



Western Cape Government: Department of the Premier

Summary Report: Implementation Evaluation of the Western Cape Government Corporate Services Centre

Final Draft

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List of abbreviations

Ce-I	Centre for e-Innovation	OB	Organisational Behaviour
CRU	Client Relations Unit	OD	Organisational Development
CSC	Corporate Services Centre	PFS	Provincial Forensic Services
DOTP	Department of the Premier	PTI	Provincial Training Institute
ERM	Enterprise Risk Management	SLA	Service Level Agreement
FIU	Forensic Investigations Unit	SOP	Standard Operating Procedure
HOD	Head of Department	TOC	Theory of Change
IA	Internal Audit	ToR	Terms of Reference
ICT	Information Communication Technology	WCG	Western Cape Government

Policy Summary

The Western Cape Government established a Corporate Service Centre (CSC) in the Department of the Premier (DOTP) in 2010. The CSC renders support services to the 13 departments of the Western Cape Government on a shared service basis. These services include ICT services, Legal services, Corporate Assurance, Corporate Communications and People Management (Human Resources).

PDG was commissioned to undertake an implementation evaluation, with a significant clarificatory design component, of the CSC. The evaluation assessed the design and process of establishing the CSC, including mechanisms that support the implementation of CSC functions. It took place from June 2015 to March 2016.

Main findings:

- The CSC was well-planned in terms of structure and location. Its positioning in DOTP, and the decision not to corporatise People Management functions for Departments of Health and Education, is appropriate.
- The process of introducing the CSC was carried out under ambitious time frames, without sufficient transitional planning and change management. This resulted in significant initial disruptions in some functions, leaving a lasting impact on how some clients perceive the CSC, especially in relation to People Management.
- The majority of stakeholders in client departments are unfamiliar with the CSC Service Schedules (which set roles, responsibilities and the CSC's service standards for itself and client departments). Without this common basis of understanding, parties often disagree as to whether all are fulfilling their responsibilities, and whether the CSC functions are being implemented well.
- The implementation mechanisms employed by the CSC are increasingly capable of supporting its mandate, and have supported improved implementation of most CSC functions. However,
- There is a disjuncture between the CSC's reported performance against its service standards and the experience of clients. The data, reported in the CSC Dashboard, is useful for internal monitoring but there are shortcomings in the current composition of measures and the way that they are aggregated. The disjuncture is also a result of unfamiliarity with the Service Schedules and a continued ambivalence around the CSC's roles across its multitude of services (higher authority, "service provider" with connotations of subservience, expert advisor and/or partner).
- Lingering tension and inefficiencies in some People Management line functions are reflected in the Client Relations Units (CRUs). There is evidence that CRUs' role is unclear, workload unsustainable, and that they are not fulfilling the pivotal role that was originally envisioned.

Core recommendations:

- The CSC should initiate a series of consultative engagements with departments, across staffing levels, to acknowledge the disjuncture between understanding of the CSC's responsibilities and departments' expectations of it. For certain enduring challenges, task teams are proposed to take forward the recommendations and problem-solve.
- Arising from the consultative engagements and task team recommendations, CSC stakeholders should revise and clarify the distribution of roles and responsibilities between the CSC and client departments and update documentation accordingly.

- The CSC and its stakeholders should develop a CSC communication and change management strategy providing for effective communication and change navigation between the CSC and its stakeholders at various levels (e.g. senior managers, general WCG staff).

Executive Summary

1 Introduction and Background

This evaluation of the Corporate Services Centre (CSC) of the Western Cape Government (WCG) was commissioned by the Department of the Premier (DOTP) as an implementation evaluation¹ with a substantial design component. The evaluation was conducted over the period August 2015 to March 2016 by PDG.

Following the 2009 national and provincial government elections, the newly elected Cabinet resolved to begin a restructuring and reform process known as the Modernisation Programme. It was determined that a variety of existing departmental corporate services lacked the functional synergies and efficiencies consistent with the kind of provincial administration envisioned (WCG, 2009a: 6). The WCG therefore decided to establish the CSC.

The CSC is a shared services organisational unit in the DOTP. Subsequent to its establishment, the CSC has sought to effectively execute its mandate, as embodied in the CSC Policy (WCG, 2010) and its Service Level Agreements (SLAs) with the 13 provincial departments.

The overall structure of the CSC has remained the same since 2010. The CSC is headed by a Superintendent-General and consists of five branches (4 branches currently headed by DDGs, with Corporate Communications by a Director), which is each responsible for a cluster of related functions. The Branches are as follows:

1. Centre for e-Innovation (Information and Communication Technology)
2. Legal Services
3. Corporate Assurance
4. People Management (originally Human Resources)
5. Corporate Communications

This evaluation sought to assess the design and process of establishing the CSC and its five comprising functional areas.

2 Approach and Methodology

A customized analytical framework was applied for this evaluation to look at three areas of assessment: establishment; roles and responsibilities; and implementation mechanisms. The framework took into account the juncture at which the CSC was subjected to evaluation and was guided by the evaluation questions. It is informed by a theory of change and the objectives of the CSC as set out in the CSC policy. Mixed methods i.e. quantitative and qualitative data were employed.

The data collection entailed 29 interviews with key CSC stakeholders and 10 focus groups. Further, electronic surveys were conducted with CSC staff (206

¹ See the typology of government evaluations in the National Evaluation Policy Framework (2011).

respondents) as well as staff in departments (280 respondents) making use of CSC services (CSC “client departments”). Over 200 existing documents, reports and performance datasets were also reviewed. The analysis triangulated these various data sources via the analytical framework and synthesised a set of findings across the CSC’s functions.

Overall there were relatively minor challenges experienced over the course of data collection, and these were mitigated by the evaluation team with the assistance of the CSC. Furthermore, the scope and breadth of the evaluation means that findings are at a high level; recommendations similarly will need to be applied to each area based on particular circumstances.

3 Findings

The evaluation findings are presented here in relation to the four overarching evaluation questions.

Q1. Establishment: Has the CSC been located and established appropriately, with the appropriate functional areas, scope, resources, structures, and institutional arrangements, and supported by appropriate departmental CSC interface structures and capacity?

The CSC’s location and placement within the Department of the Premier is found to be appropriate. The CSC’s intended roles include providing transactional/operational services as well as providing advisory services of a strategic nature, amongst others. The strategic functions in particular benefit from its positioning within the Department of the Premier. Practically, some functional elements within the CSC were already being offered on a shared service basis in DOTP prior to establishment, and other alternative placements were not deemed appropriate.

The CSC’s functional areas were determined based on both the CSC Policy’s criteria, as well as contextual factors and lessons learnt from related experiences (such as the experience of the Gauteng Shared Service Centre) which led to the exclusion of functions such as Supply Chain Management and transactional finance. The exclusion of these functions that technically meet the criteria for corporatisation is not problematic because the case for exclusion has been substantiated and stakeholders share a view that the exclusion of these is appropriate.

The CSC’s scope includes all provincial departments across the functional areas and excludes only the Departments of Health and Education in terms of People Management and Corporate Communications. Although counter to the principle of economies of scale, the decision to hold-off on the corporatisation of these functions was justified and resonates with international experience regarding Health and Education services.

The thinking behind a funding model of the CSC has evolved considerably and the CSC has gradually come to embrace a range of funding mechanisms on a differentiated and informal basis. Ce-I has made the most progress in formally moving away from a subsidy based funding model to cost-centre model on a per capita basis in response to future demand. Despite some

unevenness across branches and in relation to certain services, the current funding arrangements have not been prohibitive to fulfilling the CSC's mandate.

The absence of a transitional plan or holistic expression the CSC's binding organisational drivers, intended transitional budget and results for the medium-term (beyond statutory planning) has been a glaring omission from the establishment process. The piecemeal approach to constituting the CSC has been a conceptual deficiency but functional challenges related to the CSC's establishment appear less to do with limitations of financial resources, and more to do with the process of sequencing and transitioning to the establishment of the CSC, particularly in the area of People Management. Although there were inevitable challenges for the line functions that faced significant restructuring and relocation, most appear to have turned the corner on challenges arising from their establishment.

There is evidence that capacity was constrained and demands were unreasonably high on CSC staff in the People Management functional area during the establishment process, particularly considering the backlogs inherited in some functions. Being expected both to manage internal restructuring in the CSC and to render services to departments who resent the loss of their own capacity during a time of transition and process re-invention appears to have disadvantaged these line functions from the outset. This resulted in a large number of CSC stakeholders reporting that People Management experienced significant challenges in the establishment process – as illustrated in Figure 1 below.

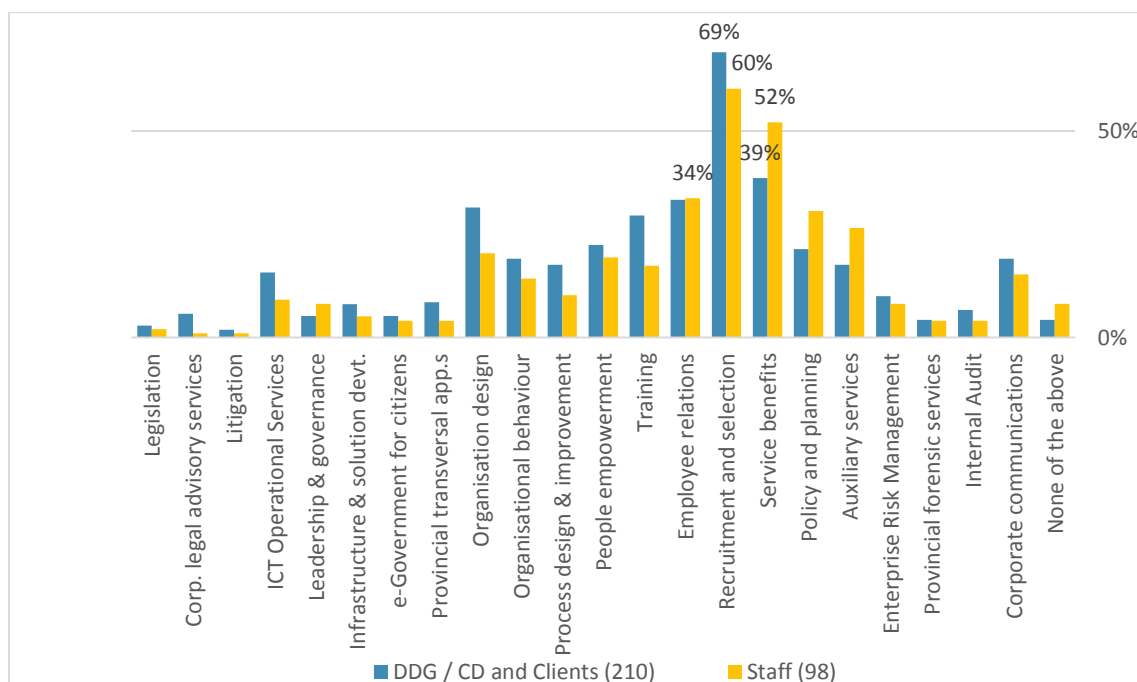


Figure 1. Responses by CSC line function to the question, "Based on your historical professional experience, which of the following corporate services line functions

have faced significant implementation challenges in the process of establishing the CSC, if any?"²

The modernisation blueprints and external advice proposed to adopt a more incremental approach than was followed in the comparatively rapid process of CSC establishment. This occurred without shared understandings of how newly corporatized processes would operate and clarity on this was delayed and remains under-communicated. The tight timeframes set for establishment are perceived to have been at the behest of executive authorities, at the expense of good practice. However, the amount of restructuring associated with the CSC was itself ambitious and had the ambitious scheduling had the benefit of allowing the administration the better part of its term to focus on the consolidation of the CSC as an organisation rather than dealing with a prolonged transition.

Q2. Roles and responsibilities: Are the assigned roles and concepts of shared responsibility and accountability appropriate, clear, mutually understood, bought into, adequately operationalised with an appropriate funding model and effectively monitored, and is it necessary to change the demarcation of such roles and responsibilities?

