

A New “Brand” for Senior Health Plus

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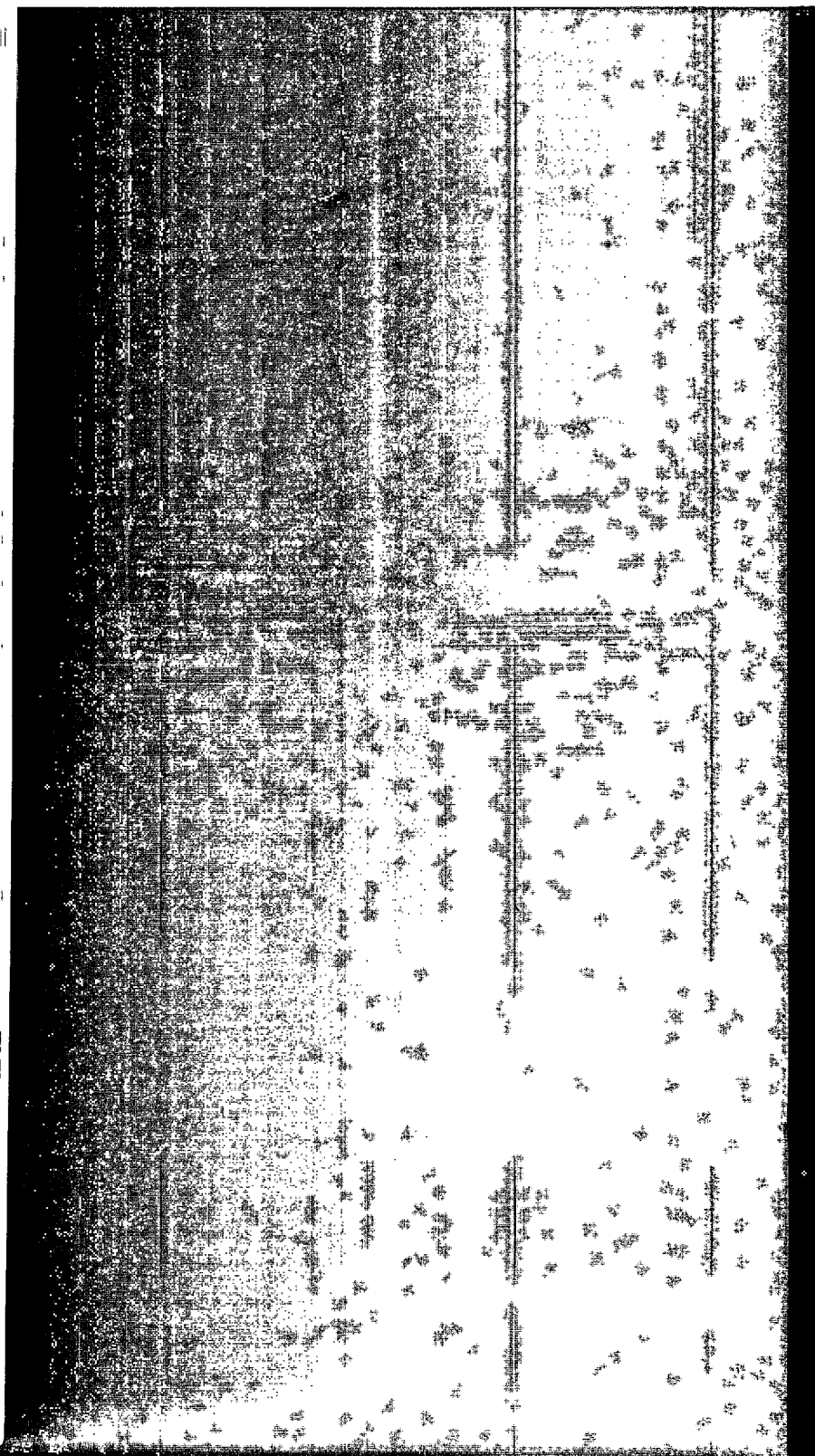
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THE HEART-WARMING COMMERCIAL

It was the end of the day, and Jamie Richards was exhausted by the time she reached home. She turned the television on to catch the end of the evening news but when she saw the commercial for Senior Health Plus (SHP), a not-for-profit Medicare HMO, she let out a big groan. It wasn't that she hated the ad; she definitely thought that it was catchy and appealed to seniors. Nowhere during the 30-second spot was there any mention of managed care or HMOs. Instead, Wilma, an attractive and vibrant member of SHP's Medicare HMO plan, explained to viewers how SHP had changed her life. After Wilma's hip replacement, SHP had provided her with extensive in-home and personal care services that not only sped up her recovery but also helped her to remain independent at home and in control of her life. The commercial ended with heart-warming shots of Wilma riding a bicycle alongside her grandchildren.

