

EVOLVING MANAGEMENT PRACTICES

Priorities for social security



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EVOLVING MANAGEMENT PRACTICES

Social security institutions are an important face of government and serve as important barometers of public opinion for a country's political leadership. This is one compelling reason that drives administrators to strive for service excellence in the administration of social security programmes.

Prior to the COVID-19 pandemic, digital technologies were already making inroads in the delivery of social security services. Administrators in Asia and the Pacific were discovering the many advantages of going digital: speed, convenience, safety and cost efficiencies, to name but a few. Investments in staff capacities and ICT infrastructure have made human-and-digital solutions the emerging strategy with which to raise the bar concerning the pursuit of excellence in social security services.

This strategy has proved to be prescient because the pandemic and the lockdowns and quarantine measures that ensued made in-person transactions a high public health risk. As a consequence, teleworking, online platforms and mobile apps have largely replaced face-to-face, paper-based transactions. The pandemic has thus served to accelerate the

development of new management practices that combine human insight and capacities with digital technologies.

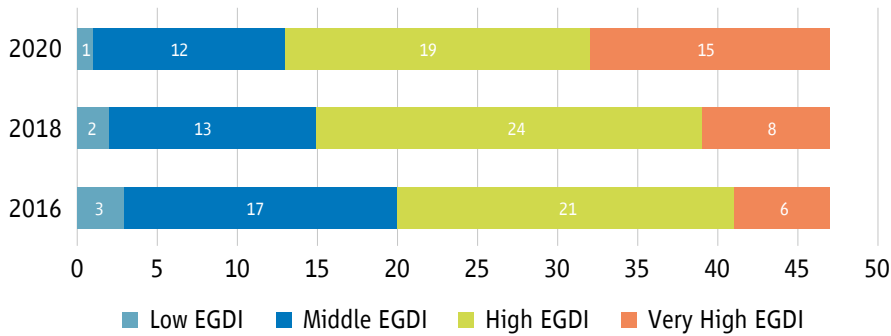
Looking forward to the post-pandemic era, it is clear that the region's social security management practices will comprise of human-and-digital solutions combined with tailored responses for those people with limited digital capacities. As evidenced by wide-ranging good practices, the client remains at the centre of all innovations in social security administration. This is the case from service delivery improvements to initiatives to simplify contribution compliance and the processing of benefit claims, as well as for digital modalities and human-based services, better management of sustainability risks, inter-agency coordination and the integration of social security services.

The overriding goal is to continuously improve client experience and provide sustainable client-oriented social protection. As the Asia and the Pacific region emerges from the crisis, social security institutions are ensuring that no one is left behind in the transition to the new normal.



Evolving management practices

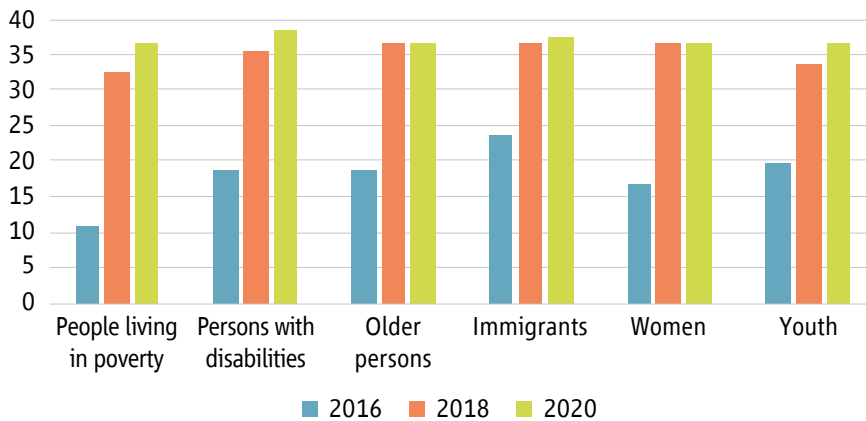
Figure 1. Distribution of Asia and the Pacific countries by EGDI* level, 2016, 2018 and 2020



*EGDI = E-Government Development Index. Source: UNDESA (2020).

