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High Performance in social security administration by innovation, change management and risk management

Summary of findings 2008-2010

In collaboration with

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About ISSA
The International Social Security Association is the world's leading international organization bringing together national social security administrations and agencies. The ISSA provides information, research, expert advice and platforms for members to build and promote dynamic social security systems and policy worldwide.

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High Performance in social security administration by innovation, change management and risk management

Summary

This report identifies drivers of High Performance in social security administration. Processes, capabilities and systems crucial for the optimization of service delivery are identified, and the way in which social security institutions across the globe are implementing them is discussed.

Achieving the full potential of long-term, sustainable high performance in social security administration is critical to support a country's inclusivity, social peace and well-being. High Performance in social security administration depends on the right people and the right processes, technologies and capabilities; leveraging good practices and leanings globally, while at the same time, creating synergies. This report is based on qualitative in-depth interviews and a quantitative survey with leaders of social security organizations. It is intended to contribute towards the debate on how best to raise the bar on the delivery of social security services.

An approach to achieve sustainable high performance is outlined in this report. The High Performance critical success factors are excellence in innovation, risk management and change management. In addition, the report identifies five critical success enablers to achieve and sustain High Performance; all supported by the right people, processes and technology, and embedded in an innovative, forward looking organizational culture.

Overall, this report highlights the importance of High Performance for making social security institutions significant and valued contributors to a society's well-being.

Context

The International Social Security Association (ISSA) has 340 member organizations in 150 countries, promoting synergies and knowledge sharing geared towards excellence in social security administration.

To facilitate and enhance knowledge sharing on a global scale, ISSA and Accenture have collaborated since 2008 in the ISSA Technical Commission on Organization, Management and Innovation (TC-OMI) project on High Performance which aims to identify the systems, capacities and processes that enable High Performance in the delivery of social services.

The challenges are many and varied, such as:

- Some countries are challenged by demographic shifts which are changing the needs of their constituents, while other countries are being challenged by population increases;
- regulatory changes are requiring a different set of social services;
- high fraud levels are impacting the position and reputation of the institution;

- internally, decision makers in social security organizations feel that they lack access to the right caliber of employees;
- additionally, they feel that they should capitalize further on technological innovations to secure safe, transparent and seamless internal processes.

Some organizations have developed excellence in social security administration by integrating citizens' views into their strategy supported by the right processes and technology, and embedded in an innovative and forward looking organizational culture.

When integrated into a framework of High Performance, these good practices can be the launch pad of a transformational journey to the benefit of all stakeholders. Based on interviews with leaders in social security, this report intends to contribute towards the debate on how best to enhance social security delivery.

Social security systems are increasingly regarded as integral to the overall social, economic, and political management of a country, rather than being a secondary concern. The global economic crisis has reinforced and accelerated this trend. Today, policy and decision makers appreciate that social security organizations contribute significantly to a nation's well-being by implementing policies of social welfare and by providing inclusive access to public services. They are safeguarding principles of social distribution and equality, and consequently contributing to standards of living and social peace in a country. In that sense, they are a critical part of a nation's competitiveness. To ensure consistently high performing social security organizations, there is a heightened need for stronger governance and management, backed by increasing professionalism, with decisions based on robust databases and policy-relevant analysis.

This research is the first of its kind in providing a truly global perspective on High Performance in social security administration. The breadth and depth of the analysis was possible due to the fruitful partnership between ISSA and Accenture: the Secretariat, Accenture, the ISSA TC-OMI and the ISSA member organizations strongly supported this unique research project. The results will facilitate and enhance knowledge sharing and discussions on high performance on a global scale as the research has identified the systems, capacities and processes that enable high performance in the delivery of social services.

Objective, approach and timeline

The research seeks to indentify the performance factors enabling a high performing organization.

The project survey was implemented in two phases:

- In Phase 1, qualitative interviews of 30 senior executives and administrators of ISSA member organizations were conducted to identify key enablers to achieve high performance in social security administration. The results were discussed with ISSA members and debated during group discussions at the ISSA Technical Seminar on high performance that was held in Kuala Lumpur in March 2010.

