

Service Quality



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Introduction

This set of guidelines has been developed to assist social security institutions further develop and improve service performance.

Social security institutions are at different stages in developing service quality. While every institution strives to operate an efficient and effective social security system, delivery mechanisms and customer experiences vary widely. Quality service is an investment in the efficiency and effectiveness of social security delivery, leading to greater trust and confidence in the social security system and better social outcomes.

Objectives of the *ISSA Guidelines on Service Quality*

The *ISSA Guidelines on Service Quality* aims to assist social security institutions to improve service performance. In this context, service performance is the creation of value for members, beneficiaries and allied organizations (e.g. citizens, members, employers, service providers, social partners) from a social security institution's day-to-day actions and business processes.

These guidelines are designed to:

- Provide guidance on service quality principles and practice;
- Support capacity building to provide and improve service quality;
- Provide soft standards on service quality.

Definition of Social Security Service Quality

Service quality in social security refers to the qualitative aspects of the benefits and services a social security institution provides to its members, beneficiaries and allied organizations (e.g. citizens, members, employers, service providers, social partners). It demonstrates how responsive a social security institution is to the multi-dimensional service requirements of its members and beneficiaries, given the institution's human, financial and ICT resources, and available support from its partners (i.e. allied organizations).

Service quality includes:

- Legislation, rules and other legal instruments such as review rights to enable the social security system to function in a fair, consistent and financially responsible manner;
- Sound social policy and its implementation in delivery of a social security benefit (e.g. payment, service, payment in kind, contribution collection process);
- Prompt, accessible, competent, efficient and reliable access to social security benefits (both monetary and non-monetary);
- Access to social security products and services through appropriate, easy-to-use channels (e.g. the Internet, telephone) when necessary, or in business premises consistent with local standards and with appropriate facilities which are physically accessible and serviceable for all customers;
- Delivery of services with courtesy, respect and empathy;

- Delivery of the right service to the right person at the right time;
- Achievement of effective, timely and cost-effective outcomes;
- Growing trust and confidence in the ability of the social security institution to deliver products and services in a predictable, sustainable and satisfactory manner.

Framework for Social Security Service Quality

These guidelines together provide a service quality model that applies to all branches of social security. From a service quality perspective there are no material differences between the branches. The service quality model and the associated maturity model have universal application irrespective of programme type. The maturity model is designed to ensure the guidelines offer value to all organizations, irrespective of the stage they are at in developing service quality.

Seven guidelines make up the service quality model:

1. The service quality framework (i.e. the intent)
2. Consulting and engaging participants (i.e. listening)
3. The product development life cycle (i.e. developing better products: the benefits and services);
4. Addressing the service fundamentals (i.e. delivery excellence)
5. Measurement and feedback (i.e. transparency)
6. Developing a service culture (i.e. investing in staff)
7. Striving for service excellence through continuous improvement (i.e. raising the bar)

Service quality model



The figure illustrates how the seven guidelines are interrelated. The service quality framework (Guideline 1) is the starting point for an organization setting out to provide quality service. It provides the interlocking principles and interdependencies for Guidelines 2–6 as they are contingent on the strategy contained within the service quality framework. Continuous improvement (Guideline 7) applies to all guidelines.

While Guideline 1 is the starting point, the remaining guidelines are presented here in no particular order of priority. Social security institutions should examine all guidelines in parallel when assessing their service quality performance.

The guidelines are designed to be largely independent of legal, social and economic contexts and are applicable within all jurisdictions. Nonetheless, social security institutions should continually bear the above factors in mind when considering service quality initiatives, especially when setting standards based on international comparisons. The maturity model is based on self-assessment and is not intended to be used for international comparisons.

The guidelines are applicable to all types of organization – those concerned solely with social policy, those dedicated solely to service delivery, and those with a mix of policy and service delivery functions. They do not address the investment arms of social security institutions (i.e. the management and investment strategies of their fund). This is a unique and specialized function conducted in accordance with the principles and standards of the finance and investment industry, and is addressed by the *ISSA Guidelines on Investment of Social Security Funds* and the *ISSA Guidelines on Good Governance*.

Structure of the *ISSA Guidelines on Service Quality*

This set of seven guidelines provides a service quality model that addresses seven areas of common concern to social security institutions. Service quality in social security, and in the public sector in general, takes its cue from the commercial sector. The guidelines are consistent with best practice in the commercial sector.