Digital inclusion development

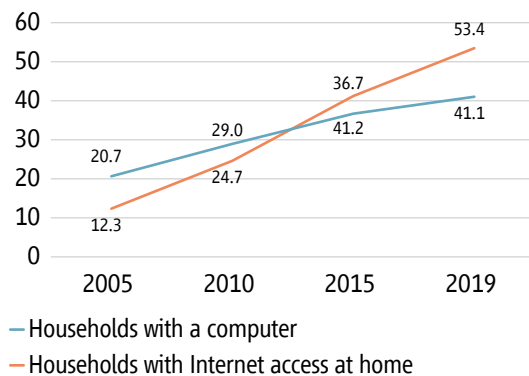
Figure 2. Number of Asia and the Pacific countries providing online services for vulnerable groups, 2016–2020



Source: UNDESA (2020).

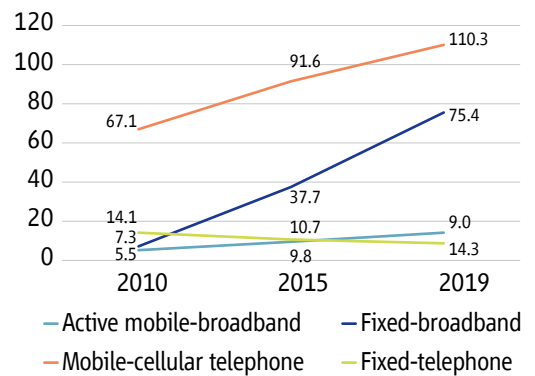
Access to online services: Mobile and home-based connectivity

Figure 3. Asia and the Pacific households with Internet access at home and with a computer, 2005–2019



Source: ITU (2020).

Figure 4. Asia and the Pacific households with access to mobile telephone and Internet, 2010–2019



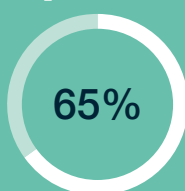
Source: ITU (2020).

Evolving management practices in Asia and the Pacific



Asia has become the second most advanced region in e-government development, with the average EGD value increasing from 0.58 in 2018 to 0.64 in 2020.

Source: UNDESA (2020, pp. xxvi, 40).

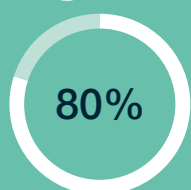


Twenty-four of the 37 surveyed Asian countries (65%) have high or very high EGD values. Eleven Asian countries (23.4%) moved to a higher EGD group.

very high
EGDI +7

From 2018 to 2020, seven Asia countries moved from high to very high EGD. The Telecommunication and Infrastructure Index is the component driving the EGD up in 2020. In Oceania, all countries remained within the same EGD groups.

Digital inclusion



80% of the countries in Asia offer government online services targeted for vulnerable populations, while 65% of countries in Oceania offer online services to vulnerable populations.

Source: UNDESA (2020, p. xxvi).



Almost all categories of vulnerable people experienced an increase in access to online services, with the exception of women and older persons.



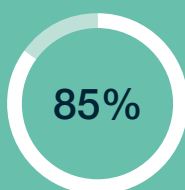
The most targeted vulnerable groups are persons with disabilities and immigrants.

Access to online services

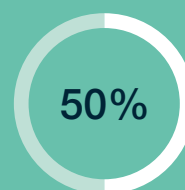


90% of Asian countries offer business registration and business licence application services online.

Source: UNDESA (2020, pp. xxvi and 43).



85% of Asian countries offer online services for applications for government vacancies and 81% for paying for utilities.



50% of Asian countries provide online services to register a motor vehicle and submit a change of address online.

Mobile connectivity – Access to the Internet



The number of Asian countries that proactively share public information and provide online services through emails, SMS/RSS feed updates and mobile applications (apps) has risen in all sectors in 2020.

Source: UNDESA (2020).



In Asia and the Pacific, the share of population with mobile-broadband subscriptions doubled between 2015 and 2019.

Source: ITU (2020).



There are more Asia and the Pacific households with access to the Internet at home than there are with a computer at home.

Source: ITU (2020).

STRATEGY AND GOVERNANCE

Digital transformation strategies

Enabled by the possibilities of digital technologies, institutions in the region have been innovatively transforming their business environment. This has involved putting in place a digital transformation strategy that encompasses strategic business processes and service delivery (ISSA, 2019a; ISSA, 2019b).

