

7.8 Vhi Case Study

Organisational profile

Vhi Healthcare is one of Ireland's most recognised household brands with an 84 per cent share of the Irish insurance market. Vhi offers a wide range of healthcare plans for acute medical cover to individual and corporate customers. The organisation has over 1.56 million members. This represents 41 per cent of the Irish population.

Vhi has been operating in Ireland since 1970. In the last five years the organisation has experienced considerable growth. Turnover has almost doubled reaching €688m in 2002, while staff numbers have increased by 270 during the same period (Table 7.8-1).

	2002	1997
Turnover	687.58m	351.17m
Staff numbers	729	459

Other key performance indicators include new members sales, retention of existing customers, employee satisfaction and the solvency cover ratio i.e. 30 per cent premium income held in reserves. During the last two to three years the organisation has performed very well. Growth has been significant. According to management this growth has been underpinned by:

- Strong customer loyalty and support
- A good brand that has been developed over a long time
- Good marketing
- Strong internal staff support
- Clear vision of the organisation's objectives that is widely shared.

Table 7.8-2 Breakdown of Vhi staff categories

Staff category	No.	%
Clerical	222	28
Supervisory	258	35
IT	83	11
Professional/ Technical Managers	97	15
People Managers	21	3
Other	26	4

Employee Relations

Vhi staff comprises six main categories. There is only one union, AMICUS MSF, representing approximately 80 per cent of all grades of staff. Management views its relationship with the union as good and that it has remained more or less the same for the last few years. The union representative views the working relationship with management as moderately good and says that the relationship has improved in the last few years.

Partnership arrangements in Vhi are formalised in the guise of its Partnership Forum. The Forum comprises elected representatives, the CEO, two HR representatives and the House Committee Union Chairperson. The trade union official is invited to all meetings of the Forum. These meetings are arranged on a monthly basis. Once per year the Forum meets for a full day with the CEO, and decides on actions for the coming year. Sometimes people representing different parts of the business are invited to this meeting as guests for the day e.g., the Financial Director. The Forum discusses all issues related to the organisation, excluding pay and industrial relations issues.

Management and employees view the partnership arrangements as beneficial and describe working relations within the Forum as very positive. According to the employee representative, the active involvement of the CEO has contributed to the success of the Partnership Forum, which provides a structure for facilitating horizontal and vertical communication within the company. The information that is shared through the Forum is also provided to Executive and Board members during

their meetings. This information provides employee representative forum members with a greater understanding of the strategic issues facing the organisation. However, it is felt by the union representative that difficulties arise when information is being disseminated throughout the organisation as a whole, particularly in relation to sharing information that might be of a sensitive nature. It is also the view of the employee representative that employees at local level need to become more involved in the partnership process, so that the Forum can achieve its full potential.

Information Sharing

Vhi management is acutely aware of the importance of regular and effective communications and provides employees with extensive information about the operation and performance of the organisation.

Direct Information Sharing – A wide range of communication techniques are utilised by Vhi to provide information directly to all employees, including a company handbook, newsletter, bulletins, notice boards, intranet and email. In response to employees' interest in what the public has to say about the organisation, all newspaper articles, transcripts or radio/TV interviews and comments are posted on the Internet site every day. Team, business unit and department meetings are also used across multiple sites to keep employees informed on matters related to the operation of the organisation.

Information is passed from the Executive through the general managers onto the employees. Following every meeting of the Vhi Board, the CEO briefs the general managers, who pass the information on to their teams, which generally meet every two weeks but more frequently when necessary.

According to management, information on product/service diversifications, new work practices, new technology, pay and conditions, health and safety and training is made available to employees at the early planning stage. Information regarding organisational strategy is communicated at the planning stage.

The view of the employee representative is somewhat different with regard to the stage at which employees receive information about changes. According to the employee representative, information in respect of product/service diversification, new work practices and health and safety is provided to employees at the planning stage while information in respect of organisational strategy is provided at implementation stage. The employee representative describes management's approach to information sharing with representatives as average, but acknowledges that there have been some improvements.

Management is concerned that while a lot of resources are invested in communicating directly with employees, some employees still say that the organisation is not doing enough. At the time of writing Vhi was planning to initiate a review of all communication processes. The purpose of the review is to identify the strengths and weaknesses of the various channels of communication and strengthen those that do not work so well.

Indirect Information Sharing – Information is provided to employee representatives during the regular monthly meeting of the House Committee. According to the employee representative this is the only official regular communication where information is disclosed to employee representatives. According to management there is very little difference in the direct and indirect practices for informing employees. There is no conscious consideration of whether or not the individual or groups being communicated with are representatives. Consequently information is shared very openly. It is possible for some individuals to receive the same information more than once depending on their degree of involvement in different groups. For example, an individual could at the same time be a member of a team in their department, a project group and the representative Forum.

