

Using Culture to Recruit Top Talent: HealthPlus of Michigan

“Talented people are attracted to other talented people.” That’s how Dan Champney, head of HR for HealthPlus of Michigan, a health insurance management company headquartered in Flint, Michigan, describes how the transformation of his company from a young start up in the 1970s to currently one of the top health plans in the country has made his recruiting function easier. HealthPlus is one of just five companies nationally to be named among the top 50 commercial plans and the top 25 plans for both Medicare and Medicaid by U.S. News and World Report/NCQA America’s Best Health Plans 2007. For three years running, HealthPlus has had all three of the health plans that they provide make the U.S. News and World Report ranking for the best health plans in America and they are the only Medicare plan in Michigan to make the top 25 list. With roughly 400 employees, HealthPlus provides health care coverage for over 200,000 members. The company offers HMO and point-of-service health plans as well as manages a Medicaid HMO through its HealthPlus Partners subsidiary. Its provider network includes more than 500 primary care doctors and 1,200 specialists, in addition to area hospitals and other health care providers (www.Hoovers.com).

But what makes a company like HealthPlus great today is a history of staying committed and focused to their service and crafting a culture that supports that commitment.

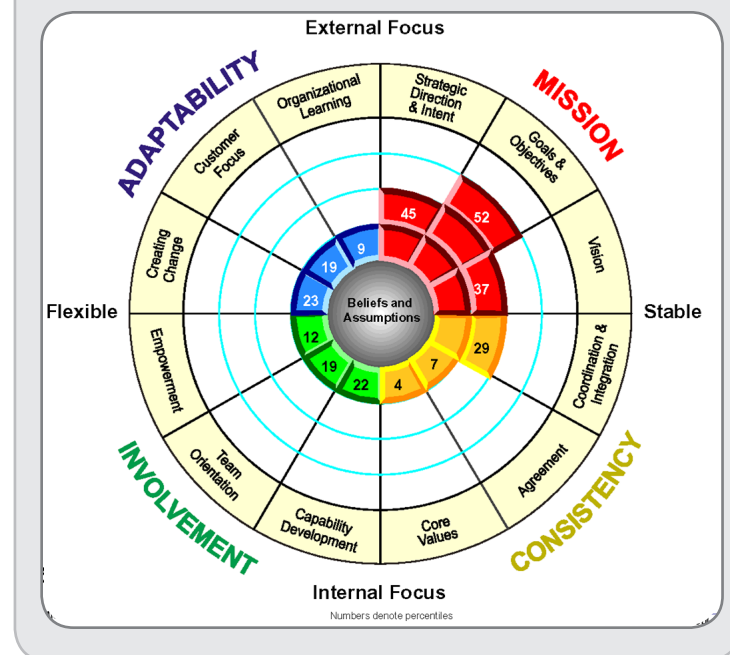
HealthPlus: The Early Years

In the 1970s, health maintenance organizations (HMO’s) were being formed as an alternative to the large, national, managed care companies. “Volatile” would be the best word to describe the early years for the company. HMO’s were a new venture and there were not that many managed care companies around. “HealthPlus was just as much

an experiment as it was an enterprise,” comments Champney. As HealthPlus worked to stabilize their organization in the marketplace, they experienced tremendous periods of significant growth followed by significant doubt that they would remain in business.

Around the late 1990’s the rolling tide that was the managed care industry had calmed, the marketplace was more stable, and HealthPlus felt that they had firmly carved their niche in the Michigan health insurance industry. “It was actually a bit of a luxury that we could focus on our company culture,” says Champney, “we were stable in other areas of the business but knew we could not stay flat on our feet.” Stability allowed them to focus more on their internal infrastructure and begin to monitor and measure the business to build an environment that could continuously improve. One of the areas they chose to examine was culture and its impact on the business.

