The Management of Organizational Change in Health Agencies

Social revolution is increasingly a part of everyday life. Sharp challenges that often end in wrenchings and upheavals are frequent occurrences in families, neighborhoods, schools, and communities. Traditions, precedents, and past practices that have long ordered, regulated, and stabilized many social institutions are under serious attack.

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THE QUOTATION FROM BLAKE AND MOUTON *(1)* is also applicable to the organization and management of health services. "Sharp challenges that often end in wrenchings and upheavals" are increasingly being felt by a diverse number of public health care organizations. New Government regulations, withdrawals of Federal financial support, and the introduction of new health professionals and programs have created new pressures which often demand immediate attention and resolution.

Behavioral scientists have increasingly turned their attention to the issues implicit in organizational change, particularly in view of changes within society which compel the organization to restructure itself. Organization development, a theory of planned organizational change, is not a panacea for the complex problems confronting the administration of health care services. Nevertheless, the concepts of organization development offer suggestions which may be helpful as health care organizations plan and formulate strategies for the future. The purpose of this paper is to interpret concepts evolving out of organization development theory which have particular relevance for persons who desire to effectively manage the change process in health organizations.

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Preparing for Change

PREMISE: Systematic planning is basic to organizational survival and growth.

Change is the biggest story in the world today, and we are not coping with it adequately: change in the size and movement of people; change in the nature, location and availability of jobs; changing relations between students and professors, between workers and employers, between generations, and violent changes at that; violent change in the cities;. . .and, of course, change in the relations between the empires that are falling and the empires that are rising *(2)*.

There are several ways organizations relate to the changing environment *(1a)*. Some organizations embody in themselves an evolutionary approach to change. One would find that these organizations do not have long-term goals, nor are they set up to take incremental steps to meet such goals. The members of the organization are not monitoring the environment to see what changes the organization needs to make in order to be viable. Rather, one would find that the energy of the organization is primarily expended on solving problems as they arise. Organizational change for them is, therefore, at best piecemeal and primarily represents accommodations which largely support the status quo. The organizational changes which are proposed "seldom promote great enthusiasm, arouse deep resistance, or have dramatic results" *(3)*. The survival of the organization appears to be the most basic concern, and changes in organizational structure or process are largely made to help the organization meet this goal. Generally such organizations wither internally and are less and less able to fulfill the needs of their constituents.

There are other organizations, however, which approach change systematically (3). Implicit in this view is that an organization exists in a dynamic environment which shapes and reshapes the organization. Systematic development has as a basic premise that organizational change need not take place by chance or be done piecemeal. Nor should organizational changes be undertaken solely to accommodate the day-by-day crises and pressures which confront administrators. Rather, organizational changes should be systematically planned and carried out in order to ensure the health and viability of the organization.

In his book, "Self Renewal," John Gardner stresses the need to see organizations as a self-renewing system capable of rationally managing the change process (4). It appears that organizations which have the best chance of being viable have people within the organization who thoughtfully and systematically plan for the future. It is a curious phenomenon that many organizations have scores of committees—yet few have a group that is given the task of systematically designing creative alternatives for the future of the organization. Gardner has suggested that every organization needs a "department of continuous renewal that could view the whole organization as a system in need of continuing innovation" (4a).

If systematic development is to be undertaken, perhaps the first step is to have a committee that might be called "the committee on innovation." Such a committee would be viable only if its members believed, as Peter Drucker has suggested, that in a world buffeted by change, faced daily with new threats to its safety, the only way to conserve is by innovating (5). Or, as Gardner has stated, "the only stability possible is stability in motion" (4b).

If such a committee on innovation were formed, its first task could be to delineate, as accurately as possible, present and future environmental trends which would influence the organization. This planning process may take the form of reassessing the interests and needs of the organization's constituents. On the basis of that reassessment, a determination might be made as to what human and financial resources should be allocated to meet such needs.

