Measuring performance and managing performance in social security

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Major attention is paid by the ISSA Technical Commissions to improving the management of social security organizations.

The evaluation of changes, the measurement of results, and the management of performance are of high importance.

The **ISSA Technical Commission on Administrative Management, Organization and Methods (OM)** has focussed since the middle of the nineties on studying the experience in reengineering, performance measurement and performance management in social security.

Experiences presented at different conferences showed that social security institutions measure and evaluate performance at different levels:

- budget control;
- strategic and operational objectives;
- quality of service delivery;
- production progress control;
- outcomes measurement and environmental analysis.

While some social security systems have been more concerned with reducing administrative costs, others have focused on improving the quality of services or have taken both aims into account.

As in most private companies and other public administrations, the objectives are defined in terms of ***efficiency*** and ***effectiveness***.

Tools such as balanced scorecards, benchmarking, common indicators, etc. are used.

The concept of efficiency

Efficiency can be defined as the ratio between the resources expended and the output, production or service performed.

The concept of effectiveness

Effectiveness is a more long-range view of performance. Effectiveness measures reflect the extent to which the mission is accomplished.

Benchmarking

Benchmarking is a specific tool to compare the performance among different units of an organization to a reference organization.

Benchmarking refers to common indicators defined in co-operation with other social security organizations.

These indicators provide information on these organizations regarding, for example:

- staff (numbers, legal status, availability);
- budget and computers (computer costs, training costs, investments).

Standards can also be established for indicators of operational activities.

The ***balanced scorecard*** is a strategic management concept.

It uses performance measures to articulate and track strategy implementation.

The balanced scorecard is a mechanism for translating an organization’s vision and strategy into a coherent set of objectives and performance measures.

It uses measurement to communicate the drivers of current and future success.

The ***balanced scorecard*** can be applied to social security, helps management to overcome the shortcomings of traditional approaches to strategy implementation, and becomes the centerpiece of a new, integrated management system.

The scorecards allow achievement of a culture of permanent improvement, which can only be done by stimulating the staff.

They provide an indication of the activities of the organization, rather than of the activities of the individuals.

A new concept was most recently introduced in the study of performance management: **the concept of Value**.

What value do social security organizations create and bring to the clients and the community?

The ISSA OM Technical Commission presented at the GA in Beijing (2004) the results of a study on :

Creating value through performance management in social security

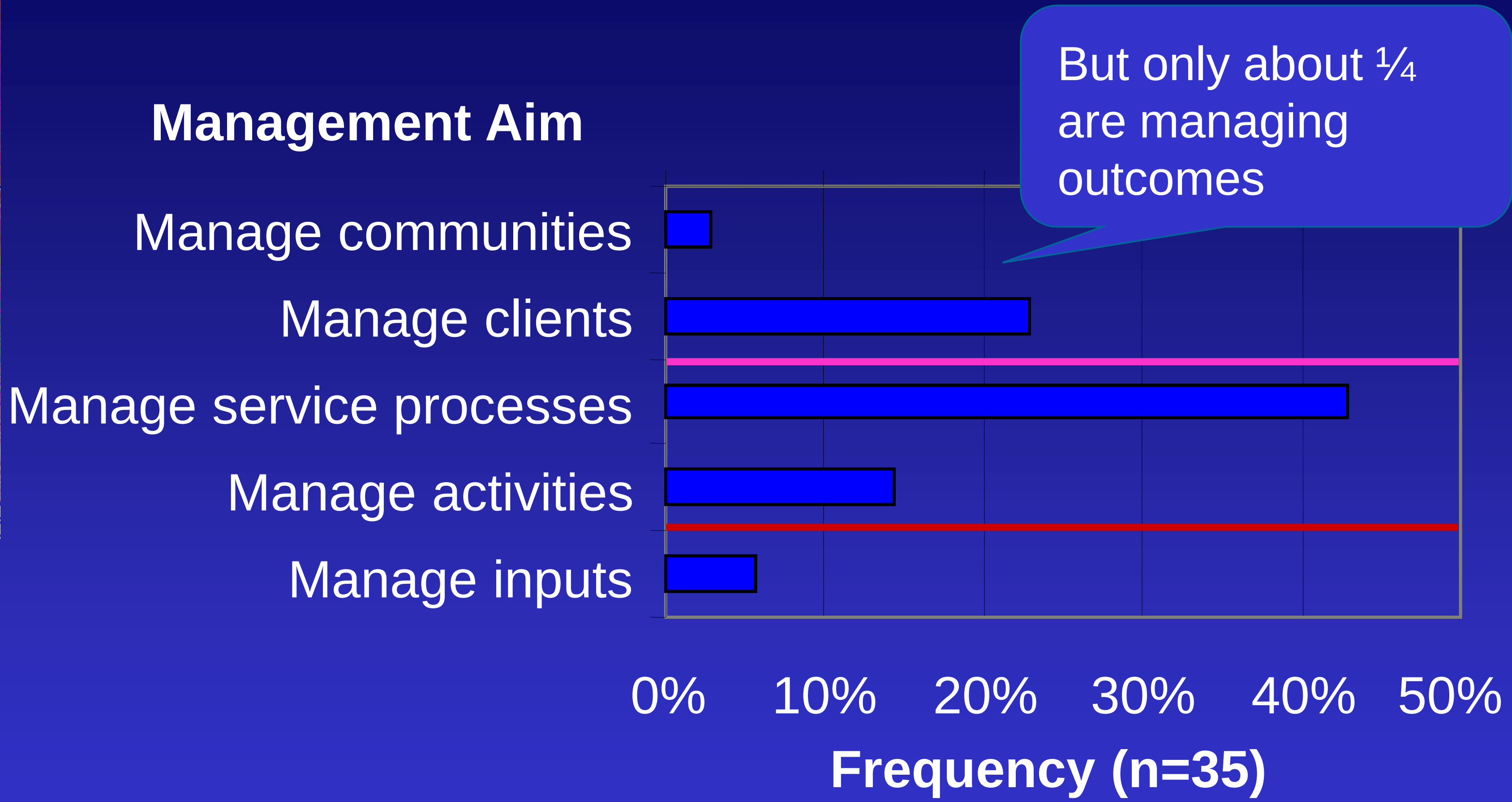
(in cooperation with Accenture)