- In Phase 2, a quantitative online survey targeted 263 ISSA member organizations directly administering social security in 148 countries, to measure the importance to the organization of each of the enablers identified in Phase 1. The survey was also used to develop an understanding of methods currently used across regions to achieve high performance. Responses to the online survey were received from 57 social security

organizations: 23 from Europe, 13 from Africa, 11 from Asia and the Pacific, and 10 from the Americas.

In the qualitative survey (Phase 1), the main questions focused on the views of social security administrators on risk management, change management and innovation, and how these impacts on three specific dimensions in the organization, namely, operational efficiency, human capital management, and citizen focus:

- Risk management: How does your organization manage risk? What processes, capabilities, IT systems supporting risk management?

- Change management: How does your organization manage change? What are the processes, skills, IT enabled processes supporting change management? Does your organization collect feedback from citizen?

- Innovation: How does your organization support and encourage innovation? What are the processes, capabilities supporting innovation? Does your organization collaborate with government or non-governmental organizations?

The Phase 1 interviews formed the basis for the identification of the High Performance enablers, which were then validated in Phase 2 by evaluating their regional importance and relevance to social security organizations. This report integrates the findings of Phase 1 and Phase 2 of the project.

Key findings

The project results confirm that High Performance is the outcome of a rigorous and integrated focus on specific enabling factors of risk management, chance management and innovation. Innovation, in particular has been identified as key to a high performing organization today. "Getting things done" through the right processes, capabilities and systems has emerged as key to operational success.

The key findings are:

I. Five key enablers – supported by the right processes, capabilities and systems – have been identified as critical to achieve high performance in social security administration:

    1. Empower employees as a key driver for performance.
    2. Develop and implement innovations centered on citizens.
    3. Actively leverage external experience and expertise.
    4. Position the organization as an active contributor to society.
    5. Fully embed risk management into the organization and processes.

II. The survey confirms the increasing importance of having the right processes, capabilities and systems in place to achieve high performance.

III. "Citizen Service Centered Innovation" has been identified as the most critical enabler for achieving high performance going forward, but organizations have to close the gap to full maturity.

IV. The potential for high performing organizations is well distributed across geographic regions.

V. There are patterns of similarity across all regions to achieve high performance which are closely aligned with overarching themes in the national agendas.

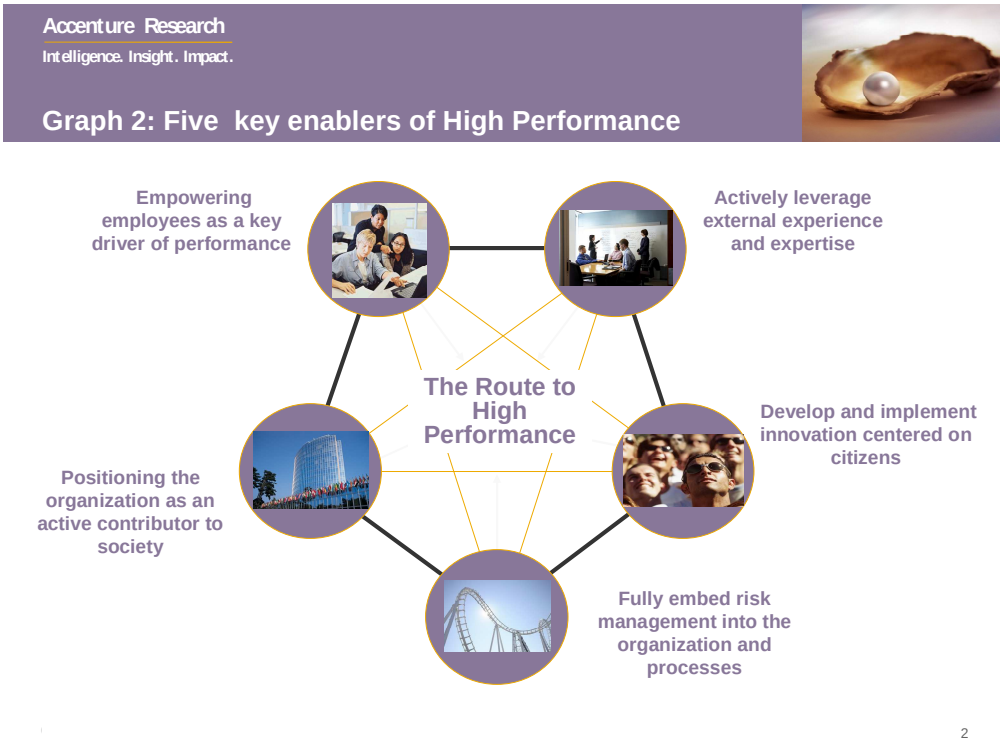
Key finding 1: The five key enablers of High Performance

Five key enablers have been identified as fundamental to High Performance in social security administration. Enablers are groupings of core capabilities that allow an organization to advance its level of maturity and agility in achieving its goals. Supported by the right processes, capabilities and systems, these enablers are critical to enhance performance of the organization.