Reacting to the needs of the organization's constituents and drawing plans to meet new and emerging demands should, however, be only part of the responsibility of a committee on innovation. To address oneself only to the demands of the consumer is to be reactive. Indeed, if the committee only reacted, it would be ensnared in the trap of simply putting out "community fires;" that is, meeting problems piecemeal without a systematic effort to meet change. Therefore, it is critical that the members of a committee on continuing innovation be actively foresighted and stretch their limits of creativity to the utmost. It means that the committee asks such questions as, What new and exciting goals can this organization formulate which would spark a new sense of commitment to the organization by its members? Can the organization become a model in perhaps one or two aspects of health care delivery? Can the organization discover genuine citizen concerns that to date have not been identified, much less resolved? With a new sense of enthusiasm and commitment by its members, can the organization enlist financial support that heretofore has been elusive or unnoticed?

In brief, a committee on innovation needs to put on the drawing boards the concepts which usually emerge in idle, solitary speculation of persons. Unfortunately for many organizations, such ideas are generally not raised to a level of a group's consciousness. A committee on innovation not only legitimizes such creative thinking, but it helps its members in analyzing critically the strengths and weaknesses of their creative dreams.

To summarize, when an organization creates a mechanism to monitor change, it has not only designed a process to react to change, but it has, in addition, formulated procedures to create change. Such a group will not only keep the organization in touch with the outside world, but it will have the potential for enlisting strong commitment on the part of its members as well as those who financially support the organization. In a fast changing environment, such a mechanism is not a luxury; it is a necessity.

Managing the Change Process

PREMISE: Organizational change is best accomplished when a systematic and rational process is utilized.

In the preceding paragraphs it was suggested that every organization needs a mechanism through which it can react to change and be an instrument for change. However, it is necessary at this point to ask whether such a committee for innovation is, in fact, a workable, practical concept. Those who have been humbled by attempts to manage what seems to be irrational pressures for change may greet a suggestion for a committee with skepticism, if not downright cynicism.

Whether or not a committee on innovation is a workable concept depends, in part, upon whether the committee uses a rational process to increase the organization's viability. Many suggestions have been made as to how to rationally bring about organizational change, but one approach, in particular, appears to have promise.

Blake and Mouton suggest that a systematic model of development includes the delineation of an ideal model as to what the organization should be like if it is to be more effective (1b). In formulating the ideal model, the committee on innovation might ask questions such as the following: What should this health agency be doing 3 years from now that it is not presently doing? Are there emerging environmental health problems that should be priorities for this year? How can we better enlist the active interest of the public in our health education programs? The answer to these and other questions will help the committee focus on new programs, new approaches to old programs, and possibly new structural ways of doing things within the organization.

It should be emphasized that the specification of the ideal model demands creativity. Radical, innovative

ideas should not be put down without giving the idea thoughtful consideration. Tradition, although an indispensable guide for future action, should not be the only criteria used in evaluating ideas. Rather, there should be a group environment in which members can freely express their hopes and perceptions about what the agency could be doing in the immediate and distant future without fear of personal criticism.

After due discussion the committee should specify in writing their projections. An example follows:

I. Projections of the ideal state for the Glenville Health Care Center
1. Deliver comprehensive health services to the Chicano population of Glenville.
2. Carry out an intensive lead screening program for residents between Broadway and Snelling Avenues.
3. Carry out a prenatal program in which all prospective parents who plan to use this center would participate.

After the ideal model has been formulated, the situation should be objectively appraised. In this step the actual state of the organization is delineated.

II. Actual state of the Glenville Health Care Center
1. Glenville Health Care Center has traditionally given services to members of the Chicano community in an "emergency." Almost no preventive care has been given. There is resistance in the Chicano population to coming to the center because of language barriers.
2. A lead screening program for the residents living between Broadway and Snelling Avenues was planned in 1970 but not carried out.
3. At present only 20 percent of the pregnant women and approximately 10 percent of the fathers in the Glenville community attend prenatal classes.

By comparing the projections for the ideal model with the actual state of the organization, the gaps and discrepancies become apparent. These gaps might be thought of as specific problems which need to be addressed. The most critical problem so identified could be the one that the committee begins to resolve. Once again, the committee should approach the problem through a systematic methodology.

For example, let us suppose that the committee for continuing innovation in the Glenville Health Care Center feels that the most critical need is for prenatal classes. The gap is apparent by studying the differences between what the organization should be doing and what it is actually doing. The committee, therefore, needs to (a) precisely delineate the problem, (b) list potential solutions, (c) evaluate each solution, (d) determine which is the best solution, and (e) delineate how the solution could best be implemented.