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Note: All names and identifiable characteristics of the organization have been modified to ensure anonymity.



Although Jamie had seen the ad many times before, she couldn't help but feel proud. Her company, SHP, had touched that woman's life, and she knew everything that Wilma had said was true. But when Jamie imagined being back at SHP's corporate offices, she grimaced. Thoughts of the inflammatory complaints she received each day, the sarcastic whispers across cubicles, the unhappy faces in the halls, and the demise of employee morale bombarded her all at once. She thought it was ironic that SHP had become so successful at projecting a positive and appealing external image. If the public knew what it was like to work at SHP, they would certainly have a different opinion of the organization. She shook her head as she wondered about what had gone wrong at SHP.

A GOLDEN OPPORTUNITY

Ten months ago, Jamie joined SHP as the Vice President of Human Resources. She had left her long-time position as Director of Human Resources at Mature Health, a rival senior health plan, for many reasons. Her previous job had been a challenge mainly due to the difficulties of boosting employee morale in the fast-paced, ever-changing managed care environment. She had found that most employees were negatively affected by the stigma of working for an HMO. In Jamie's opinion, HMOs had developed a bad reputation and were one of the most universally hated organizations.

At Mature Health, Jamie had learned a lot about managing the culture of an HMO, but she wanted to apply her skill set to a different organizational setting. When the opportunity to work as the VP of Human Resources at SHP appeared, Jamie jumped at the opportunity. She heard that SHP was a different type of Medicare HMO. For the majority of its 20-year history, it had been known as a grassroots organization focused on preserving the independence of seniors. She was impressed by the CEO's track record of pioneering creative approaches to overcome medical and social challenges. He had guided the organization from a small senior services organization to its current state as an impressive health care system for elderly people.

Jamie was enticed by the idea of joining an organization that had a history of pioneering new ways of serving the elderly. She believed that an organization like SHP, with a strong grassroots foundation, had the power to not only change the way that managed care was delivered to seniors but also remove the stigma of HMOs. In addition, she was attracted to SHP because she felt that the employees there would have more passion for their work when compared with employees at other HMOs.

SHP'S EXPONENTIAL GROWTH

Jamie had come on board during an exciting time at SHP. The organization had been experiencing phenomenal growth both in its Medicare HMO membership and employee workforce. Membership over the past several years had skyrocketed from 10,000 to a whopping 20,000. When Jamie joined SHP, membership was soaring near the 35,000 mark and the number of employees had nearly tripled to more than 400. These numbers were small when compared to the size of rival HMOs, but they were still astounding statistics considering SHP's massive growth rate over the past 3 years.

For these reasons SHP's executive management team saw a need for creating the VP of Human Resources position. SHP's culture was undergoing drastic change to accommodate the huge growth in its workforce. In addition, the executive team planned on adding another 80 positions by the end of 1999 to alleviate the heavy workloads.

SHP was also expanding geographically to meet the needs of its customers. Shortly before Jamie's arrival, SHP had relocated its administrative offices and most of its departments from a modest grassroots base located in the heart of Santa Ana to a posh corporate building in Newport Beach.

They had also created three additional area offices within the past year. This brought the total number of area offices scattered across Southern California to seven. The executive team was concerned about maintaining organizational continuity across the sites and wanted the corporate offices in Newport Beach to be the flagship. That is, the corporate offices would set the standards, and the area offices would be expected to follow suit. The executive team thought that a VP of Human Resources was not only necessary to manage the needs of the growing workforce but also to maintain uniformity across the sites.

Jamie was excited about the challenge of molding SHP's workforce. She knew that her actions would have critical effects. She was in the position to change the culture to meet the needs of the growing organization. She was excited to mold a workforce that was embedded in the grassroots beliefs of SHP. Jamie believed that the employees would be eager to develop a new culture that retained the pioneering spirit of SHP.

She was strongly attracted to SHP's vision of maintaining the independence of seniors. The company had developed four core corporate values: passion, integrity, respect, and responsibility. SHP believed that its employees should be driven by the needs of its customers. Thus, they are expected to seek "innovative solutions on issues affecting their health, independence, and lifestyle choices." In addition, the employees' behaviors should be motivated by the desire to "do the right thing." Also, not only does SHP expect employees to protect and enhance the well-being of

its customers but also to value and respect each other as fellow workers. Jamie felt these values set SHP apart from other HMOs and it made her even more eager to mold the workforce.