The five enablers are as follows:

1. **Empower employees as a key driver of performance** – This enabler identifies and includes key areas of impact of employees' performance, supported by:

    - training programmes;
    - performance management programmes;
    - leadership training;
    - reward and recognition;
    - skills auditing (mapping existing skills in the organization and assessing gaps between market need and customer service);
    - internal communication.



2. **Innovations centered on citizens** – This enabler discusses how innovation can contribute to (a) provide better and easier access to social security services, (b) allocate the right benefits to the right citizen, and (c) pay benefits, supported by:

- channels of access;
- IT enabled processes;
- different modes of payment;
- multichannel communication;
- tailored and targeted marketing;
- leverage collaboration with other organizations to raise awareness of services.

3. **Leverage external experience and expertise** – This enabler identifies and includes the importance of leveraging external experience and expertise in order to optimize performance, supported by:

- collaboration with Government Agencies (e.g. to share data);
- collaboration with Banks regarding the payment of benefits;
- participation in Programs (led by the government and other non-government agencies);
- working with Service Providers (to develop and implement new processes and tools).

4. **Position as an active contributor to society** – This enabler underlines the importance of positioning the organization and better highlighting its value to society by:

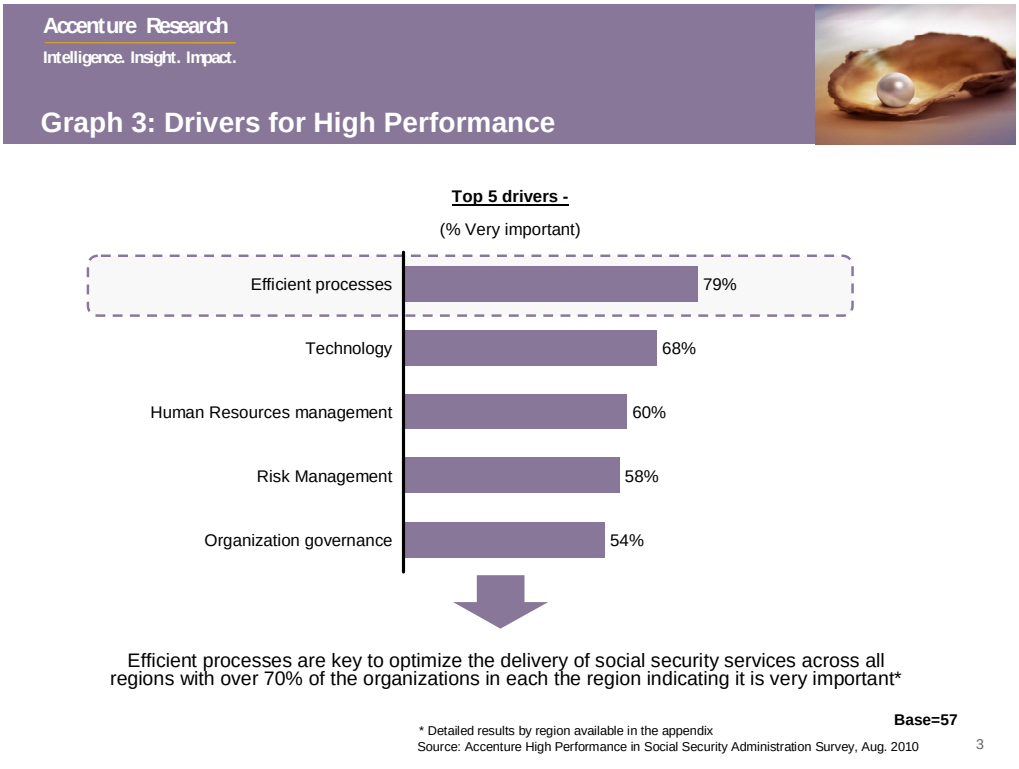
- understanding and responding to citizens needs;
- options for value propositions;
- offering the organization's experience and Know How for policy making.