III. A problem-solving process for Glenville Health Care Center
1. What is the problem?. To meet the needs of prospective parents in Glenville, prenatal classes should be expanded by 25 percent by July 1, 1975. However, because of financial constraints the budget for prenatal classes is scheduled to be reduced by 15 percent by July 1, 1975.
2. What are the potential solutions? List but do not evaluate solutions.
   a. Cut the prenatal classes from 45 to 30 per year.
   b. Continue to offer 45 prenatal classes for fiscal year 1975 but reduce the number of participants by 35 percent.
   c. Determine whether it would be possible to offer joint prenatal classes with Hanover Hospital. By combining resources and using the hospital's facilities, it would be possible to offer more classes to a greater number of parents.
   d. To request the Westside Foundation to donate $5,000 to carry on the prenatal classes. Such funding would permit the number

of classes to be expanded by 25 percent.
   e. To request the administration to cut back the financial support of the diabetes education program by 30 percent and use such funds for an expanded prenatal program.
3. What are the strengths and weaknesses of each solution? It is generally helpful in this step to discuss the strengths and subsequently examine the weaknesses of the solution.
4. On the basis of the analysis in 3, what is the best solution?
5. How is the agreed-upon solution to be implemented? Specific responsibilities for carrying out the solution should be determined and agreed upon.

The need for a rational process in dealing with difficult problems cannot be overemphasized. By projecting the ideal state for the organization, by comparing that ideal state with the actual state and, in so doing, identifying the gaps and discrepancies, and finally by using a problem-solving process, the committee has attempted to apply a rational process to complex problems. The chances for resolving such problems increase when such a methodology is employed. When a rational process is not used, the possibilities for endless and unproductive meetings dramatically increase.

Motivation for Change

PREMISE: Acceptance of organizational change is best accomplished when such changes are linked to the motivations of those affected.

In the preceding paragraphs it was suggested that a systematic process should be followed in bringing about constructive organizational change. However, when an organization plans for the future it is natural for some of its members to perceive changes as a threat. Although an organization itself was originally an innovation, it is equally true that most organizations are innovation-resistant (6). Klein stated (7):

It has been suggested that just as individuals have their defenses to ward off threats, maintain integrity, and protect themselves against the unwarranted intrusions of others' demands, so do social systems seek ways in which to defend themselves against ill considered and overly precipitous innovations.

If meaningful change is to take place and if it is to be accepted by the members of the organization, the following concepts may prove helpful.

First, the staff of organizational units affected by a planned change should have a say in anticipated organizational outcomes. Benne and Birnbaum noted (8):

The effectiveness of a planned change is often directly related to the degree to which members at all levels of an institutional hierarchy take part in the fact-finding and the diagnosing of needed changes and in the formulating and reality-testing of goals and programs of change.

Successful change can be accomplished in part if the workers in each organizational unit have input into any committee which is seeking to develop models for immediate and long-range planning.

Second, the unit's members should be kept informed concerning current thinking of the administrators in regard to possible organizational changes. When traditional work patterns in the organization are being questioned, rumors spread. The organizational grapevine is activated, and employees begin to speculate as to "what they (the administration) are go-

ing to do to us." Administrators have a particular responsibility for informing employees concerning the problems facing the organization as well as possible changes. Similarly, the sensitive administrator will seek information from employees in regard to their fears, concerns, and hopes. A viable two-way communication system is critical in order to minimize the trauma of organizational change. It is imperative that a two-way information flow be established if productivity and morale are not to erode measurably during the period of anticipated change.

Third, if employees are to cooperate in the restructuring to meet anticipated changes, they must be able to see how much restructuring will benefit them. Organizational units will not willingly change unless—to put it bluntly—their members see what's in it for them. This fact may seem crass to some; nevertheless, it is a part of organizational realities. As Howell, a noted authority on persuasion, stated, "People do things for their reasons, not yours"(9).

Therefore, if the administration wishes to reorganize a work unit's operations, it is imperative to bring about such changes by correlating needed restructuring with the motivations of the work group. This correlation implies that the unit will be amenable to change because its members believe that (a) their security will be strengthened by such change (security needs), (b) restructuring will result in esteem and respect from others (esteem needs), or (c) they will be able to find a new and more meaningful interest in their work (achievement motivation).