Common main objectives of digital transformation are to improve customer services. For instance, the strategy developed by the Abu Dhabi Pension Fund (ADPF) of the United Arab Emirates (UAE) is enriching customer experience through simplified processes. Innovative solutions, digitalization and automation of internal processes are resulting in enhanced staff productivity, shorter time responses, operational excellence and customer satisfaction. Similarly, the digital transformation strategy developed by the Social Security Corporation (SSC) of Jordan aims at providing better services especially in the context of an increasing number of employers and active insured persons. The plan includes 26 initiatives in the areas of infrastructure development, investment in human resources, meeting the requirements of service recipients, and developing partnerships with relevant parties to provide end-to-end services by electronic means.

In turn, the 2021–25 strategic plan of the Iranian Social Security Organization (ISSO) aims to take advantage of interconnectivity as a means to promote cultural dialogue, public awareness, human resource management, digital social security and investment management.

Other institutions, such as the Public Pension Agency (PPA) of Saudi Arabia, are establishing Digital Transformation Offices to manage their digital transformation journey based on a full cycle methodology, including best practices, frameworks and international standards.

Management of sustainability risks

Maintaining an adequate level of finance to deliver the promised benefits and services to members and beneficiaries is a fundamental responsibility. Ensuring the financial sustainability of the administered programmes and balancing the inflow of contributions and investment income with the outflow of benefit payments are key management challenges in this area.

The ADPF of the UAE is raising stakeholder awareness of the impact of backdating the pensionable salaries of those with long service careers, which will result in additional costs for which finance must be found. It is also strengthening its internal actuarial capacities.

New legislation has enabled the Fiji National Provident Fund to enhance its solvency management by establishing an Actuarial Unit, developing its actuarial capacity and strengthening its actuarial governance.

In the People's Republic of China, the Ministry of Human Resources and Social Security has taken various initiatives since 2016 to entrust fund investments to fund managers under its supervision. This has resulted in increased investment returns. In Oman, the Public Authority for Social Insurance (PASI) has developed and implemented a risk scoring methodology to ensure the chosen risk profile and net returns of the investment portfolio guarantee the scheme's financial sustainability. The risk framework and processes use key asset indicators such as Sharpe ratio, value at risk, and asset allocation mismatch.

Compliance and contribution collection initiatives

Contribution collection and compliance are fundamental to contributory social security schemes. Important improvements in the contribution collection processes have been implemented in Oman, the Philippines and Saudi Arabia.

The PASI of Oman has developed several electronic payment channels and auto reconciliation mechanisms to facilitate the collection of contributions. It currently collects payments through collection companies, virtual accounts, remote deposit cheque machines (RDC), and payment gateways. The Philippine Health Insurance Corporation (PhilHealth) is taking steps towards digitalization through an Electronic Premium Remittance System (EPRS) to eliminate manual submissions of contribution-related transactions, minimize fraud and reconciliation issues, and save staff time and other resources that are otherwise necessary for manual submissions. The General Organization for Social Insurance (GOSI) of Saudi Arabia addressed the issues of streamlining contribution collection for small- and medium-sized enterprises (SMEs). In particular, GOSI developed the Mudad Payroll Management System, a cloud-based solution for SMEs to more easily process payrolls and comply with the Wage Protection System (WPS). SMEs access the platform through one-stop shops, which integrate access to all the necessary financial institutions and public agencies. Since its launch in mid-2020, *Mudad* has had over 21,000,000 visits, resolved over 700,000 transactions, processed payrolls totalling over 800,000,000 Saudi Arabian riyals and helped more than 60,000 SMEs to comply with WPS.

Controlling compliance constitutes a key but complex function that institutions in Indonesia and Saudi Arabia are addressing. In Indonesia, the Social Security Administering Body for the Health Sector (BPJS Kesehatan) launched the new Compliance Express for Companies (CoEx), an innovation that shortens the time to perform contribution compliance checks. In 2020, the CoEx realized 48,000 examinations and generated additional contribution income of 93 million US dollars (USD). A web-based application (MONIBU) is improving compliance inspection by facilitating the analysis of monthly worker data reports submitted by employers. To enhance its institutional capacity, the PPA of Saudi Arabia established an independent compliance department to help its board exercise oversight of its compliance function, including the definition of management roles and responsibilities, and strengthening policies, procedures and controls to improve compliance.