Consultation

Vhi utilises a range of employee consultation practices including attitude surveys, suggestion schemes, performance reviews, training and development reviews, and 360-degree appraisal. According to management very few decisions are taken in isolation. Almost every significant issue within the organisation is addressed by a group of some sort. Temporary work groups, where three or four people get together to consult about an issue and ideally resolve it by consensus, are used all the time. Vhi also uses more permanent employee groups. For example, when the results of a recent Vhi Corporate Customer Survey were received teams were established to examine the results, identify areas for improvement and to implement action plans. Vhi also has a number of process teams who assess different elements of the European Business Excellence model, which is currently being implemented by the organisation.

Vhi management and employee representatives are consulted via the organisation's IR Forum and Partnership Forum. Both committees discuss a wide range of issues relating to company strategy, organisational performance and financial position, competitiveness issues, pay and conditions, and health and safety.

The Vhi also utilises other committees to consult with the organisation's customers. For example, the Membership Advisory Committee involves corporate company representatives, while the Medical Advisors Committee involves medical consultant representatives.

The benefits of Information and Consultation

It is evident from the above that Vhi utilises a wide range of structures and process in order to inform and consult with employees and their representatives. It is management's view that the practice of informing and consulting with employees has contributed to improvements in company competitiveness, organisational performance, employee commitment and acceptance of change, problem-solving and industrial relations. The employee representative believes that the organisation's information and consultation practices have raised employees' awareness of what the organisation needs to do to be competitive, and have helped them feel part of the process of maintaining competitiveness.

In general, the impetus for developing existing information and consultation practices is very high among managers, employees and employee representatives alike.

Example 7.8-a Design and implementation of *Emvolve* – an online performance management system used by telephone agents

Vhi Healthcare Contact Centre Kilkenny

Vhi Healthcare established its first LoCall 1850 customer query line in its Dublin Head Office in 1995. In 1999 the service was moved to Sandyford Industrial Park and in June 2000 the Vhi Healthcare Contact Centre was established in Kilkenny. There are approximately one hundred and twenty telephone agents employed in the contact centre.

Performance Management System

Performance management has been very central to the day-to-day operations and work of the telephone agents. The system that was in place until May 2002 involved team leaders preparing reports for each individual telephone agent. A telephone agent could receive up to ten daily reports that provided only statistical information and did not provide insights into how to improve or change anything. Team leaders spent most of their time preparing and issuing these reports. They then had to sit with each agent and go through the figures. So much of their time was taken up with managing these reports they had very little time to spend with agents in a supporting or coaching role or if they had a problem or query on any of the calls.

Employee Involvement in the design of an online performance management system

The team leaders were unhappy with the performance management system and approached management with a proposal to introduce an online performance management system. A team comprising team leaders, telephone agents and operations managers was established to explore what systems were available. The team identified a product, which provided a framework that could be adapted and modified to suit the specific needs of the organisation.

The new system had to be modified to accommodate all the reporting systems in use at the time, and to include additional reports. Employees from operations, team leaders, and advisors met on a regular basis to identify exactly what they needed from the new system. All employees were kept informed of developments through a series of discussion and exploratory workshops and email updates.

A small task group representing all potential users of the new programme was established to work

directly with the system supplier. Members of the group were also responsible for keeping their team members up-to-date and ensuring that their suggestions were brought to and considered by the working group.

The consultation workshops continued during the implementation phase. Every detail of the programme was discussed, from performance targets to the colour and style of the programme, from language and terminology to the type of smiles and colours that are used for the performance assessment icons.

Everybody's views and opinions were sought at each step of the process. Before final implementation a presentation of the system was made to each team so that everybody had an opportunity to see what had been developed before it was up and running.

General benefits

- Emvolve Performance Manager can be accessed directly by each telephone agent
- Detailed information is available on the daily performance of each telephone agent against each of their objectives
- Key Performance Indicators (KPIs) are also displayed to provide information on the overall performance of the contact centre in relation to high-level metrics such as Service Level and Calls Offered
- This information is available daily, weekly, monthly, quarterly, half-yearly and yearly
- Emvolve is also used to collate and analyse data in order to automate staff performance reviews, making them both objective and fair.

Benefits for team leaders

- Reduction in administration time in creating, generating and evaluating reports
- Easy identification of where advisors need coaching and assistance.

Benefits for telephone agents

- Control and ownership of their own performance
- Objective and timely feedback on exactly how telephone advisors are doing
- The right targets for the individual.