The CSC policy, SLAs and Service Schedules are clear in how they distribute responsibilities in broad terms. However, it is also clear that HODs and departmental managers continue to have some role in relation to the execution of every one of the corporatised functions, which is at odds with some of the client departments' expectations related to a service centre. Further, much of the detail of these responsibilities, particularly at the operational level where services get rendered, was only formalised subsequent to the signing of the SLAs, after those functions were already implemented and in the absence of a set of SOPs.

A shared responsibility arrangement removes vertical, mostly linear, relationships within departments and introduces a degree of complexity that support function services have had thrust on them without the concomitant shift in organisational and relational understanding. Insufficient communication and change management has hampered buy-in to the roles and responsibilities, particularly in those line functions most affected by corporatisation restructuring (e.g. ERM, HRM and Corporate Communications). What responsibilities would actually mean in practice for newly corporatized role-players only came to be understood over time and could not be adequately planned for in the absence of pre-agreed processes. It is therefore not surprising that much of the root of the CSC's challenges appear to be concentrated on the lack of mutual understanding around responsibilities and the complexity of these relationships, particularly in a heavily legislated macro-functional area such as People Management.

² When interpreting the data, it is also worth noting that different respondents may have had different levels of exposure to the respective functions on account of their roles and positions within WCG. Thus, the line functions falling under ICT and HRM are those that respondents would have been most likely to be familiar with, despite qualifiers that they should answer in relation to their professional responsibilities, rather than personal experiences.

The survey results indicate that the majority of departmental respondents remain unaware of the most recent Service Schedules which specifically set out their obligations and the responsibilities of the CSC (Figure 2). Yet most respondents continue to express an opinion on them. The implication is that there are clearly assumed responsibilities in this process and these assumptions, without familiarity with the Service Schedules and SOPs to support mutual understanding as a common point of departure, are a source of tension and conflict between role-players, especially in the Branch: People Management.

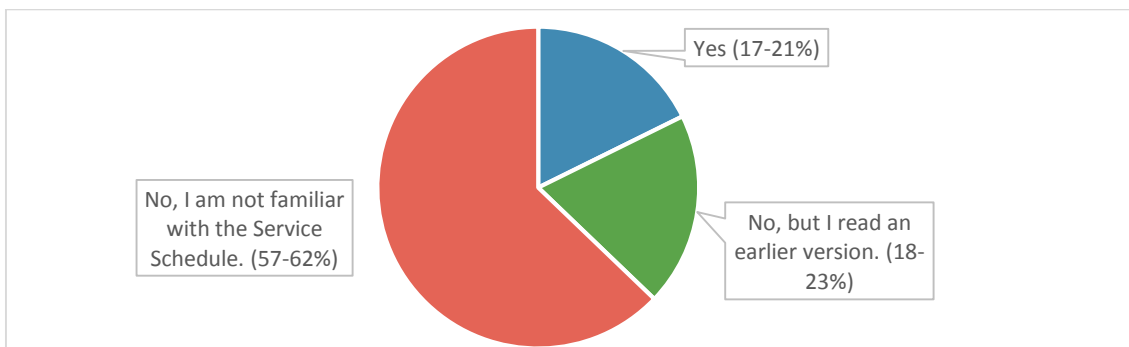


Figure 2. Summary of clients' responses to whether they have read the 2015 version of the Service Schedules (range across branches)

Since no volumetric, systematic appraisal had taken place before establishment, the broader range of tasks performed by HR staff in some departments was not fully recognised nor was it mutually understood how some of these responsibilities would be conducted by the CSC, particularly in the case of decentralised departments like Social Development and Agriculture. A widespread expectation amongst clients was that the CSC would take full responsibility for some of these functions and their services. Where client departments have taken steps to manage administration from their side, or simply came to the understanding that the key functional activities still remained with them despite corporatisation, this has contributed to the perception that tasks are "coming back" to departments after having moved over to the CSC.

The roles and responsibilities associated with the CSC's funding model had not been formalised outside of the CSC Policy and the Vote 1 apportionment within the existing statutory budgeting and planning processes. Formalising a differentiated, hybrid funding model for the CSC, assigning responsibilities and exploring the feasibility of other funding arrangements could provide greater clarity in this area.

With regards to the performance dashboard utilised for monitoring the execution of obligations, the logic underpinning the monitoring framework is sound, but issues of measurement formulation weaken the potential for this monitoring framework which otherwise appears to be a useful tool. Further, there is an identified need to track end-to-end processes beyond just the CSC's obligations.

Lastly, and critically for the People Management functional area, roles and responsibilities of CRUs vis-à-vis the CSC have not been appropriately defined. There is evidence that CRU staff are duplicating some of the CSC's tasks as well as playing supporting roles to managers to perform tasks previously performed by HR staff. Left unchecked, this has the potential to defeat the CSC's purposes of standardising processes and the goal of improving the efficiency of HR operations.

Q3. CSC implementation / governing instruments: Are the implementation and governance instruments – including institutional arrangements, monitoring and reporting frameworks, the CSC Audit protocol and IT tools – sufficient in their design and effective in their application and use so as to respond fully to the policy intent?

Progress has been made in responding to the policy intent both strategically and with regards to establishment, but the implementation and governance instruments cannot be said to be fully responsive as yet.

Broadly, the CSC's institutional arrangements are sufficient for addressing and resolving most challenges in the execution of support functions on a differentiated basis. People Management still faces significant challenges, albeit unevenly across line functions. It has developed and introduced new mechanisms to deal with current inefficiencies but these are still hampered by the complex relationships with partner departments.

The Service Schedules underpinning line functions are not sufficiently embraced by all parties and roles and responsibilities remain in dispute. This poses a significant threat to the policy intent because it hinges on cooperation and CSC does not yet seem to have leveraged all available instruments to respond fully in this regard.

At the centre of this dispute are the CRUs. These units were expected to play an important role in the life of the CSC and they have not been effective in their application to date which has taken a broader toll on the CSC's reputation and undermined the policy intent.

The Audit Protocol appears to have been concise yet effective in clarifying roles and responsibilities related to the audit process and progressive improvements in audit results across the WCG bear testament to the CSC's progress in this regard, across all functional areas. The structures, tools, systems and reports appear to have been well supported by both the CSC and departments in relation to this administrative goal.

Implementation mechanisms for the Ce-I generally appear to be sufficient and effective for governance, planning, communication, and the resolution of challenges related to ICT. However, the institutional arrangements and associated responsibilities for this function do place constraints on departments' resources. Ce-I has made the most progress in formalising its funding approach, necessary to advance the policy intent of cost-optimisation.

The CSC makes effective use of Provincial Top Management meetings to table work of a transversal nature before Heads of Department for consultation and endorsement. This is appropriate in principle, but there is potential to consult more widely and use PTM better to ensure that CSC initiatives reach departments and are embraced at operational level. This could be supported by more effective communication related to CSC processes in particular.

Q4. Readiness for implementation: Was the process of introducing and implementing the CSC well-planned and managed from both an operational and behavioural perspective?

The initial process of introducing the CSC was thoroughly considered from an organisational design and structural perspective, albeit with variable degrees of detail and planning between line functions. However, the holistic process of introducing the CSC cannot be considered well-planned as it was carried out under ambitious timelines without sufficient transitional planning or provision for post-corporatisation change management.

From an operational perspective, it would have been in the interests of the WCG to further stagger the corporatisation of key line functions, such as those within HRM, until such time as the detail of the new procedural arrangements, roles and responsibilities for these line functions and services were well documented and understood and a consulted transition pathway was costed and laid out. The clarification of processes and procedures, only subsequent to the major structural changes, put behavioural and operational management at a disadvantage in the process. The reality was that by the time many of the processes were properly documented most of the role-players had already discovered what the processes would be (or created their own processes leveraging relationships). And the CSC had already had to navigate the tremendous challenges of addressing the People Management backlogs and inefficiencies amid the shock of the restructuring. There are inevitably some unintended consequences of any such restructuring in the public service, but the unintended consequences of the restructuring could have been further mitigated if the introduction of the CSC was better planned from an operational perspective.

From a behavioural perspective, there were both strengths and weaknesses to the process embarked upon. Involving key staff and senior management in an in-house process of diagnosing the issues within the respective functions and making recommendations under the auspices of a broader modernisation initiative. This clearly generated a level of buy-in and commitment to the initiative from some key role-players. However, not all stakeholders felt adequately informed and consulted. The lack of planning for the behavioural component was openly acknowledged as lacking by key role-players.

The decision to move quickly had both behavioural and operational consequences in that the transition was sudden, the resentment sharp (albeit mostly passive), and created a degree of uncertainty amongst staff. Figure 3 demonstrates that 39% of stakeholders found the reasons for establishing the CSC only "slightly convincing" or "not at all convincing".

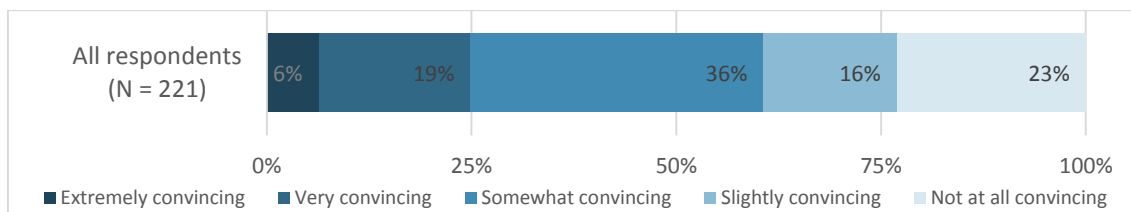


Figure 3. Responses to the question, "How convincing did you find the reasons communicated for corporatisation?"

Especially in the corporatized functions which faced relocation, the transition from a mostly linear managerial arrangement to obligations that introduced a complex, and potentially difficult to navigate, set of relationships, was not managed or catered for adequately.

A strong point from a behavioural perspective has been the hands-on and responsive management of an otherwise imperfect process from senior management within DOTP. The perceived and claimed support, provided to senior management from executive authorities, has fostered leadership that kept the CSC establishment process moving and removed impediments despite the challenges encountered. What has been described as cordial, forthright and open exchanges amongst senior management has also created a palpable sense of professional respect and openness to partnership in the interest of interdepartmental cooperation.

4 Recommendations

As a set of recommendations that are immediately useful³ for improvement planning purposes, the following should be prioritised:

- The CSC should initiate a series of consultative engagements between the CSC and departments, on multiple levels, to acknowledge the disjuncture between understanding of the CSC's responsibilities and department's expectations of it. These engagements should be geared towards clarifying the multiple services, relationships, framing documents and structures that shape these expectations, with a view to problem-solving around ensuring challenges. In functional areas with enduring challenges (e.g. employee relations; recruitment and selection; and service benefits) and for specific mechanisms (e.g. CRUs), jointly comprised task teams are proposed to take forward the recommendations and problem-solve.
- Arising from the consultative engagements and task team recommendations, CSC stakeholders should revise and clarify the distribution of roles and responsibilities between the CSC and client departments, allowing the opportunity to go into sufficient detail to reach agreement on key operational processes. This will entail some revision to the CSC Policy, SLAs, Service Schedules and SOPs and may also include subsequent updates to function-specific strategic documents such as the

³ The full report contains recommendations addressing the range of issues the evaluations was required to address.

People Management Strategy, ERM Policy Statement, Corporate Governance of IT Charter, etc., to ensure alignment between documents.

- The CSC and its stakeholders should develop a CSC communication and change management strategy to ensure a mutual and shared understanding, uptake and ownership of the corporate service roles and responsibilities, as well as mechanisms available to departments and the CSC. The strategy should provide for the effective communication and change navigation between the CSC and its stakeholders at various levels (e.g. senior managers, general WCG staff).

Summary Report

1 Introduction

This evaluation of the Corporate Services Centre (CSC) of the Western Cape Government (WCG) was commissioned by the Department of the Premier (DOTP) as part of its annual provincial evaluation planning.

