Re-imagining a citizen led service transformation for the Compensation Fund and UIF

Organisational Architecture Review

CF and UIF Combined Implementation Plan

September 2023

employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

Combined Implementation Plan document tracker

Version tracker

Document version shared:	Date:	Feedback received:
Version 1 (Draft) Presented to *CF and UIF EE workstream members*	28 August 2023	• Implementation timeline dependencies to be included - Slide 9 • Technical critical success factors to be included - Slide 10 and critical success factors section
Version 2 (Draft) *Presented to CF and UIF ExCo members*	28 August 2023	
Version 3 (Draft) *Presented to Working Group Committee*	30 August 2023	• No additional feedback, with the exception of further advisory engagement on the mobilisation of the SPMO.
Version 4 (Final) *Presented to Steering Committee Meeting*	01 September 2023	• Endorsed

Glossary

Abbreviations

Abbreviation	Description
CAN	Change Agent Network
CC	Change Champions
CCMA	Commission for Conciliation, Mediation and Arbitration
CDPO	Chief Director: Provincial Operations
CF	Compensation Fund
CIPC	Companies and Intellectual Property Commission
CM	Change Management
CRA	Change Readiness Assessment
CRM	Customer Relationship Management
DEL	Department of Employment and Labour
DHA	Department of Home Affairs
DPSA	Department of Public Service and Administration
EE	Employee Experience
FTE	Full Time Equivalents
HR	Human Resources

Abbreviation	Description
ICMS	Integrated Claims Management System
ICT	Information and Communication Technology
KPI	Key Performance Indicator
LAP	Labour Activation Programme
OAR	Organisational Architecture Review
OD	Organisational Design
OE	Organisational Effectiveness
PIC	Public Investment Corporation
PMO	Project Management Office
SARS	South African Revenue Service
SME	Subject Matter Expert
TERS	Temporary Employer/Employee Relief Scheme
TT	Transformation Task Team
UIF	Unemployment Insurance Fund

Table of Contents

Executive Summary

Executive Summary

The Future of Government: Turning a new leaf

The lack of clear structures, roles and efficient responses to citizens' pressing concerns and needs only compounds the **loss of trust**. Trust in governments rose at the beginning of the COVID-19 pandemic, but through the course of the response, governments have come to be perceived as the least ethical and least competent stakeholder, according to the 2021 Edelman Trust Barometer.

Most governments did not pivot from traditional operating models to employ the agile, whole-of-government approach required for today's interconnected, rapidly evolving agenda. The current crisis has also highlighted how a lack of clarity about the roles and responsibilities of national versus subnational governments leaves constituents feeling vulnerable.

Although the challenges are daunting, they also represent opportunities. A famous world leader once proclaimed that one should never waste a good crisis—a philosophy many governments have embraced in 2021. Three key accelerators, when leveraged in addressing the challenges, can help governments achieve a stronger, more resilient and more inclusive society for their citizens. These include **1) Driving a digital agenda** to increase access to citizen services and social safety nets, **2) Creating partnerships** (public-private & multilateral community) that are less short-term and transactional and more long-term and collaborative, **3) Investing in infrastructure that is sustainable** and will provide growth and future jobs.

No matter which unique dimensions of the challenges are present in different countries or what each government's distinct approach is likely to be in seeking solutions, it is critical that all governments consider five key actions for sustainable success:

Listen to, and collaborate with, key stakeholders.	Perform a clear analysis.	Explicitly manage priorities.	Prioritise solutions that promote equality.	Balance immediate and long-term needs.

The purpose of this document

In April 2022 the Department of Employment and Labour embarked on a journey to transform the Compensation Fund (CF) and the Unemployment Insurance Fund (UIF) into centres of excellence. The objective is to ultimately develop the respective Funds into schedule 3A standalone entities.
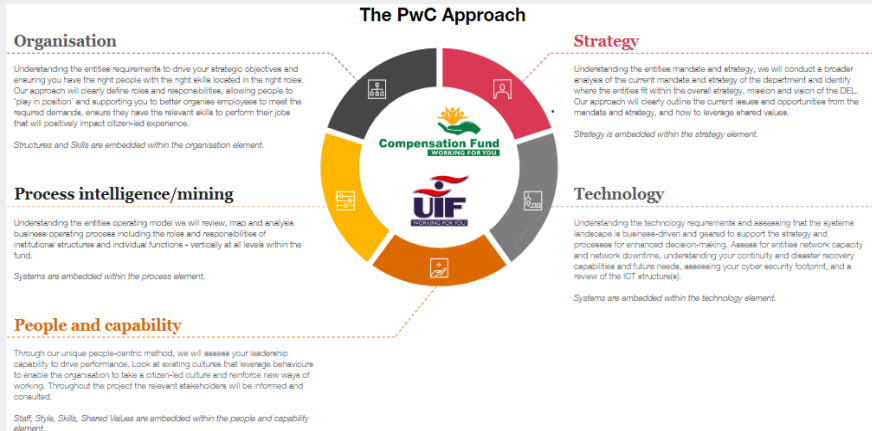
The Organisational Architecture Review (OAR) project served as the first stepping stone in the achievement of that objective and comprised of three (3) critical work packages / workstreams, these included:

1. Strategy and Process - Diagnostic evaluation of each Funds Strategy and Processes, including a deep dive into their respective customer journey's
2. Technology - Diagnostic evaluation of Business Continuity Management (BCM) and Cyber Security
3. Employee Experience - Diagnostic evaluation of Structure, Skills, HR Function, Values and the design of future fit organisational structures that would support the Department's objectives.

It is important to note that each work package have compiled detailed findings and recommendations reports. This implementation plan, therefore, serves to highlight key cross cutting themes or implementation recommendations that provides a roadmap to implementation. Detailed recommendations should therefore still be referred to in the individual workstream findings and recommendations reports.

Project Background

The revised mandate of the Department of Employment and Labour is that of **coordinating and facilitating the implementation of employment** initiatives within the Republic whilst at the same time **managing labour related issues**. The CF and the UIF are entities of the DEL. The department is seeking to transform the said **entities to be centres of excellence**. The envisaged transformation encompasses fundamental change in all facets of the two entities including programmes, governance structures, performance, policy & planning, service delivery. Therefore, ensuring the implementation of these in the two entities will enable the realisation of the transformation objective and ultimately the attainment of the new mandate of the department.

The PwC Approach

Organisation

Understanding the entities requirements to drive your strategic objectives and ensuring you have the right people with the right skills located in the right roles. Our approach will clearly define roles and responsibilities, allowing people to 'play in position' and supporting you to better organise employees to meet the required demands, ensure they have the relevant skills to perform their jobs that will positively impact citizen-led experience.

Structures and Skills are embedded within the organisation element.

Process intelligence/mining

Understanding the entities operating model we will review, map and analyse business operating process including the roles and responsibilities of institutional structures and individual functions - vertically at all levels within the fund.

Systems are embedded within the process element.

People and capability

Through our unique people-centric method, we will assess your leadership capability to drive performance. Look at existing cultures that leverage behaviours to enable the organisation to take a citizen-led culture and reinforce new ways of working. Throughout the project the relevant stakeholders will be informed and consulted.

Staff, Style, Skills, Shared Values are embedded within the people and capability element.

Strategy

Understanding the entities mandate and strategy, we will conduct a broader analysis of the current mandate and strategy of the department and identify where the entities fit within the overall strategy, mission and vision of the DEL. Our approach will clearly outline the current issues and opportunities from the mandate and strategy, and how to leverage shared values.

Strategy is embedded within the strategy element.

Technology

Understanding the technology requirements and assessing that the systems landscape is business-driven and geared to support the strategy and processes for enhanced decision-making. Assess for entities network capacity and network downtime, understanding your continuity and disaster recovery capabilities and future needs, assessing your cyber security footprint, and a review of the ICT structure(s).

Systems are embedded within the technology element.

Summary of report contents

Background and Context

❑ This section of the report provides an overview of the purpose, scope, timelines and deliverables of the project.

Cross cutting - Consolidated Implementation Recommendations

❑ This section provides detailed cross cutting (across workstreams) implementation recommendations and highlights short, medium and long term recommendations. The following should be noted:
  ❑ **Observations and implementation recommendations**: The key themes are observations that cut across more that one specific workstream for which an implementation recommendation has been suggested. This is to prevent duplication of effort during project implementation.
  ❑ **Implementation Plan:** This is a graphical depiction that serves to summarise the key themes and the associated implementation recommendations.

Organisational Design Recommendations & Implementation Guidelines

❑ This section provides detailed implementation recommendations for the Design phase of the project and comprise of 3 sections:
  ❑ **Overview of the UIF and CF Macrostructures** and respective provincial structures.
  ❑ Detailed **interaction matrix** for each entity. This section will serve as a critical input into job profiles and also process reengineering activities and recommendations.
  ❑ Organisational design **implementation guidelines**, that will serve to guide the implementation of the macrostructure.

Change, Culture, Shared Values and Behaviours

❑ This section serves to provide detailed change management and culture recommendations that are critical components in facilitating the successful implementation of the OAR project. Included within this section is the outputs of the Shared Values Survey, Culture Change recommendations and a detailed Change Management Plan to support the transition.

Critical Success Factors

❑ This section provides a summary of the Change, Culture, Shared Values and Behaviours section and serves to highlight the most critical, but often underestimated, factors, that embed change and facilitates successful transformation.

Implementation plan dependencies

The slides that follow provide a view of critical technical and general implementation success factors. However, the following dependencies should be considered in the roll-out of the implementation recommendations:

1. The **timelines provided within this report are indicative** and are based on the approximate duration it takes to complete activities. However, timelines would need to be formalised by each Fund based on the following:

   a. Internal capacity and skills required to conduct activity
   b. Procurement timeframes, should there be insufficient internal capacity and skills
   c. Dependencies on the completion of other processes that are required inputs into activities (advice has been provided within this implementation plan, however, the plan should be aligned based on what is practically possible from a timeline perspective for each Fund)
   d. Budgetary and other financial considerations
   e. Other CF, UIF and DEL projects and programmes that are necessary inputs into some implementation activities.

1. **This report should not be considered a static report**, but rather a working document that requires continuous realignment and revision throughout the implementation plan roll-out. The ultimate objectives are to remain, with the plan being flexible and agile enough to buffer any unforeseen risks, delays or circumstances. **It would be the role of the SPMO to manage and update this plan, construct relevant programmes and projects to drive the plan and consistently track and monitor the implementation and quality thereof.**

Technical - Critical Success Factors

As the UIF and CF embarks on its Transformation journey. It is important to contextualise the following:

1. **Immediate term:** The current political and legislative realities within both Funds
2. **Medium term:** Structure implementation and process re-engineering
3. **Long term:** Full implementation of enabling Technology

Immediate term:
- **Legislative changes to enable Funds to serve as standalone schedule 3A entities** - Currently underway, and should include the legal separation of entities,design of governance structure and delegations of authority.
- **Commence with design of Microstructures and -** In parallel to the activity above, microstructure design should commence to prevent prolonged transition timelines.
- **BCM and Cyber Security** - Strategies and plans to be finalised and implementation / regional awareness to commence.
- **Process mapping** - To be level 1 process mapping to commence and continuously mapped until level 5 in parallel to Technological enhancements.

Additional factors to be considered to enable the transition to the quantum leap structure (Medium to Long):

Customer Experience
- Train consultants to enhance their functional roles and the customer experience by becoming and serving as trusted, valued allies who represent UIF & CF's brand.
- Better address and resolve customer needs: Find ways to minimize the number of touch points customers need by making the most of the first touch point at the Customer Experience Centres and Call Centre's.
- Develop customer interaction maps: Use analytics to identify and examine customer interactions at both touch points in the customer journey process.

Operating Model
- Outsource where appropriate to deliver high-quality service to customers while maintaining due focus on the core business.
- Develop business process further to a Level 5, aligned to job profiles and the strategy and mandate of each of the departments within UIF & CF.

Integrated Management
- Incorporate into both Funds Strategies the delivery of a highly integrated claims "closed loop," in which high-quality data uses claimants insight to inform decision making.
- Develop and maintain strong relationships and a well-thought-out network of vendors such as lawyers, doctors, other medical vendors, and contractors.

Advanced Technology
- Ensure that the core operations systems are connected with other systems to share data across the organization and with critical 3rd party systems.
- Provide a seamless, intuitive claims user experience, not only for systems, but also for all customer-facing applications.
- Implement advanced telephony integrated with the core claims system to track data from customer interactions.

Information & Analytics
- Develop significant analytics skills within the claims function to investigate critical customer insights and to enhance decision making.
- Apply analytics to data to know your customers, their expectations, and their patterns of behavior. This requires sophisticated and accurate insights, which can be gleaned from internal and external data, given the right analytic capabilities, talent, and enterprise-wide focus.

Critical success factors for successful implementation

It takes a lot of dedicated people to get an organisational architecture review implementation up and running. The implementation is not only about the technical activities,but it's also about how your people embrace the change- and that will be the difference between the success or failure of the implementation.

