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Good Practices in Social Security

Good practice in operation since: 2015

Using the balanced scorecard methodology to integrate the Public Authority for Social Insurance's strategic planning with performance management

**Certificate of Merit with Special Mention, ISSA Good Practice Award – Asia and the Pacific
competition 2018**

Public Authority for Social Insurance
Oman

Summary

The Public Authority for Social Insurance (PASI) began its journey into strategic planning in 2008. Since then, the PASI has been searching for a systematic methodology to integrate strategic planning with performance management to align all operations into this vision so that all employees would work in the right direction with focus on the intended strategic results. To achieve this goal, the PASI has implemented the balanced scorecard (BSC) methodology as a tool for the integration of strategic planning with performance management.

The issue or challenge

What was the issue or challenge addressed by your good practice? Please provide a short description.

The direction of the PASI's strategic plan was developed to enhance its mission and achieve its vision for the future. This included the achievement of certain objectives, such as improvements in investment performance, client satisfaction, institutional services, social security awareness and internal capacity and extension of social security coverage. However, after several evaluations, PASI management realized that there was an issue as regards the organizational alignment, and the strategy was not proceeding as intended. This meant that there were limitations to the communication, focus and alignment between the organizational strategy and the business units and employee performance. These challenges affected the optimal achievement of PASI's strategic objectives such as social security coverage extension and business sustainability along with its overall vision for the future.

Addressing the challenge

What were the main objectives of the plan or strategy to resolve the issue or challenge? List and briefly describe the main elements of the plan or strategy, focusing especially on their innovative feature(s) and expected or intended effects.

- The reason for addressing this challenge came from the fact that the PASI used several methods for planning, execution and performance management. This meant that there was no unified model for the integration of all these processes, resulting in many overlaps and a loss in accuracy. In addition, large numbers of resources were utilized (wasted) for repeating tasks. Thus, the aim was to find a unified model that would help the PASI improve its operational excellence.
- During its strategic planning journey, the PASI used several tools to define its strategic objectives, key performance indicators and implementation plans. However, the silos that had formed between individual performance and organizational vision and strategic objectives were still noticeable. These silos limited the PASI in reaching its intended strategic results. Therefore, the necessity of obtaining a systematic tool that could help break these silos was made a priority.
- In addition, the PASI determined that there were several strategic pillars or themes that needed to be focused on in recent years but there were difficulties in maintaining the level of attention required because the connections between these strategic pillars had not yet been identified. In this regard, the overall performance was below expectations.

- As a solution, the use of the BSC methodology was needed because it gave us the ability to view three different dimensions of organizational performance: results (financial and customer), operations, and capacity. Moreover, the BSC methodology helped PASI management to concentrate on key well-connected components such as business foundations including vision, mission, and values; plans including communications, implementation, automation, and evaluation plans to build employee buy-in and communicate results; business strategies and strategic maps to chart the course and define the logical decomposition of strategies into activities that people work on each day; performance measures to track actual performance against expectations; new initiatives to test strategic assumptions; budgets including the resources needed for new initiatives and current operations; business and support unit scorecards to translate the corporate vision into actionable activities for departments and offices; and leadership and individual development to ensure that employee knowledge, skills and abilities are enhanced to meet future job requirements and competition.

Targets to be achieved

What were the quantitative and/or qualitative targets or key performance indicators that were set for the plan or strategy? Please describe briefly.

By the completion of this valuable project, the PASI aimed to:

- Have a methodology that integrates strategic planning with performance management models.
- Have a systematic approach to align all operational activities and individual performances toward the accomplishment of the mission and implementation of the organization's vision.
- Improve the strategic focus of the PASI by having well connected (cause-effect) strategic pillars or themes.
- Improve the level of communication and transparency related to the PASI's overall performance and strategic objectives.
- Provide channels that give PASI employees a space for providing their innovative ideas.
- Meet the standards for good governance in strategic planning, investment and service quality of the International Social Security Association (ISSA).
- Create very specific results that could be achieved within five years.

In addition to these objectives, the PASI is looking forward to the following outcomes through this strategy:

- Extend and improve social security coverage.
- Have a robust asset liability model and suitable diversification of investment activities.
- Improve client satisfaction with PASI services.
- Improve the level of social security awareness.
- Improve PASI internal capacity as represented by people, infrastructure and governance.

Evaluating the results

Has there been an evaluation of the good practice? Please provide data on the impact and outcomes of the good practice by comparing targets vs actual performance, before-and-after indicators, and/or other types of statistics or measurements.