This was an implementation evaluation⁴ with a substantial clarificatoy design element. It was initiated in August 2015 when PDG was formally appointed to conduct the evaluation and concluded in March 2016.

This document is the summary (25-page) report, intended to provide an overview of the key aspects of the evaluation. The longer, full report provides more detailed findings and discussion, as well as annexes.

1.1 Background to the Western Cape Corporate Services Centre

Following the 2009 provincial government elections, the newly elected provincial Cabinet embarked on a Modernisation Programme. As part of this, Cabinet decided to introduce a shared services organisational unit within the DOTP. The CSC as a new organisational unit within the DOTP establishment became effective from the start of the 2010/2011 government financial year and has been in existence ever since.

Subsequent to its establishment, the CSC has sought to effectively execute its mandate as embodied in the *Western Cape Government Policy for the rendering of Corporate Services* (WCG, 2010; henceforth referred to as the CSC Policy) and in terms of its Service Level Agreements (SLAs) with the 13 provincial departments. With more than five years having passed since the CSC was formally conceived and established, this evaluation seeks to assess the design and process of establishing the CSC.

1.2 Purpose of the evaluation

As outlined in the Terms of Reference (ToR), this assignment is intended to “determine if the provincial policy for the rendering of corporate services by the CSC has been effectively implemented as per the original policy intent”. The intention was to use the evaluation formatively, i.e. to identify issues to be addressed in the on-going implementation of the CSC’s work.

2 Literature review and background to the CSC

2.1 Shared services: Concept and International Examples

Shared services as a concept first emerged in the private sector in the late 1980s, where corporations consolidated separate business units across organisational divisions into a single unit (Walsh, 2006). From the late 1990s

⁴ See the typology of government evaluations in the National Evaluation Policy Framework (2011).

and early 2000s, many large public sector organisations began to attempt to replicate the success of shared services in the private sector.

The intent of shared services has typically been to concentrate repetitive transaction oriented services that are much the same for each business unit (Walsh, 2006). However in many cases, including that of the CSC, the intent is also to allow for the pooling of scarce expertise, enabling higher quality support in advanced / strategic functions.

Shared services generally encompass three types of services. These are discrete organisational micro-processes and transactions such as payroll administration, vacancy listing and accounts payable; strategic management and advisory services such as Internal Audit, employee training and development; and professional consultancy services such as legal services (Elston, 2014).

The Queensland State Government in Australia, which introduced shared services in the early 2000s, bears a number of resemblances to the Western Cape experience. A few important points to highlight in relation to the CSC in the WCG:

- In some cases the use of shared services has been voluntary, not mandatory – possibly making it easier to introduce, but leading to lower economies of scale;
- There is no right or wrong functional composition and model for shared services – it tends to be contextually determined and address a range of services, from transactional to advisory and specialised;
- Transition planning and concomitant change management over an incremental establishment period are part of a critical foundation for the success of a share service initiative;
- Funding models differ, with a fee-for-service model operating in several cases;
- Cost saving has been a strong motivating factor for introducing shared services;
- In most cases where cost savings could be measured against a baseline, the savings were not as great as anticipated;
- Even where cost savings were not as great as anticipated, examples shows there can still be benefits from standardisation, consistency and reliability which generate efficiencies across departments; and
- It is common to face challenges during the transition to shared services. Delays in the implementation timeframe are particularly common. Managing the transition requires at a minimum executive buy-in; careful planning and cognisance of potential obstacles; and clear communication to staff.

2.2 Background to the CSC

Following the 2009 national and provincial government elections, newly elected political leadership used the opportunity to restructure, enhance accountability mechanisms and modernise. A reform process was initiated in the Western Cape following the election of the Democratic Alliance to

provincial government. Running on an electoral platform to deliver clean, efficient services to the citizens of the province, an emphasis was placed on a strong, lean administration, especially in the context of the global economic crisis and its effects on government’s financial reserves given the downturn in the global economy.

Shortly after the election of the new provincial leadership, in close consultation and engagement with the (then) acting Director-General, Cabinet resolved to begin a restructuring and reform process as part of a broader modernising initiative. This was deemed the ‘Modernisation Programme’. The resolution resulted in the establishment of a series of work streams for provincial staff to look at 20 areas of investigation. The Modernisation Programme sought to (1) bring provincial government institutions on par with international best practice; (2) ensure that they are fit for their respective intended purposes; and (3) ensure that they serve the public in a cost effective and efficient way (DotP, 2009).

The work streams indicated that a variety of existing departmental staff support services lacked the functional synergies and efficiencies consistent with the kind of provincial administration envisioned (WCG, 2009a: 6). The WCG therefore decided to reform support services as part of the Modernisation Programme, establishing a Corporate Services Centre (CSC) which would house some functions already operating on a shared service basis, as well as certain functions that were until that point implemented within line departments. Figure 4 is a simplified depiction of the restructuring that this entailed.

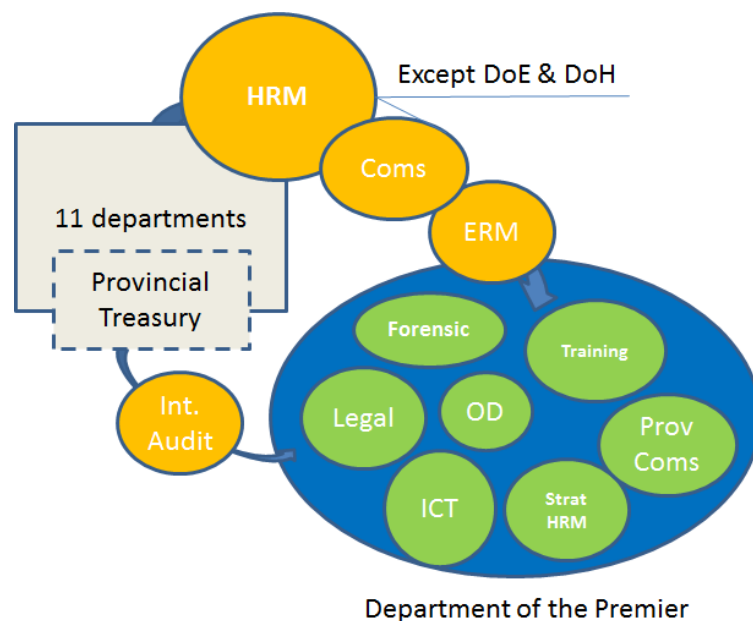


Figure 4: Functional (re) location and positioning at the establishment of the CSC⁵

The CSC is headed by a Superintendent-General and CSC consists of five branches (4 branches currently headed by DDGs, with Corporate Communications by a Director), which is each responsible for a cluster of

⁵ The image illustrates the transition of functions from other departments to the Department of the Premier.

related functions. The overall design shown in Figure 5 is dated 2015. A Theory of Change and further discussions of the design intent, foundational documents, etc. are found in the full report.

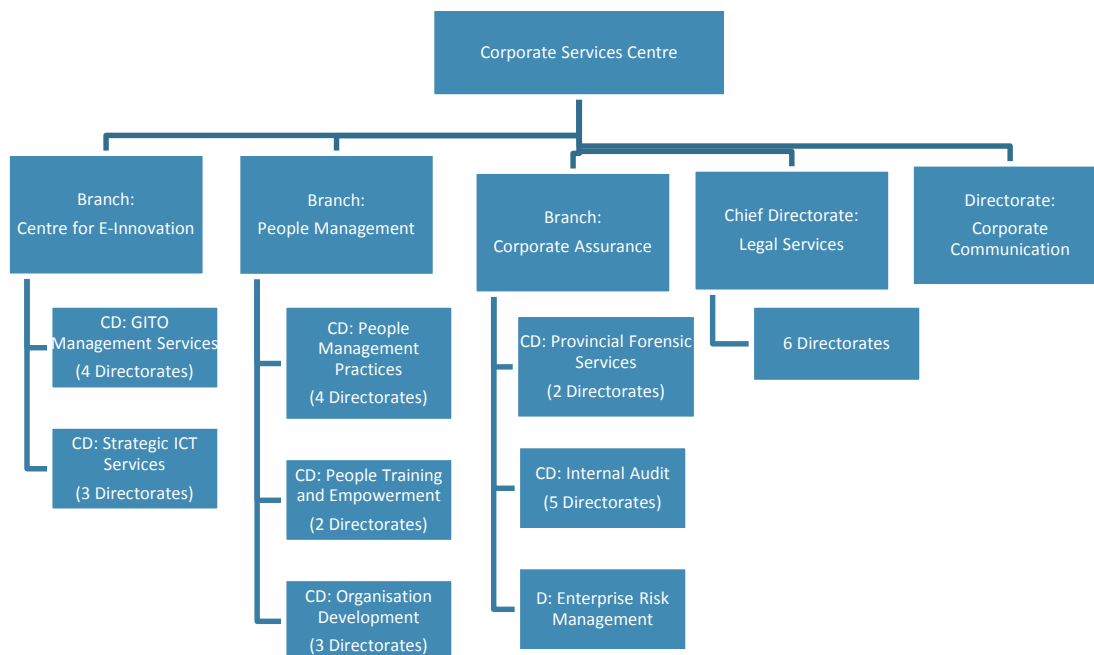


Figure 5: Structure of the Corporate Services Centre

3 Approach and Methodology

3.1 Evaluation design and analytical framework

In the inception phase of the evaluation, taking into account the questions posed in the ToR, the evaluation steering committee agreed on four overarching evaluation questions:

- Q1. **Establishment:** Has the CSC been located and established appropriately, with the appropriate functional areas, scope, resources, structures, and institutional arrangements, and supported by appropriate departmental CSC interface structures and capacity?
- Q2. **Roles and responsibilities:** Are the assigned roles and concepts of shared responsibility and accountability appropriate, clear, mutually understood, bought into, adequately operationalised with an appropriate funding model and effectively monitored, and is it necessary to change the demarcation of such roles and responsibilities?
- Q3. **Readiness for implementation:** Was the process of introducing and implementing the CSC well-planned and managed from both an operational and behavioural perspective?
- Q4. **CSC implementation / governing instruments:** Are the implementation and governance instruments – including institutional arrangements, monitoring and reporting frameworks, the CSC Audit

protocol and IT tools – sufficient in their design and effective in their application and use so as to respond fully to the policy intent?

The second, third and fourth evaluation questions are preoccupied with asking “what is happening and why?” as well as looking back to “what has happened [during the establishment of the CSC] and why?” and focus on the inputs, activities, outputs and (to an extent) immediate outcomes of the CSC’s establishment. Additionally there is a strong focus on judging the CSC’s design which in itself has required clarification and documenting of the implicit and historical thinking around it. The implications of this are that a significant degree of customisation was required to address the above questions.

An analytical framework⁶ was developed for judging the implementation of the CSC policy. It was informed by the above evaluation questions, a theory of change for the CSC, and an exposition of the intent set out in the CSC policy. The framework takes into account the juncture at which the CSC was subjected to evaluation and the focus of the evaluation questions.

3.2 Data collection instruments and other tools

3.2.1 Data collection

Primary data

The data collection commenced with 7 **review interviews** with key CSC stakeholders. These interviews provided a descriptive overview of the CSC and clarified the historical establishment process in broad terms.

Once the review of foundational CSC documents and literature review was concluded and data collection instruments designed, three main data collection activities were undertaken.

- **Semi-structured interviews:** 26 respondents participated via 22 engagements. Respondents included Members of Provincial Cabinet, Heads of Department, and other CSC stakeholders.
- **Focus groups:** 10 took place with stakeholder groups including Departmental Strategic Support, the CSC Executive Committee, Departmental Client Relations Unit representatives, CSC staff of the various branches, and other departmental senior managers with relevant function-specific roles such as Chief Financial Officers. A short follow-up questionnaire was sent to CRUs to further clarify information emerging from the focus group.
- **Electronic surveys:** Three different surveys were developed to collect the views of a broader set of stakeholders in the WCG. The entire population of each target group was emailed and invited to participate. The target groups and response rates were as follows:
 - Client department senior managers (Deputy Directors-General (DDGs) and Chief Directors (CDs)), of which 23 responded

⁶ See the full report for the discussion of why other commonly used analytical frameworks, e.g. the OECD (1991) and Lusthaus et al (2002) criteria, were considered insufficient for answering the evaluation questions. The appendix of the full report also contains a detailed discussion of the analytical framework.