THE BEGINNING AND END OF A HONEYMOON

Jamie had always been told that the first 90 days of a new job were the honeymoon phase. Everything at SHP seemed too good to be true, at first. She was surprised at how quickly she had been welcomed onto the executive team considering her position was so new. The members reassured her that she would be playing a crucial role at SHP and that they respected her track record. Many of the other executives had also worked at rival HMOs. In fact, it seemed like everyone had jumped ship to join SHP.

During the second day of work, she learned that one of SHP's long-time employees had suddenly died. It was the first time in SHP's history that a current employee had passed away. Understandably, the staff was in shock. Jamie knew that her reaction to the situation would be critically evaluated by the entire organization. She quickly interviewed staff members who were close to the employee and distributed a company-wide memo informing SHP's employees of the death. Jamie also arranged for a company-wide memorial service for the employee and declared a special moment of silence in remembrance of her.

Jamie's delicate handling of the situation impressed the executive team, her human resources staff and employees throughout SHP. They commended her, and she gained immediate respect from the Human Resources staff. Jamie felt that she had proven herself to the executive team and her department and validated the need for her position. After the first 2 weeks on the job, however, it seemed like the honeymoon phase had come to an abrupt end. It was then that she realized that there was a lot about SHP that she didn't know and would soon uncover.

THE BRANDING CAMPAIGN

The CEO had suggested that Jamie meet with Rita Lansing, the VP of Marketing, as soon as possible. He raved about Rita's performance and declared that she was single-handedly positioning SHP for the new millennium. Her marketing department was currently immersed in an intense branding campaign. They were conducting focus groups with older adults from the community to find out everything they thought about the colors, shape, and even the symbolism behind the new brand.

The CEO felt very strongly about developing a brand for his company. He wanted to differentiate SHP from other Medicare HMOs by creating a symbol. He explained to Jamie:

I have always dreamed about creating a brand for SHP. This brand would help consumers identify the unique services that come from our company. A brand name would not only provide an added value to our company, but also give a name for consumers to associate our services with. Seniors tend to be loyal to brand names that symbolize high quality. Just as Windows 2000 is purely Microsoft and Kleenex is the essence of Kimberly-Clark, my vision is to have the public recognize SHP by our logo and know that we deliver high-quality senior services that set us apart from other Medicare HMOs.

Upon hearing this, it clicked in Jamie's head exactly how crucial her role was in this branding process. Creating a brand wasn't just a physical action; it required a change of thought within the company. She would have to encourage the development of a more corporate, professional culture that was consistent with the brand. This branding campaign was an essential part of shaping the organization's culture. It was the basis for many changes.

This task, however, seemed rather overwhelming to Jamie. How could she develop and establish a uniform corporate culture across all eight SHP sites? The atmosphere was drastically different at each separate office. The satellite sites were professional but did not project the same image as the corporate offices. If the culture of the corporate offices represented SHP's new image, then it was crucial for the other sites to replicate it. This was significant because SHP's clients often visited the satellite sites and rarely interfaced with the corporate offices. Thus, it would be important to uphold the SHP image at the satellite sites.

The first thing that Jamie wanted to do was arrange an appointment with Rita. Jamie was eager to meet Rita and find out how she could help carry out the CEO's vision. The brand development sounded exciting, but Jamie was surprised by the amount of time and resources that were being devoted to the creation of the brand. She was, however, extremely interested in finding out exactly what this branding campaign was and to have her questions answered by Rita. Also, Jamie was very concerned about having the employees in on the development of the brand. She felt their involvement was crucial because they would be representing the brand.

STARTING OFF ON THE WRONG FOOT

When Jamie arranged to meet with Rita, she was surprised by her abruptness. Rita said that she was very busy but was willing to spare a few min-

utes to fill Jamie in on the brand development. Jamie was puzzled by Rita's chilly treatment especially when she compared it to the friendliness of the other executive members.

At their meeting, Jamie was further taken aback by Rita's take-charge manner. The 15-minute meeting did not go as Jamie had envisioned. Not only had Jamie wanted a longer, more in-depth meeting, but she also had hoped that the two of them could discuss where their roles fell in the organization and how they could work together to make the branding campaign a success. Jamie knew that the employees would need a stake in the campaign in order for them to buy into it. She hoped that by including them in the brand development process, this would slowly initiate an organizational culture change and foster employee buy-in.