IMPROVING SERVICE DELIVERY

Digitalization of customer services

Digital transformation is making available various online applications and one-stop-shop digital engagements, all aimed at improving customer satisfaction levels and providing safe service amidst the pandemic. The digital initiatives are also empowering and engaging the staff of social security institutions.

The SSC of Jordan created a digital branch to follow up all the transactions submitted and to carry out the tasks of receiving, calculating, disbursing and completing transactions in one place instead of transferring these to different branches.

In the Republic of Korea, the National Health Insurance Service (NHIS) introduced an electronic system through which health-care institutions can submit online applications for dentures and implants. This makes it more convenient for patients, especially the elderly, who no longer have to visit branches or physically mail forms. The country's National Pension Service (NPS) has a digital consultation channel that, among other things, converts into digital electronic forms various reports and forms previously required from clients. Both initiatives are examples of "Untact" service (meaning "contactless"), a high-trending concept in the Republic of Korea that reflects new standards for the "new normal" as the country emerges from the COVID-19 crisis.

In Singapore, the Central Provident Fund Board (CPF Board) launched the country's first fully digital interface, an online nomination process (ONS) that replaced the traditional hand-written bequest process for its members. In 2020, half of the CPF nominations were made online, which saved members an estimated 130,000 hours, as calculated by the CPF Board. The ONS enabled members to make their nominations despite closures of the CPF Service Centres during the COVID-19 pandemic period.

Vietnam Social Security recently launched the VssID application as part of the digital ecosystem that is being developed for its members. It enables access to many online services including member contribution and benefit records for pensions, health and unemployment as well as 24/7 support through chatbots.

The application of artificial intelligence (AI) is improving customer services in social security institutions worldwide. In Malaysia, the Employees Provident Fund (EPF) launched ELYA (EPF Loves You Always), its first bilingual chatbot powered by AI and natural language processing, and supported by live chat. EPF also launched i-Invest, a self-service digital investment platform for members to monitor their investments without going through agents. These initiatives are part of EPF's ongoing digitalization drive.

Other initiatives are aimed at improving the quality of services in specific areas. In Kuwait, the Public Institution for Social Security (PIFSS) replaced its presence-based documentation system with a quick response (QR) code verification that enables users to retrieve certificates and documents electronically using smartphones and

computers. To increase the satisfaction of covered retirees and using international standards, the Civil Servants Pension Fund (CSPF) of the Islamic Republic of Iran launched a communication centre for its beneficiaries that uses an ITIL framework to manage the requests of members and beneficiaries. Maintaining staff interaction during the pandemic has been an important concern. The ADPF of the UAE put in place an internal social communication channel to re-engage employees and maintain social bonds and team spirit amidst the crisis.

Strengthening human-based customer services

Advances in technologies notwithstanding, human-based customer services are still indispensable.

The Korea Occupational Safety and Health Agency (KOSHA) has eight occupational trauma centres that provide services to help stabilize individuals that have been directly or indirectly exposed to traumatic events, support their return to work and link them to professional medical treatment when necessary.

The Japan Federation of Labour and Social Security Attorney's Associations (JLSSA) continues to offer *Sharoushi*, a legal profession certified by the Ministry of Health, Labour and Welfare that is specialized in social security and labour relations.

The SSC of Jordan has a unified call centre that refers non-electronic member requests to designated contact numbers for assistance. The service is supported by multi-disciplinary staff and the active participation of all relevant partners.

The ISSO of the Islamic Republic of Iran has put in place on-site consultation centres in new establishments to provide information on ISSO operations, to strengthen client relations with employers and social partners.

Leveraging inter-institutional coordination

The simplification of citizen services is one of the main benefits arising from the coordination of social security services. It also permits many institutional efficiencies, specialization, cost reduction and more services at lower costs, not least of which is the elimination of overlapping tasks and services (ILO, ISSA and UNDESA, 2021).

Inter-institutional coordination is enabling the improvement of customer services in several countries. The Civil Service Employees Pension Fund (CSEPF) of Oman upgraded and enhanced its core pension information system by integrating and connecting it with the systems of other government entities. This has enabled the collecting and sharing of data for contributions collection, pensioner and contributor civil information, and for inter-agency functions. The CSEPF also has an electronic payments system via a Business-to-Business (B2B) Integration framework that supports the automation of pensions and supplier payments, reconciliation and direct debits through direct integration with CSEPF systems.