To ensure that the implementation process has minimal service delivery interruption and has a maximum positive effect on the Funds, the following critical success factors have been identified:

1. **Shared Vision** – agree a shared vision across the organisation. Clearly articulate and communicate aims, scope and role of directorates;
2. **Clear political and managerial leadership** – ensure support from executive leaders and stakeholders, there must be sustainable commitment from top management;
3. **Competence** - the right people with the right skill sets are required to ensure the implementation is carried out;
4. **Implementation** - of the envisioning and capacity building phases of the implementation plan;
5. **Organisation Performance Management** – performance criteria (KPIs and dashboards) at the individual level with clear roles and responsibilities;
6. **Buy-in To Organisation Culture Change** - without all stakeholders buy-in to the organisation culture change the transformation process will be unsuccessful; and
7. **Communication** – provide continuous and accurate information to all key stakeholders.
8. **Leadership** - Executive and Senior Leadership roles need to be clearly defined, as they have the biggest impact on the creation and embedding of the critical shared vision.
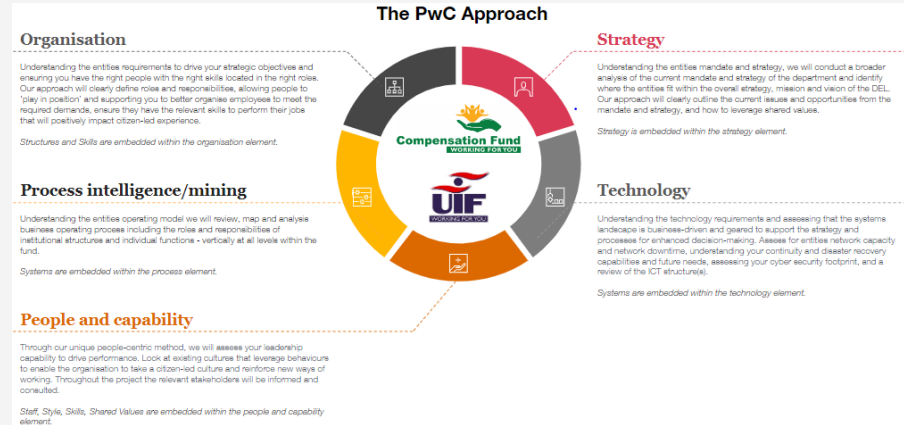
1. Background and Context

The problem statement

Project Background

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Process intelligence/mining
Understanding the entities operating model we will review, map and analysis business operating process including the roles and responsibilities of institutional structures and individual functions - vertically at all levels within the fund.

Systems are embedded within the process element.

Technology
Understanding the technology requirements and assessing that the systems landscape is business-driven and geared to support the strategy and processes for enhanced decision-making. Assess for entities network capacity and network downtime, understanding your continuity and disaster recovery capabilities and future needs, assessing your cyber security footprint, and a review of the ICT structure(s).

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Staff, Style, Skills, Shared Values are embedded within the people and capability element.

Delivered through three workstreams

The methodology was delivered through **three work streams** which ran concurrently, with regular points of integration and alignment throughout the engagement and through ongoing governance.

The **Employee Experience workstream** focused on understanding current ways of working, challenges affecting staff, and leadership dynamics. This workstream aimed to understand the organisational structure challenges and design a fit for the future macro structure and assess the current and future skills required for the entities to meet their strategies.

Employee Experience
(incl. Organisational development, skills assessment, change & culture, Leadership development)

Technology
(incl. Cyber Security, Business continuity management, and ICT)

Strategy & Processes
(incl. Persona & customer journey mapping, process intelligence, and blueprints)

The **Technology workstream** focused on diagnosing the current IT landscape from a BCM and Cyber Security perspective that will enable the efficient delivery of service to clients and reduced time spent on non-value adding activities.

Integral to the diagnostic phase was understanding the technology requirements and assessing that the system landscape is business-driven and geared to support the strategy and processes for enhanced decision making. Assess for entities network capacity and network downtime, disaster recovery plan and business continuity and cyber security and *review* of the ICT structure, as part of the larger organisational skills assessment.

The **Strategy and Processes workstream** focused on unpacking the customer touch points for UIF and CF including with the Provincial and Labour Centres. This aimed to understand and address where the internal and external customer pain points are (through value stream mapping) in order to design experiences that place the customer at the centre. Understanding the entities' mandate, strategy, and processes, a broader analysis was conducted of the current strategy of the two entities with regards to functions, mission and vision.

Project Timelines and Phases

Timeline : 18 months (Mar '22 - Sept '23)

Phase 1: Project initiation & Assessment	Phase 2: Strategy building	Phase 3: Implementation & sustainability	Phase 4: Formal project handover

Phase 1 — WS1

Key Deliverable:

A. **Strategy and Process As - Is Assessment report, inclusive of:**
 1. Review - findings and recommendations of UIF and CF Strategy review.
 2. Review of identified and critical processes.

Phase 1 — WS2

Key Deliverable:

A. **Change Management Strategy and Plan**
B. **EE As - Is Assessment report,** inclusive of:
 1. Leadership Alignment (Strategic alignment and SWOT analysis)
 2. Leadership Styles Assessment
 3. HR Department Maturity Assessment
 4. 1 - 1 SMS interview trend analysis

Phase 1 — WS3

Key Deliverable:

A. **Technology As - Is Assessment report, inclusive of:**
 1. Cyber Security and BCM findings and recommendations

Phase 2 — WS1

Key Deliverable:

A. **Future state customer journey**
B. **Process Mining and Analysis and recommended improvements**

Phase 2 — WS2

Key Deliverable:

A. **Macro Organisational Structure,** inclusive of:
 1. Capability Mapping
 2. Operating Model
 3. Functional Structure
 4. Leadership structures
A. **Skills Audit Findings and Recommendations Report**

Phase 2 — WS3

Key Deliverable:

A. **Findings and recommendations report:** Post the assessment of the entities' Business Impact Analysis and implemented Business Continuity strategies the assessment of the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) of the entities according to the international standards.

Phase 3 — WS1 / WS2 / WS3

Key Deliverable:
 1. **Implementation plan that's based on combined findings and recommendations across all three workstreams**

Phase 4 — WS1 / WS2 / WS3

Key Deliverable:
 1. **Formal project closure and handover of all deliverables.**

The slides that follow provide a detailed view of project deliverables and their respective approval dates through the governance structures.

Project deliverables completed that should be read within the context of this report

Activity	Deliverable	SteerCo Approval
• Project kick off presentations • Prepare change management and communication strategy	· Project Inception Report with Project Plan · Change Management and Communications Strategy and Plan	01 June 2022
• Leadership styles assessment	· Leadership Styles Survey circulated to all SMS members from CF and UIF · Individual Leadership Styles Reports received by all CF and UIF SMS members	03 July 2022

• A study to investigate challenges affecting organisational structure	· Employee Experience As-Is Report
	    ○ *Included in the report, is an HR Maturity Assessment that was conducted by way of a workshop with CF and UIF HR Departments*
	    ○ *Included in the report, are the outcomes of one-on-one interviews that were held with CF and UIF SMS members*
		16 September 2022

• Mandate and strategy analysis • Review of the 2 entities strategy in line with the mandate of the Department	· UIF As-Is Strategy Review Report · CF As-Is Process Review Report	14 October 2022
• A study to investigate challenges affecting entities systems	· Business Continuity Management As-Is Report · Cyber Security As-Is Report	09 December 2022

Project deliverables completed that should be read within the context of this report

Activity	Deliverable	SteerCo Approval
● Customer Journey Future State Report	- UIF Future State Client Journey Report	21 April 2023 21 April 2023
● Develop entities' macro functional structure until tier 3	- UIF 'To-Be' Conceptual Model and Functional Structures - UIF Macro Structure	21 April 2023 31 July 2023
● A study to investigate skills gaps ○ A. Entities current and future skills set and identification of the most critical skills needed to take each entity to higher level of service delivery in their categories and their support of the Department's mandate.	- Skill Assessment Report	18 August 2023
● Develop the diagnostic implementation plan	- Implementation Plan	08 September 2023
● Project Closure	- Project close-out report and handover	08 September 2023

2. Key cross-cutting themes and implementation recommendations

Introduction to the overall project implementation plan

The section that follows has been designed in the following order:

1 Key project themes / observations and implementation recommendations

The key themes are observations that cut across more that one specific workstream for which an implementation recommendation has been suggested. This is to prevent duplication of effort during project implementation.

2 OAR implementation plan

This is a graphical depiction that serves to summarise the key themes and the associated implementation recommendations.

The following key has been utilised throughout this section to indicate indicative implementation timelines:

🟩	Short term : 0 - 3 months
🟨	Medium term : 4 - 12 months
🟥	Long term : 13 - 24 months and beyond

2.1 Implementation Recommendations across all project workstreams

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
1	**Legislative, policy and governance changes are required in order for both entities to function as stand alone Schedule 3A entities.**	• The current governance, policy and legislative arrangements hinder the Funds from operating as fully fledged Schedule 3A entities. • Additionally dependencies on shared human resources, systems and processes limit autonomy.	1. To be addressed by the "**Unbundling" Project** (not covered through this implementation plan). 1. Further development of **organisational structure, processes reengineering aligned to structure, and technology review and implementation.**	Both	• Strategy • People • Process • Technology • Structure	• Strategy and Transformation • Strategic Organisational Development • Technology and Digital Transformation	1. **Long term (13 - 24 months)**
2	**Organisational performance not aligned to individual performance**	• The Funds' current strategic planning processes are hindered by resource constraints, limited research insights and access to reliable information which impacts their ability to plan in advance. • In some business units within the entities, employees who execute on the Funds' strategic plan are unable to draw a clear link between their directorates' strategic plan and the overall organisational strategic plan. This impacts employees' ability to comprehend their contribution towards the Funds' strategies. • The strategic intent of the Funds is impacted by misaligned staff within certain directorates that have varying perspectives on the strategic priorities of the Fund. • Performance discussions are not conducted consistently between Managers and direct reports.	1. Align **organisational performance management** system with employee performance management system in order to enable the cascading of performance targets from organisational level down to employee level. 1. Strengthen the relationship between Strategic Organisational Development and Strategy function in order to align the organisational performance targets with individual performance targets. 1. HR can improve performance related **communication** to ensure employees better understand how their performance is aligned to rewards and recognition, and outcomes of performance reviews (e.g. coaching sessions).	Both	• Strategy • People • Process	• Strategy and Transformation • Strategic Organisational Development	1. **Short term (0-3 months)** 1. **Medium term (4 - 12)** 1. **Short term (0-3 months)**

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
3	**Currently, there is limited consideration for citizen contribution in the strategy design process**	• The Funds current strategy design process and documented output is hindered by limited citizen experience insights and/or participation of citizens in the process. This impacts their ability to design a strategy that considers citizen needs and that can be easily interpreted by external readers.	1. Design and develop an **annual capability assessment (citizen feedback)** to determine the effectiveness of current capabilities and identify opportunities to improve capabilities and ensure they are future-focused and fit-for-purpose 1. Establish a **research capability** within the UIF to improve insights and intelligence used to guide the Fund operationally to execute on its strategic targets and advance itself into the future. 1. Strengthen the relationship between Operations, Strategic Planning and Corporate Communications in order to better triangulate customer sentiments, that will support in **Strategic Planning** aligned to customer needs *Refer to detailed Strategy reports*	Both	• Strategy • Process • Technology	• Operations • Strategy and Planning • Corporate Services (Communications)	**1. Medium term (4 - 12)** **2. Short term (0-3 months)** **3. Long term (13 - 24 months)**
4	**LAP is a strategic imperative, however it has not been properly defined and communicated**	• LAP is not properly defined and it is under-capacitated to be able to execute on its mandate. There is a need for a clear strategic plan for LAP including funding mechanisms, clear outputs and results, clear roles and responsibilities, monitoring and evaluation mechanisms and internal controls.	1. Identify **Labour Activation Programme Strategy** and Strategic Objectives 1. Identify f**unding mechanisms** for LAP Programmes 1. Identify and establish g**overnance structures** to review and approve the funding of the various LAP programmes 1. Identification of **monitoring and evaluation** mechanisms 1. Identify **Key Performance Indicators** or success metrics *LAP currently resides within the UIF but will be managed by Productivity SA in the Medium to Long term.*	• UIF	• Strategy • People • Structure • Process • Technology	• LAP • Strategy and Transformation	**1 -5 Medium term (4 - 12)** **Needs to be aligned to Productivity SA timelines**
5	**Inadequate reporting systems for improved management**	• Improvement required in reporting from Finance Systems to display a view of revenue made from different employer accounts. Absence of this may lead to cash flow management issues, manual reporting, and inefficiency in the process.	**1. Integration of external party information systems** to measure and report on contributions **1. Systems / IT architecture review and implementation**	• UIF	• Process • Technology	• Strategy and Transformation • Technology and Digital • Operations	**1. Medium term (4 - 12)** **2. Long term (13 - 24 months)**