By the end of the project, the following targets were achieved:

- By the end of 2014, the PASI announced its new strategic model (the BSC methodology) for the coming strategic phase.
- During the first half of 2015, a strategy map showing the links between strategic objectives, strategic themes and the four perspectives (learning and growth, internal processes, clients, finance) was approved by the board of directors (BOD).
- By the end of 2015, the PASI had launched its new strategic planning model using the BSC methodology. This methodology integrates the models of planning, execution and performance management. The PASI's strategy contained five strategic themes (pillars): social programmes, investment performance, institutional services, social security knowledge and building capacity. Each one of these themes had an intended strategic result. The number of objectives and strategic initiatives were 19 and 34, respectively. The Table below provides an example of strategic theme structure.

By the end of 2015, the PASI strategy was already cascaded down to all managerial levels and to each individual employee.

At the beginning of 2016, the governance of the strategic plan was approved by the BOD, and this governance is in accordance with ISSA standards for good governance.

At the end of 2016 and 2017, PASI strategy performance was announced and published for employees and the public through different channels, such as annual reports and the PASI website.

- The PASI launched three channels to receive innovative ideas from employees. Two of them were virtual: "Ideas Link", which is a space created for employees to post their ideas, and "Staff Forum", which is a space for employees to use to discuss different topics. The third channel is called "A Cup of Coffee", which is a monthly session attended by all employees to discuss certain topics. According to the latest records, the total number of received ideas is approximately 265, covering different themes and perspectives (people, internal processes, clients and stakeholders, finance). Many of these ideas have been put into action and implemented by the relevant departments.
- All strategic themes (social programmes, investment performance, institutional services, social knowledge and building capacity) have been linked together in the strategy map via cause-effect relationships. Through this, the road map for reaching strategic objectives has become clearer and more acceptable by all stakeholders.
- According to the latest survey on client satisfaction with PASI services, the satisfaction level has reached 88 per cent, which reflects an improvement in service quality.
- The level of employee satisfaction and engagement has reached 83 per cent, according to a survey conducted by the planning department.

The theme	Social security knowledge				
Intended result	Society has better knowledge and understanding of social security systems				
The objective	Objective's intended results	Measures	Targets	Status so far	
Improve the social security knowledge in the society	Insured persons understand the importance of social security systems	% insured persons who understand the purpose of social security systems / 2020	70%	-	
	The Society understands the role of the PASI.	# PASI website visitors/ month	5,000	Around 22,000 monthly	
	The PASI has good infrastructure and capable employees who can transfer social security knowledge to the society	# social security conferences / seminars that organized by the PASI / year	Local (3) International (2)		In 2016: Local (3), International (2) In 2017: Local (3), International (2)
		# paper works presented by the PASI / year	Local (10) International (3)		In 2016: Local (50), International (3) In 2017: Local (53), International (3)
Support research and development (R&D) initiatives in social security systems and its challenges	PASI award for scientific research	% project completion in 2017	100%	Launched in 2017	
	Arabic references in social security systems are increased.	# research proposals applied / year	At least 15	69	
	A platform to attract and support social security research and studies exist.	# research that meet PASI award for scientific research criteria / year	At least 7	30	

Lessons learned

Based on the organization's experience, name up to three factors which you consider as indispensable to replicate this good practice. Name up to three risks that arose/could arise in implementing this good practice. Please explain these factors and/or risks briefly.

Project challenges

- The PASI has implemented several new methodologies for planning, excellence and self-assessment over the past five years; therefore, convincing employees to accept these new strategies was a challenge. Many employees kept asking, "What is in this project for us?" and "How does this project differ from the others?" This motivated us to use a more impressive change management plan.

- Adjusting the BSC to PASI requirements was a challenge too because the BSC has many features that exceeded the PASI's requirements.
- Linking the strategic themes (pillars) was difficult and took a considerable amount of time.
- Disclosing the performance rate for the strategic objectives to the public caused some hesitation at first; however, this was resolved gradually, and the PASI management and employees grew accustomed to it.

Lessons learned

- Using ISSA good governance standards for benchmarking and gap analysis helped the PASI to discover many points for improvement.
- Using advanced tools such as the BSC gave the organization the opportunity to improve its operational excellence and achieve its strategic objectives.
- One of the main lessons learned from this project was that having confidence in internal candidates (employees) leads to great results.
- In order to make a change from one comfort zone to another comfort zone, you need to have a suitable change management plan.