- Client department managers at Assistant Director, Deputy Director and Director level, of which 257 responded
- CSC staff, of which 206 responses were captured

Secondary data

Over 200 existing documents, reports and performance datasets were shared with the evaluation team⁷. These documents were reviewed to provide some balance, corroboration and/or contrast to the historical processes, reflections and perspectives expressed during the primary data collection.

3.2.2 Data analysis

The approach to data analysis consisted of the following three components:

- qualitative description and thematic analysis (using Nvivo software package) of the CSC using interview and focus group data;
- quantitative analysis of electronic survey results (Microsoft Excel); and
- desktop review and CSC documentation, performance information and external reports.

Together, these formed a mixed method analysis which triangulated various data sources via the overarching assessment framework.

3.2.3 Data challenges and limitations

Overall there were relatively minor challenges experienced⁸ over the course of data collection, the exception being around the communication of the electronic surveys which may account for the average, to just below average, response rates received. To account for this, survey results were taken as indicative but not conclusive of the general views of clients and were triangulated with other data as described above.

An overall limitation of the study is that the scope and breadth of the subject of evaluation was so expansive that an in-depth analysis of all its different components per function was not possible. Many of those components had heretofore not been fully defined or were in different stages of conceptualisation and implementation. A call for additional documentation after the issuing of the draft evaluation report and follow-up engagements to mitigate and address some gaps in the received data provided for a richer dataset and strengthened the overall findings.

4 Findings and analysis

4.1 Establishment

This section reports key findings on the CSC's establishment – both the design and the operational roll-out process of establishment – as it relates to the location, functional areas, scope, institutional arrangements and resources available to the CSC.

⁷ See appendix of the full report for a list of the documents shared.

⁸ The full report provides more detail on these data challenges and also notes other, less significant data challenges and how they were handled.

The stated criteria for the inclusion of functions within the CSC is explicit and transparent. The Organisation Design modernisation blueprint, completed in November 2009, determined the functional composition of the CSC and provided criteria around which determinations for the functional composition for the CSC were made. These criteria were used in a two stage fashion, firstly to broadly identify potential functional areas, then to identify individual functions for inclusion in the CSC within broader functional areas. The CSC policy (2010) adopted mostly the same criteria, with only minor differences with regards to process.

A review of the CSC policy and related modernisation documents shows that beyond the application of the CSC policy criteria, the parameters for the macro-functional scope of the CSC allow space for contextual considerations or judgments and are not the product of a static decision-making model. However, this is not problematic as there is no "best practice" shared services structure and international experience demonstrates that these organisations are usually hybrid models informed by multiple process and functional considerations (KPMG, 2009: 7). Thus, decisions to exclude Supply Chain Management as a functional area and Health and Education from the scope of the CSC's People Management Practices services are not necessarily problematic, especially given that the reasons for this were substantiated and clear.

The Organisational Design modernisation blueprint indicated that lessons were learnt from the Gauteng Shared Services Centre "big bang" approach and that the CSC would take an "incremental" approach (WCG, 2009a). However the timeframes and sequence of the key restructuring associated with this initiative appears to contradict this in some respects.

The functional relocations were mostly concluded within 8 months of the start. The big organisational changes, including the transfer of strategic HR Management and transactional HRM functions, happened right away, and in the absence of transitional roadmaps, SOPs or shared understandings of how challenges would be navigated.

Compared with the case study experience of Queensland, Australia which had three to five years for this process, the CSC was comparatively less prepared and hurried in its execution for certain functional areas, and the motivation for this approach appeared to be guided by a perceived political impetus to "make it happen," rather than what was recommended in terms of transition planning and recognised good practice. Decisions were taken with regards to timeframes and transition planning that proved challenging for such a significant restructuring, especially for the People Management function.

Furthermore, at the time of the CSC's design and establishment, the strategic intentions of the CSC were not clearly communicated nor were its desired results well-defined.

One of the stated intentions was cost optimisation. However, despite considerable work put into the Organisation Design work stream in a relatively short period of time, key financial determinations, such as a defined funding model and overall cost implications/savings, were not known or determined. Since 2010, the CSC funding model appears to have been increasingly informally established within the Ce-I and People Management

branches as a hybrid model that has introduced a range of cost-recovery mechanisms on a service by service basis. While this reflects progress, defining a financial model on a branch and service differentiated basis is still an outstanding task of the establishment process requisite to support the stated intention of cost-optimisation.

As Figure 6 shows, there is a spread of understanding of the primary objectives of the CSC, coupled with identification of objectives that are not within the scope of the CSC’s work. This is indicative of some degree of confusion and lack of clarity regarding the purpose and intention of the CSC that endures to this day. The qualitative data similarly confirmed that while stakeholders are aware of the cluster of objectives set out in the policy to varying degrees (and in relation to their functional line of work), that the CSC’s intentions are not uniformly understood or clear, even to this day.

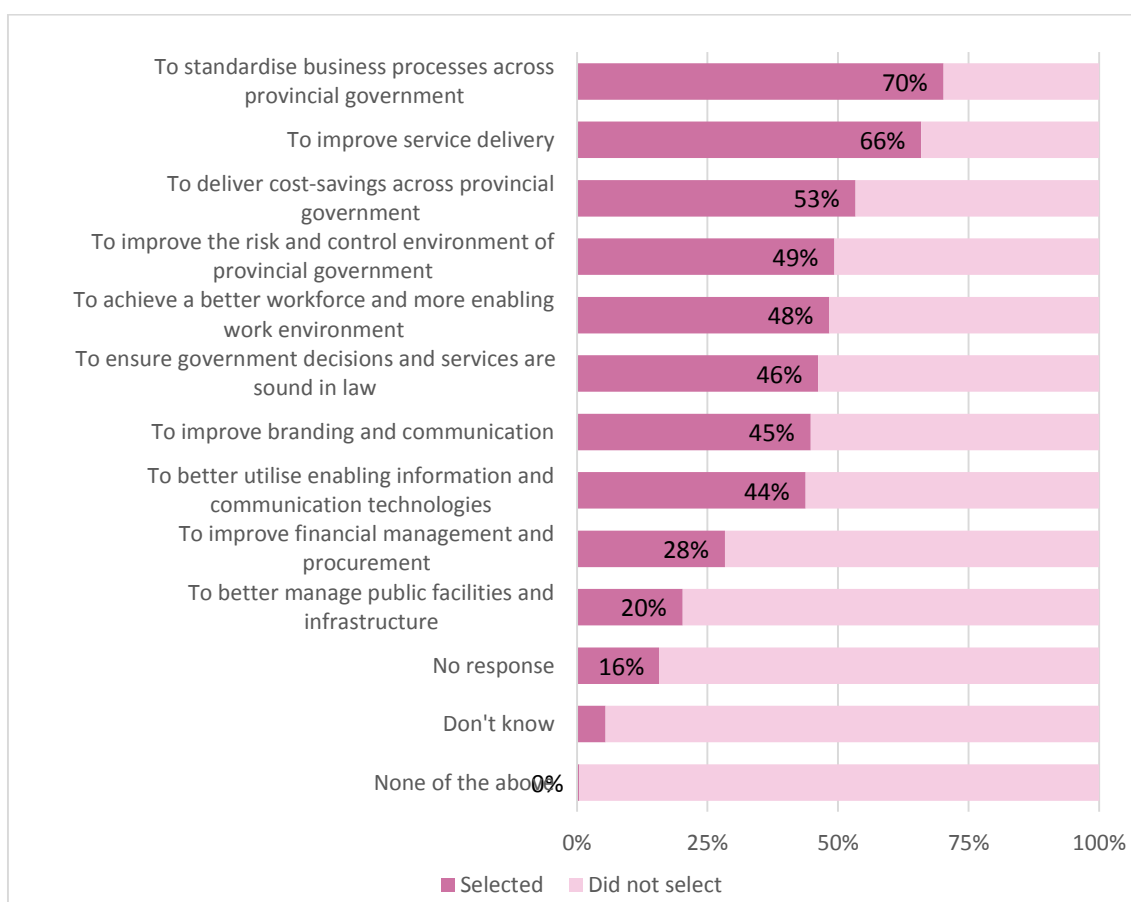


Figure 6. Responses to the question, "Which of the following do you understand to be the primary objectives of the CSC? (Select all that apply)"

Part of the reason for this ambiguity is that there was inadequate communication about the CSC holistically. There was considerable communication through multiple channels of the reasons for the change, with three-quarters (75%) of CSC staff and client department survey respondents⁹

⁹ About two-thirds of survey respondents indicated that they were involved before 2010 in the rendering, use, or management of the services now rendered by the CSC. These were asked about the period of establishment of the CSC.

indicating that the reasons for corporatisation of services in the CSC were communicated to them. However, in focus groups, it became clear that it was not considered a well-consulted decision. The opportunity for high-level comments from departments appears not to have been sufficient to ensure broad-based buy-in at the time.

In addition, there was a lack of a transitional change management plan, which made it more difficult for affected staff to understand how the change would affect them. Given these circumstances, it is not surprising that nearly half (48%) of client department staff viewed the reasons communicated for corporatisation with scepticism, finding the reasons “not at all convincing” or only “slightly convincing” (Figure 7).

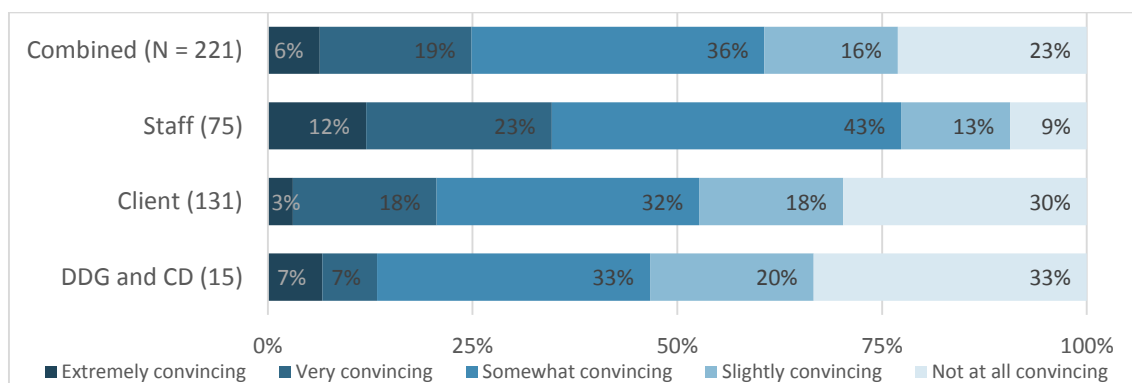


Figure 7. Responses to the question, "How convincing did you find the reasons communicated for corporatisation?"

Further survey results indicated that there are near equally opposing views on the CSC. Overall, roughly a quarter of respondents supported its establishment, while another quarter opposed it, and the remaining half did not have a position on it. This highlights where a change management process could have engendered sentiment in support of the reform process and bridged the gap between those who opposed it.

Since the CSC was essentially conceptualised in portions, with some functions diagnosed and recommendations made in greater detail in the modernisation blueprints (e.g. ICT, ERM, etc.) than for others (e.g. HRM, Corporate Communications, etc), establishment has been uneven. There was a differential experience of establishment process by function that was a product of the scope of change compared to historical arrangements, the extent to which new functional processes and roles were planned for and existing backlogs and maladministration inherited.