5. **Embed risk management** – This enabler discusses options to address risks in the areas of operational efficiency, human capital management, and citizen service in a holistic and integrated way, supported by:

    - an integrated approach to risk management;
    - organizational requirements to implement an integrated approach;
    - technology requirements to implement an integrated approach.

Key finding 2: The importance of the right processes, capabilities and systems to achieve High Performance

Given the challenges faced by social security administrations across the globe, senior executives in these institutions believe that it is crucial to have the right processes in place. The efficiency of processes is the most important driver to optimize social security services delivery: over 70 per cent of the organizations in each region indicate it is very important. Processes are essential, are going right across the organization and are the "glue" for integrating strategic and operational objectives.



Consequently, the importance of the five key enablers and their right processes, capabilities and systems is foreseen to significantly increase in the next five years. Around the globe, organizations believe that the enablers will rise in importance across the board. "Embedding risk management into the organizations and processes" is considered to be the enabler whose importance will increase the most. The smallest increase is expected in "Positioning the organization as an active contributor to society".

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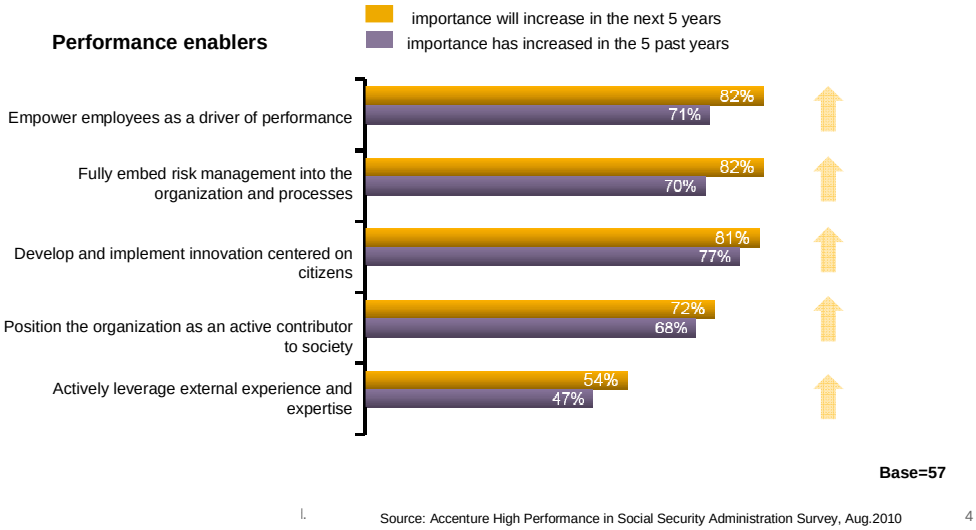
Graph 4: Organizations (percentage) anticipating an increase of the importance of the enablers



Source: Accenture High Performance in Social Security Administration Survey, Aug.2010

Key finding 3: "Citizen centered innovation" has been identified as the most critical enabler for achieving high performance going forward, but organizations have to close the gap to full maturity

The most important enabler today is the development and implementation of innovations centered on citizens. Executives are most interested in embracing innovations to modernize systems, leverage technology to provide next generation citizen services, and address topics such as data security and fraud. The survey results show that "citizen centered innovation" are currently focused on the following four areas:

1. Provision of improved, easier access to social security services.
2. Benefits Payment.
3. Allocation of the right benefits to the right citizen.
4. Active promotion of social security services.

While organizations appreciate the importance of this enabler, 58 per cent of organizations surveyed feel that many improvements are still needed to achieve full maturity. While some processes, capabilities and systems are already in place, they feel the need for developing and implementing new initiatives. There is evidence that this focus supports High Performance. In particular, the level of implementation of initiatives aiming to develop this enabler is higher within organizations what define their maturity as high.

