

PPS... and the *J* Curve of Change

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A management principle from the field of economics has been around for a long time, but is particularly relevant during times of extraordinary change. And, thanks to the changes being driven by IPS and PPS, it is more relevant today than ever before. What is it? The J Curve of Change. Understanding this simple principle may make some of the change challenges you face a little easier to understand... and hopefully a little easier to deal with.

Simple but Accurate

Look at the letter “J.” The beginning of the J often starts below the line, that is, if you are using lined paper. What happens next? The J actually dips even lower until it finally makes a turn and then soars above where it started, above the line and finally to a point where it is ready to move on to the next letter.

Now, think of change. Think of the line as status quo, the place where you are. It is the status quo of how you do billing. How you assign cases. How you do intake. How you manage care. That line represents the present state of affairs of every operation in your agency.

What happens if the status quo is not acceptable? You are late on your billing. You’re losing money. Some cases are not being covered. Intake is not responding fast enough to referrals and you are actually losing referrals and referral sources. Clinical productivity is not competitive. The present state of affairs, the status quo line, is not acceptable. What do you do? You initiate change efforts and that’s where the J Curve of Change comes in.

Change... Getting Worse Before Getting Better

Just like with the letter J on a lined piece of paper, most changes—the new activities—start out below the status quo line. In other words, despite all of your preparation and planning, performance often starts out below the present standards. Just ask any Director trying to introduce laptops in the field.

Then, it gets worse. Just like the letter J begins to dip even further from the line, performance begins to dip even further from the old standard. Staff and managers become frustrated. They claim it was a dumb idea. You shouldn’t have made the changes. We liked the old way. It’ll never work. Being involved in change can sometimes be a lonely place.

But wait! As most seasoned (and battle-scarred) managers can tell you, it does get better. If you have thought out the change effort, recognized that performance standards may actually dip before true learning takes place, and understand that like the J, the learning curve for most staff will begin to take place, you will approach change in a more confident and self-assured manner. You know that with enough time and patience, performance will actually begin to rise, ultimately rising above the old performance standards to a new, higher level of functioning.

The J Curve of Change is simple and straightforward: When initiating change, just as the letter J dips below the line before making the turn and soaring above it, expect new work behaviors initially to dip even further before making the turn and ultimately moving to a new, higher performance standard.

A Lesson to Help Us with PPS

PPS is requiring agencies to make significant changes in operations at every level. Successful managers recognize that asking staff to do things differently, use different standards, and work in different ways means asking staff to learn new work behaviors. Even if they want to do it, there is a learning curve, one that results in performance levels going down before they make the turn.

Successful managers recognize this. They have the confidence to know that the changes that they are making are necessary and right. They know that any change effort can be threatening to staff. They know staff need training, support, and reassurance. Most importantly, they know that, like the J, initially performance may dip lower than when the effort started, but learning will take place, the effort will turn, and the new behaviors and process will result in a higher level of performance.

PPS will lead many agencies to make some of the most significant changes in their history. With some forward thinking and with some reassurance provided by our understanding of the J Curve of Change, many of us may find comfort as we experience both the lows... and (later) highs in our new way of doing things.

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