

# Chapter 5

## Change Management and Leadership: An Overview of the Healthcare Industry

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### ABSTRACT

*The increasing convergence of technology and health care is ushering in a new era of digital transformation in the way patients interact with healthcare professionals. The surging market is forcing healthcare organizations to continuously leverage technology to modernize medical care, reduce manual handoffs, and reduce costs. However, the success rates have not been very encouraging. This is significantly due to lack of proper attention to organization change management by leadership. By performing an in-depth analysis of affected leading hospital chains in India, this chapter deduces how leadership can help foster better change adoption throughout the lifecycle of technology implementation in healthcare organizations.*

### INTRODUCTION

Healthcare organization are large complex organization which differs from other businesses due to involvement of a wide gamut of professions (e.g. doctors, nurses, pharmacists, administrators) and other stakeholders (patients and government) with conflicting interests and perspectives. All this is at the ultimate goal of providing ever increasing healthcare support with limited financial support and bottom-line remains doing whatever so that it is good on the patient. It is often described as a conglomerate of systems not working in concert and is thus unique in terms of complexity, purpose and reach. Health care leaderships increasingly have a responsibility to stimulate and create successful change in their sector beyond just being reactive in adapting to change in external environment. Here in comes the importance of technology and hence we find this sector to be one of the largest adopters of technology. Change in health care is making great strides through technology whether it be implementing regulatory and policy requirements, such as ICD10 or understanding of new models of care such as Patient-Centered Medical Homes (PCMHs) or progress their own quality improvement efforts for efficiency (NLC, 2013). Tech-

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nology can help ensure that the “precious healthcare professionals maximize their time with patients while the overall healthcare workflow can be augmented by effective utilization of Hospital Information Systems”, remarked Dr Sangita Reddy, Executive Director, Apollo Hospitals. Technology also helps optimize the diagnosis to treatment time which in turn can reduce costs of diagnostics and hospital stay.

Investments in health care IT (HIT) across the globe are expected to be approximately \$500 billion in public-sector investments across 22 countries over the next five to seven years (Marwaha S and Savas S, 2012). Improvements in technology have prompted consumers to create opportunities in the healthcare market that traditional healthcare systems aren’t capable of. A decentralized and personalized value based future model of healthcare is envisaged through newer advances in areas of behavioral science and technology. This will help consumers to be accountable in cost reduction and quality improvements. All this is shifting the focus towards effective change management among its stakeholders for successful implementation. The paper elaborates how a combination of soft as well as traditional leadership skills can enable the shift toward a patient-centered world balancing the interests of healthcare professionals, managers, and patients.

## **BACKGROUND**

An effective and innovative use of medical technology, supported by ICT, can increase access and decrease the load on healthcare delivery services through “early diagnosis, better clinical outcomes, less invasive procedures and shorter recovery times.” (Laal, 2013). A fundamental aspect of healthcare transformation is the ability to cater to the larger segment of the population. The convergence between technology with healthcare enables the providers to improve the patient experience and in operational efficiently through increasing networking and knowledge sharing among providers. Technology is helping the industry in “modernizing medical care reduce costs, avoid redundant or duplicate tests /procedures and mechanize manual processes.” (Dwivedi, 2015)

Having said that, just a simple automation of flawed processes makes matters worse. In cases where leaders pursue flawed technology strategies without any reengineering and softer aspects, they end up spending precious time and resources without getting any real benefit. Moreover, flawed technology deployment increases resistance by convincing clinicians that adopting change involves pain. IT if applied intelligently, strategically and in a planned manner can become a facilitator to improved quality, patient safety and transparency.

Healthcare and IT are slowly merging beyond islands of excellence. In India, NATHEALTH was formed as a central governing body to deploy nationwide technology affordable healthcare. Reaching rural areas where less than 15% people are covered by insurance is a huge challenge, noted Mr. Anjan Bose, Director NATHEALTH. So technology is unavoidable e.g. with mobile telephony effectively transmitting test signals for patients to specialized doctors in cities. 30-40% of any hospital initial setup costs is for technology with an average of 7 years’ payback. So technology implementation has to be judicious.

Preetha Reddy, Managing Director, Apollo Hospitals India said, “The next big thing to revolutionize the healthcare industry is the use of technology to deliver care outside of the hospital system to the doorstep of consumer”. Kristin Peck, Pfizer’s executive vice president observes that healthcare has reached a turning point for innovation. The ever increasing use of telemedicine, HIS, electronic health records, mHealth has prompted healthcare professionals and consumers demand more information in a transparent manner to understand the value for their money spent. Improvements in collaborative data exchange,

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