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
6	**Potential loss of revenue due to inadequate information systems**	- Loss of potential revenue due to high number of employers not being registered with the UIF - Non-compliance- penalties for missing declarations are currently manually calculated. Additionally, Computron/SAP can be enhanced to include a debtors' module to calculate level of non-compliance in order to issue a suitable penalty. - There is no mechanism in place to identify employers who deduct UIF contributions from employee paychecks but do not contribute to the fund on employee behalf. - Fraudulent / Ghost employees registered under registered employers. - Non-documented foreign nationals may register using multiple passports and receive multiple payouts from the Fund. - Potential loss of revenue as the Fund takes responsibility for employees who claim irrespective of whether they were registered with the fund by their employers or not.	1. Improved **systems and process reengineering** aligned to technical requirements. 1. Provide **platform** whereby claimants are able to submit contact information of non-contributing support services for employers and claimants e.g. Toll-free support services (this can be automated through the use of AI technology / chatbots and does not necessarily require an increase in human capacity. *Refer to detailed Strategy reports*	Both	- Process - Technology	- Strategy and Transformation - Technology and Digital - Operations	**1. Medium term (4 - 12)** **2. Medium term (4 - 12)**
7	**Currently, resources who execute on both entities' mandates in the provinces are not accountable to their respective Commissioners**	- Discrepant reporting structures between Provinces and CF and UIF Head Offices to manage responsibility over strategic targets. Consequently, the Funds' visibility over parts of their value chains as well as its ability to enforce accountability over shared targets is limited. - Due to competing priorities in the provinces, and provincial resources executing on CF, UIF and DEL mandates, there is often a mismatch in operational activities at a provincial level.	1. New UIF and CF Macro Structures have been designed in the OAR Project to partially address this observation. **Micro-structure design** to be completed and reporting lines solidified. 1. This observation will be fully addressed by the "Unbundling" Project" - **Policy and Governance amendments.** 1. Develop **strategic change management** initiatives to drive collaboration and **communication** throughout the organisation (e.g. enable the Fund to have regular forum connect sessions for interaction and information sharing across Head Office and the provinces).	Both	- People - Structure - Process - Strategy	- Strategy and Transformation - Strategic Organisational Development - Human Resource Development	**1. Medium term (4 - 12)** **2. Long term (13 - 24 months)** **3. Short term (0-3 months)**

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
8	**Lack of emergency response processes at regional offices**	● Based on the documentation review and consultations, it was noted that an Emergency Response Plan was in place and evacuation drills have been performed at least once in the current financial period. It was however noted that these processes are not being carried out at the regional offices.	1. Conduct **awareness discussions / workshops** at regional offices around the importance of emergency response highlighting the objective and the legal requirement to conduct evacuation procedures. *Refer to detailed BCM reports*	Both	● People ● Process	● Governance and Assurance ● Strategy and Transformation (Change Management Support)	1. Medium term (4 - 12)
9	**BCM Policy, BC Strategy and Business Continuity Plan do not address all requirements and are not signed**	● BCM related strategies, processes and policies for both entities require revision, updating, finalisation and implementation. *Refer to detailed BCM reports*	1. Conduct full review of the **Business Continuity Management Programme** a. Business Impact Analysis – Conduct review and update of BIAs to identify any changes in recovery requirements. Document a consolidated BIA report in alignment with international standards and good practice b. BC Strategy – Identify, evaluate, select and implement appropriate BC strategies. Document and facilitate sign-off of BC strategy report c. Update response and recovery documentation based on the latest data available from the BIA and decisions made in the BC strategy. d. Conduct validation of updated response and recovery plans to ensure that they are fit for purpose and enable actual recovery e. Utilise the validation requirement to conduct awareness around the BCM programme, the importance of BCM, roles and responsibilities etc *Refer to detailed BCM reports*	Both	● People ● Process ● Technology ● Strategy	● Governance and Assurance	1. Long term (13 - 24 months)

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
10	**Cyber Risk Management and Oversight - Strategy / Policies and Processes**	An information security strategy and incident management processes are not defined.	Given the importance of **Cyber Security** globally and the immediate and immense business disruptions that could result from not having effective and efficient strategies and processes in place, detailed implementation recommendations have been documented in the Cyber security reports for both entities. 1. Information security strategy must be aligned to ICT strategy. 2. Incident Management processes and procedures must be clearly defined, implemented and monitored. 3. Entity wide upskilling and information sharing to increase employee understanding and legislative/organisational implications.	Both	● Technology ● Strategy	● Governance and Assurance ● Technology	**1. Short term (0-3 months)** **2. Medium term (4 - 12) : full implementation may extend timelines beyond** **3. Medium term (4 - 12)**
11	**Lack of internal and external process integration to execute on strategic targets effectively**	● Execution of certain strategic targets is impacted by data inaccessibility and inaccuracies due to ineffective internal system integration capabilities. ● The achievement of some of the performance targets is dependent on the co-operation of external stakeholders, therefore making it difficult for the entities to monitor the performance thereof. Some of the targets are cascaded down from DEL and above, and the Fund doesn't have control over these. ● UIF - Exclusive reliance on the Employer to declare correct information due to lack of data verification or validation with other third party sources (i.e. SARS, Home Affairs, CIPC, CCMA).	1. The entities could consider entering into **Service Level Agreements** with the stakeholders on whom they depend on for the achievement of their strategic objectives. 2. Proactive **communication** with employers/organisations	Both	● Process ● Technology ● People	● Strategy and Transformation (Business Analysis) ● Operations ● Finance ● Corporate Services (Communications)	**1. Medium term (4 - 12)** 2. Continuous

2.1 Summary of Key Observations and Recommendations

No.	Key observation / theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
12	**Majority of the entities' processes are currently very manual, old and not agile enough to deal with the Fund's changing circumstances, customer needs and environment.**	Ineffective to severely ineffective process identified across key components of core value chain. ***Compensation Fund:*** Ineffective processes - Registration, Declarations, Finance, rehabilitation and reintegration. Severely ineffective processes- Compensation benefits and medical benefits ***UIF:*** Ineffective processes - Contributions Severely ineffective processes- Declarations, Claims and LAP	1. Conduct organisation wide **business process re-engineering** to identify inefficiencies and where processes can be made more efficient with the use of technology. *Refer to detailed process diagnostic reports*	Both	● Process ● Technology ● People	● Strategy and Transformation (Business Process Improvement)	**1. Medium term (4 - 12)**
13	**Inadequate ICT Infrastructure and ICT function's dependency on DEL and SITA**	● The ICT Functions of both entities are highly dependent on DEL and SITA for its operations. ● The different operating systems within the organisation are not integrated. ● There are a number of legacy systems within the entities that are no longer fit for purpose. ● The use of the central database by all entities and DEL is causing challenges because the entities apply different rules for employer registration which is not always applicable to CF.	1. **ICT Architecture Review** to be conducted on all core and support systems 2. Recommendation to fully implement **Integrated Claims Management System** (ICMS) 3. **Automation of processes** across Chief Directorates and within functional divisions (employee verification system, booking management system, Chatbots, Artificial Intelligence, Machine Learning)	Both	● People ● Technology ● Process	● Technology and Digital ● Strategic Programme Management ● Operations ● All impacted functions	**1. Long term (13 - 24 months and potentially beyond)**

2.1 Summary of Key Observations and Recommendations

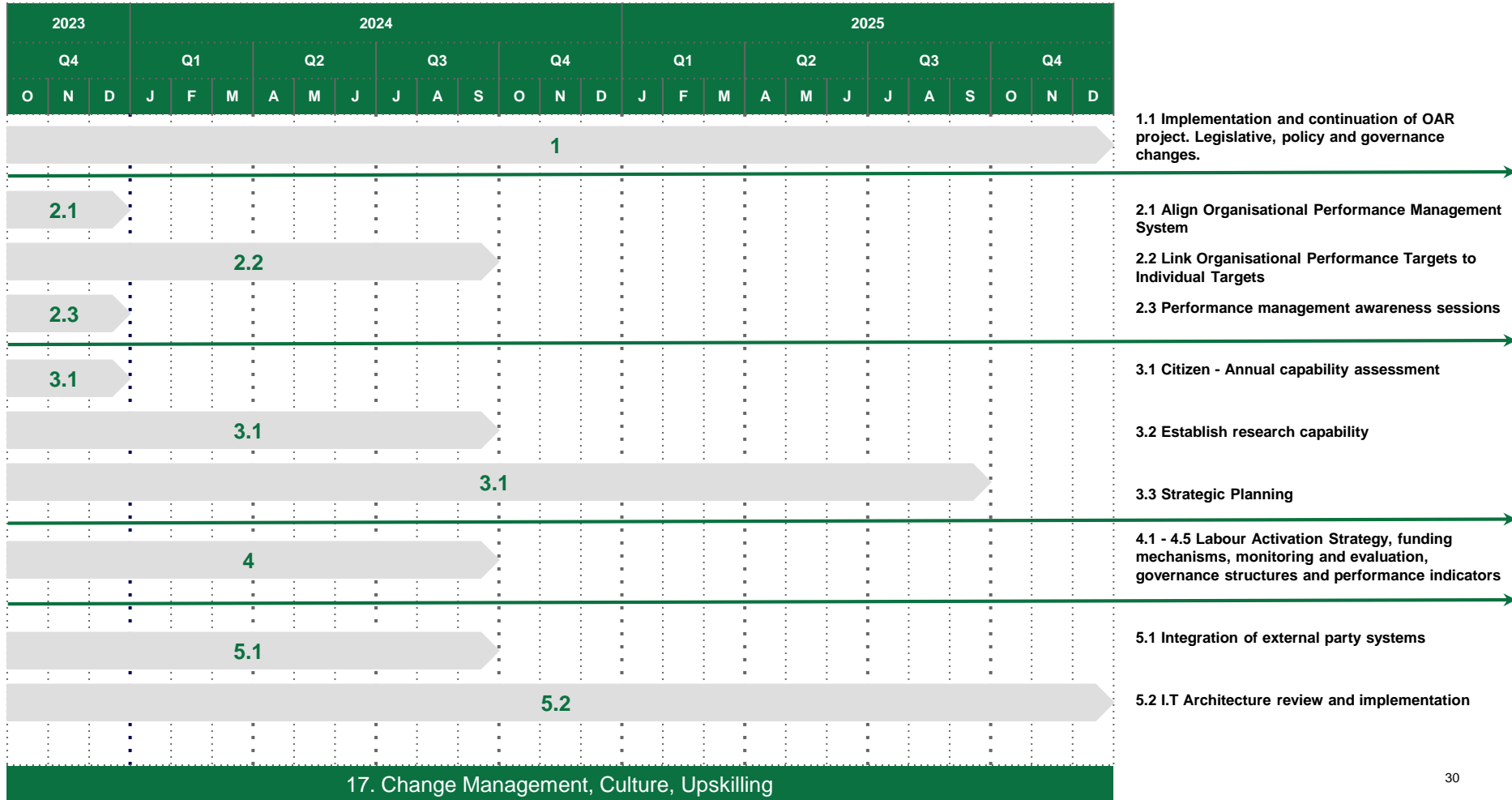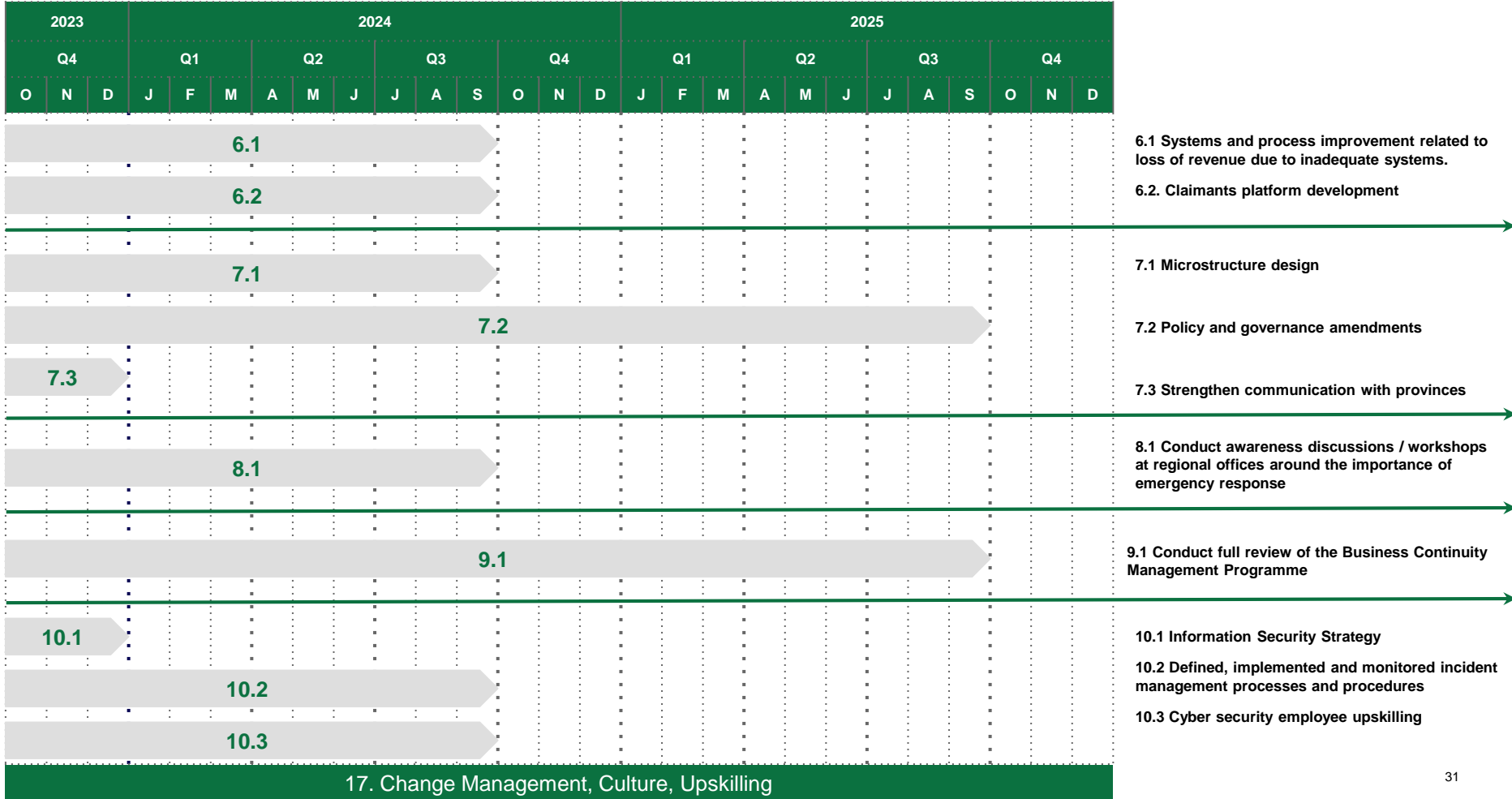| No.	Key Observation/Theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
14	**The current organisational structures of both entities are not aligned to their strategic objectives**	● Uneven distribution of capacity within the Fund. ● Currently, critical functions that are required to drive the strategic objectives of the Funds are outsourced (i.e ICT and Investments) or require enhancement. ● Provincial resources not accountable to CF and UIF Head Office. ● Need for efficiencies and integration in the ways of working within the Fund. ● Duplication of functions observed within both entities.	1. **Implementation of UIF and CF Macro Structures** that have been designed in the OAR Project to address this observation. 2. **Implementation of Skills Assessment recommendations** to address this observation 3. It is recommended that both entities should embark on a **micro structure design** project aligned to the new macro structure and skills assessment recommendations 4. **Capacity planning** to calculate the number of required FTEs 5. Conduct **salary/job grading** (including the roles on the approved macro structures) 6. **Develop new job profiles/job description** 7. **Conduct matching and placement** exercise for the implementation of the macro and micro structures. *Refer to detailed Macro-structure and skills assessment reports*	Both	● People ● Structure ● Process	● Strategic Organisational Development ● Human Resource Development	**1. Medium term (4 - 12)** **2. Medium term (4 - 12) and beyond - continuous** **3. Medium term (4 - 12)** **4. Medium term (4 - 12)** **5. Medium term (4 - 12)** **6. Macro structure - Short term (0-3 months)** **Microstructure - Long term (13-24 months)** **7. Long term (13 - 24 months)**