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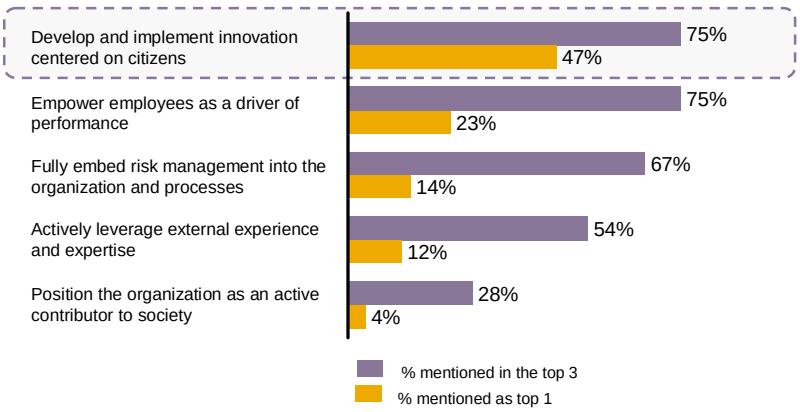
Graph 5: Importance of enablers



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Source: Accenture High Performance in Social Security Administration Survey, Aug. 2010 5

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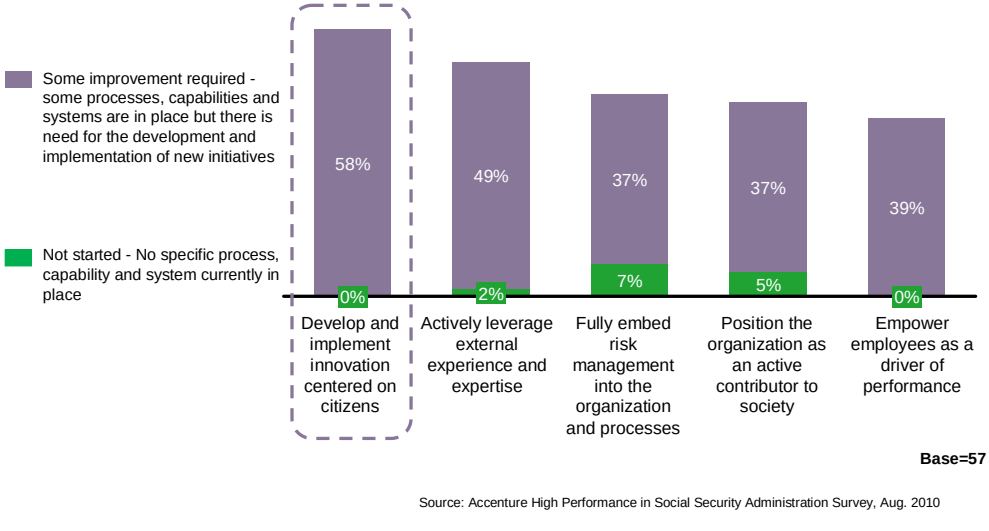
Graph 6: Maturity of Enablers



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Source: Accenture High Performance in Social Security Administration Survey, Aug. 2010 6

Key finding 4: Potential for high performing organizations is well distributed across geographic regions

The potential for a high performing organization is spread across all regions. Interestingly, there is no significant difference between regions in terms of the self assessment of their level

of maturity related to the performance enablers. Notably, the number of fully implemented initiatives to achieve high performance is well-distributed across all regions and is neither clustered nor limited to certain geographic regions. Rather, the seriousness of focus on innovation is fundamental to achieve high maturity in social security delivery.

