, marketing, production, finance, and others) and are actively implemented at the initial stage of the organization's life cycle. Functional strategies are needed to define each department's specific goals and objectives, ensure interdepartmental cooperation, achieve common goals, and enable efficient and optimal use of resources. Through such strategies, the effectiveness of each department and the overall profitability of the organization can be improved.

Business strategy is aimed at increasing the realization level of specific products or services, improving brand image, and strengthening the organization's market position. This strategy is necessary to enhance product or service competitiveness, study market conditions and plan accordingly, improve customer service, and develop products that meet customer needs. Through this, the organization can increase product and service sales, attract new customers, retain existing ones, and improve products by applying innovative technologies and methods.

Corporate strategy defines the general direction, long-term goals, and objectives for all divisions and functions of the organization. Corporate strategies are important for managing risks in organizational activities, minimizing their effects, determining long-term development paths, gaining a foothold in international markets, and integrating with other sectors.

In today's rapidly developing market, where consumer preferences change quickly, it is becoming increasingly difficult for organizations to maintain their positions. To ensure continuous development, conduct market analysis, increase product or service competitiveness, and expand potential consumers, organizations need to apply competitiveness strategies. Through these strategies, an organization identifies its strengths and weaknesses, adapts to market conditions, and competes effectively with rivals.

The main aspects of assessing the competitiveness of medical institutions are to study and evaluate them

through methodological approaches, as these help determine how organizations can compete and strengthen their market positions by analyzing the internal environment, identifying strengths and weaknesses, and defining their resources and opportunities. The main methodological approaches to assessing the competitiveness of medical institutions are as follows:

Analysis of the Resource and Capability Model. This involves analyzing the organization's available resources and capabilities, helping to develop strategies to leverage strengths and eliminate weaknesses. Understanding one's capabilities and resources compared to competitors reveals opportunities and threats. By investing in education, technology, and process improvement, the organization can enhance its capabilities and ensure the optimal allocation of resources to areas that provide the highest strategic value.

Porter's Five Forces Model. Porter's Five Forces Model is a strategic management tool used to assess the competitive environment of an industry and identify the main factors influencing competitiveness. The model analyzes the interaction among existing competitors, new entrants, substitute products, buyers, and suppliers. This approach serves as a scientifically based analytical method to help organizations adapt to market conditions, determine strategic advantages, and enhance competitiveness.

Conclusions

In conclusion, Michael Porter's theories of competition serve as an important scientific and practical foundation for improving the strategy of managing competitiveness in medical institutions. Along with analyzing the competitive environment based on the "Five Forces" model, it is also essential to thoroughly examine both the internal and external environments of the institution, including factors such as the level of technological equipment, opportunities for the use of artificial intelligence, the qualifications of medical staff, patient satisfaction levels, and government support programs.

These factors play a decisive role in determining the strategic directions of institutional development, ensuring the efficient use of resources, and implementing innovative solutions. Strategies developed on the basis of an analysis of internal capabilities and external threats enable institutions to create sustainable advantages under competitive conditions, improve the quality of services, and strengthen patient trust.

As a result, forming a comprehensive strategic management system grounded in Porter's theories

becomes a key factor in enhancing the competitiveness of medical institutions, improving their efficiency, and ensuring the sustainable development of the healthcare system.

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