Figure 1 = HealthPlus 1997



HealthPlus Builds a Culture

What led HealthPlus to Denison Consulting in 1997 was really a convergence of two different types of thinkers. The numbers-driven side of the organization wanted to focus on the things that could be measured, such as sales, quality, or call volume. This penchant clashed with the people-oriented side of the organization that advocated for the “softer” side of the business. Consequently, they needed a tool that measured the “soft” stuff but did it in a quantifiable manner. “Denison was our “AHA!” moment,” Champney reflects, “It was a way to measure and track all of the issues that heretofore had always been viewed as soft, nebulous, or ambiguous.”

But settling on a culture model did not mean that the course had been set. Employees were initially skeptical of the culture change and the first round of results did not do much to assuage these feelings. Champney admits, “There weren’t a lot of bragging rights in those results.” HealthPlus’ culture results were benchmarked against a database of over 800 companies and showed them under-performing most organizations by wide margins. The Denison Organi-

zational Culture survey measures four aspects of an organization’s culture: the Mission of the business, the organization’s Consistency in working together, the Involvement of their employees, and their Adaptability to the marketplace. HealthPlus’ highest scores were in the Mission quadrant but that still had them being outperformed by 50 to 60% of the organizations in the benchmark.

Instead of being discouraged, HealthPlus viewed the early results as a baseline to build from. “We knew we couldn’t improve everything immediately so we focused on just one aspect of the model. This helped us prioritize our work” said Champney. The value of this strategy in responding to the results was that instead of focusing on everything and having little impact HealthPlus could focus on a few things and have a lot of impact.

Creating a Mission

After looking at all of the areas that needed improvement, HealthPlus chose to focus on the one aspect they felt they could make the most progress on within a twelve month time span: their Mission. With

Figure 2 =1999

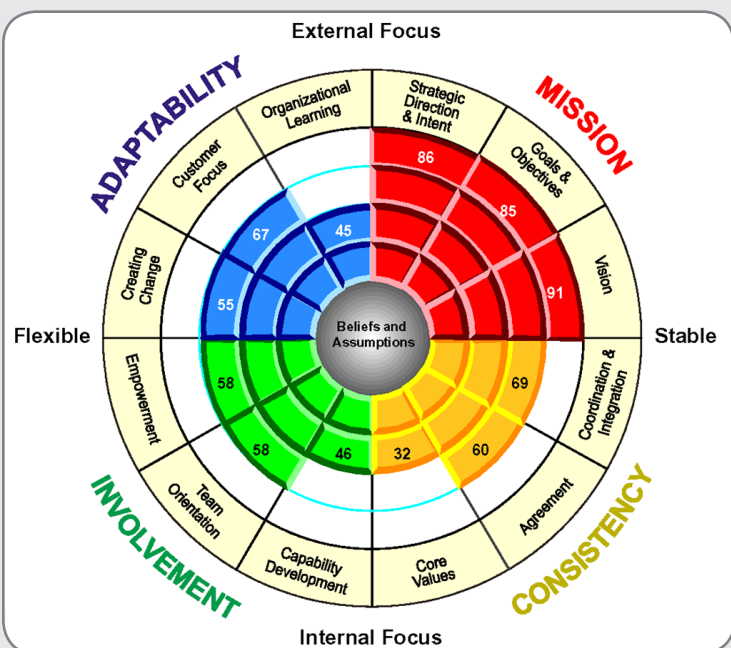
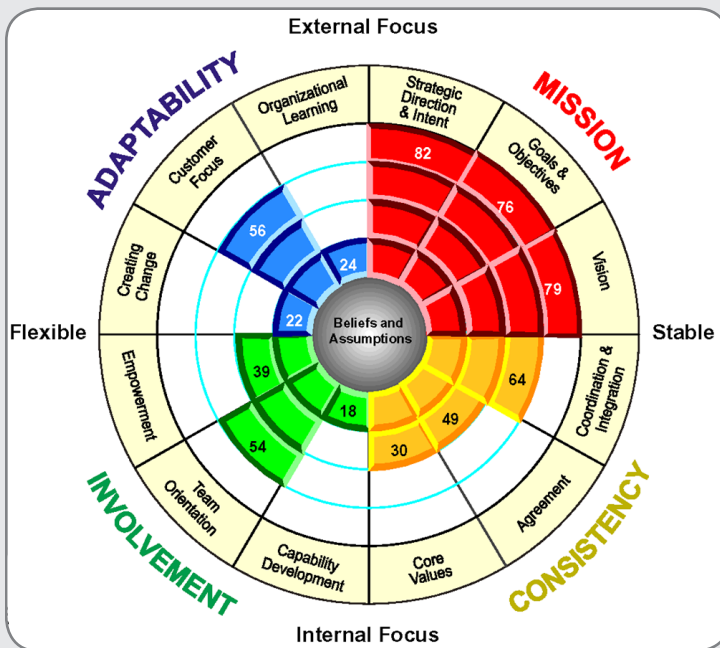