2.1 Summary of Key Observations and Recommendations

No.	Key Observation/Theme	Context	Implementation Recommendations	Entity	Key pillar(s)	Responsibility	Indicative Timelines
15	**Currently, there is a lack of critical skills within both Funds to effectively execute on their mandates**	• There is insufficient ICT capacity within both Funds to enable to execute on the ICT mandate, also due to the reliance on DEL ICT capability • There is insufficient Investment Management capacity within both Funds, which hinders the Funds' ability to monitor their investments • Due to the DPSA remuneration structure, the Funds are unable to attract and retain key critical skills (i.e Medical Practitioners, ICT Practitioners, Investment Practitioners etc) • It was noted that some job profiles are outdated and are still waiting for approval/signature. Some jobs are also incorrectly defined, resulting in inaccurate job advertisements and recruitment of individuals with misaligned skills.	A Skills Assessment was conducted on the OAR project to partially address this observation. 1. Conduct **psychometric assessments** and panel interviews to test the competencies of all top management levels that were not included in the 180 degree Skills Assessment. The competencies tested for must correlate with the newly designed job descriptions. 2. Utilise the outputs of the **Leadership Styles Assessments** to inform develop initiatives for the leadership team. 3. **Training and development** initiatives as detailed in the Skills Assessment Report must be prioritised in order to enable the structure. 4. It is recommended that the entities' **remuneration structure and policy** be closely linked to its Talent Management Strategy in order to attract and retain the required skills. *Refer to detailed Skills Assessment report*	Both	• People • Structure	• Corporate Services	**1-2. Short term (0-3 months) and continuous** **3-4. Medium term (4 - 12)**
16	**Culture**	During the diagnostic phase, it was evidenced that both entities: • Have a culture of fear • Are compliance driven • Have low staff morale • Lack of accountability and decision making • There is a need for improved alignment and implementation of the entities' shared values	1. Conduct organisation wide **culture diagnostic survey** 2. **Embed critical behaviours** 3. Embark on **Leadership alignment programmes** to drive / accelerate/ role model desired behaviours and values Note: **Section 4** for detailed implementation recommendations	Both - CF is already embarking on culture change project	• People	• Corporate Services	**1-3. Medium term (4 - 12)**
17	**Strategic change management**	• This capability needs to be strengthened and it will be a critical requirement to in embedding and sustaining the transformational change that both entities seek to achieve.	1. Due to the critical importance of change management in driving transformational change, please refer to section 4 for detailed change management recommendations. What is critical to note is the importance of a full-time transformation task team and SPMO to drive all implementation recommendations.	Both	• People	• Strategy and Transformation	1. Continuous

2.2 Implementation Plan

2.2 Implementation Plan

	2023			2024												2025											
	Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

1.1 Implementation and continuation of OAR project. Legislative, policy and governance changes.

2.1 Align Organisational Performance Management System

2.2 Link Organisational Performance Targets to Individual Targets

2.3 Performance management awareness sessions

3.1 Citizen - Annual capability assessment

3.2 Establish research capability

3.3 Strategic Planning

4.1 - 4.5 Labour Activation Strategy, funding mechanisms, monitoring and evaluation, governance structures and performance indicators

5.1 Integration of external party systems

5.2 I.T Architecture review and implementation

17. Change Management, Culture, Upskilling

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2.2 Implementation Plan

2023			2024												2025												
Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			
O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

6.1 — 6.1 Systems and process improvement related to loss of revenue due to inadequate systems.

6.2 — 6.2. Claimants platform development

7.1 — 7.1 Microstructure design

7.2 — 7.2 Policy and governance amendments

7.3 — 7.3 Strengthen communication with provinces

8.1 — 8.1 Conduct awareness discussions / workshops at regional offices around the importance of emergency response

9.1 — 9.1 Conduct full review of the Business Continuity Management Programme

10.1 — 10.1 Information Security Strategy

10.2 — 10.2 Defined, implemented and monitored incident management processes and procedures

10.3 — 10.3 Cyber security employee upskilling

17. Change Management, Culture, Upskilling

Implementation Plan

2023			2024												2025												
Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			
O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

- 11.1
- 11.2
- 12.1
- 13.1
- 14.1
- 14.2
- 14.3
- 14.4
- 14.5
- 14.6
- 14.7

11.1 Stakeholder SLA's

11.2 Proactive communication (continuous)

12.1 Business process re-engineering

13.1 ICT Architecture review and implementation, including fully implemented ICMS and process automation

14.1 Implementation of UIF and CF Macro Structures

14.2 Implementation of Skills Assessment

recommendations

14.3 Micro structure design

14.4 Capacity planning

14.5 Conduct salary/job grading

14.6 Develop new job profiles/job description

14.7 Conduct matching and placement exercise

17. Change Management, Culture, Upskilling

2.3 Implementation Plan

2023			2024												2025											
Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4		
O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

15.1

15.2

15.3

15.4

16.1

15.1 Conduct psychometric assessments

15.2 Leadership alignment and development

15.3 Implement Training and development initiatives

15.4 Link remuneration structure and policy to

Talent Management Strategy

16.1 Conduct culture diagnostic and identify critical behaviours to embed.

17. Change Management, Culture, Upskilling

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3. Organisational Design - Key Recommendations

3.1 Overview of Organisational Structures

Organisational Design

As part of the OAR project macrostructures based on the strategic objectives of the Department and its respective entities CF and UIF where developed through a consultative and detailed design process. The outcomes of the process and structures can be found across the following reports:

1. CF Conceptual Model and Functional Structures
2. UIF Conceptual Model and Functional Structures
3. CF Macrostructure
4. UIF Macrostructure

The slides that follow provide the overview of each structure and includes the Head Office, as well as provincial views. However, it is recommended that the individual reports be referred to for comprehensive narration.

Furthermore, the section that follows serves to further unpack the overarching recommendations made in the previous section and places focus on the next steps and guidelines with regards to the macrostructure implementation.

1
Macrostructure Overview

Overview of the UIF and CF Macrostructures and respective provincial structures.

2
Interaction Model

Detailed interaction matrix for each entity. This section will serve as a critical input into job profiles and also process reengineering activities and recommendations.

3
Implementation Guidelines

Organisational design implementation guidelines, that will serve to guide the implementation of the macrostructure.

Hub and Spoke Model - Approach to Centralisation of Head Office Policy Functions and Decentralisation of Provincial Delivery Centres (Labour Centres and Satellite offices)

Based on the Departmental and Fund objectives highlighted in Section one of this report a hub and spoke model was used in the design of the macrostructures for each entity.

The typical advantages of this model is to facilitate standardised policies, systems, processes, controls, data, reporting and oversight functions are shared between the hub and the spokes. This facilitates strong linkage, efficiency, transparency, governance and oversight and continuous alignment between various customer experience centre and the policy hub.

A holistic approach was followed during the design of the CF & UIF Organisation Transformation design

An analysis was developed to demonstrate our approach in the compilation of this As-Is Capability and Conceptual Model report; to illustrate the themes covered and the type of information gathered and analysed, below is the analysis approach diagram. For the workshops; **Chief Directors, Directors and Deputy directors were consulted** per directorate, to provide their subject-matter and leadership knowledge. Consultations with the Operations Management Directorate were conducted together with the CF & UIF Provincial Directors.

Activities completed as part of the conceptual model and functional design phases

Outputs

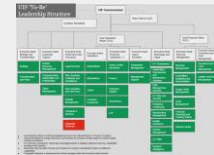**High Level findings from Assess Diagnosis**

Capability Analysis Approach

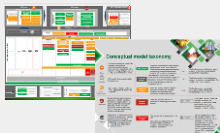**Outcomes of the high-level mapping of validated functions**