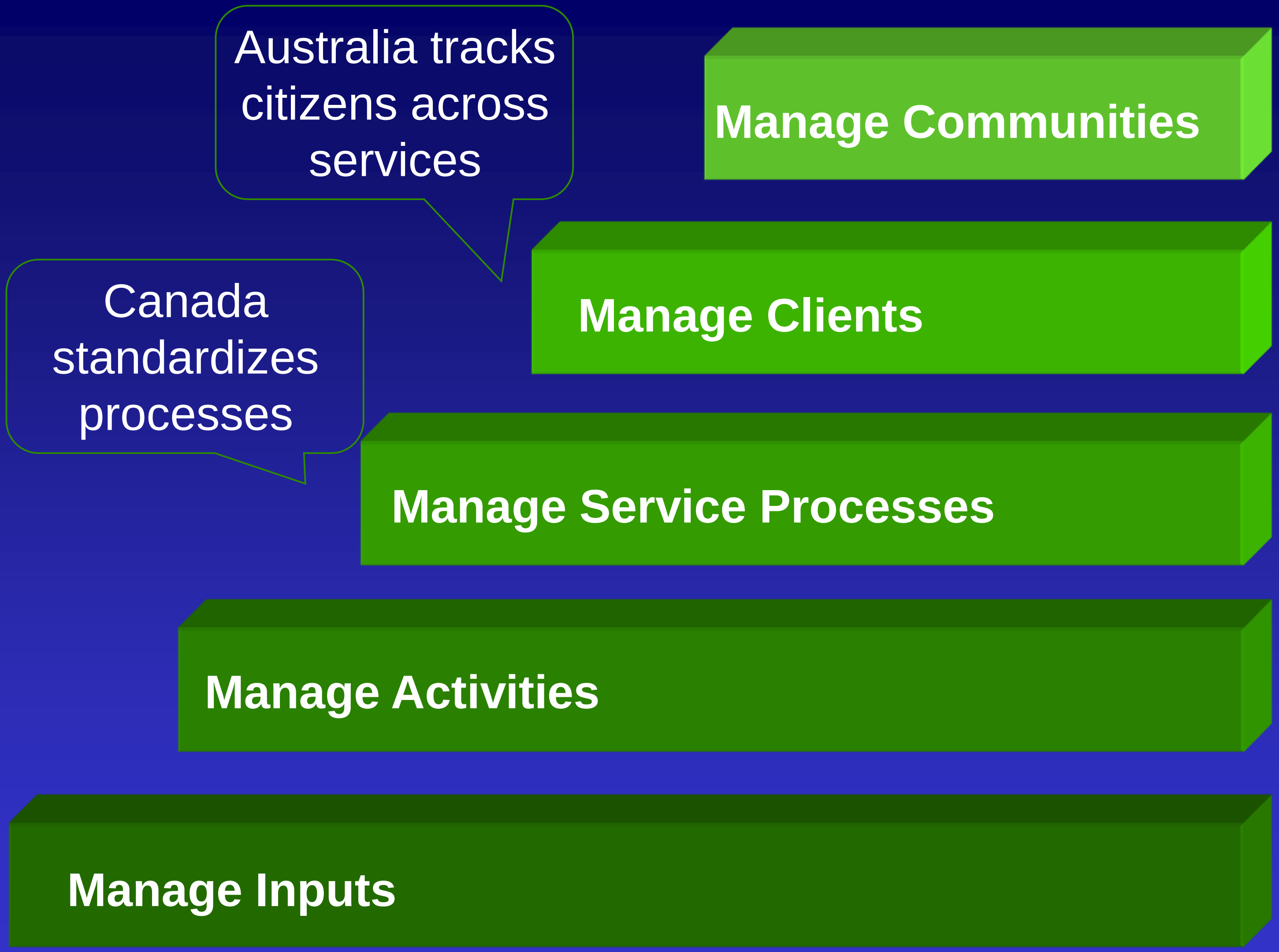
Creating value through performance management in social security

Results of the study:

Five most commonly reported performance aims in social security organizations

Most commonly reported performance aims




Australia tracks citizens across services
Canada standardizes processes
Manage Communities
Manage Clients
Manage Service Processes
Manage Activities
Manage Inputs

End of Presentation