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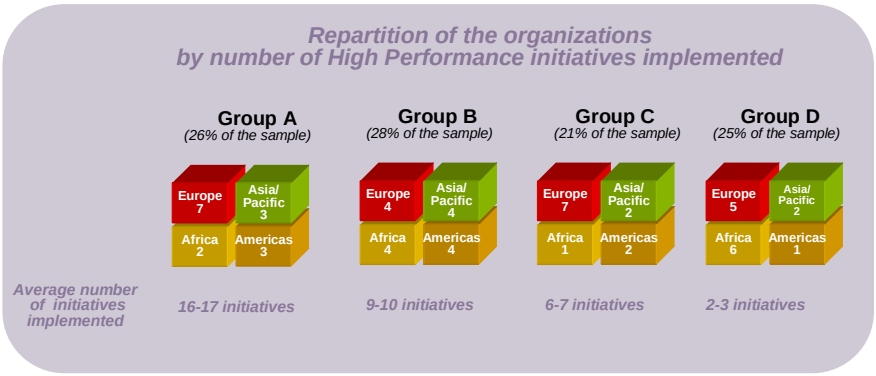
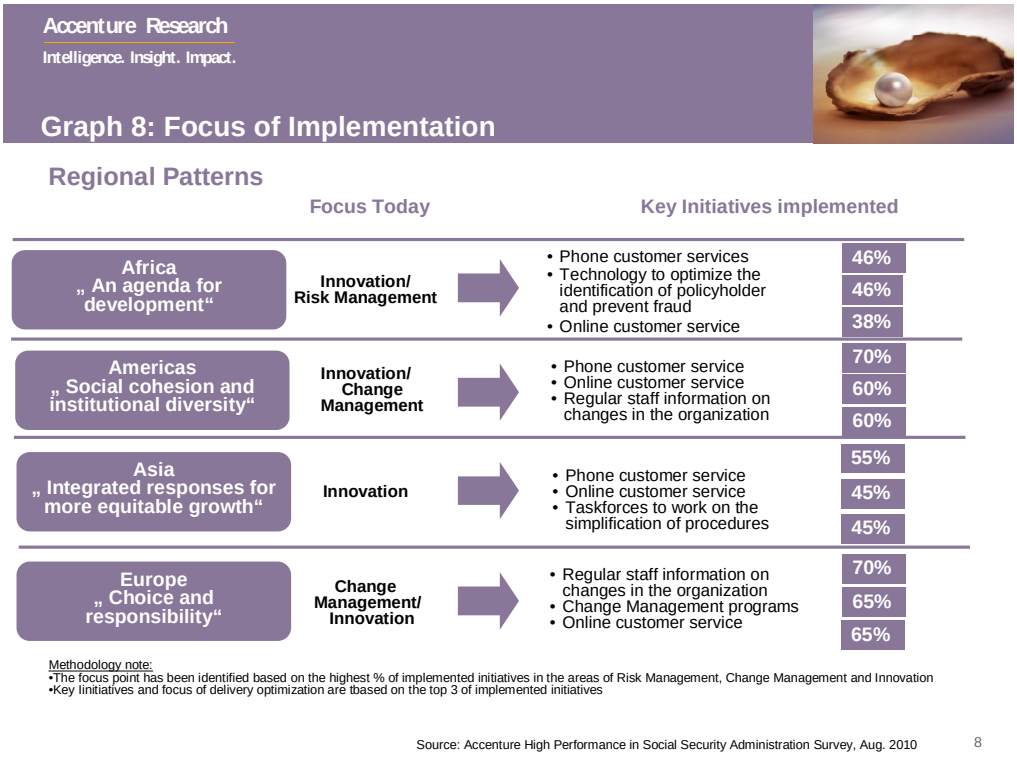
Graph 7: Number of Implemented Initiatives



Source: Accenture High Performance in Social Security Administration Survey, Aug. 2010

Key finding 5: There are patterns of similarity across all regions to achieve high performance which are closely aligned with overarching themes in the national agendas



High performers are spread across all regions and they use comparable approaches to achieve high performance. Analyzing initiatives implemented at full maturity (based on the perceptions of executives), certain patterns of similarity across the globe can be identified. Slight variations exist by region, given the different priorities and challenges that organizations have. Innovation is a key focus area in all regions across the globe. In Africa, risk management is an additional key area of focus. Both Europe and the Americas have implemented a number of initiatives in the area of change management. Organizations in Asia focus predominantly on innovation. Today, across all regions, there is an emphasis on integrating social security system reform initiatives with broader national development goals that include macroeconomic sustainability, more equitable growth, and poverty alleviation.

Conclusions

High Performance in social security administration is the result of a holistic approach to change management, risk management and innovation. Five key enablers supported by the right processes, capabilities and systems are prerequisite for an integrated approach to becoming a high performing organization.

The report concludes with three principal messages:

Focus on High Performance

- Formulate and implement a framework to achieve high performance.
- Take your employees along.
- Put the right processes, capabilities and systems in place.

Invest in innovation for the future

- Leverage global good practices to boost innovation.
- Integrate employees into innovation processes.
- Accelerate the development of an innovation ecosystem that multiplies the combined power of business, academia and the public sector.

Know the citizen

- Formulate a strategy based on demographic realities.
- Develop and implement citizen focused processes, capabilities and systems.
- Focus on customer service to contribute to standard of living and competitiveness of the nation.