The following guidelines are organized in three parts:

Part A, Service Quality Framework, deals with the structural issues that need to be addressed if social security institutions are to be able to support and facilitate the development of high quality services for their clients.

Part B, Developing and Delivering Service Quality, deals with specific initiatives which social security institutions can take to improve service quality.

Part C, Continuous Improvement, focuses on the ongoing process which is necessary to achieve excellent service provision.

Within each part, specific guidelines are grouped according to particular elements of service quality. They are presented as follows:

Guideline. The guideline is stated as clearly as possible.

Structure. This is the suggested structure for the particular aspect of service quality that may support the application of the guideline and facilitate the promotion of the underlying principle. A sound structure is essential for effective functioning of the service quality model. It should ensure

an appropriate division of operational and oversight responsibilities as well as the suitability and accountability of the persons involved.

Mechanism. There are different ways in which a guideline may be implemented. The suggested mechanisms for service quality are designed to ensure appropriate controls, processes, communication and incentives which encourage good decision-making, proper and timely execution, successful outcomes, and regular monitoring and evaluation.

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A. Service Quality Framework

Achieving and maintaining service quality is a management philosophy. It requires structure and form, which can be achieved through a service quality framework. A service quality framework is based around the higher order goals of the social security system, which include:

- Extending coverage under financial constraints;
- Ensuring sustainability of the system;
- Addressing inequality;
- Addressing fragmentation in benefit provision and service delivery;
- Addressing risk and uncertainty through earlier and forward-looking interventions;
- Investment in social security education and culture as an essential element of proactive and preventive responses;
- Responsiveness to crises – economic, social and environmental;
- Establishing a high-performance culture.

Service quality initiatives are designed to facilitate the achievement of these goals.

These goals (or principles) set the context for the service quality framework (Guideline 1) and establish a set of ground rules for all the guidelines. While some goals have a pure social policy context, the quality of social security delivery will ultimately determine how successful social policy initiatives are.

A service quality framework should establish the approach to be taken, from defining the business boundaries for the one-size-fits-all approach through to a differential response approach based on identified needs and wants.

The framework needs to take account of legal instruments that impact upon social security delivery, including service standards enshrined in social security law; privacy laws and guidelines; freedom of information principles; human rights legislation and policies; financial regulations governing investments, collection and payment distribution; electronic transaction laws; identity laws; and mutual obligations.

In establishing a framework, social security institutions must be prepared to challenge laws and policies. They should take an open-minded approach when confronted with legislation and rules which appear to inhibit service quality improvements. Workable solutions can usually be found when all angles are explored. Institutions with the highest levels of service quality have often succeeded in changing legislation or policy by vigorously addressing inappropriate or outdated laws and regulations.

A service quality framework should describe the major participants and characteristics of the relationships within the wider service system. It must clearly describe the value chain between participants, including where responsibility lies for business processes and product and service quality. What may manifest itself as a service quality issue at the frontline of service delivery may be caused by a process or product failure within a participant organization. The framework must, therefore, describe how the social security institution will manage the activities of participant organizations which impact upon its own service quality.

A service quality framework is a living document and requires regular review and revision in line with the changing business, social and economic environment. It should be reviewed at least annually at senior executive level. Major revisions should be aligned with the corporate strategic planning process (e.g. the five- or ten-year plan).

Guideline 1. The service quality framework

The institution adopts a formal methodological approach to service quality starting with a clear statement on the importance of service quality and how it intends to deliver and measure it.

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B. Developing and Delivering Service Quality

These guidelines assist social security institutions to:

- Measure service performance against published standards;
- Use feedback from participants to improve the product development life cycle;
- Measure the impact of quality initiatives in terms of both effectiveness and efficiency;
- Publish performance results, including when targets are not achieved;
- Use data and information predictively and reflectively and adjust practice accordingly.

They focus on four fundamental aspects of service quality.

- Consulting and engaging with participants as an integral part of service design. It is now common for service delivery organizations to actively engage with customers and stakeholders to improve the quality of their goods and services. This includes setting and managing expectations of quality and service performance. This is particularly relevant to social security institutions as they deal with people at vulnerable moments in their lives.

