



# Accelerating Reform within Iraq's National Board of Pensions

*Ghassan Alkhoja, Basma Ammari, and Daniel Manitsky<sup>1</sup>*

**Introduction:** The Iraqi National Board of Pensions (NBP) has the responsibility of overseeing the old-age and disability pensions of public and private sector workers across the country. For the last several years, the NBP has been implementing an ambitious and far-reaching program of reform and renewal. Among the reform program's key goals are to 1) significantly expand the number of Iraqis contributing to, and benefitting from, the Board's various social protection programs and 2) ensure the financial sustainability of these programs by transitioning from a reliance on general revenues to self-financing through enrollee contributions.

**Government of Iraq and World Bank Collaboration:** At the Request of the Government of Iraq, in 2009 the World Bank began providing technical assistance to support the implementation of the Unified Pension Law, the legislation codifying the NBP's reform agenda, through the Pension Reform Implementation Support Technical Assistance Project (PRISTA).

After several joint review meetings, the World Bank and NBP realized that, while the more technical aspects of the organization's reform program were running relatively well, "softer" changes were not taking place. The management culture within the organization was still overly bureaucratic and top-down, despite the leadership's efforts to delegate more authority to lower-level staff. Additionally, as with most large organizations, staff worked within

rather rigid silos that made collaboration and teamwork across the organization more difficult. Many of the organization's day-to-day procedures were decades old and did not fully leverage the new technologies that were being introduced into the organization. Finally, the organization was not taking the time to cultivate the management skills of middle and front-line staff.

**The Rapid Results Approach:** In an effort to address these concerns, and upon the recommendation of the World Bank, the Chair of the NBP decided to introduce the Rapid Result Approach<sup>2</sup> as a supplement to the on-going reform efforts. Working with consultants trained by the Rapid Results Institute, the NBP, with support from PRISTA launched two rounds of Rapid Results Initiatives (RRIs).

**Accelerating "First Payments":** The first round of Rapid Results Initiatives (RRIs) consisted of three teams, each with its own 100 day goal. The combined efforts of two of these teams reduced the time needed to issue a first pension payment to new pensioners from an average of five months to an average of one day. Initially, these efforts focused only on the largest unit within the NBP's main branch- "Civil Section I." However, as part of the second round of RRIs, two other teams took the innovations and new processes developed by Round I teams, and applied them to the 2<sup>nd</sup> and 3<sup>rd</sup> largest units within the NBP, "Military" and "Civil Section II". These RRIs achieved similar results, successfully

<sup>1</sup>Ghassan Alkhoja is Senior Operations Office at Middle East and North Africa Human Development Department of the World Bank. Basma Ammar and Daniel Manitsky are Rapid Results consultants. The Quick Note was cleared by Sector Manager Roberta Gatti.

<sup>2</sup> The Rapid Results Approach was first developed by Schaffer Consulting, LLC ([www.schafferresults.com](http://www.schafferresults.com)) to accelerate change in Fortune 500 companies. It was adapted for use in international development efforts by the Rapid Results Institute ([www.rapidresults.org](http://www.rapidresults.org)).

reducing processing time to less than a day, over a 99% reduction in time.

Moreover, since the end of the 100 day RRIs, each unit has processed 100 percent of applicants in less than a day. Based on this continued performance, as well as the fact that new processes have been codified and adopted as standard operating procedure, team members have few worries about sustaining results over the long term.

Having set a new benchmark for performance, NBP leaders developed a strategy for scaling the new payment system to the one remaining unit of the main branch, as well as the organization's regional offices. These will be integrated into a third round of RRIs. Because each team's hard work established positive proof that a new level of performance is possible, NBP's senior managers expect a relatively easy time getting the rest of the organization on board with the new payment system.

**Ramping up Data Collection:** In this first RRI round, a separate team focused on significantly accelerating the pace at which demographic and salary data on government employees was being collected and entered into the organization's database. Without this data, the NBP could not make accurate actuarial or financial projections, a key to maintaining the organizations sustainability. While a group of dedicated NBP staff had been working passionately on this issue for 12 months, they had only been able to collect information on a small percentage of individuals. This fell well short of the number needed for relatively accurate forecasts.

Using the Rapid Results Approach, Senior Leaders created a multi-functional team from appropriate offices across the organization, and challenged this team to collect as much data as possible in a short period of time. Additionally, they laid out the expectation, and secured permission for the team to try new ideas and approaches to the task at hand. This created an environment that allowed the team to experiment, innovate and engage in independent, proactive decision-making.

Within 120 days, the team developed, tested and implemented a host of creative methods of working with public and private sector organizations to collect accurate employee data. In total, the team

collected complete information on 550,000 government employees and 48,000 private sector employees during the first round. Team members report that this represented a 50 percent increase in the rate of collection and sufficient for purposes of actuarial and financial forecasting.