Many stakeholders have linked their impressions of the CSC to the experience of corporatizing HRM, more so than for any other functions. This makes sense given that the scope and nature of the HRM functional area affects all WCG staff, and because it was the most substantive change arising from corporatisation. HRM represents 61.1% of the total posts affected by the establishment of the CSC.

Table 1: Approved posts affected by corporatisation across function

Function	Number of approved posts	% of total staff directly affected
Communication	141	19.1%
Enterprise risk management	54	7.3%
Internal Audit	92	12.5%
Human resource management	451	61.1%
Total	738	

Unfortunately there were significant challenges in this area. As noted, the time frame for restructuring was condensed into a financial year (excepting Corporate Communications). The People Management branch was first restructured, then had to design and establish its service delivery processes while simultaneously dealing with the immediate workload of 11 departments' normal HRM processes. In addition the branch "inherited" a substantial historical processing backlog at the time of establishment. Firstly there was the inconsistency across departments that formed part of the motivation for the corporatisation of these functions – such as non-compliance in regulated HR matters which had led to adverse audit findings in the past (CSC, 2012). Secondly within many of the departments there were significant challenges in the HRM space and the departments transferred many pre-existing HRM backlogs and inconsistencies to the CSC. In this context, major implementation challenges ensued.

It is clear from Figure 8 that the three areas of biggest implementation challenge according to both client respondents and CSC staff were all in the People Management Practices area: Employee Relations, Recruitment and Selection, and Service Benefits. This resonates with the response received when survey respondents were also asked which line functions are unsuitable, in terms of design, for rendering by a corporate services centre.

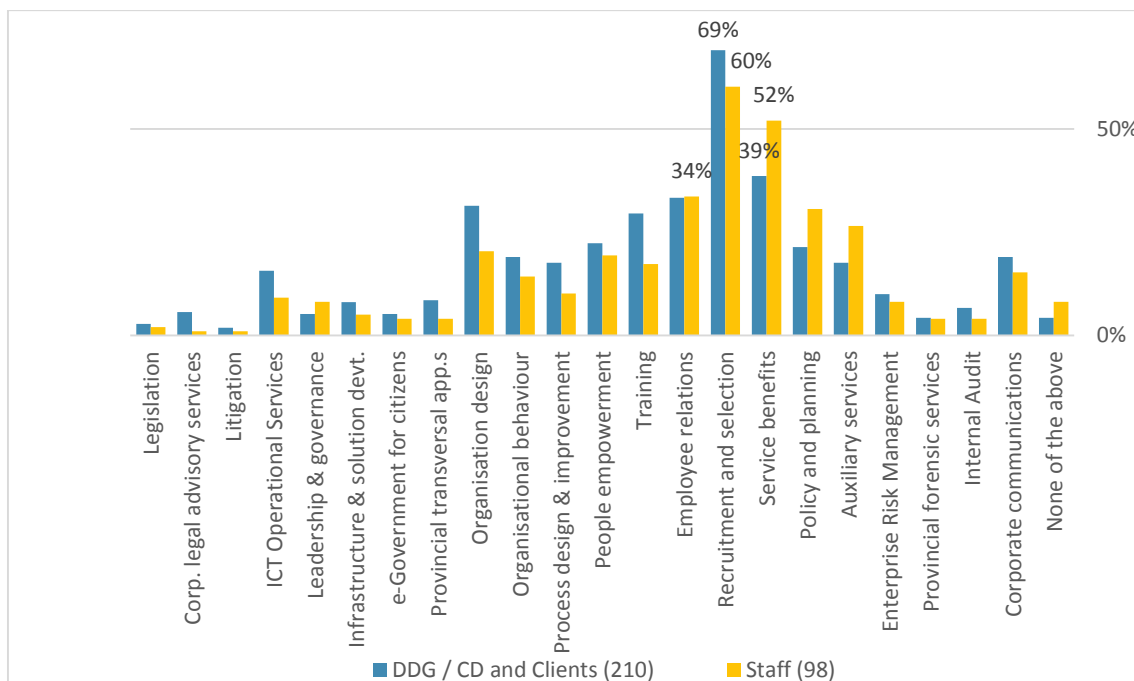


Figure 8. Responses by line function to the question, "Based on your historical professional experience, which of the following corporate services line functions have faced significant implementation challenges in the process of establishing the CSC, if any?"¹⁰

4.2 Roles and responsibilities

This section addresses the extent to which the duties of all stakeholders involved with the CSC are defined and well conceptualised, and how these have been executed over the CSC's lifespan.

The CSC Policy was adopted in October 2010. Subsequently, the Service Level Agreements (SLAs) with attached Service Schedules were signed in November 2010. Since that time, a set of general roles and responsibilities have been in place. They have been clear insofar as they've set out a general delineation of obligations. These documents have provided a common point of departure for the various role-players, who generally express having had sufficient opportunity to input into these documents and agreements as they have been refined and rationalised periodically over the CSC's lifespan.

However the CSC's establishment did introduce a degree of complexity to accountability arrangements in the WCG. As Table 2 shows, both Heads of Department and Departmental Management continue to have responsibilities across every one of the functional areas. Thus while part of the rationale for the CSC was to free-up departments to focus on core business, however reduced the scope or volume of these responsibilities may be by comparison, there is an inevitable overlap and sharing of responsibilities between the CSC, HODs and departmental managers in every function. This has implications for

¹⁰ When interpreting the data, it is also worth noting that different respondents may have had different levels of exposure to the respective functions on account of their roles and positions within WCG. Thus, the line functions falling under ICT and HRM are those that respondents would have been most likely to be familiar with, despite qualifiers that they should answer in relation to their professional responsibilities, rather than personal experiences.

accountability since HODs are legislated accounting officers but part of the responsibility for executing the human resource function rests with the CSC which is now part of a complex accountability relationship.

Table 2: Distribution of roles & responsibilities by functional areas in CSC Policy (WCG, 2010)

		Functional responsibilities									
		People Man.				Corp. Assurance				Corp. Coms	
		ICT	OD	HRM	PT	ERM	IA	FS	LS		
Role-players	CSC	Premier		X	X						
		Executive authorities		X	X	X	X	X		X	
		Director General	X	X	X	X			X	X	X
		CSC Branch	X								
		CSC Chief Directorate		X	X	X		X		X	
		CSC Directorate					X		X		X
	Departments	Heads of Department	X	X	X	X	X	X	X	X	X
		Departmental man.	X	X	X	X	X	X	X	X	X
		Min. Media Officer									X
		Dept. Coms Unit									X
		DOTP Strat. Coms									X
		Provincial Treasury					X				
		Audit committee					X	X			

Despite the early introduction of the relatively clear CSC Policy, SLAs, and Service Schedules, across a number of functions there are still disagreements or non-complementary understandings over the demarcation of responsibilities. Some of these appear to be enduring positions on the corporatisation of certain functions more generally (across People Management in particular), while others are likely the result of direct experiences and frustrations arising from the complexity of the arrangement and its potential inefficiencies.

Another factor is there was a serious lag between setting out obligations in general terms in the Service Schedules, and the subsequent detail and clarity of Standard Operating Procedures (SOPs) for key services. In fact, the bulk of process design work for the first two years of the CSC's existence focused almost exclusively on its own processes, those it had to get right if it were to deliver a more efficient, economical and effective service. This internal focus precluded it from a value-add to client departments initially and was contrasted with the incremental introduction of shared services in Queensland, Australia over a period of 3-5 years, which featured the concurrent definition of new business processes and services as part of transition planning and implementation.

Although clients have generally confirmed the opportunity to influence and shape the Service Schedules themselves, too many remain unaware or unfamiliar with their contents. For each branch of the CSC, between 57% and 62% of the clients who make use of the branch's services indicated that they

are not familiar with the branch's Service Schedule (Figure 9). This common finding across branches is maybe one of the most significant findings of the evaluation.

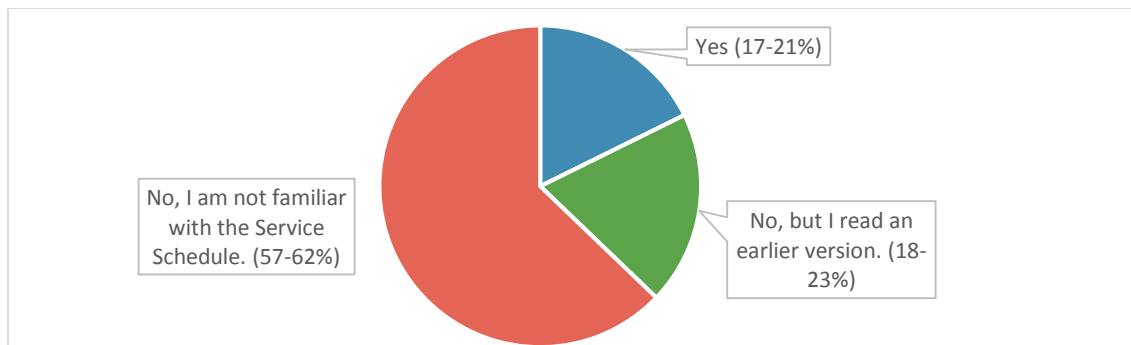


Figure 9. Summary of clients' responses to whether they have read the 2015 version of the Service Schedules (range across branches)

Despite the positive strides made over the CSC's lifespan, the evaluation found that there still seems to be insufficient and contested understandings of what the roles and responsibilities for its associated services mean in practice, and how these are actually distributed between departments and the CSC.

By means of example, with regards to the Centre for e-Innovation, a large portion of clients who make use of Ce-I services agree that their department is doing some work that the CSC is obliged to do in terms of the Service Schedule (Figure 10). This indicates contestation of roles, while the large sections of respondents indicating "neutral" or "don't know" suggest an insufficient understanding of the distribution of responsibilities. Large sections of "neutral" and "don't know" were also found with regard to Corporate Communications where heavily reliance on the liaison role of Heads of Communication may hamper other departmental stakeholders' understanding of and buy-in to the CSC's role.

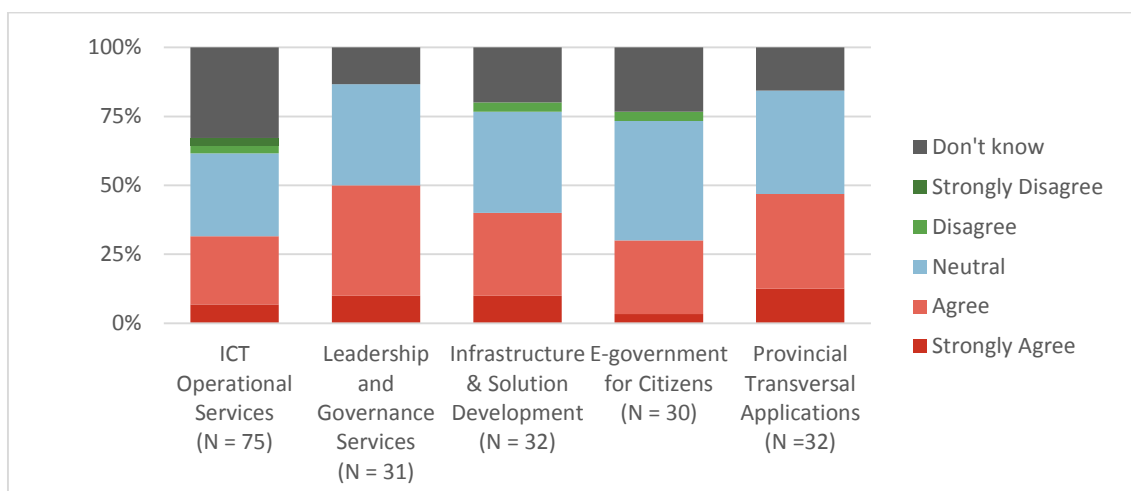


Figure 10: Clients' agreement with the statement: "My department is doing some work that the CSC is obliged to do in terms of the Service Schedule"

Similarly the clients of People Management line functions, whose familiarity with the Service Schedule was somewhat higher than among clients of other branches, still remain unsure that they understand what is expected of their

departments. Per function, only about half of respondents agree or strongly agree that they understand this (Figure 11). (Furthermore there is a stark difference between the views of these client respondents (ASDs, DDs and Directors) and their senior managers (DDGs and CDs). The latter disagree in far greater proportions that the responsibilities of the Service Schedule are understood in their departments.)