To illustrate, consider a health center whose financial base has been diminished because of Federal cutbacks. The center's committee on innovation recommends that two units combine their limited resources, define program priorities, and work collectively at implementing the priorities. The suggestion to combine resources implies that each unit's autonomy is diminished and, in addition, some programs would be eliminated, at least temporarily. Such a suggestion would, in most organizations, be looked upon with apprehension.

At this point it is imperative that organizational restructuring be tied into the motivations of the employees in each unit. One way of tying into their motivations would be to suggest that restructuring may be the only way that the two units can survive. Such an appeal may have to be used; however, most employees will only grudgingly go along with such restructuring. It would be better to tie the suggested restructuring to the following reasons:

1. By working together on joint projects, it may be possible to engage in one or more pilot projects which will show how these two units can work together. This collaboration is a prerequisite for additional Federal funding and will put us in a "most favored position" when we write our 1975 grants (survival motivation).

2. If we restructure and combine both departments for program purposes, we can do a better job on each priority program. Each department has resources which the other can use. By combining resources we might not have as many programs, but the ones we do

implement should be outstanding (achievement motivation).

3. It is difficult to give up autonomy, but look at it this way. Here is a chance to demonstrate to the county board that, when the chips are down, we can pull together. For years we have been talking about teamwork in health; now is a chance for us to make it really work (respect and esteem motivation).

4. All of us, I am certain, would prefer to design our own programs and to be able to carry them out independently, but unfortunately we just do not have last year's resources. If the public health nursing and the health education programs can establish several high priority programs and carry them out with a great measure of success, we are going to be in much better shape when it comes to applying for additional funding in 1975 (survival, respect, and achievement motivations intertwined).

These four appeals are rooted in attempting to change organizational behavior by appealing to the motivations of employees. People will change their behavior (and so will organizational units) if they can clearly see that such change will benefit them. A developmental committee or an administrator who simply tells a unit to change will encounter resistance. The unit's energy will be directed to its own survival. For this reason, suggested changes must take into account the needs of the employees for security, esteem, and achievement in their work. Sensitivity to these needs will minimize resistance and will enable the unit to continue to focus its work energy on productive goals.

Postscript: Can you Really Change Organizations?

The environment in which health agencies exist is dynamic and ever changing. New regulations, changing patterns of financial support, emerging community health problems, and changing opportunities to solve those problems can create a crisis atmosphere in which systematic planned change may be difficult to achieve. Nevertheless, crises can be the impetus for needed organizational change. It is ironic that an organization's crises are often the pillars upon which new structures are built. No one enjoys the anxiety which is associated with many of the financial and organizational problems confronting public health programs. This anxiety is particularly a factor for those who work in organizations whose support is primarily from "soft funding." The questionable reappearance of such support cannot help but temper one's enthusiasm to plan for the future.

Nevertheless, it is helpful to remind oneself that in the midst of confusion and often chaotic situations, new structures and new ways of doing things are discovered. Oftentimes a crisis forces one to consider alternatives that to date have been unthinkable and to design blueprints that hold promise for the future. A state of crisis of itself does not necessarily generate good ideas. However, as Shephard said: ". . .the uncertainty and anxiety generated by the crises make organization members eager to adopt new structures that promise to relieve the anxiety"(6a).

Although a crisis can produce the conditions which promote organizational change, it should be remembered that whether change actually takes place will be largely determined by the will of those who take on the necessary risks that come in designing new programs and new organizational structures. "I think we are in constant danger—not from technology, but from losing our nerve," said Dr. Herbert A. Simon, associate dean of Carnegie Mellon University's Graduate School of Industrial Administration. He continued (*10*):

When Columbus came to this continent, he could come in hope of fulfilling his own goals—and in ignorance of the plague and syphilis he was bringing the Indians. We don't have that ignorance anymore. We know a lot about the germs we are bringing with us, and we tend to become overawed by the responsibility for these waves of consequences of any action that we take.

Nevertheless, although the consequences of trying to formulate and implement innovations may cause the administrator to study his actions carefully, they must not keep him from venturing into the unknown which is inherent in newness. As Lincoln stated (*10a*):

The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise to the occasion. As our case is new, so we must think anew and act anew.

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