

Chapter 4.11

Reforming Public Healthcare in the Republic of Ireland with Information Systems: A Comparative Study with the Private Sector

David Sammon
University College Cork, Ireland

Frederic Adam
University College Cork, Ireland

EXECUTIVE SUMMARY

The need for reforming public healthcare towards greater efficiency and measurable returns on investment has been felt by governments in many countries. In Ireland, this led to the PPARS project, which sought to implement SAP across all public healthcare sites. This project, however, was unsuccessful and led to a parliamentary inquiry. To understand why the PPARS project failed, we carried out an extensive case study of the project and compared our findings to the implementation of JD Edwards in a multinational in the private sector. Our study reveals that despite specific circumstances in the public sector that contributed to the failure of the ERP project, the primary causes of failure result from a lack of understanding of what ERP involves and a failure to prepare adequately, which can be found in

any organisation, public or private. This leads to significant lessons for ERP implementations and IS projects involving substantial change

INTRODUCTION

The need to reform the delivery of healthcare services to suit the needs of modern societies has been felt around the world and such reforms have been attempted in many countries, for instance, the USA, the UK, Germany, Canada, France, India, Australia, and The Netherlands. Faced with growing dissatisfaction and concerns regarding healthcare provision in the Republic of Ireland (for example, lengthening waiting lists for many key healthcare services such as major surgery and cancer treatment, and the ever increasing cost of labour and administrative overhead) successive

Irish governments have jumped on the bandwagon of healthcare reforms, in a bid to control and justify the ever increasing operational costs and so-called transformational investments in the delivery of public healthcare services.

At the core of the Irish government's National Health Strategy (2001) was the centralisation of governance of public healthcare under the authority of the Health Service Executive (HSE) which was established in 2005. The key requirement of this centralised agency is to manage the Health Service as a single national entity and provide a monitoring and leadership role so as to increase transparency of the services delivered to the Irish public and make available information pertaining to the use of funding and the responsiveness of services to demands.

In order to develop this information capability in one functional area, the HSE has tried to promote greater integration by deploying a nationwide Enterprise Resource Planning (ERP) application to administer HR and payroll issues in a way that gives more visibility on the hiring and allocation of staff (one of the greatest cost centres in the healthcare sector) within the entire organisation. However, despite years of efforts between 1997 and 2005, the Personnel, Payroll and Related Systems (PPARS) project, established to manage the development and implementation of the ideal—"a fully integrated Human Resource Management system"—has failed to deliver concrete benefits, being suspended by the Irish Government in the late 2005, pending a still on-going Parliamentary investigation.

In this article, we investigate the reasons why the HSE has found it so difficult to implement an ERP application and, using a similar case study of an ERP implementation in the private sector, we attempt to rationally establish whether the causes of failure are specific to the healthcare sector or if they are shared with ERP projects in other environments. The article is structured as follows: a background to ERP is presented and the issue of ERP implementation is highlighted.

Following on from this, after a presentation of the context of healthcare in the Republic of Ireland, we present the research protocol we used in the two case studies presented in this article. The article then presents a narrative of the HSE's ERP implementation and, drawing comparison with the case of Banta Global Turnkey (BGT), establishes what is different and what is similar in the public healthcare case and in the private organisation.

Understanding Enterprise Resource Planning (ERP) Systems

ERP systems are positioned as one of the most sought after means of organisational transformation and IT innovation since the mid 1990s and form the cornerstone of IS for an ever increasing percentage of organisations (El Amrani, Rowe, Geffroy-Maronnat, 2006; Holland & Light, 2001; Markus & Tanis, 2000; Sharif, Irani, & Love, 2005; Stefanou, 2000; Swanson & Ramiller, 2004). Such an observation has been made in both the trade press and academic literature, suggesting that ERP systems have sustained their attractiveness to managers, and when their rate of adoption and implementation is examined (over the last decade) it can be observed that these ERP systems were indeed the *de facto* solution to organisational integration problems.

The basic concept of an ERP system is comparatively simple and has evolved over the past 30 years, from the ideal of optimising operations and reducing costs, through to control and standardisation (Sammon & Adam, 2002; Watson & Schneider, 1999). ERP systems also promised to deliver on the informational requirements of an organisation, such as its scope. For example, according to Wood and Caldas (2001, p. 387), ERP was described as "a comprehensive information technology package built on the promise that all critical information should be totally integrated in one single information database." In fact, the origins of ERP can be traced back much further, to

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