

Change and Digital in the Healthcare Industry



Customer-facing digital transformation is well underway in healthcare

This industry has become a leader in its synthesis of business strategy and technology, all in service of revolutionizing customer care. At the same time, healthcare organizations (HCOs) have had to accommodate continual developments in the political climate, government legislation, policies, funding, growth, technology, and medical advancement. To respond to these, they must equip themselves with a number of change management initiatives, often deployed simultaneously in different silos of the organization. The combination of these two forces—customer-facing digital transformation and pervasive organizational change—primes healthcare for digital transformation *inside the enterprise*.

Enterprise digital transformation requires engaging and aligning workers strategically through their digital touchpoints within the organization. HCOs need strategies to keep up with themselves, so that no part of the organization is left behind – down to the individual workers that serve patients every day. If patients see that doctors, administrative staff, and nurses attend more to their technology than the customers they serve, then something's amiss. When technology inhibits rather than enables patient care, then the change strategy needs adjustment at the organizational level.

Technology can contribute to an employee experience that inspires high-value practices among workers. In order to implement technology in a way that benefits both workers and patients, organizations must first invest in future-oriented work design and informed business strategy.

Pair organizational change with the efforts toward human-centered health, and you see greater transparency, dialogue, and success in patient-led care. For systemic change toward this end, HCOs should adopt a consumer-grade experience for patients and workers alike. The greatest barrier to organizational change is how individuals behave. Given the amount of time workers spend within digital spaces, what better way could there be to help frontline and caregiving staff adapt? By using a digitally shaped culture to inspire behavioral change, HCOs can create the cohesion necessary for their change efforts to be successful.



Change Models for Healthcare

If healthcare drives a culture of change, it does so strategically and in response to broader developments in our economy (see callout). To this end, HCOs have at their disposal an array of well-established change models.

Indeed, the biggest challenge to organizational change is long-term adoption and sustainability. Employees regress, implementation processes lose focus, and leadership loses its momentum.

In order to achieve a culture of sustainable change, HCOs need their organizational cohesion to mature. That requires a focus on both kinds of OD: Organizational Design (the systems and structures) and Organizational Development (the people).

Businesses have been exploring how to make change more sustainable for decades. They've employed high-level change methodologies like Lewin's theory¹ to freeze, unfreeze, and refreeze the organization and its people, or Kotter's 8-step² theory for gradual change.

Today, Lean Thinking serves as a dominant change management methodology in healthcare.³ Developed in the 1980s by Toyota, Lean Thinking grew out of its origins in manufacturing to impact other industries, eventually combining with digital capabilities in the spirit of cost reduction, agile methodologies, standardization, and self-directed service.

In theory, Lean is supposed to be holistic, as the many versions of its models reflect, addressing factors from business leaders to technical capabilities to culture and business strategy.⁴ But because the challenge for change is located at the level of operational implementation, Lean has become heavily associated with its process-centered emphasis on eliminating waste. So when companies do invest in Lean, a risk arises whereby standardizing process can overtake the strategic imperatives of cultivating a culture in action, of designing human-centered experiences, and of maximizing talent. This risk persists even in digitally native methodologies like Agile because of an aggressive process-centered approach.

Because digital transformation in the enterprise is rooted in business strategy, it can fill the gaps of change management models like Lean that are not digitally native.



Medicine, Change & Technology: Beyond Watson Health

Listed below are just a few factors that have impacted the digitalization of healthcare experience for patients:

- Implementation of user-experience to evolve patient-led care
- Large venture capital investments in digital healthcare that saw an increase from \$1-4 billion within a 5-year span⁵
- Remote healthcare that allows monitoring of outpatients or inpatients after their discharge
- Digital screens in buildings for patient and physician tracking within hospitals
- Healthcare in the cloud that gives patients more agency to manage their care, treatment plans, and billing⁶.

One high-profile development for external-facing digital transformation in the Healthcare industry is the use of Artificial Intelligence for precision diagnostics and treatment recommendations. Cancer centers like Memorial Sloan Kettering and MD Anderson are among the first to have purchased IBM's Watson, with varying degrees of success. With Watson Health, MD Anderson wanted to design an Oncology Expert Advisor, while MSK aimed to develop personalized treatment plans. The challenge has been the quality and quantity of their data.⁷ Data has become the new currency for digital capabilities.

The non-profit Healthcare Information and Management Systems Society (HIMSS), established in the mid-1960s with the mission to improve healthcare through information technology, has enjoyed greater clout since HCOs began to adopt a data-driven culture. Based on their data, the newest technology that is used the most for patient cases is Electronic Medical Records (EMR) or Electronic Health Records (EHR). But because they were invented for billing, not for patient or user experience, an overwhelming percentage of that data is neither structured nor clean enough to use. MSK is now undergoing a major effort not only to train Watson properly, but also to clean and structure their data and boost accessibility of data.