Jamie was astonished when Rita promptly told her that the marketing department was going to execute the brand development without any help from the rest of SHP. Rita argued that the brand research was confidential and she didn't see the need for employee involvement. She wanted to perfect the brand to meet the CEO's vision not the employees' and therefore did not want employee input. Rita believed that employee buy-in would be the easiest part. If she were successful at creating a distinct, high-quality brand, no employee would argue against its implementation. In fact, Rita argued they would feel privileged to represent SHP's new brand and automatically be motivated to reinforce the brand's high quality.

Jamie was astounded by Rita's logic. She tried to reason with Rita and explained to her that in order for the branding campaign to be successful at reinventing the company's image, Rita would need SHP employee buy-in. Many of the employees had been with the organization when it was a small, grassroots oriented senior services organization. If they did not get involved with these changes, they would surely resist the change.

Rita would not budge. She said her past experiences with brand development had taught her that the process should exclude employee involvement. Rita pointed out that she would fully involve the employees during the unveiling of the new brand. She explained that her department was already planning an unveiling ceremony where all of the employees would be introduced to the new brand.

WORKING INDEPENDENTLY

After that encounter, Jamie felt that her hands were tied. How could she manage the changing organization if Rita wasn't even going to include

her in the brand development? Jamie viewed her participation in the branding campaign as a critical part of being the VP of Human Resources. She approached the CEO for guidance but backed down when he told her that Rita was highly experienced and knew what she was doing. Again, Jamie saw how important the brand was to him. He seemed so impressed by Rita's progress that he couldn't see past anything else.

Jamie set off to reorganize her department and the company structure so that it would be in alignment with what she perceived to be the new emerging corporate culture. Her department was very supportive of her. They jointly decided to create a way to open the communication lines between the employees and administration. Jamie viewed communication as one of SHP's current major weaknesses. Thus, she implemented a new medium for communication called the CEO's MessageBoard, created a policy that encouraged employees to eat lunch in the lunchroom instead of at their desks, and revamped the dress code to fit SHP's new corporate image. Her department also worked in conjunction with the executive team to revamp SHP's organizational structure. She thought that these changes should have been implemented long ago.

The CEO's MessageBoard was a hit with the employees. They loved the fact that they could anonymously submit messages to the CEO and have them answered on the company's on-line server. They felt comfortable voicing their concerns and the CEO gave his own input and answers to the questions. It was also available for the rest of the organization to view on-line. Jamie thought that the MessageBoard had helped to create a firm sense of partnership between management and staff while enhancing opportunities for employee growth and development.

The lunchroom policy did not receive rave reviews. Employees felt as if the HR department was telling them how to use their lunch time and felt that it was infringing on employee individualism. Yet, Jamie did not alter the policy. She felt that it was important to encourage employees to interact with each other away from their desks.

Jamie also felt that the organizational structure changes were greatly needed because of the high levels of duplication and geographic problems. Now that SHP had taken residence in their Newport Beach building, Jamie began working with the facilities director to reorganize the employees' workstations. She had wanted to arrange them all in appropriate work units. The employees, however, resented the cubicle changes and thought that HR was imposing a major inconvenience on them. Furthermore, 3 months after the cubicle swapping, the CEO announced that SHP would be relocating to a larger building with more space the following year. This added to the employees' annoyances with Jamie's department.

INTERDEPARTMENTAL CONFLICTS

Problems with marketing and interdepartmental organization made Jamie's job even more difficult. As Jamie and her department set out to make further changes, such as revamping the company newsletter and creating a newsletter for the consumers, she noticed that Rita was stepping into her territory.

During one pivotal executive meeting, Jamie unveiled the newsletters that she and her staff had spent weeks developing. Right there in front of the CEO, Rita expressed her disapproval and pointed out that they would not fit in with the consistency of the brand. Rita explained to the CEO and the executive team that in the future, any internal and external communication documents should be evaluated and approved by her department first. This was because the documents could wear away the brand integrity. Rita said, "Unfortunately good brand management does not always allow for individual creativity. We need to present a consistent image not just externally but internally as well."

Jamie left the meeting fuming. She could not believe what had just happened. Not only had Rita made her look foolish in front of the entire executive team, but she also implied that Jamie didn't know how to do her job correctly. She approached the CEO afterward with her concerns about Rita's infringement on her departmental duties. But Jamie knew he would be no help when she saw the look on his face as she mentioned the brand. He asked her if she had seen the final draft of the brand. She shook her head. His eyes lit up as he described how phenomenal it was. Rita had produced exactly what he had envisioned over the last 20 years. He said he was astounded and could not believe how excited he was. When Jamie voiced her concerns, he reiterated what Rita said regarding the importance of maintaining the brand integrity. He also mentioned that they were preparing to copyright certain terms that would be used to refer to their case managers as "Healthy Care Managers" and the senior services department as "Living with Independence." This would prevent other Medicare HMOs from stealing or copying the services that were unique to SHP.