Data connectivity of the NPS of the Republic of Korea with public institutions including the Supreme Court and the Korea Financial Telecommunications and Clearings Institute (KFTC) makes pension claims possible through the so-called “3-less service”, a “contactless, paperless, and wait-less” service. An estimated 490,000 new applicants per year will no longer be inconvenienced by manual applications. Annually, the NPS saves about 500 million South Korean won related to the issuance of paper documents, which is equivalent to 3.9 tons less of carbon emissions.

Electronic records enable the streamlining of institutional operations as well as interinstitutional collaboration. Since 2014, the Indonesia’s Social Security Administering Body for the Health Sector (BPJS Kesehatan) has been using a digital information system that electronically records primary care (referral) data. The processing of hard-file documents was time consuming, and no more than 30 per cent of primary care providers submitted on time. The P-Care single software application has simplified the process, and is saving USD 151,000 per month. A digitalized archive system manages inter-institutional correspondence, which automatically records and digitally monitors documents for faster and better coordination.

To be effective, coordinated inter-institutional services need common personal identifiers. In India, the Employees’ Provident Fund Organization (EPFO) introduced the Universal Account Number (UAN), a 12-digit unique number assigned to each EPFO member. It acts as an umbrella for the multiple member IDs that an individual may acquire from affiliation with different

agencies. The UAN allows 100 per cent access to all online services, empowers members with self-service modalities, and provides a platform that evolves and caters to the needs of over 60 million members. The administrative cost for managing the fund was reduced significantly from 1.10 per cent of wages to 0.5 per cent.

Common service platforms constitute the most powerful approach to implement coordinated services. In Saudi Arabia, the PPA launched a digital platform (*Mithaq*) through which government agencies provide the PPA with contributor data and employment status. A compliance certificate is issued to recognize involved agencies’ commitment to provide data according to PPA standards.

The NHIS of the Republic of Korea consolidated the collection systems of five major social security programmes administered by three separate institutions. The consolidation unified the notification, collection and compliance systems, and achieved significant improvement in the effectiveness and efficiency of social security contribution collection and compliance.

In Malaysia, the Social Security Organization (SOCSO) established the country’s first social security platform, the Social Synergy Programme (SSP), which is a one-stop centre that brings together agencies that provide social protection benefits. An ICT platform (MySynergy System) uses blockchain technology and enables data management to prevent the payment of overlapping benefits and to track the progress of each recipient. The innovation responds to the issue of agencies operating in silos and Malaysia’s fragmented social security ecosystem.

Towards data-driven social security

Social security institutions in Asia and the Pacific are applying information dashboards, big data, advanced analytics and AI to support decision-making processes (ISSA, 2019b).

The BPJS Kesehatan of Indonesia established an Audit Follow-Up Monitoring System (MONTILA) to strengthen internal control and directly monitor the implementation of audit recommendations. In 2020, MONTILA recovered more than USD 17 million based on audit findings. The institution also has a machine learning system that reviews records before payments are made, replacing its retrospective fraud detection methods. Initial implementation resulted in the identification of 29,990 potential fraud cases involving almost USD 42 million.

To respond to a series of crises of widespread drought, bushfires, floods and a global pandemic, Services Australia rapidly established a Straight Through Processing (STP) automated service that provides benefit payments in line with four golden rules: the right person, the right programme, the right rate and

commencing on the right date. Based on rigorous assurance checks including the use of statistical methods and data driven analyses, the accuracy of STP payments is more than 99 per cent (Services Australia, 2021).

The Korea Workers' Compensation and Welfare Service (COMWEL) developed its Intelligent Rehabilitation Recommendation System (IRRS), an AI system that analyses big data on work injuries and employment, and designs scientifically tailored rehabilitation services for injured workers. To develop IRRS, COMWEL designed a vulnerability index based on 98 million separate pieces of case management data using rule-based filtering and case-based reasoning (CBR) methodologies. Related patents are currently being prepared.

To control the COVID-19 pandemic in the Republic of Korea, NHIS is using big data to help the Korea Disease Control and Prevention Agency to put in place a system to manage patients and hospital resources efficiently, based on patient history, symptoms and the severity of patients' underlying health conditions. ■

GOOD PRACTICES

Towards data-driven administration

In the Republic of Korea, social security institutions have made significant efforts to use smart technology to improve social security services and the effectiveness of programmes. Korean institutions are particularly taking advantage of big data infrastructure and are building, in parallel, the technological capacity to use it.