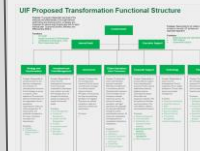**UIF Conceptual Model, Functional structure and Macro structure**
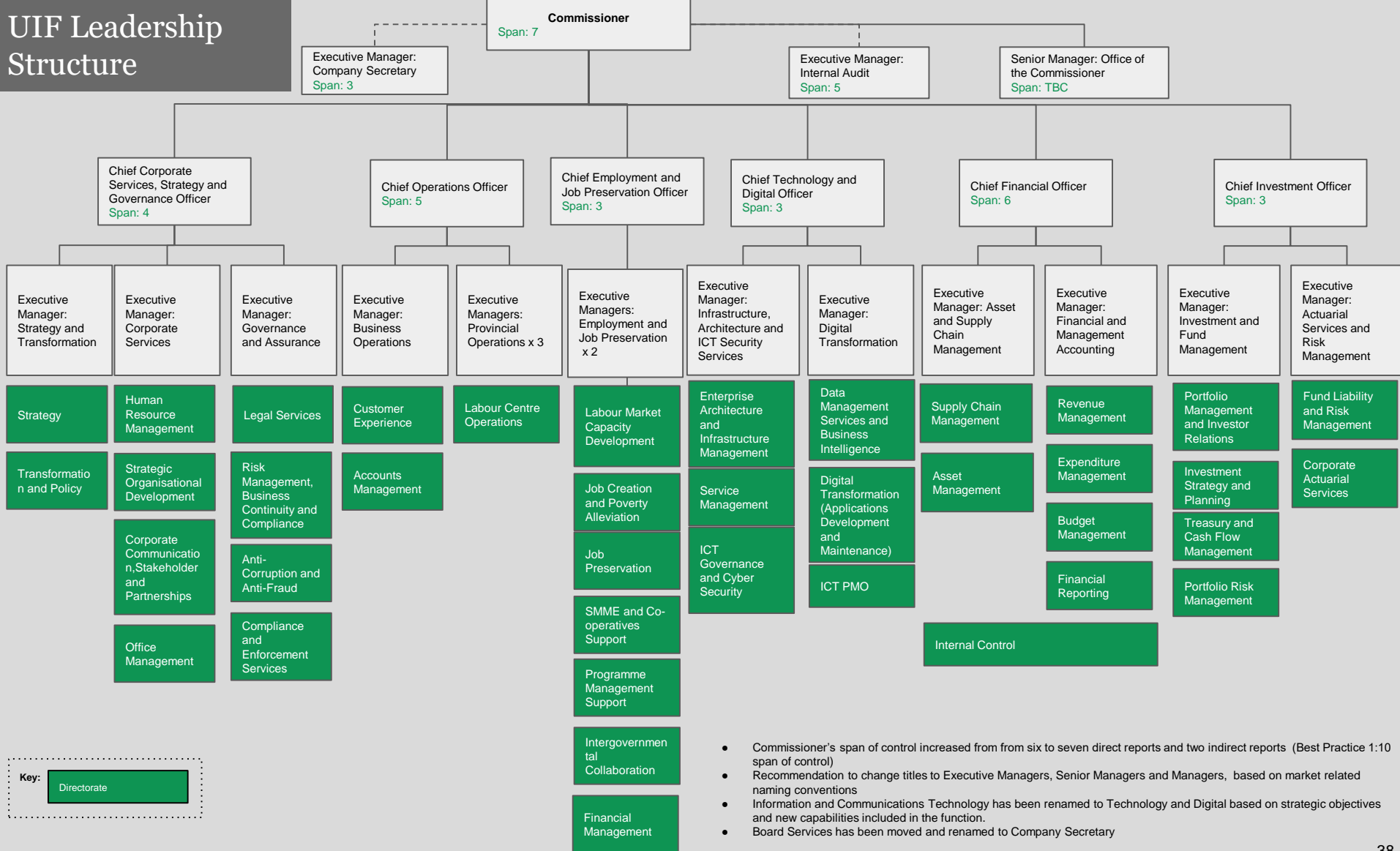
Bottom up analysis

Overview of conceptual model

Proposed functional structure

Functional grouping as per the conceptual model

UIF Leadership Structure

Commissioner
Span: 7

Executive Manager: Company Secretary
Span: 3

Executive Manager: Internal Audit
Span: 5

Senior Manager: Office of the Commissioner
Span: TBC

Chief Corporate Services, Strategy and Governance Officer
Span: 4

Chief Operations Officer
Span: 5

Chief Employment and Job Preservation Officer
Span: 3

Chief Technology and Digital Officer
Span: 3

Chief Financial Officer
Span: 6

Chief Investment Officer
Span: 3

Executive Manager: Strategy and Transformation

Executive Manager: Corporate Services

Executive Manager: Governance and Assurance

Executive Manager: Business Operations

Executive Managers: Provincial Operations x 3

Executive Managers: Employment and Job Preservation x 2

Executive Manager: Infrastructure, Architecture and ICT Security Services

Executive Manager: Digital Transformation

Executive Manager: Asset and Supply Chain Management

Executive Manager: Financial and Management Accounting

Executive Manager: Investment and Fund Management

Executive Manager: Actuarial Services and Risk Management

- Strategy
- Human Resource Management
- Legal Services
- Customer Experience
- Labour Centre Operations
- Labour Market Capacity Development
- Enterprise Architecture and Infrastructure Management
- Data Management Services and Business Intelligence
- Supply Chain Management
- Revenue Management
- Portfolio Management and Investor Relations
- Fund Liability and Risk Management

- Transformation and Policy
- Strategic Organisational Development
- Risk Management, Business Continuity and Compliance
- Accounts Management
- Job Creation and Poverty Alleviation
- Service Management
- Digital Transformation (Applications Development and Maintenance)
- Asset Management
- Expenditure Management
- Investment Strategy and Planning
- Corporate Actuarial Services

- Corporate Communication, Stakeholder and Partnerships
- Anti-Corruption and Anti-Fraud
- Job Preservation
- ICT Governance and Cyber Security
- ICT PMO
- Budget Management
- Treasury and Cash Flow Management

- Office Management
- Compliance and Enforcement Services
- SMME and Co-operatives Support
- Financial Reporting
- Portfolio Risk Management

- Programme Management Support
- Internal Control

- Intergovernmental Collaboration

- Financial Management

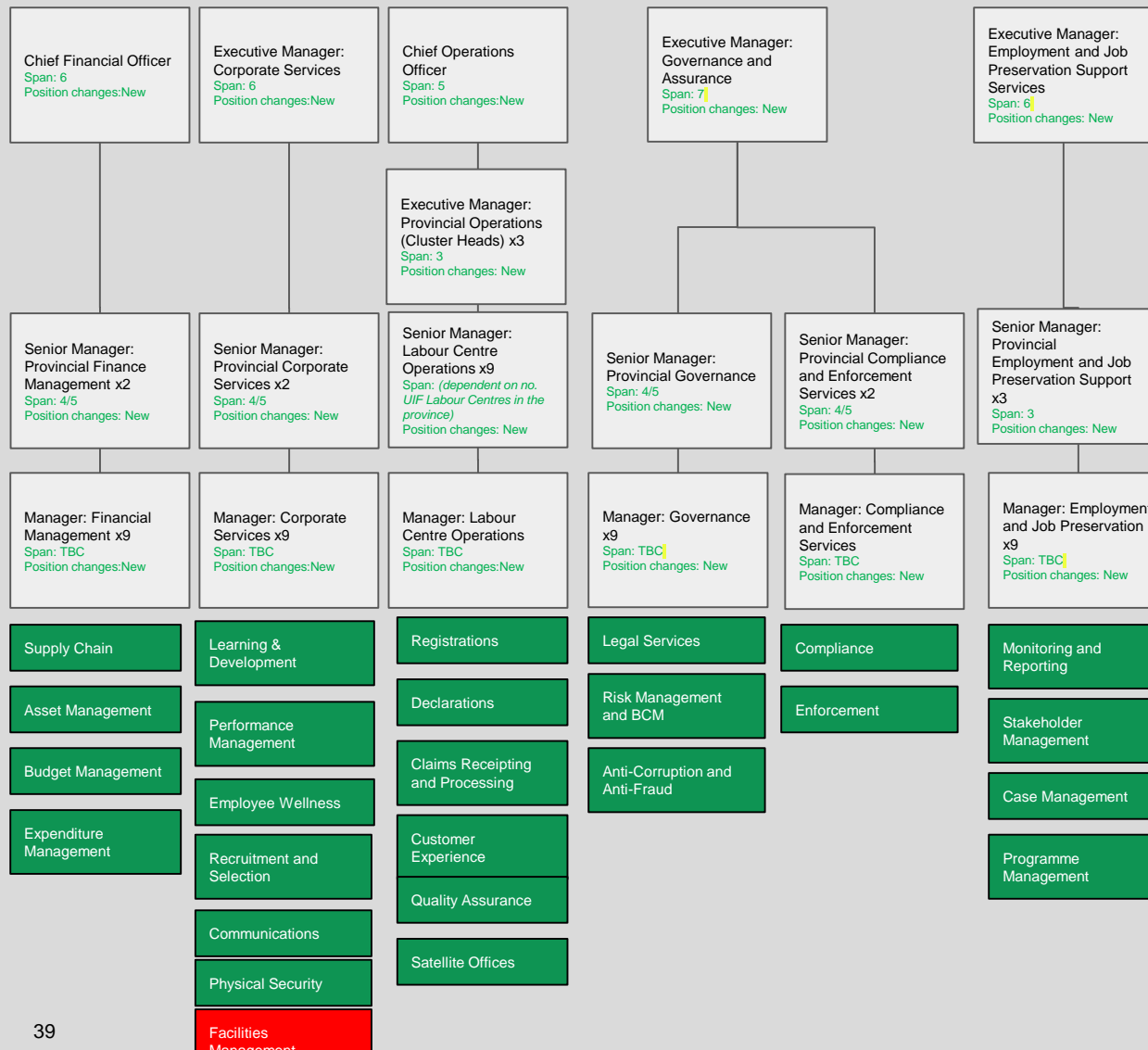**Key:** Directorate

- Commissioner's span of control increased from from six to seven direct reports and two indirect reports (Best Practice 1:10 span of control)
- Recommendation to change titles to Executive Managers, Senior Managers and Managers, based on market related naming conventions
- Information and Communications Technology has been renamed to Technology and Digital based on strategic objectives and new capabilities included in the function.
- Board Services has been moved and renamed to Company Secretary

'Cluster Heads' have been included for all UIF functions that will have a presence in the provinces. Each 'function' will have two or three Cluster Heads (depending on that specific function's volume of work in the provinces).
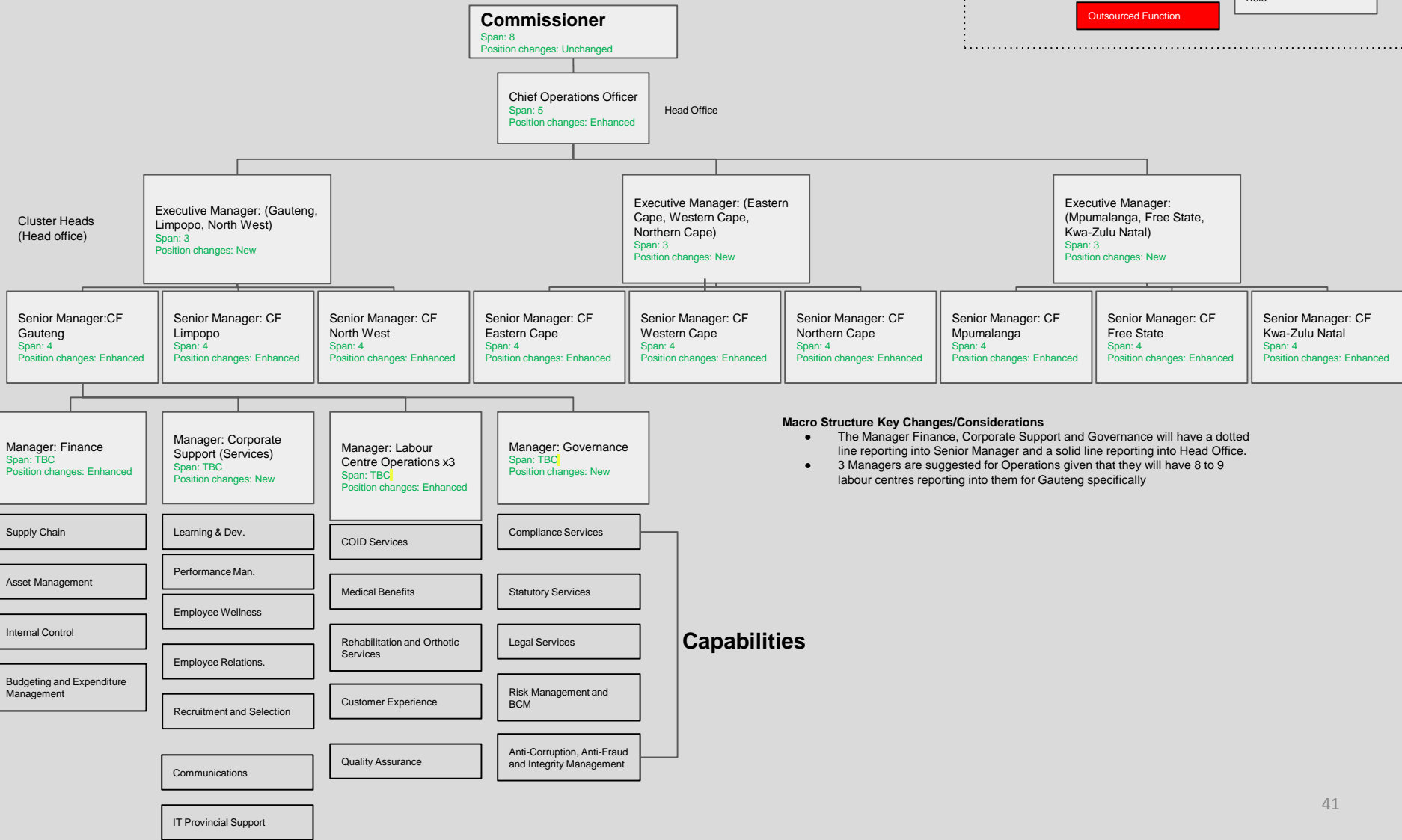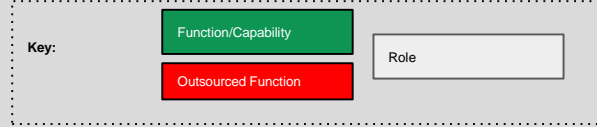*The (Provincial) Managers in each function will report to that function's Cluster Head. This ensures a straight loi*