The traditional approach to service delivery treats people as passive recipients within a centralized system. Today's citizen-centred approach gives participants a voice (e.g. through satisfaction surveys – but this is a “lag activity”). An emerging trend, co-design, involves participants in each stage of the production process – it is a “lead activity”. Involving people in programme design mitigates the risk that they will assess a product or service as being of poor quality, and assists in managing people's expectations.

- Embedding quality throughout the process of product development. Engineering principles lie at the heart of quality management and have proven to be effective in administrative settings. As in the manufacturing sector, social security products pass through a product development life cycle from conception (policy intent) to final delivery (a payment or service). Social security institutions should develop a structured approach to product development which incorporates and measures service quality at each stage of the design and production process.
- Addressing the service fundamentals. Treating people with respect, dignity and courtesy is fundamental to excellent service delivery. Social security institutions should work to a set of operating principles based on social norms and regularly monitor service performance against measurable targets for improvement. Addressing the service fundamentals is not enough, however; institutions truly committed to service quality will consider all seven guidelines for service quality.
- Measurement and feedback. Most social security organizations measure and report on their activities, but this means looking backwards at what has already happened. Institutions should be proficient at using information to predict the future and plan accordingly. Resource planning will then be based on expected demand for services.
- Developing a service culture. Quality service is highly dependent on the commitment and competence of the staff delivering the service. Staff should receive regular training in the skills and capabilities required to deliver quality service. An organization with appropriately skilled staff is more aware of the importance of service quality in achieving its strategic objectives.

Guideline 2. Consulting and engaging with participants

The institution designs, reviews and updates social programmes from the user's perspective by listening to and engaging participants.

By engaging participants in all aspects of the design (or review and updating) of a social programme, the institution gains access to a vast pool of expertise that helps solve problems, generates new ideas and inspires innovation. By involving and listening to participants, the institution will:

- Design and implement better benefits and services that work as intended;
- Reduce design and implementation costs by eliminating errors (e.g. the costs incurred when something new doesn't work);
- Set and maintain expected levels of service performance, within the institution's capacity and capability.

Guideline 3. The product development life cycle

The institution considers and embeds quality at each stage of product development from concept (policy intent) to delivery of a social security benefit or service.

A product (or service offering) is defined as all the component elements that constitute a social security benefit or service, including:

- Desired social outcome;
- Target participant segment;
- Enabling legislation;
- Supporting policy statements;
- Detailed programme design and business rules;
- Business processes (internal and external);
- ICT systems;
- Performance standards;
- Documentation (e.g. forms, letters, pamphlets);
- Publicity and marketing materials;
- Website and social media;
- Access channels (e.g. face to face, agents, call centres, online);
- Launch and awareness process;
- Participant experience;
- Performance and evaluation criteria.

Guideline 4. Addressing the service fundamentals

The institution treats people with respect, dignity and courtesy.

This is achieved through a set of standard operating principles consistent with social norms. Treating people with respect, dignity and courtesy is a quality factor fundamental to excellent service delivery. While the institution will not necessarily be praised for this, it is what people expect as the basic component of quality service. Failure to meet this standard leaves the administration open to public criticism and loss of confidence and trust.

Guideline 5. Measurement and feedback

The institution measures and publishes performance against its service standards and uses this data to predict future demand for services.

This produces organizational transparency, which helps lead to sustained improvement.

Guideline 6. Developing a service culture

To improve service quality, the institution invests in the skills and capability of the staff who deliver its services.

C. Continuous Improvement

In all sectors of the economy, service standards are constantly improving. Social security institutions will need to respond as people demand levels of service comparable to those they receive elsewhere.

Striving for excellence depends upon innovation in product development. This requires a continuous improvement approach whereby the entire product life cycle is regularly reviewed in order to eliminate poor processes, create better processes and introduce new technologies. A common tool in this approach is the plan-do-check-act (PDCA) cycle, also known as the Deming Cycle.

Continuous improvement initiatives can be big (e.g. large business process transformation projects, usually involving ICT change) or small. Listening to participants (see Guideline 2) is the richest source of information for continuous improvement initiatives.

A continuous improvement programme combines all seven service quality guidelines. Each initiative will require adherence to or consideration of one or more of these guidelines.

Guideline 7. Striving for service excellence through continuous improvement

The institution believes that service quality has no end point but can always be improved.

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