

Chapter 3

Critical Factors for the Creation of Learning Healthcare Organizations

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ABSTRACT

The need to transform the U.S. healthcare system became clear during the aftermath of Hurricane Katrina. Katrina was not an unexpected disaster nor was it an exceptionally large event. And yet in the wake of Katrina the loss of life was tragic and emergency health care following the storm was severely hampered by the lack of paper health records that had been washed away or ruined. What is required is a transformation of the current health system to an intelligent health system that maximizes technology and utilizes valuable knowledge assets. To effect such a change healthcare organizations must become learning organizations. The objective of this chapter is to provide a link between principles of organizational learning and knowledge management in order to build the learning healthcare organization. The major thrust of this approach is that the human side of the organization must lead knowledge management technology and not the other way around. The chapter distinguishes between organizational learning as a structure laying the foundation for learning, and the learning organization as a process for maintaining and perpetuating continuous improvement in the organization supported by incorporating a process-centric view of knowledge management (KM) realized through the establishment of a KM infrastructure. Moreover, it emphasizes that since health care is a knowledge intensive industry knowledge management is an integral component in building the learning healthcare organization.

INTRODUCTION

In his key note address at the 2005 Medical Innovation Summit at the Cleveland Clinic, Newt Gingrich noted that it is imperative to transform healthcare to meet 21st century standards. He

emphasized how Hurricane Katrina illustrated most vividly the problems with the current paper-based bureaucratic health system and sent a clear message that an intelligent healthcare system that is value-driven, knowledge-intensive, and electronically based is required.

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The question then becomes how do we go about realizing such a system? To understand this we must first understand the key drivers of demand for health care and for changes in health services delivery. These include, but are not limited to: demographic challenges, i.e., an ageing population that develops more complex health problems; technology challenges, i.e., trying to incorporate the latest technology advances to keep the population healthier; and financial challenges, i.e., trying to curb escalating healthcare delivery costs. In response to these challenges the health system is focusing on enhancing access, quality, and value through the incorporation of technology solutions. However, just simply incorporating technology is insufficient to effect the needed transformation of an intelligent, flexible, and appropriate health system; rather simultaneous and parallel layers of health transformation at the individual and institutional levels must also be considered.

In the current management environment, knowledge is recognized as the driver of productivity and economic growth, leading to a new focus on the role of data, information, technology, and continuous improvement in the enhancement of economic performance. A key raw material for all organizations in the knowledge economy is data and this resource can be further refined into information and ultimately knowledge, the source of all sustainable competitive advantage (Davenport & Grover, 2001; Von Lubitz and Wickramasinghe, 2006; Wickramasinghe, 2003, Wickramasinghe, 2005, Wickramasinghe & Lichtenstein, 2005). Generally, organizations have been slow to maximize the potential of this raw asset, while healthcare organizations have been particularly deficient. In the case of healthcare organizations, these data assets are generated during care processes and are used in part to develop new treatment models and more efficient administrative processes among providers, insurers, payers, and patients (Wickramasinghe & Schaffer, 2005). Given the significant volumes of heterogeneous data that are generated during care and the con-

siderable impact that these data can have on treatment outcomes, this current state of incomplete utilization of knowledge assets is unacceptable. Hence a useful starting place for transforming the current healthcare system into an intelligent healthcare system is to transform healthcare organizations into learning healthcare organizations that actively manage and thereby maximize their knowledge resources. Creating such a learning healthcare organization requires the integration of organizational learning techniques and a process centric perspective to knowledge management.

BACKGROUND: KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL LEARNING

A sound knowledge management (KM) infrastructure is a critical consideration for organizations in any industry as they try to wrestle with current challenges to increase efficiency and efficacy of their core business processes, while simultaneously incorporating continuous innovation (Alavi & Leidner, 2001; Markus, 2001; Sharma, Gupta, & Wickramasinghe, 2005). However, the connection between incorporating KM tools, techniques, and strategies, and thereby building a strong KM infrastructure, and simultaneously evolving into a learning organization is not well discussed in the literature and even more poorly achieved in practice (Alavi & Leidner, 2001; Huber, 1991; Markus, 2001; Sharma et al., 2005; von Lubitz & Wickramasinghe, 2006). By recognizing the direct connection between organizational learning and knowledge management it is not only possible to develop a successful KM initiative, but more importantly make the transition to a learning organization. Conversely, by ignoring this integral connection it is highly probable that the KM initiative will not realize its anticipated goals nor be truly successful (Sharma et al., 2005; von Lubitz & Wickramasinghe, 2006).

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