Not wanting to stop there, during the second round, the NBP launched another team focused on data collection. This team however, did not focus on a "one shot" campaign to collect as much information as possible. Instead, they decided to take the innovations developed by the first data collection team and weave them into a system of continual data-collection within the Ministries of Health (MoH) and Education (MoE). Specifically, the team focused on ensuring that 75 percent of applications coming from the Ministry of Education and Ministry of Health contain a complete data set, and that a complete database on 100 percent of MoE and MoH employees is established. This target was achieved within 120 days.

To achieve this, the team developed an intensive and creative training and advocacy program within each ministry. Additionally, they worked closely with key personnel from each ministry to identify process breakdowns and gaps in communication that were preventing a more robust flow of information. Other key innovations included:

- **New Mandate:** With the assistance of the NBP's Chairman, the team convinced the Council of Ministers to issue a mandate requiring all Ministries to create a pension unit within their organizations. These pension units would work "upstream" to ensure that pension applications are provided to the NBP in complete form to allow for faster processing.
- **Revised documentation requirements:** The team reduced and standardized documentation requirements after realizing that the NBP's standards were out of date and varied across units. As part of this effort, the team created a manual that was distributed to pension officers. They also undertook similar efforts to train NBP staff on the revised standards.

- **Improved/Revised Form 1:** After speaking with pension officers in counterpart organizations, the team realized that the data entry form was too complicated. As such, the form was revised.
- **External Communications:** The team also significantly improved its communication with pension officers, not only using traditional methods (e.g., pamphlets) but also exchanging email addresses and phone numbers. Team members now routinely communicate with pension officers, answering questions and following-up on problematic cases.

While gaps in existing files have been filled, and the rate of incoming files with incorrect data has been reduced, there is still a significant gap in the total number of files for public sector employees. Currently, NBP staff estimate that they only have files for 50 percent of public-sector employees. In response, the team recommended continued work, with specific focus on ministries and Governorates where incoming data rates are lower. Additionally, the team also suggested focused work on developing a similar system of outreach and communication for the private sector pension scheme.

**The “Soft” Changes:** The Rapid Results work reveals a surprising revelation: An effective way of creating the “soft” changes needed for long-term improvements in performance is to focus staff on the achievement of short-term ambitious results. Evidence for this is seen in the survey of NBP staff involved in the Rapid Results work. Among the 34 staff surveyed, all of whom had a significant role in efforts to achieve rapid results:

- 91 percent improved their team work skills
- 100 percent improved their creative thinking/problem solving skills
- 97 percent increased their self-confidence to perform daily duties and to face challenges at the workplace
- 100 percent felt an improvement in the effectiveness and efficiency of the organization in areas targeted by the Rapid Results teams

- 94 percent felt a significant increase in accountability for results within the organization
- 85 percent felt a significant improvement in cross unit collaboration
- 94 percent put a greater focus on ambitious results in their work-plans than they used to in previous work-plans

While these survey results are not scientific, they do indicate a significant shift in organizational culture and the expectations that staff have of themselves and of each other.

**A Focus on Institutional Culture Change:**

According to 1<sup>st</sup> and 2<sup>nd</sup> round team members, the Rapid Results program produced changes that go beyond process and policy innovations. The program produced “soft” changes to the organization’s culture and staff’s capacity. These included the following:

- **Improved internal communication and team work:** Team members feel that work on the RRI helped improve their team work within and across units in the NBP. Additionally, they now feel more comfortable interacting with staff from other units within the organization. As one team member put it *“we now work together regardless of department affiliation. I can now go to Legal, Military, Accounting or the Director General’s offices when I need to.”* Others described the work atmosphere as “more intimate” and “more like family.”
- **Improved comfort with computers and the IT system:** The increased integration of computers in the NBP’s systems has led many staff members to begin using computers routinely for the first time. According to senior managers, this change has gone relatively smoothly since staff felt inspired by the RRI to change their work patterns.
- **Improved Confidence:** It is not just staff members expressing improved confidence in their own abilities and those of their colleagues. As one senior manager stated that, before the

RRIs “we thought some staff were asleep and unmotivated . . . [but after the RRI]... we realize that staff have many solutions and lots of energy.”

- **Improved Morale:** Several members of the “Arrears” teams stated morale in their unit is much higher because they can see the results of the work (payments to pensioners) within a day.

Moving forward, the NBP has developed a “Scale-Up and Sustainability” agenda, and is now preparing for the launch of a third round of RRI, to take place December 2011 in Amman, Jordan. This latter effort will focus mainly on scaling up the results achieved to Governorate pension offices.

**Contact MNA K&L:**

Laura Tuck, Director, Strategy and Operations.  
MENA Region, The World Bank

**Regional Quick Notes Team:**

Omer Karasapan, , Roby Fields, and Hafed Al-Ghwel  
Tel #: (202) 473 8177

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