Cloud platforms are designed to boost collaboration between providers, payers, and patients. Healthcare in the cloud improves user experience by making data more accessible and enabling remote health through conferencing capabilities. It makes fees more transparent so that patients can make better-informed choices between different care options. The emphasis is not on the employees who are working in the healthcare institutions. Rather, cloud capabilities are designed for patients/customers as employees who are covered under insurance policy of their employers.

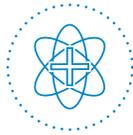


Organizational Change at the Level of the Individual Worker

Technological developments in patient care are one source of resistance to change among healthcare workers. Large organizations can help their workers adapt to various change initiatives through a methodical approach to strategy and design. Because systemic behavioral change is the key to organizational change, a combination of human-centered design, robust organizational strategy, and digital innovation must be used to define new ways of work. Digital engagement can turn siloed change programs into a collective user experience for workers across the organization.

The task to suture fragmented worker experiences into a collective, common one is a tall order. This need across the enterprise is related to the gradual, fragmented integration of new tools and methods among different silos. A major reservation against investing in any specific change method or digital technology is the risk of obsolescence. How do organizations provide seamless transitions from older tools and methods to newer ones? And how do you effectively bring the workers with you along that transformation journey?

To answer these questions, we must begin with a comprehensive analysis of the organization's digital ecosystem in its entirety: that is, the relationships among all properties, operations, platforms, sites, databases, and points of organizational interaction. Particularly, we need to analyze both how workers behave within the ecosystem and the capabilities that enable that behavior. Only then can we begin to tie broader business initiatives and strategies to specific programs, practices, and scenarios that are part of the worker's landscape. Organizational cohesion considers the overarching strategy (macrocosm) and specific initiatives (microcosm) in equal measure. By integrating high-level work design and change goals for the people and for the business, organizations can shape the evolution of their digital capabilities in a future-oriented continuum.



Organizational Cohesion through Digital

In all 3 models—Lewin's, Kotter's, and Lean—all levels of the organization are engaged, creating a two-way dialogue from the frontline to the executive. In the digital age, we call such systemic alignment organizational cohesion. It is achieved by designing the culture of a company through an architecture.

Realizing Change through Organizational Cohesion

Coordinated engagement and combined efforts at every level of the organization



Each domain contributes to a culturally cohesive organization that...

- boosts employee engagement and retention
- adopts change initiatives in an agile way
- empowers leadership at all levels, redefining new models of collaboration
- aligns goals, strategies, and objectives in system-wide effort
- maximizes the value and capabilities of talent

Chart adapted from Medical Group Management Association⁸

Organizational cohesion arises from a mindful development of the business's culture. Culture in action is the means through which HCOs can sustain change. Major change initiatives originating from different silos can help each other through the digital ecosystem in the enterprise.



Human-Centered Enablers of Behavior in Digital Ecosystems

By dovetailing change management and business strategy, HCOs can be more strategic, more systematic, and simultaneously more people-centered.

The mandate to implement change is ultimately about improving patient care. But HCOs have to achieve that improvement by way of organizational coherence—among the people, across business functions, and among processes. If healthcare fully embraces patient-led care, and if it aims to extend a consumer-grade experience for workers, then digital is the way to reach everyone – patients and workers alike – and respond to them accordingly through personalization and attention management.

Conclusion

For healthcare, digital transformation inside the enterprise involves a fundamental shift in organizational behavior by introducing new ways of work. HCOs will continue to experience a bottle-neck to their change initiatives at the level of adoption if they do not change the legacy systems which structure behavior. Above all, digital transformation would align the various change initiatives across departments. Digital engagement is the key to cultural change in the workforce, but it must occur internally in coordination with customer-facing digital experiences. HCOs that invest in enterprise-wide digital ecosystems will see their operational and strategic initiatives more coordinated, streamlined, and sustainable.

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1. Planning and Executing Change: Lewin's 3-Stage Model
 2. Kotter International
 3. Application of Lean Thinking to Health Care (International Journal for Quality in Healthcare)
 4. Designing Organizations that Work for Lean and Agile Thinking People (InfoQ)
 5. Rock Health Research
 6. Enterprise Healthcare in the Cloud (McKinsey)
 7. A Reality Check for IBM's AI Ambitions (MIT Technology Review)
 8. Culture Change in the Integration of Physicians and Hospitals (MGMA)