It’s exciting to think about a new vision particularly when you’re the creator/driver of it. You see the need clearly. You feel the urgency in your stomach. You’re motivated to change. You see the fire with your own eyes. Your smell the smoke in your own nostrils. The tent is on fire. You have to change. Why are others in the organization so lackadaisical? Don’t they smell the smoke? Don’t they see the fire? Don’t they feel the urgency to change?

The rate of change in virtually all organizations is escalating, and healthcare organizations—after a slow start—are no exception. However, this change is often not so exciting when you are on the receiving end. In fact, these changes may be downright threatening to many. Therefore, the phrase change management has become fairly common, appearing in management articles everywhere. Review the job ads in the Wall Street Journal or the Sunday edition of a major newspaper and notice the positions available for people skilled in change management.

What is change management? What is a “change agent” or a change management person? How does change management help people feel less threatened? How did it evolve, and why does everyone seem so fixated on it today? One reason for this fixation is a realization of the tremendous hidden costs involved in many informatics implementations. According to the Wall Street Journal, “Indeed analysts estimate that the ‘true’ cost of a PC—including installing it, maintaining it, training people to use it and updating it if necessary—could approach $40,000 over five years or more than 10 times the cost of a high-end machine.” The initial cost of a system may be only the tip of the proverbial iceberg when implementing systems—even when the implementation is successful. Unless changes are managed well, the people costs, many of which are buried in other budgets, can skyrocket and dwarf the supposed cost of the system.
What Is Change Management?

The healthcare industry and other businesses as well are constantly trying to reassess their future direction. Some organizations seemed to go through a series of management “fads” in their search for some sort of organizational nirvana. For example, one past fad was management by objectives (MBO), an excellent concept for certain organizations at certain stages of organizational growth. Many organizations seized upon it as a cure-all and proceeded to implement it poorly. While proclaiming that they had adopted an MBO philosophy, they actually only paid lip service to the concept. Many people in these organizations were performing rituals such as completing objectives forms, while little actually changed in their daily work lives.

Total quality management (TQM) and continuous quality improvement (CQI) are systems that many organizations have adopted today. Most of these implementations are faring no better than MBO did. Rather than truly working to change the organizational culture, many of the adopters have simply installed a new set of rituals. Rather than leading the effort for change, top management delegates the process to staff and gallops off to deal with crises in the same old way. The danger is that this concept of change management may meet the same fate.

Change management is the process by which an organization gets to its future state—the vision. Traditional planning processes delineate the steps on the journey. The role of change management is to facilitate that journey. Therefore, creating change starts with creating a vision for change and then empowering individuals to act as change agents to attain that vision. The empowered change management agents need plans that are (1) a total systems approach, (2) realistic, and (3) future oriented. Change management encompasses the effective strategies and programs to enable the champions to achieve the new vision.

This chapter looks at the antecedents of change management, including theories of change and theories in the social sciences. It also presents a proven model for designing strategies for an effective change management process.

Early Change Theory

In 1974, Watzlawick et al\(^3\) published their now classic book, *Change: Principles of Problem Formation and Problem Resolution*. Theories about change had long existed. However, Watzlawick et al found that most of the theories of change were philosophical and derived from the areas of mathematics and physics. Watzlawick et al selected two theories from the field of mathematical logic on which to base their beliefs about change: the theory of groups and the theory of logical types. Their goal of reviewing the