Chief Financial Officer
Span: 6
Position changes:New

Executive Manager: Corporate Services
Span: 6
Position changes:New

Chief Operations Officer
Span: 5
Position changes:New

Executive Manager: Governance and Assurance
Span: 7
Position changes: New

Executive Manager: Employment and Job Preservation Support Services
Span: 6
Position changes: New

Head Office

Executive Manager: Provincial Operations (Cluster Heads) x3
Span: 3
Position changes: New

Senior Manager: Provincial Finance Management x2
Span: 4/5
Position changes: New

Senior Manager: Provincial Corporate Services x2
Span: 4/5
Position changes: New

Senior Manager: Labour Centre Operations x9
Span: *(dependent on no. UIF Labour Centres in the province)*
Position changes: New

Senior Manager: Provincial Governance
Span: 4/5
Position changes: New

Senior Manager: Provincial Compliance and Enforcement Services x2
Span: 4/5
Position changes: New

Senior Manager: Provincial Employment and Job Preservation Support x3
Span: 3
Position changes: New

Cluster Heads - each Cluster Head overseeing more than one province

Manager: Financial Management x9
Span: TBC
Position changes:New

Manager: Corporate Services x9
Span: TBC
Position changes:New

Manager: Labour Centre Operations
Span: TBC
Position changes:New

Manager: Governance x9
Span: TBC
Position changes: New

Manager: Compliance and Enforcement Services
Span: TBC
Position changes: New

Manager: Employment and Job Preservation x9
Span: TBC
Position changes: New

Resources in the Provinces

Supply Chain	Learning & Development	Registrations	Legal Services	Compliance	Monitoring and Reporting
Asset Management	Performance Management	Declarations	Risk Management and BCM	Enforcement	Stakeholder Management
Budget Management	Employee Wellness	Claims Receipting and Processing	Anti-Corruption and Anti-Fraud		Case Management
Expenditure Management	Recruitment and Selection	Customer Experience			Programme Management
	Communications	Quality Assurance			
	Physical Security	Satellite Offices			
	Facilities Management				

Spans of Control Summary:
- **CFO**: 1:6 (3 HO & 2 overseeing provincial finance functions)
- **EM Corporate Services:** 1:6 (4 HO & 2 overseeing provincial functions)
- **EM Governance and Assurance**: 1:7 (4 HO & 3 overseeing provincial governance and compliance and enforcement services functions)
- **Executive Manager: Employment and Job Preservation Support Services** 1:6 (3 HO & 3 provinces)
- **COO:** 1:5 (2 HO & 3 Provinces)
- Office Managers included in the Chief Officers' span of control
- The nine Provincial Managers for each function will be split across the Senior Managers overseeing the provinces

CF 'To-Be' Leadership Structure
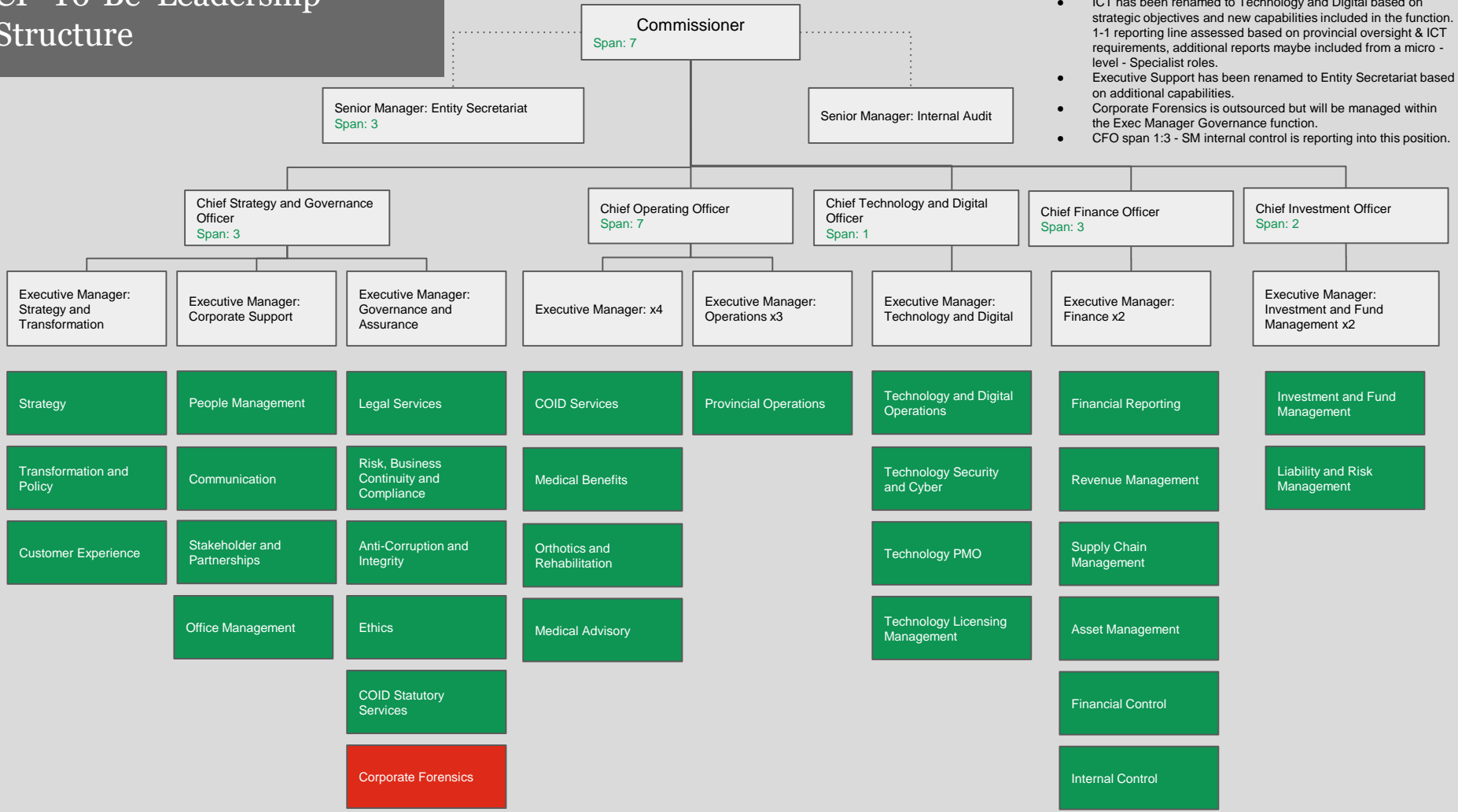
- Commissioner Span of control decreased from 11 to 7 (Best Practice 1:10 span of control)
- ICT has been renamed to Technology and Digital based on strategic objectives and new capabilities included in the function. 1-1 reporting line assessed based on provincial oversight & ICT requirements, additional reports maybe included from a micro - level - Specialist roles.
- Executive Support has been renamed to Entity Secretariat based on additional capabilities.
- Corporate Forensics is outsourced but will be managed within the Exec Manager Governance function.
- CFO span 1:3 - SM internal control is reporting into this position.

Commissioner
Span: 7

Senior Manager: Entity Secretariat
Span: 3

Senior Manager: Internal Audit

Chief Strategy and Governance Officer
Span: 3

Chief Operating Officer
Span: 7

Chief Technology and Digital Officer
Span: 1

Chief Finance Officer
Span: 3

Chief Investment Officer
Span: 2

Executive Manager: Strategy and Transformation

Executive Manager: Corporate Support

Executive Manager: Governance and Assurance

Executive Manager: x4

Executive Manager: Operations x3

Executive Manager: Technology and Digital

Executive Manager: Finance x2

Executive Manager: Investment and Fund Management x2

Strategy	People Management	Legal Services	COID Services	Provincial Operations	Technology and Digital Operations	Financial Reporting	Investment and Fund Management
Transformation and Policy	Communication	Risk, Business Continuity and Compliance	Medical Benefits		Technology Security and Cyber	Revenue Management	Liability and Risk Management
Customer Experience	Stakeholder and Partnerships	Anti-Corruption and Integrity	Orthotics and Rehabilitation		Technology PMO	Supply Chain Management	
	Office Management	Ethics	Medical Advisory		Technology Licensing Management	Asset Management	
		COID Statutory Services				Financial Control	
		Corporate Forensics				Internal Control	

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CF Provincial Structure

Commissioner
Span: 8
Position changes: Unchanged

Chief Operations Officer
Span: 5
Position changes: Enhanced

Head Office

Cluster Heads
(Head office)

Executive Manager: (Gauteng, Limpopo, North West)
Span: 3
Position changes: New

Executive Manager: (Eastern Cape, Western Cape, Northern Cape)
Span: 3
Position changes: New

Executive Manager: (Mpumalanga, Free State, Kwa-Zulu Natal)
Span: 3
Position changes: New

Senior Manager: CF Gauteng
Span: 4
Position changes: Enhanced

Senior Manager: CF Limpopo
Span: 4
Position changes: Enhanced

Senior Manager: CF North West
Span: 4
Position changes: Enhanced

Senior Manager: CF Eastern Cape
Span: 4
Position changes: Enhanced

Senior Manager: CF Western Cape
Span: 4
Position changes: Enhanced

Senior Manager: CF Northern Cape
Span: 4
Position changes: Enhanced

Senior Manager: CF Mpumalanga
Span: 4
Position changes: Enhanced

Senior Manager: CF Free State
Span: 4
Position changes: Enhanced

Senior Manager: CF Kwa-Zulu Natal
Span: 4
Position changes: Enhanced

Manager: Finance
Span: TBC
Position changes: Enhanced

Manager: Corporate Support (Services)
Span: TBC
Position changes: New

Manager: Labour Centre Operations x3
Span: TBC
Position changes: Enhanced

Manager: Governance
Span: TBC
Position changes: New

Supply Chain

Asset Management

Internal Control

Budgeting and Expenditure Management

Learning & Dev.

Performance Man.

Employee Wellness

Employee Relations.

Recruitment and Selection

Communications

IT Provincial Support

COID Services

Medical Benefits

Rehabilitation and Orthotic Services

Customer Experience

Quality Assurance

Compliance Services

Statutory Services

Legal Services

Risk Management and BCM

Anti-Corruption, Anti-Fraud and Integrity Management

Capabilities

Macro Structure Key Changes/Considerations
- The Manager Finance, Corporate Support and Governance will have a dotted line reporting into Senior Manager and a solid line reporting into Head Office.
- 3 Managers are suggested for Operations given that they will have 8 to 9 labour centres reporting into them for Gauteng specifically

3.2 Interaction Matrix

Unemployment Insurance Fund

Interaction Model- Unemployment Insurance Fund

As per the new proposed macro structure, and in an attempt to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together.

Chief Directorate	Functions and Capabilities	Key interaction with
Office of the Commissioner	1. Administrative Support Services 2. Special Projects 3. Advisory Services	1. Strategic Programmes Management 2. Corporate Communications 3. Company Secretary 4. All Chief Officers and Executive Managers
Internal Audit	1. ICT Audits 2. Financial and Investment Audits 3. Performance Audits and Quality Assurance 4. Operational, Regulatory and Compliance Audits	1. Internal Control 2. UIF Board 3. Audit Committee 4. Enterprise Risk Management 5. All Chief Directorates 6. Provinces
Company Secretary	1. Board and Board Committees 2. Management and Management Committees	1. Board 2. Board Committees 3. Management 4. Management Committees 5. All Chief Officers and Executive Managers
Strategy and Transformation	Strategy 1. Strategic Planning 2. Organisational Performance, Monitoring and Evaluation	1. Performance Management 2. Corporate Communications 3. Policy Coordination 4. Legal Services 5. Office of the Commissioner 6. Company Secretary 7. Business Operations 8. Employment and Job Preservation
	Transformation and Policy 1. Strategic Programmes Management 2. Change Management and Culture 3. Business Process Improvement and Re-engineering 4. Diversity and Inclusion 5. Research and Continuous Improvement 6. Policy Co-ordination 7. Business Analysis	1. Strategy 2. Organisational Design 3. Performance Management 4. Human Resource Development 5. Corporate Communications 6. Office of the Commissioner 7. Business Operations 8. Supply Chain 9. Legal Services 10. Technology and Digital 11. Internal Audit

Interaction Model- Unemployment Insurance Fund

Please note that Change Management and Corporate Communications will be a key interaction across all Departments.

As per the new proposed macro structure, and in an attempt to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together.

