

# Role of Executive Leadership in Healthcare Innovation

TREO Talk Paper

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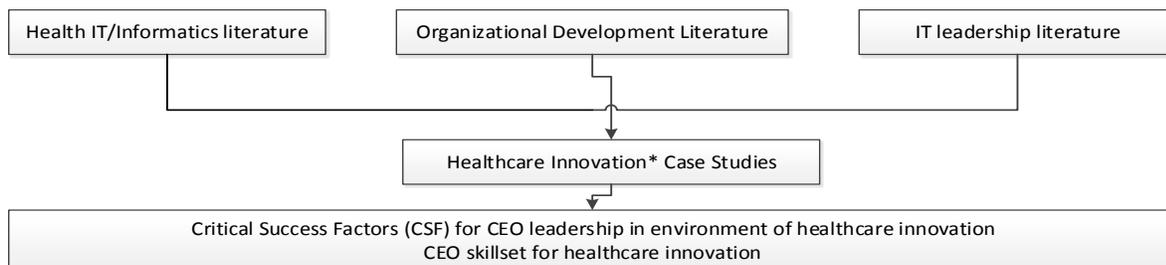
## Abstract

Technological innovation in the U.S. healthcare system has gained significant momentum in recent years. Despite progress in transitioning from paper to digital health information, however, achieving the value of health information technology in terms of increased access, improved quality and reduced costs (the triple aim) remains a major challenge for most healthcare institutions. Large gaps are often evident between expected benefits and documented outcomes. Recent research suggests that the importance of organizational dynamics and the role of healthcare leadership on achieving anticipated benefits of health information technology are often overlooked when assessing the impact of innovation projects.

In the information technology domain, most of the research on IT leadership for innovation pertains to the role of chief information officer (CIO). However, realizing the value of health IT involves not only technology leadership, but often extensive process changes and many strategic choices affecting organizational goals and alignment as well. Organizational adoption of large-scale information systems (such as EHRs), is a complex and multi-staged process requiring many strategic choices at multiple levels, and these strategic choices have important implications for the extent to which the potential value of the technology is realized. Moreover, evidence suggests that leading organizational innovation (also referred to as transformational change) can be quite different from leading or managing under conditions of organizational stability. Thus a critical question is whether executive leadership in a transformational environment requires a different skill set than managing in a more stable operational environment? And, if so, what is the critical CEO skill set for leading successful health IT transformational change?

To answer these questions, we looked to three bodies of literature on technology-based innovation: IT leadership literature, organizational development literature, and health IT/Informatics literature. The first step was to synthesize these three bodies of research to identify common factors associated with successful innovations, as reflected in the ability to achieve intended organizational outcomes. The next step was to select a collection of cases detailing award winning healthcare innovations to determine the extent to which these same common factors were evident in the reported practices used to achieve the intended outcomes. The analysis looked specifically at the role of executive leadership, and particularly the CEO, in successful healthcare innovation. The diagram below illustrates the methodology.

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\*Innovation is defined as — the intentional introduction and application within a role, group, or organization, of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, the group, or wider society [West, 1990]