Figure 3 = 2001



deliberate and intentional effort, HealthPlus set about strengthening their vision, developing a strategy, and communicating that to their employees. They set up town hall meetings where groups of employees had face time with the CEO, David Crosby. They also set individual objectives for employees and tied them to the corporate plan. What had sometimes been viewed as a disadvantage in the shadow of their competitors, their number of employees, now became their competitive advantage. “Because we are a smaller organization we can have our employees fully linked to what our company is trying to achieve. We can set aside a day where we close down the company and everyone attends a company-wide event,” comments Champney.

HealthPlus planned to follow up their culture change efforts with another Denison survey in 1999. The follow-up survey was looked forward to with both excitement and trepidation; but the hard work paid off! HealthPlus saw soaring improvements in their culture scores in all areas. With Mission as their main focus of culture change, HealthPlus was outperforming at least 85% of the organizations within the Denison benchmark.

Although their improvement from 1997 to 1999 was extraordinary, there was still room for more progress. HealthPlus saw their employees as their competitive advantage but this was not reflected in their culture scores. One of their lowest areas was Capability Development. Realizing their next goal, HealthPlus directed more energy and attention into investing in the development of their employees. More money and time was directed toward employee training programs. They trained employees not only on technical skills but also identified skills which were necessary for the company to meet their strategic goals, such as personal accountability and management consistency.

Correcting Course

It wasn't always smooth-sailing. Health Plus hit a bump in the road in 2000-2001 that was plainly reflected in their culture scores. Facing increased competition in the marketplace and pressure to match competitors pricing caused some headaches for the 400-person firm. This pressure was felt all around and HealthPlus' culture scores took a