Jamie was speechless. It was obvious that she could no longer depend on the CEO for support. Rita had him wrapped around her finger.

UNVEILING THE NEW BRAND

Two months later, the marketing department was set to release its new brand for SHP. They had organized a huge unveiling ceremony for the brand and asked Jamie's department for help. Jamie, although still upset from her encounters with Rita, decided that it would be in her best inter-

est to cooperate with marketing. She had hoped that there would still be an opportunity for them to establish good interdepartmental relations.

She had agreed to lend her staff and HR would be in charge of spreading the word about the unveiling ceremony. Jamie began to feel more positive about the ceremony, especially since it now would appear to the employees that HR had played a big part in the brand development. Everyone was given the morning off to attend the ceremony at corporate headquarters.

The only glitch was that marketing had ordered polo shirts, caps, and lunch boxes with the new brand for employees. Because of the budget limits, however, they didn't have enough items to distribute to all of SHP's employees. Thus, Rita made the decision to only distribute items to permanent employees who had been with SHP for over a year.

Jamie objected to that proposal and pointed out that it could create animosity among the employees and temporary workers. Yet, Rita argued that it was too late to do anything about it and that it made sense to only offer long-standing employees the branded items. Jamie backed down and gave in. She had enough to worry about with the planning of the ceremony. She was scheduled to speak after the CEO and wanted to project the right image. The recent changes that she had made at SHP hadn't gone as smoothly as she had wanted, and Jamie knew that the ceremony was the perfect opportunity to redeem herself.

As Jamie had predicted, however, the employees were not only upset about the inequitable distribution of shirts, caps, and lunch boxes, but they were also resentful toward the new brand. Although they enjoyed having the morning off to attend the ceremony, they didn't understand exactly why SHP was revamping its external image. Many commented that SHP had sold out its grassroots heritage for a more corporate, snobby image. To make matters worse, they directed their anger toward the HR department. The employees had assumed that because HR had publicized the event, they were the major movers behind the brand development.

SIX MONTHS LATER

Six months after the unveiling ceremony, the situation between the HR department and SHP's staff had only worsened. While the marketing department had developed a whole new set of rules and regulations that accompanied the use of the new brand and the trademarked terms (Healthy Care Manager and Living with Independence), the executive team had given Jamie the job of enforcing the standards.

At first, Jamie had welcomed the chance to be in control of this area. She had thought that it would provide her with more control to mold SHP's employees and regain their trust. The employees, however, viewed

the brand rules as a huge nuisance and resented the fact that they follow them. They felt that Jamie and her department were forcing staff to adjust to a new corporate image. They accused the HR department of eliminating the pioneering spirit of SHP by implementing a barrage of rules that accompanied the brand and the new culture.

Jamie was appalled by the situation. The employees were misinterpreting her actions. She, more than anyone else, wanted to maintain the grassroots, pioneering spirit. It seemed that the only people who opposed her changes, however, were members of the executive team. They appeared to adjust well to the new emerging corporate culture. She realized that they were beginning to feel comfortable at SHP, because it was now so similar to the other HMOs they had left.

The executive team was troubled by the reactions of their employees. They did not understand why they were so against the changes. To make matters worse, the popular MessageBoard had evolved into a company therapy board. Departments used it as a medium to promote name-calling while others griped about the morale at SHP, whined about parking and complained about dress codes. Even more disturbing to Jamie was that all of SHP's dirty laundry was being aired throughout the company. Instead of promoting good communication, the MessageBoard had turned into a disaster. Yet she was afraid of eliminating the MessageBoard because so many employees felt it was the only venue they could use to communicate their concerns.

LOOKING AHEAD

As Jamie turned off the television, she realized that the situation at SHP had reached a critical state. Already, she had lost a number of employees who had quit their jobs, others were interviewing with SHP's competitors, and employee morale was beginning to affect the quality of customer service. While the marketing department's branding campaign had been so successful at projecting a positive public image, the employees who upheld SHP's reputation were not supporting it. The way the cards had stacked up against her, Jamie knew that the executive team would blame her for the situation. Thus, Jamie would have to choose her next move very carefully. The only problem was that she didn't know which way to turn.