Chief Directorate	Functions and Capabilities	Key interaction with
Corporate Services	Human Resource Development 1. Employee Wellness 2. Employee Relations 3. HR Operations 4. HR Information Systems	1. Legal Services 2. Payroll 3. Technology and Digital 4. Strategic Organisational Development 5. Provinces
	Strategic Organisational Development 1. Organisational Design 2. Performance Management 3. Learning and Development	1. Strategic Planning 2. Organisational Performance, Monitoring and Evaluation 3. Strategic Planning 4. Human Resource Development 5. Organisational Transformation 6. Provinces
	Corporate Communications, Stakeholder and Partnerships 1. Productions 2. Education and Stakeholder Relations 3. Media Relations and Media 4. Digital Platforms 5. Printing Services	1. Business Operations 2. Technology and Digital 3. Office of the Commissioner 4. Change Management and Culture 5. Diversity and Inclusion
	Office Management 1. Office Support 2. Physical Security 3. Information Services 4. Facilities Management	1. Supply Chain 2. Asset Management 3. Technology and Digital 4. Company Secretary 5. Corporate Communications
Governance and Assurance	Legal Services 1. Mediation and Arbitration 2. Third Party and Litigation 3. Contract Management Support and Legal Opinions 4. Contracts Vetting and Drafting	1. Business Operations 2. Compliance and Enforcement Services 3. Financial Management (Revenue Management, Supply Chain, Internal Control) 4. Strategic Programmes Management 5. Employment and Job Preservation 6. Technology and Digital 7. Office of the Commissioner 8. Anti-Fraud and Anti-Corruption 9. Employee Relations

Interaction Model- Unemployment Insurance Fund

Please note that Change Management and Corporate Communications will be a key interaction across all Departments.

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Chief Directorate	Functions and Capabilities	Key interaction with
Governance and Assurance	**Compliance and Enforcement Services** 1. Declarations 2. Revenue Collection (Contributions) 3. Compliance and Enforcement	1. Financial Management (Revenue Management) 2. Legal Services 3. Business Operations 4. Technology and Digital
	Risk Management, Business Continuity Management and Compliance 1. Enterprise Risk Management 2. Business Continuity and Compliance	1. Internal Audit 2. Company Secretary 3. Anti-Fraud and Anti-Corruption 4. Technology and Digital 5. Office Management 6. Risk Committee 7. Investment and Fund Management 8. Employment and Job Preservation
	Anti-Fraud and Anti-Corruption 1. Corporate Forensics 2. Ethics and Integrity Management 3. Fraud Prevention 4. Cyber and Claims Investigations 5. Fraud Detections	1. Business Operations 2. Risk Management 3. Legal Services 4. Technology and Digital 5. Corporate Communications
Technology and Digital	1. Enterprise Architecture and Infrastructure Management 2. Service Management 3. ICT Governance and Cyber Security 4. Data Management Services and Business Intelligence 5. Digital Transformation 6. ICT PMO	1. Strategic Programme Management 2. Financial Management (Supply Chain) 3. Legal Services 4. Anti-Fraud and Anti-Corruption 5. Information Services 6. Risk Management, Business Continuity Management and Compliance 7. Business Operations

Interaction Model- Unemployment Insurance Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Chief Directorate	Functions and Capabilities	Key interaction with
Financial Management	Budget Management	1. Asset Management 2. Financial Reporting 3. Supply Chain Management 4. Revenue Management 5. Expenditure Management 6. Internal Control 7. All Chief Directorates

	Asset Management
	  1. Asset Register Maintenance
	  2. Asset Verification
	  3. Asset Disposal
	  4. Asset Control
	  5. Asset Accounting
	  6. Asset Evaluation
		1. Financial Reporting
		2. Supply Chain Management
		3. Budget Management
		4. Revenue Management Expenditure Management
		5. All Chief Directorates

	Financial Reporting
	  1. Bank Reconciliations
	  2. Financial Reporting
		1. Internal Audit
		2. Internal Control
		3. Budget Management
		4. Revenue Management
		5. Expenditure Management
		6. Supply Chain Management
		7. Financial Reporting
		8. Employment and Job Preservation
		9. Business Operations
		10. Investment and Fund Management

	Supply Chain Management
	  1. Contract Management and Reporting
	  2. Demand Management
	  3. Acquisition Management
		1. Internal Audit
		2. Probity Services
		3. Asset Management
		4. Strategic Programmes Management
		5. All Chief Directorates

	Revenue Management
	  1. Claims Debtors
	  2. Debtors Management
	  3. Revenue Allocation
		1. Business Operations
		2. Compliance and Enforcement Services
		3. Legal Services
		4. Financial Reporting
		5. Asset Management
		6. Expenditure Management
		7. Budget Management

Interaction Model- Unemployment Insurance Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Chief Directorate	Functions and Capabilities	Key interaction with
Financial Management	Expenditure Management 1. Goods and Services 2. Claims Payments 3. Payroll	1. Supply Chain Management 2. Financial Reporting 3. Human Resource Development 4. Business Operations 5. Employment and Job Creation 6. All Chief Directorates
	Internal Control 1. Audit Coordination 2. Probity Services 3. Losses, Claims and Financial Misconduct 4. Systems Administration	1. Internal Audit 2. Technology and Digital 3. All Chief Directorates 4. Legal Services 5. Business Operations 6. Employment and Job Preservation
Investment and Fund Management	1. Portfolio Management and Investor Relations 2. Investment Strategy and Planning 3. Treasury and Cash Flow Management 4. Portfolio Risk Management 5. Fund Liability and Risk 6. Corporate Actuarial Services	1. Office of the Commissioner 2. Financial Management 3. Legal Services 4. Technology and Digital 5. Compliance and Enforcement Services 6. Company Secretary 7. Internal Audit 8. Employment and Job Preservation 9. Business Operations 10. Enterprise Risk Management
Employment and Job Preservation	1. Market Capacity Development 2. Job Creation and Poverty Alleviation 3. Job Preservation 4. Enterprise Support and Development 5. Management Support Services	1. Financial Management (Financial Reporting) 2. Business Operations 3. Enterprise Risk Management 4. Legal Services 5. Investment and Fund Management
Business Operations	1. Accounts Management 2. Registrations 3. Claims Receipting and Processing 4. Customer Experience 5. Quality Assurance 6. Labour Centres/Satellite Offices	1. Corporate Communications 2. Financial Management 3. Legal Services 4. Technology and Digital 5. Compliance and Enforcement Services 6. Anti-Fraud and Anti-Corruption 7. Employment and Job Preservation 8. Provinces

Compensation Fund

Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Chief Directorate	Functions and Capabilities	Key interaction with
Entity Secretary	1. Administration Support 2. Management Committees 3. Office of the Commissioner	1. Strategic Programmes Management 2. Corporate Communications 3. Governance and Assurance 4. All Chief Officers and Executive Managers
Internal Audit	1. Financial Audits 2. Compliance and Assurance 3. ICT Audits 4. Performance Audits 5. Quality Assurance	1. Internal Control 2. CF Board 3. Audit Committee 4. All Chief Directorates
Strategy and Transformation	**Strategy** 1. Strategic Planning 2. Strategy Monitoring, Evaluation and Reporting	1. Performance Management 2. Corporate Communications 3. Policy 4. Legal Services 5. Entity Secretariat
	Transformation and Policy 1. Strategic Programmes Management 2. Change Management and Culture 3. Business Process Improvement and Reengineering 4. Diversity and Inclusion 5. Research and Continuous Improvement 6. Policy 7. Business Analysis	1. Strategy 2. Organisational Design 3. Human Resource Development 4. Corporate Communications 5. Office of the Commissioner 6. Business Operations 7. Supply Chain 8. Legal Services 9. Technology and Digital
Technology and Digital	1. Digital Transformation and DevOps 2. Data Mining and Business Intelligence 3. ICT Operations; Provincial Support 4. Technology Security and Cyber 5. ICT PMO	1. Strategic Programme Management 2. Financial Management (Supply Chain) 3. Legal Services 4. Anti-Fraud and Anti-Corruption 5. Information Services 6. Risk Management, Business Continuity Management and Compliance 7. Operations

Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Chief Directorate	Functions and Capabilities	Key interaction with
Corporate Support	**People Management** 1. Employee Experience 2. HC Operations and Shared Services	1. Legal Services 2. Technology and Digital 3. Organisational Development
	Organisational Development 1. Performance Management 2. Strategic Human Capital Development	1. Strategic Planning 2. Organisational Performance, Monitoring and Evaluation 3. People Management 4. Organisational Transformation
	Communication, Stakeholder and Partnerships 1. Communications, Branding and Public Relations 2. Stakeholder and Partnerships	1. Business Operations 2. Technology and Digital 3. Office of the Commissioner 4. Change Management and Culture 5. Diversity and Inclusion
	Office Management 1. Facilities Management 2. Office Support 3. Physical Security	1. Supply Chain 2. Asset Management 3. Technology and Digital 4. Entity Secretary 5. Corporate Communications
Operations	**Orthotics and Vocational Rehabilitation** 1. Vocational Rehabilitation 2. Orthotics and Prosthetics 3. Rehabilitation and Social Integration	1. Medical Benefits 2. COID Services 3. Financial Management Legal Services 4. Corporate Communications 5. Employer Services 6. Investment and Fund Management 7. Customer Experience
	Medical Benefits 1. Clinical Coding 2. Tariffs 3. Medical Billing 4. Medical Payments 5. Reconciliations and Recovery 6. Managed Care 7. Medical Services 8. Compliance	1. COID Services 2. Orthotics and Vocational Rehabilitation 3. Employer Services 4. Financial Management 5. Technology and Digital 6. Corporate Communications 7. Legal Services 8. Customer Experience

Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Directorate	Functions and Capabilities	Key interaction with
Operations	COID Services 1. Compensation Benefits 2. Pensions	1. Medical Benefits 2. Financial Management 3. Orthotics and Vocational Rehabilitation 4. Corporate Communications 5. Employer Services 6. Technology and Digital 7. Legal Services 8. COID Statutory Services 9. Customer Experience
	Employer Services 1. Employer Registrations and Segmentation 2. Employer Compliance 3. Assessments	1. Orthotics and Vocational Rehabilitation 2. Medical Benefits 3. COID Services 4. Financial Management 5. Technology and Digital 6. COID Statutory Services 7. Customer Experience
	Customer Experience 1. Customer Support 2. Call Centre 3. Key Accounts Management 4. Quality Assurance	1. Corporate Communications 2. Orthotics and Vocational Rehabilitation 3. Medical Benefits 4. COID Services 5. Employer Services

Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Directorate	Functions and Capabilities	Key interaction with
Operations	**COID Services** 1. Compensation Benefits 2. Pensions	1. Medical Benefits 2. Financial Management 3. Orthotics and Vocational Rehabilitation 4. Corporate Communications 5. Employer Services 6. Technology and Digital 7. Legal Services 8. COID Statutory Services 9. Customer Experience
	Employer Services 1. Employer Registrations and Segmentation 2. Employer Compliance 3. Assessments	1. Orthotics and Vocational Rehabilitation 2. Medical Benefits 3. COID Services 4. Financial Management 5. Technology and Digital 6. COID Statutory Services 7. Customer Experience
	Customer Experience 1. Customer Support 2. Call Centre 3. Key Accounts Management 4. Quality Assurance	1. Corporate Communications 2. Orthotics and Vocational Rehabilitation 3. Medical Benefits 4. COID Services 5. Employer Services
Investment and Fund Management	**Investment and Fund Management** 1. Portfolio Management 2. Investment Strategy, Planning and Investor Relations 3. Investment Accounting	1. Office of the Commissioner 2. Financial Management 3. Legal Services 4. Technology and Digital 5. Compliance and Enforcement Services 6. Company Secretary 7. Internal Audit 8. Operations
	Risk and Actuarial Services 1. Fund Liability and Risk 2. Financial Risk Management and Treasury 3. Actuarial Services	1. Office of the Commissioner 2. Financial Management 3. Legal Services 4. Technology and Digital 5. Compliance and Enforcement Services 6. Company Secretary 7. Internal Audit 8. Operations