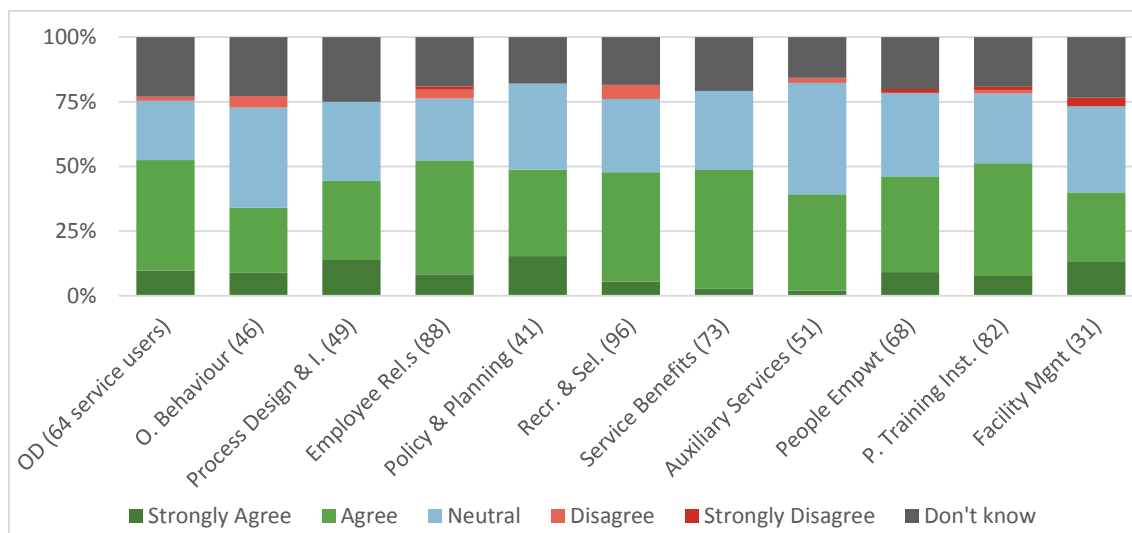


Figure 11. Clients' agreement with the statement: "I understand my department's obligations to the CSC as per the Service Schedule"

Higher rates of agreement that responsibilities are understood were found among clients of Corporate Assurance line functions (Internal Audit, Provincial Forensic Services and Enterprise Risk Management). This may be a result of a range of further role-documentation and clarifying processes that have taken place in this branch, as well as regular progress meetings between clients and the CSC in each of these line functions.

Overall, disagreement on which responsibilities are the CSC's and which responsibilities are the departments' is more pronounced in some areas (e.g. People Management and Corporate Communications) than others (e.g. Legal Services and Corporate Assurance).

Better, mutual understanding of the distribution of these responsibilities is of critical importance because the reality is that the CSC has introduced a more complex set of relationships into these functions that HODs and departmental managers need to be able to confidently navigate, own their responsibilities and ultimately, account for.

Managing role-player relationships is also a challenge because of the different understandings of the CSC's role as a "service provider", especially when this has historically had an outsourcing connotation. Frustrations around the nature of the relationship, both as a perceived higher authority, and conversely as a more subservient operational service provider that should be accountable to clients for the quality of its work, have not helped the CSC in the execution of its responsibilities. However, notions of partnership and cooperation, which seem to be nascent but need to be further developed and understood, rest mostly with senior management rather than at an

operational level, and present a possible path forward if they are further built upon.

There is an apparent disjuncture between clients' perceptions and the CSC's internal performance reporting on its fulfilment of obligations, which presents a strong picture overall. The disjuncture must be viewed in light of the widespread unfamiliarity among clients of the Service Schedules. However the combination of indicators used by the CSC to form its overall performance picture can also be critiqued (see discussions of the Dashboard in the next section). The detail of its performance on specific functions highlights where some obligations in relation to core operational processes have underperformed. Qualitative data has also highlighted specific areas where the CSC can improve in this regard, even where performance has been self-reported as excellent.

What is also clear is that there are line functions that posed particular challenges in terms of design and establishment challenges, which seem to have made a lasting impression on departments. In People Management, large proportions of clients continue to rate the implementation of some line functions as "poor" despite some measurable improvements (albeit uneven) in fulfilling obligations and meeting service standards. However, in People Management especially, there is still room for improvement even considering the strides made.

More broadly, the symbolism associated with the restructuring of the People Management functional area under the CSC seems to have enjoyed disproportionate attention relative to other functional areas in terms of how the CSC has been perceived. The downside of this is that the whole of the CSC gets painted with the historical brush of one functional area or set of line functions unfairly. However, the positive side of this is that there are key services within functions which if further improved upon and operated at the intended standard, could have a compound effect on perceptions of the CSC's efficacy.

One other key finding to come out of this analysis is that the CSC has been experienced as responsive more generally, but at senior management levels especially. Both in surveys and qualitative data, senior managers tend to agree that there is sufficient opportunity to engage CSC management when they encounter challenges and that CSC management appears committed to addressing the issues raised. However, this has not always filtered down to staff responsible for client interface and there are a number of concerns and inefficiencies that seem to be challenging the success of the CSC.

4.3 Implementation mechanisms

The section will address findings on the instruments, guidelines and structures that govern and shape the implementation of the CSC's work. These are the platforms through which the work of the CSC is actually executed, monitored and reported upon. In some instances, these mechanisms are a product of the CSC and are intended to add-value, support engagement or proactively identify problem areas before they come to a head.

The CSC has introduced, utilised and employed a wide range of implementation mechanisms across its macro-functional areas and as an

overarching unit. The international literature and comparative analysis yield little in the way of guiding principles and standards, implying that context is crucial for implementation mechanisms.

The implementation mechanisms for Legal Services and Corporate Communications are limited by comparison to the other functional areas. While there is an absence of institutional structures and regular platforms for Legal Services, this has not been deemed problematic, especially as the function specialised and generally considered responsive, producing tools and training to assist departments and has adopted a proactive approach.

There is less clarity with regards to Corporate Communications around the recently introduced HOC forums, but there seems to be an established routine related to the Agency Briefing Committee and the regular issuing of Brand Assessment Reports. However, there is still space for the Corporate Communications to refine its mechanisms for resolving matters as raised by departments.

Corporate Assurance stands out in terms of implementation mechanisms because of the various levels, tools and structures that enable and support the functions of ERM and Internal Audit to be implemented and for challenges to be responded to. Further, there are clear relationships and growing complementarity between these two support functions that appear to be strengthening and feeding an overarching narrative of progressive improvement within this functional area, despite capacity constraints.

The Ce-I also has a set of implementation mechanisms that follow a clear logic. In the area of ICT governance, planning and budgeting, an "ICT mini MTEC" was introduced in 2012/2013 and has set an example of how a new approach to funding can be introduced and integrated within the existing budget and planning cycle. The Ce-I has already introduced a range of monitoring mechanisms which have been beneficial for tracking day-to-day implementation as well as assessing performance more comprehensively at annual / bi-annual intervals. The latter mechanisms include a user perception survey and the CobIT framework for assessing IT governance maturity.

The Operational Services mechanisms – particularly the IT Service Desk and Service Managers – are playing a vital role in managing the operational demands of this functional area. However, there is still some concern over whether clients are able to fulfil their responsibilities (e.g. develop and stick to annual operational plans) and provide the requisite resources to meet their obligations. The Corporate Governance of IT (CGIT) area continues to develop. There is clarity through the introduction of the WCG CGIT Charter (2014) as to the expected roles of stakeholders, but there is a clear tension among line managers with regards to their core functions and ICT governance related responsibilities. This may not require a change in structures but must be carefully managed and optimised as far as possible.

People Management functions have a complex and broad set of implementation mechanisms that span its line functions but do not enjoy a similar cohesiveness, partly due to its scope. The recent development and attempted introduction of some mechanisms (e.g. Provincial People Management Strategy via PTM) are an indirect acknowledgement of a historical design weakness in terms of the mechanisms available to it that

have been increasingly addressed in relation to identified problems and shortcomings. Further, the use of regular monitoring reports, such as the HR Barometer, provides vital information to departments that is enhancing their ability to make informed decisions and making People Management's work more transparent and accessible, including through the use of enabling technologies.

Where the most significant challenges have endured, meetings between People Management and senior management in client departments directly have been one way of seeking to address issues. Cultivating mechanisms that will help to close the gaps in knowledge, understanding and fulfilment of obligations between role-players is still a key task for this function. Despite some progress, indications that there are still serious implementation shortcomings, even in those line functions to which there have been concerted responses, require more improvements.

Provincial Top Management (PTM) is well-utilised as an implementation mechanism by the CSC to engage strategically with the HODs of client departments. However, this does not seem to be fully translating into the desired embrace of CSC initiatives in departments by lower level managers and operational staff. CSC Circulars, addressed to HODs with the expectation that they will share the communication with relevant departmental staff, have been used as a communication platform, especially in relation to People Management. It is questionable whether this information is always reaching its intended recipients. The use of corporate communiques is another available platform, as are resources available on the WCG intranet. There is potential for more emphasis on buy-in and uptake of CSC tools and initiatives within departments.

One of the critical implementation mechanisms of the CSC by design was the CRU. CRUs were initially established to be the interface between the CSC and client department, and to specifically manage the SLA and Service Schedules. Interviewees have been unanimous however that this envisioned role quickly changed to focus on People Management almost exclusively. This was not a managed change by design, but "happened organically" according to respondents. In practice, CRUs are also assigned a wide range of responsibilities depending on the department, and have experienced an increasing workload.

In 2012 there was an attempt by the CSC to review the role of CRUs, but the process was not taken forward. In the meantime the CRUs' job descriptions were not updated and they therefore continue to perform a varying range of functions in the different departments, which are not in line with the original, drafted job descriptions. Table 3 reports the results of the survey conducted as a follow-up to the CRU focus group. It demonstrates fairly unanimous responses across 10 departments¹¹.

¹¹ The 3 WCG departments that did not respond to the survey of DOTP which does not have a CRU; and the Departments of Health and Education.

Table 3. Agreement with statements around the role and functions of CRUs (from CRU survey)

	SD = Strongly Disagree		D = Disagree		N = Neutral		A = Agree		SD = Strongly Agree	
Statement	Agr.	PT	DSD	LG	DEDAT	DCAS	DTPW	DOCS	HS	DEADP
The role of the CRU is adequately defined.	SD	SD	SD	SD	A	SD	D	SD	SA	SD
CSC staff understand the nature of corp. service work in my dept.	SD	D	SD	SD	D	D	D	D	D	D
The workload of CRU staff is unsustainable.	N	SA	SA	SA	A	SA	SA	SA	SA	SA
CSC responds appropriately to feedback from the CRU.	D	SD	SD	SD	D	SD	SD	SD	SD	SD
Guidelines and tools produced by the CSC are useful.	SD	N	D	N	N	D	N	N	N	N
Regular meetings between CSC and CRUs are necessary.	N	A	SA	A	A	A	SA	A	A	A

The range of challenges with CRUs – their outdated job descriptions, perceived unsustainability of workload, and the enduring negativity in some quarters engendered by the corporatisation and implementation challenges experienced in People Management – have led to a situation where many CRUs are perceived as not giving the ideal level of support and cooperation to the CSC. For instance the CRU Forum where CRUs from all departments met with People Management leadership, was discontinued around 2012, citing difficulties to engage constructively in a group setting. People Management staff now reportedly engage with CRUs of each department individually, but without the benefit of a common platform for departments.