Figure 4 = 2005

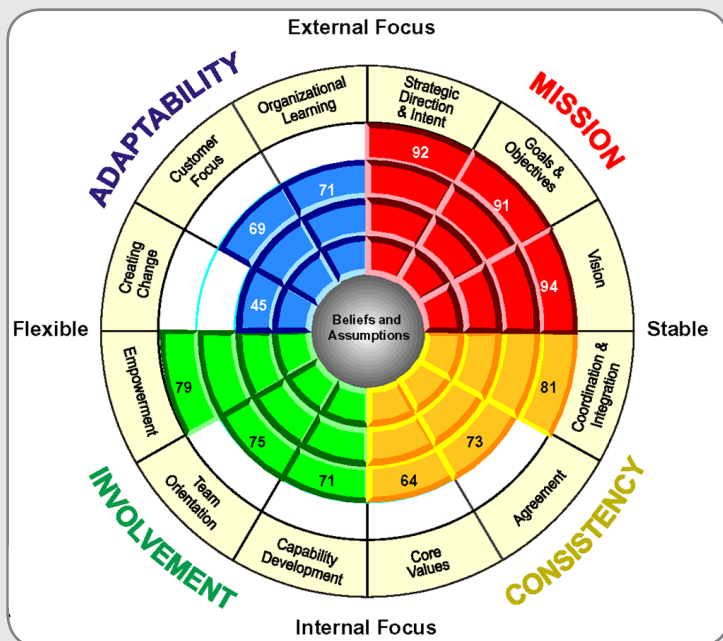
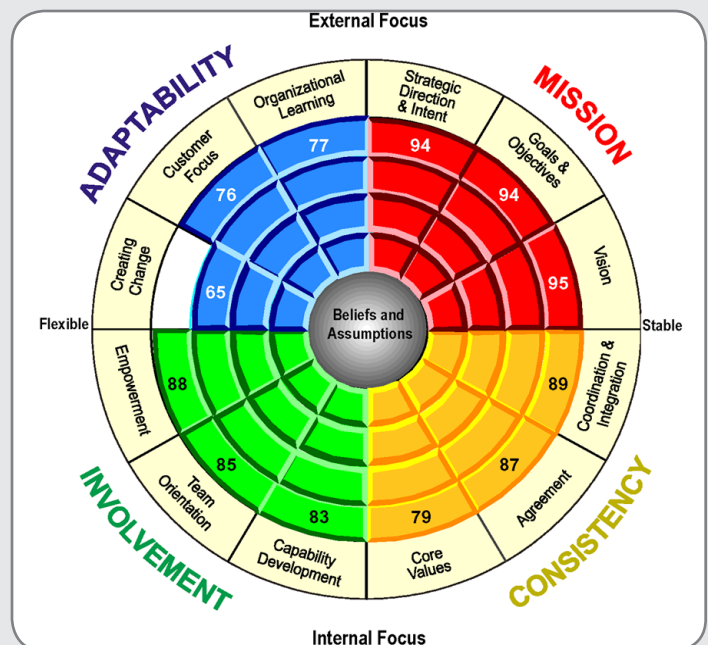


Figure 5 = 2007



dip. To get back on track HealthPlus kept what was working and kicked out what was not. They continued the town hall meetings, led by CEO David Crosby, and continued their training efforts.

Monthly, half-day management meetings were introduced to help with both information sharing as well as provide managers with support to face difficult issues, such as conflict management, poor performance, and other areas that managers often face on a daily basis. They also found a close parallel between their core values and those of Franklin Covey's "Seven Habits of Highly Effective People" and began offering training programs revolving around that methodology. They trained people not only on basic management skills, but what it meant to be a leader within an organization and how they could use their leadership skills to improve the culture.

Reaping the Benefits

The culture initiative continued and year after year HealthPlus saw improvement. By 2007, HealthPlus was scoring higher than 85% of the organizations in the Denison benchmark on all aspects of culture. "In the early 1990's it was hard to recruit people to work for Health Plus." Cold Michigan winters

and the remnants of a once-vibrant automobile industry do not make Flint the most sought after community for raising a family. The weather hasn't changed and neither has the automobile industry but recruiting new talent at HealthPlus has never been easier. "Talented people are attracted to other talented people. We may not be the largest health insurance provider in the country or even in Michigan but people know who we are and want to work here."

Accolades from U.S. News and World Report are one of the many accomplishments that HealthPlus has seen as a result of focusing on their culture. HealthPlus has seen increases in patient enrollments and financial performance. Champney comments, "We are just 400 people in Flint, Michigan who have figured out how to serve differing populations in ways that puts us on the roadmap nationally." Effective culture change is not something that can occur overnight; the success that HealthPlus achieved was realized over ten years of hard work. HealthPlus believes its success today is due in large part to its focus and commitment to organizational culture, the empowerment of its employees, and the collective drive of all HealthPlus employees to succeed.

Related Resources

US News and World Report

A special thank you to Health Plus for letting us share their transformation story.



Contact Information

Denison Consulting, LLC
121 West Washington, Suite 201
Ann Arbor, Michigan 48104
Phone: (734) 302-4002
Fax: (734) 302-4023
Email: research@denisonconsulting.com

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