Chapter 8

Managerial Innovation for Digital Healthcare Transformation

Dina Ziadlou
Colorado Technical University, USA

ABSTRACT

Digital technologies adoption has modernized the performance of healthcare organizations to a superior level. Nowadays, healthcare organizations in the digital transformation journey have encountered the challenges to adopt and adapt their strategies to achieve effective, desired outcomes. In the digital era, management innovation plays a critical and significant role in removing barriers that hinder progress. This chapter has focused on one of the components of organization innovation, which is managerial innovation. The healthcare service modernization based on digital transformation needs a higher level of managerial innovation. The author has elaborated five critical factors including change, digitalization, leadership, healthcare stakeholders, and globalization in managerial innovation. These factors lead the organizations to be capable of achieving sustainable effectiveness and making a value-creating system through managerial innovation.

INTRODUCTION

The paradigm for contemporary healthcare adopting modern digital technologies has changed the role of value-based performance of healthcare services, healthcare deliveries, disease management, patient experience, and population health. Today healthcare leaders and practitioners are adopting modern digital techniques to solve severe problems. The data from the statistical reports have revealed that the digital online market is dramatically expanding and fast penetrating the medical field and digital technologies applications are increasing productivity and dynamics of improving healthcare; from improved quality, accessibility, communication to reduce cost, recuperating performance, and developing decision support (Schwarzmüller, Brosi, Duman, & Welpe, 2018; Kane, 2015; Bowersox, Closs, & Drayer, 2005). Despite all advancements, healthcare organizations are still in the primary stage of transforming into full
smart healthcare. In the transformation journey, many hospitals have challenges to maximize the use of digital services (Hadeel & Sandhu 2021; Sandhu 2020; Venkatesh & Davis 2000) due to the high cost of technologies, employees’ resistance to change, complex processes, lack of leadership support, and disparities in healthcare deliveries (Buvat et al., 2018; Faddis, 2018; Agarwal, DesRoches, & Jha, 2010). The transition from the traditional model of hospitals to modern medical centers is a sophisticated and complex journey that must be structured in different stages of transformation.

An important factor is the capabilities of organizations is the ability of improvement, change, renewal, and modification of the structure, process, product, services, and operation that mean the ability of innovation. Innovation is an ambarella concept for the generation (creating), diffusion (connecting generation to adoption), and adoption (using) innovations in different levels (Kumar, 2013; Zennouche, Zhang, & Wang, 2013; Rogers 1995; Davis 1989). In organizational level, how the organization manages and applies innovation in the process of change, how it creates a new idea, service, product, and good, or, creates change in an existing service, product, good, how to adopt new management models in tangible and intangible resources, and how it distinct between generating innovative and adopting innovation have been answered (Damanpour, 2017). The organization innovation has three angles: (1) environmental innovation, which is the change, addition or improvement in external or internal context of the organization, (2) managerial innovation referred to human capital, leadership, performance, and (3) organizational innovation related to structure and culture of the organization shown in figure 1 (Damanpour, 2017). However, in this chapter, the author has explored the organizational innovation from the perspective of managerial innovation to elaborate on the important factors involving in innovation development.

RESEARCH METHODOLOGY

The research methodology adopted for this study is exploratory research to identify a managerial innovation solution in healthcare organizations. The researcher has explored the intertwined relationship of technology, leadership, employees, change, and globalization in modern healthcare by conducting an in-depth literature review. The goal of the study is to understand organizational adaptation in digital transformation to develop a strategy for improving managerial innovation in digital healthcare transformation.

Figure 1. Organization innovation