CRUs were envisioned to be a much more significant interface mechanism between the CSC and departments, and there has been an organic degeneration of relations, but also a morphing and claiming of roles and responsibilities from department to department arising from the gaps that have arisen. As a pivotal structure between the CSC and departments, CRUs have not been appropriately formulated and adequately utilised. In People Management, despite the CRUs’ de facto focus on this area, there was a seeming inability to proactively address operational challenges until they’d been escalated or resulted in direct engagement with accounting officers and/or the CSC Exco, with examples in most departments of regular high-level engagements with the CSC to address operational problems that were not sorted out at the operational level.

There is a broad symbolic cost associated with the persisting uncertainty around the CRUs: it has undermined the efficiency and standardisation objectives of corporatisation and provided an enduring example of where a shared service “solution” seemingly multiplied inefficiencies. Building trust in existing mechanisms such as CRUs is critical to moving past the challenges

associated with CSC establishment. Resolving the challenges in this area will likely involve addressing the long-standing uncertainty around the appropriate role of the CRUs.

Lastly, the CSC introduced a Performance Dashboard which has applied a consistent set of measures from 2012/13 onwards. It assists with monitoring of the CSC's internal performance and provides a source of reporting of CSC performance to PTM and Provincial Cabinet (CSC, 2012). Measures are tracked in relation to service standards agreed upon between the CSC and departments, which are aligned to distributed obligations per service.

While the logic of the monitoring framework is sound, there are some limitations to the formulation of measures and how they are combined. Many measures track the completion of the number of tasks that were accepted, not the number that were needed or requested by clients. And the CSC dashboard does not measure clients' experience¹²; it shows whether the CSC is complying with predetermined plans and/or time frames. The Dashboard also appears to give equal salience to administrative results (e.g. % of appointments within a 3 month turnaround) as it does to administrative outputs about those results (e.g. monthly report on filling of posts). Finally it is important to realise that the dashboard is limited in scope to measuring the CSC's obligations – not the end-to-end processes that include the fulfilment of obligations by client departments.

As a result of the abovementioned factors, there was often a disjuncture between the views of clients (and even CSC staff) on the overall success of the CSC in implementing its responsibilities in a particular branch or line function, and the excellent ratings on the dashboard. However the actual credibility of what is reported on the dashboard is fairly widely accepted, for instance the data is deemed "mostly credible" by the majority of CRUs.

The dashboard is only one monitoring framework that helps to provide a simplified snapshot of some of the fundamental prerequisites of good service. Revising and better defining some of its measures, as well as providing clear indications of whether they measure CSC specific or end-to-end processes, may help to provide greater credibility and further entrench their usage as a means of tracking the performance of key functions.

5 Conclusions

The evaluation has sought to determine whether the CSC has implemented corporate services effectively as per the CSC policy's intent. The following are a set of concise conclusions per evaluation question.

5.1 Evaluation Question 1: Appropriate location and establishment of the CSC

Question 1 asked: "Has the CSC been located and established appropriately, with the appropriate functional areas, scope, resources, structures, and

¹² There are some exceptions, e.g. client ratings / reviews are included in the service standards for Facility Management and Internal Audit, which are discussed in the full report.

institutional arrangements, and supported by appropriate departmental CSC interface structures and capacity?”

The CSC’s location and placement within the Department of the Premier is found to be appropriate. The CSC’s intended role is to execute both transactional / operational services as well as provide consultative / advisory services of a strategic nature. The strategic functions in particular benefit from its positioning within the Department of the Premier and it also vests a degree of authority in the CSC and provides a platform for engagement with Provincial Top Management, where the relationship is generally characterised by good rapport. Practically, some functional elements within the CSC were already being offered on a shared service basis in DOTP, and other alternative placements were not deemed appropriate.

The current composition of the CSC’s functional areas fall within the broad and interpretive set of criteria set out in the CSC Policy. However, evidence confirms further practical and historical factors were also taken into account for the exclusion of additional functions, notably transactional finance and supply chain management. Contextual factors and lessons learnt from related experiences (such as the GSSC) were also at play and although the functional composition was not only based on the criteria put forward in the CSC policy, it was clearly well-considered and deliberated on a function by function basis. Selective exclusion of functions that technically meet the criteria for corporatisation is therefore not problematic so long as the case for inclusion or exclusion has buy-in from stakeholders and is accompanied by the appropriate planning and change management, the latter parts of which have proved to be lacking in the CSC’s case.

The CSC’s scope includes all provincial departments across the functional areas and excludes only the Departments of Health and Education in terms of People Management and Corporate Communications. Although counter to the principle of economies of scale, the decision to hold-off on the corporatisation of these functions was justified and resonates with international experience.

The thinking behind a funding model of the CSC has evolved considerably and the CSC has gradually come to embrace a range of funding mechanisms on a differentiated and informal basis. Ce-I has made the most progress in formally moving away from a subsidy based funding model to cost-centre model on a per capita basis in response to future demand. Despite unevenness across branches, the current funding arrangements have not been prohibitive to fulfilling the CSC’s mandate.

The absence of a transitional plan or holistic expression the CSC’s binding organisational drivers, intended budget and results for the medium-term (beyond statutory planning) has been a glaring omission from the establishment process. The piecemeal approach to constituting the CSC has been a conceptual deficiency but functional challenges related to the CSC’s establishment appear less to do with limitations of financial resources, and more to do with the process of sequencing and transitioning to the establishment of the CSC, particularly in the area of People Management. Although there were inevitable challenges for the line functions that faced

significant restructuring and relocation, most appear to have made some improvements in the rendering of key services given the current financial and human resources at the CSC's disposal. However, until end-to-end processes are consistently measured, there will be a risk that the views of the CSC and the departments diverge.

There was an expressed need for more or better capacity, on some level, to a greater or lesser extent, in all functional areas, but any fair assessment of this should be underpinned by quantified workload appraisals in relation to the systems and level of staff responsible for these services. Such a process would have been better undertaken prior to the establishment of the CSC and informed its structuring, particularly for crucial interface units like the CRUs.

There is evidence that capacity was constrained and demands were unreasonably high on CSC staff in the People Management functional area during the establishment process, particularly considering the backlogs inherited in some functions. Being expected both to manage internal restructuring in the CSC and to render services to departments who resent the loss of their own capacity during a time of transitional and process reinvention appears to have disadvantaged these line functions from the outset. The modernisation blueprints and external benchmarks suggested a more incremental approach than was followed in the comparatively rapid process of establishment. This occurred without shared understandings of how newly corporatized processes would operate and clarity on this was delayed and remains under-communicated. The comparatively condensed establishment approach is perceived to have been at the behest of executive authorities at the expense of good practice. However, the amount of restructuring associated with the CSC was itself ambitious and had the benefit of allowing the administration the better part of its term to focus on the consolidation of the CSC as an organisation rather than dealing with a prolonged transition.

Lastly, the key structures and institutional arrangements that have been in place over the course of the CSC's establishment have had mixed significance. Certain existing structures were in place and have been successfully utilised in relation to the CSC's establishment (e.g. PTM), while others were created anew specifically to provide platforms for engagement, communication and relationship management. In most line functions these have been increasingly capable of supporting the mandates of the CSC and its branches in implementing their line functions. However, one mechanism that appears to reflect the lingering tension and challenges in terms of CSC-departmental interface on People Management matters, is that of the CRUs, where the engagement structure has effectively collapsed (excepting direct CSC engagements), and the role-players that operate at the nexus of this interface have been overburdened without clarity on the exact expectations of their roles and responsibilities for a period of years, all the while as demands have increased and some challenges endured.

5.2 Evaluation Question 2: Roles and Concepts of Shared Responsibility

Question 2 asked: "Are the assigned roles and concepts of shared responsibility and accountability appropriate, clear, mutually understood, bought into, adequately operationalised with an appropriate funding model and effectively monitored, and is it necessary to change the demarcation of such roles and responsibilities?"

The CSC policy, SLAs and Service Schedules are clear in how they distribute responsibilities in broad terms. However, it is also clear that HODs and departmental managers continue to have some role in relation to the execution of every one of the corporatised functions, which is at odds with some of the client departments' expectations related to a service centre. A shared responsibility arrangement removes vertical, mostly linear, relationships within departments and introduces a degree of complexity that support function services have had thrust on them without the concomitant organisational and behavioural change management. Further, much of the detail of these responsibilities, particularly at the operational level where services get rendered, was only formalised subsequent to the signing of the SLAs.

Insufficient communication and change management has hampered buy-in to the roles and responsibilities, particularly in those line functions most affected by corporatisation restructuring (e.g. ERM, HRM and Corporate Communications). What responsibilities would actually mean in practice for newly corporatized role-players only came to be understood and appreciated with experience of the CSC over time and could not be fully planned for, particularly in terms of accountability. It is therefore not surprising that much of the root of the CSC's challenges appear to be concentrated on the lack of mutual understanding around responsibilities and the complexity of these relationships.

It was often common for both CSC staff and departmental staff to express a belief that they were executing some of the obligations of the other. The survey results indicate that the majority of these respondents remain unaware of the most recent Service Schedules which specifically set out those responsibilities, yet most respondents continue to express an opinion on them. The implication is that there are clearly assumed responsibilities in this process and these assumptions, without familiarity with the Service Schedules and SOPs to support mutual understanding as a common point of departure, are a source of tension and conflict between role-players, especially in the Branch: People Management.

Since no volumetric, systematic appraisal had taken place before establishment, the broader range of tasks performed by HR staff in some departments was not fully recognised nor was it mutually understood how some of these responsibilities would be conducted by the CSC, particularly in the case of decentralised departments like Social Development and Agriculture. A widespread expectation amongst clients was that the CSC would take full responsibility for some of these functions and their services. As a result line managers and/or other staff in departments overlooked, were

unaware of, or chose not to fulfil their obligations to the CSC. However, that does not mean that these responsibilities have not been fulfilled in one instance or the other. Where client departments have taken steps to manage administration from their side, or simply came to the understanding that the functions still remained with them despite corporatisation, this has contributed to the perception that tasks are “coming back” to departments after having moved over to the CSC.

The roles and responsibilities associated with the CSC’s funding model had not been formalised outside of the CSC Policy and the Vote 1 apportionment within the existing statutory budgeting and planning processes. Formalising a differentiated, hybrid funding model for the CSC, assigning responsibilities and exploring the feasibility of other funding arrangements could provide greater clarity in this area.

With regards to the performance dashboard utilised for monitoring the execution of obligations, the logic underpinning the monitoring framework is sound, but issues of measurement formulation weaken the potential for this monitoring framework which otherwise appears to be a useful tool. Further, there is an identified need to track end-to-end processes beyond just the CSC’s obligations.

Lastly, and critically for the People Management functional area, roles and responsibilities of CRUs vis-à-vis the CSC are not clear and have not been appropriately defined, despite repeated commitments and attempts to do so. As a result these units perform varying tasks that are almost exclusively People Management focused. There is evidence that CRU staff are duplicating some of the CSC’s tasks as well as playing supporting roles to managers who are too busy or not sufficiently empowered to perform tasks previously performed by HR staff. Left unchecked, this has the potential to defeat the CSC’s purposes of standardising processes and the goal of improving the efficiency of HR operations. The perceived challenges of People Management operational functions and areas of gradual improvement will need to be built upon and addressed in tandem with any attempts to standardise the work of CRUs, as the perceived shortcomings of some People Management line functions appears closely linked to justifications for the duplication and non-cooperation of the CRUs.

5.3 Evaluation Question 3: Implementation and governance instruments

Question 3 asked: “Are the implementation and governance instruments – including institutional arrangements, monitoring and reporting frameworks, the CSC Audit protocol and IT tools – sufficient in their design and effective in their application and use so as to respond fully to the policy intent?”

The implementation and governance instruments of the CSC are largely sufficient in their design, although they are varied and uneven in the manner in which they have been introduced to address the various functions and there are some clear deficiencies in key areas. Progress has been made in responding to the policy intent both strategically and with regards to

establishment, but the implementation and governance instruments cannot be said to be fully responsive as yet.