The COVID-19 pandemic led to serious concerns about a possible collapse of the country's health-care system. An insufficient number of public hospitals was perceived as a serious threat to the stability of the health insurance system. To effectively manage hospital bed capacity, the National Health Insurance Service (NHIS) used big data to analyze accumulated medical information on patients' treatment histories, health check-ups, and long-term care records, with particular focus on 15 chronic diseases. The information has enabled the risk classification of patients, and effective treatment and resource management.

Also, the Korea Workers' Compensation and Welfare Service (COMWEL) supports the return to work of injured workers. It serves as a safety net that protects the country's human resources. As service expanded over the years, and to increase the effectiveness of its rehabilitation programmes, COMWEL developed its Intelligent Rehabilitation Recommendation System (IRRS), an artificial intelligence system that analyses big data on work injuries and employment. From among the injured workers, it focuses on those who need to be active and designs for them scientifically tailored rehabilitation services. In December 2020, the IRRS was recognized to be the best programme in public-sector service delivery by the Korea Intelligent Information Society Agency.

The two initiatives of acquiring high-quality data technology and strengthened ICT systems on big data have proven to be key success factors, along with human resource investments, professional manpower, sense of duty and quality services.

Source: ISSA (2020).

Strengthening human-based services to improve service quality

Many institutions manage social programmes and specialized services for citizens, which often require highly skilled experts and multi-disciplinary employees to respond properly to human conditions as well as to foster a decent work environment.

The Iranian Social Security Organization (ISSO) organizes tailored trainings and onsite consultations with employers to respond to queries and problems, and to foster the participation and satisfaction of employers and other social partners.

In Singapore, the Central Provident Fund Board (CPF Board) is redefining its relationship with citizens, to become one where it is regarded as a "trusted partner" instead of a public service provider only. In line with this, it launched the Rejected Appeals Management Protocol (RAMP) to assist members whose applications to withdraw early their retirement savings due to short-term financial difficulties have been rejected. Through RAMP, CPF Board established ten referral protocols with 33 agencies that provide various forms of assistance for such short-term needs. CPF Board counsellors equipped with knowledge of these other assistance schemes proactively work with the relevant public agencies to seek alternative ways and solutions to avoid the early depletion of CPF Board members' retirement savings. The success of RAMP is mainly due to a clear understanding of member needs and an ongoing evaluation of member satisfaction with the RAMP service. Direct dialogue through the hybrid use of digital tools and analogue methods support the CPF Board counsellors who carry out the initiative.

Source: ISSA (2020).



KEY MESSAGES

- Looking forward to the post-pandemic era, members and beneficiaries will remain at the centre of all innovations in social security in Asia and the Pacific. The region's social security management practices will consist of human-and-digital solutions combined with tailored responses to those with limited digital capacities. This is how administrators are making sure that no one will be left behind in the transition to the new normal.
- The digital transformation of social security institutions requires a whole-of-institution approach. Leadership and clarity of vision are key, as is a hand-in-glove fit between the institution's strategic plan and its human and technology resources. Change management and understanding staff needs are important to get their commitment and support during the transition and beyond.
- The convenience, security and autonomy that online services provide and human-and-digital solutions bring have reset public expectations to an even higher level. When the pandemic recedes, the tendency to go back to the pre-pandemic ways of operating will be greatly moderated by a public that now expects speed as a key deliverable of social security programmes.
- Digital technologies can empower social security administrations with data driven decision-making processes. Big data, AI, machine learning and data analytics have the power to integrate information and analyse huge datasets to gain insights on all operational aspects, including enhanced programme compliance, the prevention of error and fraud, more proactive services, and improved client experiences.
- The analytical power of digital technologies holds immense potential to automate decision-making processes. Nonetheless, automated decisions still require human oversight. While digital technologies bring greater transparency in the governance of a social security institution, accountability will always rest with its board, management and staff.
- More than ever, continuity and recovery plans on both technical and business levels are essential. Operational resilience and disaster preparedness are two sides of the same coin. Risk management must now include the new risks that digitalization brings: from network fallouts, resolution and browser compatibility issues through to data privacy, information integrity and cybersecurity.

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