Broadly, the CSC's institutional arrangements are sufficient for addressing and resolving most challenges in the execution of support functions on a differentiated basis. People Management is identified as an area facing significant challenges, albeit unevenly across line functions and it has developed and introduced new mechanisms to deal with current inefficiencies but these are still hampered by line of sight and the complex relationships with partner departments.

The need for escalating problems in various functional areas is at least partly a product of the absence of a mutually agreed and understood distribution of roles and responsibilities. The Service Schedules underpinning line functions are not sufficiently embraced by all parties and roles and responsibilities remain in dispute. This poses a significant threat to the policy intent because it hinges on cooperation and CSC does not yet seem to have leveraged all available instruments to respond fully in this regard.

At the centre of this dispute are the CRUs. The review of the role and staffing of CRUs which remains incomplete needs to be concluded and with it a clear and rational distribution of roles between CRUs and departmental managers at various levels, and the CSC. These units were expected to play an important role in the life of the CSC and they have not been effective in their application to date which has taken a broader toll on the CSC's reputation and undermined the policy intent.

The Audit Protocol appears to have been concise yet effective in clarifying roles and responsibilities related to the audit process and progressive improvements in audit results across the WCG bear testament to the CSC's progress in this regard. The structures, tools, systems and reports appear to have been well supported by both the CSC and departments in relation to this administrative goal.

Implementation mechanisms for the Ce-I generally appear to be sufficient and effective for governance, planning, communication, and the resolution of challenges related to ICT. However, the institutional arrangements and associated responsibilities for this function do place constraints on departments' resources. Ce-I has made the most progress in formalising its funding approach, necessary to advance the policy intent of cost-optimisation.

The CSC makes effective use of Provincial Top Management meetings to table work of a transversal nature, such as policies, before HODS for consultation and endorsement. This is appropriate in principle, but there is potential to consult more widely and use PTM better to ensure that CSC initiatives reach departments and are embraced at operational level. Using the communication instruments available to it, and strategizing how the process before and after PTM meetings can be a turnkey to greater buy-in and support with staff in departments is necessary to better realise the shared responsibilities set out in the CSC Policy.

In terms of monitoring mechanisms, the CSC's performance dashboard has been discussed under the previous conclusion. This dashboard serves a useful monitoring function across all branches, in addition to the line function specific assessment tools and instruments.

5.4 Evaluation Question 4: The process of introducing the CSC

Question 4 asked: "Was the process of introducing and implementing the CSC well-planned and managed from both an operational and behavioural perspective?"

The initial process of introducing the CSC was thoroughly considered from an organisational design and structural perspective, albeit with variable degrees of detail and planning between line functions. However, the holistic process of introducing the CSC cannot be considered well-planned as it was carried out under ambitious timelines without sufficient transitional planning or provision for post-corporatisation change management.

From an operational perspective, it would have been in the interests of the WCG to further stagger the corporatisation of key line functions, such as those within HRM, until such time as the detail of the new procedural arrangements, roles and responsibilities for these line functions and services were well documented and understood and a consulted transition pathway was costed and laid out. The clarification of processes and procedures, only subsequent to the major structural changes, put behavioural and operational management at a disadvantage in the process. The reality was that by the time many of the processes were properly documented most of the role-players had already discovered what the processes would be (or created their own processes leveraging relationships). And the CSC had already had to navigate the tremendous challenges of addressing the People Management backlogs and inefficiencies amid the shock of the restructuring. There are inevitably some unintended consequences of any such restructuring in the public service, but the unintended consequences of the restructuring could have been further mitigated if the introduction of the CSC was better planned from an operational perspective.

From a behavioural perspective, there were both strengths and weaknesses to the process embarked upon. Involving key staff and senior management in an in-house process of diagnosing the issues within the respective functions and making recommendations under the auspices of a broader modernisation initiative was a strength. This clearly generated a level of buy-in and commitment to the initiative from some key role-players. However, not all stakeholders felt adequately informed and consulted. The lack of planning for the behavioural component was openly acknowledged as lacking by key role-players.

The decision to move quickly had both behavioural and operational consequences in that the transition was sudden, the resentment sharp (albeit mostly passive), and created a degree of uncertainty amongst staff. Especially in the corporatized functions which faced relocation, the transition

from a mostly linear managerial arrangement to obligations that introduced a complex, and potentially difficult to navigate, set of relationships, was not managed or catered for adequately.

A strong point from a behavioural perspective has been the hands-on and responsive management of an otherwise imperfect process from senior management within DOTP. The perceived and claimed support, provided to senior management from executive authorities, has fostered leadership that kept the CSC establishment process moving and removed impediments despite the challenges encountered. What has been described as cordial, forthright and open exchanges amongst senior management has also created a palpable sense of professional respect and openness to partnership in the interest of interdepartmental cooperation.

6 Recommendations

The evaluation findings, conclusions and recommendations were presented to CSC stakeholders. The recommendations are a product of the evaluators' draft recommendations enhanced with the further insights and refinements of the CSC stakeholders who must own these improvements.

Following the recommendations arising from the evaluation questions, and with regard for the intended improvement plan process expected to follow from the evaluation, a concise set of prioritised recommendations follows.

6.1 Establishment

With regards to establishment, the following recommendations speak to retention of the status quo:

- The CSC is well-placed within the Department of the Premier and it is recommended it remain in its current location.
- The overall functional composition of the CSC is appropriate at this time. The establishment process was affected by significant challenges to the transition and efficient execution of key functional processes (a new structural distribution of responsibilities and lack of clarity around procedures compounded this challenge), but these are not inherent design incompatibilities so much as tensions that arise from a more complex set of relationships, roles and responsibilities.
- The current scope of the CSC, in particular excluding Health and Education for People Management, should be maintained for the time being.
- Additional staff appointments are only recommended for the CSC where a quantified workload appraisal (volumetric study) has identified a need to support the efficient and professional handling of the work responsibilities.

With regards to a recommendation requiring action for consideration in the improvement plan:

- In consultation with departments, the CSC should define and formalise a hybrid funding model, applying a range of funding mechanisms on a differentiated basis based on appraisals of the various services rendered within a given line function.

Recommendations related to structures and institutional arrangements are addressed later under implementation mechanisms.

6.2 Roles and Responsibilities

Noting the serious challenges related to understanding the roles and responsibilities associated with the CSC on the part of both CSC staff and WCG client staff, the foremost recommendation, and one that should be prioritised in terms of the improvement plan, is to undertake broad, open engagements, across multiple staff levels, between the CSC and departments to discuss the disjuncture between the CSC and department's expectations of it.

In line with this proposed process, the following recommendations are made:

- The CSC Policy should be updated with minor revisions to bring greater clarity to: the strategic intentions (or organising principles) of the CSC; to provide for formalisation of differentiated funding arrangements of the CSC; to better clarify monitoring arrangements and set out timeframes for periodic review and evaluation (including at branch level); formalise communication mechanisms and the role of change management; and to more clearly and uniformly demarcate the roles and responsibilities of both the CSC and the WCG departments.
- Building on an update of the CSC Policy, a revised set of SLAs should be signed with each of the departments as aligned to changes in the policy.
- The current pilot of an expanded service schedule with the Department of Agriculture should be expedited and, building on the experience of the pilot, an expanded set of service schedules should be developed concurrent to the revisions to the CSC Policy and SLA.
- For the line functions where design and implementation challenges have been greatest (e.g. employee relations; recruitment and selection; and service benefits) joint task teams should undertake a careful revisiting of the roles and responsibilities of both client departments and the CSC, as contained in service schedules, SOPs and function-specific strategic documents such as the People Management Strategy. The task team should investigate the sharing and differentiation of obligations and roles with due regard to the practical and logistical arrangements of decentralised departments and how this affects shared responsibilities practically.

The most substantial changes required in relation to roles and responsibilities are for the CRUs and broader communication and change management to WCG staff. These are therefore dealt with under the latter recommendation sections.

6.3 Implementation Mechanisms

Recommendations for CSC implementation mechanisms are as follows:

- Firstly, the implementation and governance instruments utilised by the CSC should be more clearly defined and their roles described within and across the respective branches to provide greater clarity on their purpose, frequency of application, composition, functional scope and responsibility for administration.
- Ample time and opportunity should be provided for departments to review and comment prior to tabling of draft policies and matters at PTM meetings for decision making.
- As a matter of urgency, the job descriptions and functional responsibilities of CRUs should be jointly reviewed by a dedicated task team.
- The CSC should further entrench an account manager-client model where CSC staff are allocated to service specific departments as this will facilitate better client relationships and a deeper understanding of client business activities by CSC staff.
- The WCG should develop a comprehensive, province-wide monitoring framework for the CSC's functions, which includes end-to-end key performance indicators and not just those of the CSC's internal obligations. Province-wide indicators addressing the strategic intent of the CSC, end-to-end key performance indicators, as well as operational indicators at service level, should form part of this framework.

6.4 Behavioural and operational management

Considering the conclusions related to the introduction and implementation of the CSC, there is scope for a number of behavioural and operational recommendations that take into account the aforementioned recommendations:

- An update and revisions to the CSC Policy, SLAs, and expanded service schedules should be taken as an opportunity to embark on a broader communication and change management campaign to better clarify roles and responsibilities, support their understanding amongst key role-players and facilitate greater ownership of the shared obligations of the CSC and client departments.
- A change management initiative involving CSC staff and departmental staff should be undertaken to ensure awareness and uptake of the expanded service schedules and the shared obligations, resolution and monitoring mechanisms that will be applied.
- In all change management processes going forward, the following should be included:
 - Roles and responsibilities as per the SLA and service schedules should be updated, confirming end-to-end obligations of both client departments and the CSC.

- If there is restructuring or movement of staff – HR Risk Management issues should be identified; a comprehensive match and place procedure should be implemented for all staff.
- Communication should include simplified communication across multiple modes.
- In general, HODs and senior managers should ensure relevant CSC communications and notices are disseminated and accessible to all staff within departments as appropriate. Similarly, CSC staff should continue to prepare and prioritise concise mass communications for key developments related to the CSC’s functional areas that affect all WCG staff.
- Any possible future functional additions or changes to the CSC should generally be preceded by a costed feasibility study associated with the change, followed by a transition change management plan and timeframes that provide for resource, structural, people, process and technological transfer in a consulted and incremental fashion.

6.5 Core recommendations for the improvement plan

The above recommendations are expansive and address the range of issues the evaluation was expected to address. However, in arriving at a set of recommendations that are immediately useful for improvement planning purposes- the following are prioritised as relevant, specific, feasible, affordable and acceptable to stakeholders:

- The CSC should initiate a series of consultative engagements between the CSC and departments, on multiple levels, to acknowledge the disjuncture between understanding of the CSC’s responsibilities and department’s expectations of it. These engagements should be geared towards clarifying the multiple roles, types of services, relationships, framing documents and structures that shape these expectations, with a view to problem-solving around enduring challenges. In functional areas where clients have identified implementation issues (e.g. employee relations; recruitment and selection; and service benefits) and for specific mechanisms (e.g. CRUs), jointly comprised task teams are proposed to take forward the recommendations and propose solutions.
- Arising from the consultative engagements and task team recommendations, CSC stakeholders should revise and clarify the distribution of roles and responsibilities between the CSC and client departments, allowing the opportunity to go into sufficient detail to reach agreement on key operational processes. This will entail some revision to the CSC Policy, SLAs, Service Schedules and SOPs (as discussed previously) and may also include subsequent updates to function-specific strategic documents such as the People Management Strategy, ERM Policy Statement, Corporate Governance of IT Charter, etc., to ensure alignment between documents.
- Concurrent to the above, the CSC and its stakeholders should develop a CSC communication and change management strategy to ensure mutual and shared understanding, uptake and ownership of the corporate service roles and responsibilities, as well as mechanisms available to departments

and the CSC. The strategy should provide for the effective communication and change navigation between the CSC and its stakeholders at various levels (e.g. senior managers, general WCG staff).

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