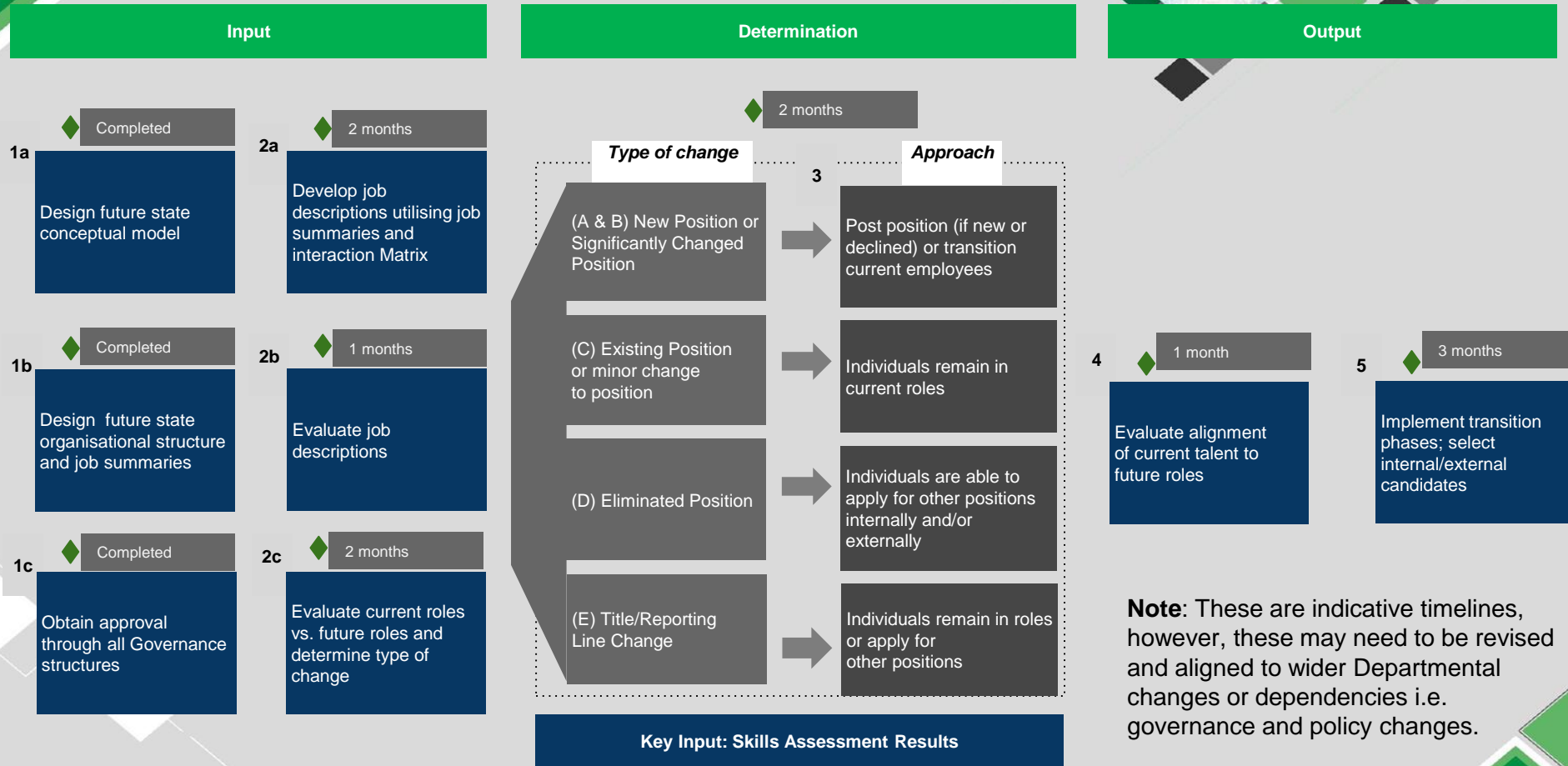# Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Please note that Change Management and Corporate Communications will be a key interaction across all Departments.

Directorate	Functions and Capabilities	Key interaction with
Financial Management	Supply Chain Management 1. Contract Management 2. Demand and Acquisition Management 3. Logistics Management	1. Internal Audit 2. Asset Management 3. Strategic Programmes Management 4. All Chief Directorates
	Asset Management 1. Asset Register Maintenance 2. Asset Verification 3. Asset Disposal 4. Asset Control 5. Asset Accounting 6. Asset Evaluation	1. Financial Reporting 2. Supply Chain Management 3. Budget Management 4. Revenue Management Expenditure Management 5. All Chief Directorates
	Revenue and Expenditure Management 1. Accounts Receivable 2. Debtors Management 3. Third Party Debt Collection 4. Accounts Payable (Goods and Services) 5. Accounts Payable (Operations/Claims)	1. COID Services 2. Medical Benefits 3. Orthotics and Vocational Rehabilitation 4. Employer Services 5. COID Statutory Services 6. Legal Services 7. Financial Reporting 8. Asset Management 9. Expenditure Management 10. Budget Management 11. All Chief Directorates
	Internal Control 1. Audit Coordination 2. Losses, Claims and Financial Misconduct	1. Internal Audit 2. Technology and Digital 3. All Chief Directorates 4. Legal Services 5. Operations
	Financial Control 1. Bank Reconciliations 2. Budget Control	1. Asset Management 2. Financial Reporting 3. Supply Chain Management 4. Revenue Management 5. Expenditure Management 6. Internal Control 7. All Chief Directorates

Interaction Model- Compensation Fund

As per the new proposed macro structure, to minimise siloed working across the organisation, below is the recommended interaction matrix outlining how the different business units within the organisation can better work together and leverage off each other.

Please note that Change Management and Corporate Communications will be a key interaction across all Departments.

Directorate	Functions and Capabilities	Key interaction with
Financial Management	Financial Reporting	1. Internal Audit 2. Internal Control 3. Budget Management 4. Revenue Management 5. Expenditure Management 6. Supply Chain Management 7. Financial Reporting 8. Employment and Job Preservation 9. Business Operations 10. Investment and Fund Management
Governance and Assurance	Risk, Business Continuity & Compliance 1. Enterprise Risk Management 2. Compliance Management 3. Business Continuity 4. Assurance and Monitoring 5. Performance Monitoring and Evaluation 6. Data Governance	1. Internal Audit 2. Company Secretary 3. Anti-Corruption and Integrity 4. Technology and Digital
	Ethics 1. Ethics Initiatives 2. Ethics and Compliance	1. Business Operations 2. Risk Management 3. Legal Services 4. Corporate Communications
	Anti-corruption and Integrity 1. Cyber Investigations 2. Fraud Prevention & Integrity 3. Claims Investigations	1. Business Operations 2. Risk Management 3. Legal Services 4. Technology and Digital 5. Corporate Communications
	Legal Services 1. Litigation 2. Internal Remedies 3. Legal Services: Contracts 4. Legislation Management 5. Legal debt collection	1. Business Operations 2. Financial Management (Revenue Management, Supply Chain, Internal Control) 3. Strategic Programmes Management 4. Office of the Commissioner 5. Anti-Fraud and Anti-Corruption 6. Employee Relations

3.3 Implementation guidelines

Macrostructure Implementation

The Conceptual Model will impact each role in the UIF and CF current structures in a different way. The varying types/magnitude of change require tailored approaches to fill positions and successfully transition employees to the future state. Below is a best practice high-level transition plan approach.

Input

1a — Completed
Design future state conceptual model

1b — Completed
Design future state organisational structure and job summaries

1c — Completed
Obtain approval through all Governance structures

2a — 2 months
Develop job descriptions utilising job summaries and interaction Matrix

2b — 1 months
Evaluate job descriptions

2c — 2 months
Evaluate current roles vs. future roles and determine type of change

Determination

2 months

3

Type of change	*Approach*
(A & B) New Position or Significantly Changed Position	Post position (if new or declined) or transition current employees
(C) Existing Position or minor change to position	Individuals remain in current roles
(D) Eliminated Position	Individuals are able to apply for other positions internally and/or externally
(E) Title/Reporting Line Change	Individuals remain in roles or apply for other positions

Key Input: Skills Assessment Results

Output

4 — 1 month
Evaluate alignment of current talent to future roles

5 — 3 months
Implement transition phases; select internal/external candidates

Note: These are indicative timelines, however, these may need to be revised and aligned to wider Departmental changes or dependencies i.e. governance and policy changes.

Key Considerations and Objectives: Types of Change Outlined

Type of change	Approach	Evaluate alignment of current talent to future roles	Consult with impacted employees of changes
A) New position	• Write job descriptions for new positions • Grade new positions • Accelerate recruitment for priority roles	• Identify preferred candidates and talent gaps • Accelerate evaluation of priority roles	• One-on-one discussions with potential candidates • Management discussions with staff • Recruit internally and externally
B) Significantly changed position (greater than 30% change to job responsibilities)	• Revise job descriptions • Grade changed positions • Accelerate recruiting for priority roles	• Confirm existing resources align to minimum requirements for roles • Identify preferred candidates • Document changes	• Notify employees of major changes to position • Transition existing employees into roles • Recruit externally, as needed
C) Existing Position or minor change to position and equal or more positions in the future state	• Revise job descriptions	• Confirm existing resources align to minimum requirements for roles • Document changes	• Notify employee of changes to current workload/responsibilities • Fill roles with existing employees • Recruit internally and externally for additional openings
D) Eliminated Position	• N/A	• N/A	• Notify resource that the position is being eliminated and of opportunities to apply for other positions
E) Title/Reporting Line Change	• N/A	• N/A	• Notify employee prior to change of location or title

A gold standard approach to workforce transitioning

The following workforce transitioning diagram outlines the processes to be instituted by the Department as a result of the newly designed organisation structure. It will set out *legally compliant principles to be transitioning staff into their new roles.*

1 Approve people process alignment

2 Consultation with leadership team

3 1st consultation with impacted employees and 1st communications to wider business

4 Interim feedback from employer

5 2nd consultation with impacted employees

6 Expression of interest on available jobs

7 Conduct placement interviews

8 Provisional offer to successful employees

9 Handle objections and challenges

10 Final offers / placement letters

11 Provide progress feedback to the business

12 Recruit to fill remaining vacancies

Example of legally compliant process that will assist with workforce transitioning.

Change Management and Communication throughout the process

Recommended Migration Principles that can be utilised in Migration Plan & Policy

The following migration principles are proposed for the migration of the employees from the existing structure into the new approved UIF & CF structures:

- Fairness, honesty, transparency, consistency, and factual;

- Open Communication to all employees;

- Matching and placing shall be effected in accordance with the employee's formal qualifications, past experience, and the potential to acquire the necessary skills and competencies within a reasonable period of time in relation to the inherent requirements of the job;

- All relevant legislation and collective agreements shall be adhered to;

- All attempts will be explored, as far as possible, to ensure the continued employment of employees;

- Retraining of employees shall be provided after the migration process is complete where necessary;

- Newly created posts, will be advertised internally and employees will have a fair opportunity to apply, should they meet the requirements of the job;

- Employment Equity targets should be taken into account in appointments to newly created posts;

- Conditions of service to remain unchanged;

- Where Conditions of Service are not yet standardised, it must be standardised to address these conditions;

- No employees will be worse off as a result of the migration - refers to the fact that no employees will be fired or retrenched as a result of the migration framework. The only change effected will be the deployment and redeployment of staff as a result of the migration;

- The structure should reflect the number of posts, type of posts and their job levels;

- Ensure that retention is a priority and that existing employees shall be given preference when being considered for positions in the new organisation structure;

- Take all reasonable steps to ensure that employees remain gainfully employed;

Recommended Migration Principles that can be utilised in Migration Plan & Policy (continued)

- Provide for a fair and transparent procedure that minimises disputes and provides certainty to employees as soon as reasonably possible;

- Communicate regularly with employees to mitigate fear and uncertainty and to generally encourage constructive participation in the process;

- Ensure the principle that incumbents in current acting positions have no superseding right to permanent migration within those positions in the new structure;

- Individual Employee Performance Plans, including measurable performance indicators, will be put in place;

- Appropriate mutually agreed Personal Development Plans will be put in place and implemented post-migration;

- Ensure the principle that all affected employees to be placed must be suitably qualified or have the capacity to become suitably qualified within a reasonable period of time to properly perform the functions of the post. Should the employee be in process of acquiring the required qualifications, the number of years of the qualifications will be prorated;

- If there are movements as a result of the migration process, such as redundancy, the employer should cover all the relocations costs; and

- When employees are migrated, through a competitive migration process into a post, such migration decision by the migration steering committee shall be final and constitute a permanent or fixed term position, except as dictated by the new structure.

The migration policy for UIF & CF must be designed within the context of relevant Legislative Frameworks. Examples include, amongst others:

- Labour Relations Act

- Basic Conditions of Employment Act (BCEA)

- Skills Development Act 97 of 1998

- Skills Development Levies Act 9 of 1999

- Employment Equity Act 55 of 1998

- Where any provision of the policy contradicts the regulatory legislative framework of South Africa, the law shall supersede the policy.

4. Change, Culture, Values and Behaviours

4.1 Shared Values

Overview of the Shared Values Survey conduct for CF and UIF

Defining values:

Our values define who we are, what we stand for, and how we behave. While we come from different backgrounds and cultures, our values are **what we have in common**. They describe the **expectations** our **clients** should have of us, guide **how we work** with each other, and hold us **accountable** to do our best. They **govern our actions** and **enable our success.**

Approach and process

- **Review the current shared values** that exist across both entities.
- **Develop a survey** with questions relating to the shared values for employees to assess the effectiveness of these within their entity.
- **Deploy the survey** to all employees, across all job grades and provinces.
- Conduct an **analysis of the data** and identify **key trends, and improvement areas.**

Purpose:

- The purpose of the survey was to **examine** the funds shared values and determine whether they are still **relevant** and helpful in **achieving strategic goals**. It is important to note that shared values are not the same as goals or objectives, rather the guiding principles that inform and inspire everything we do as a business.

Outcome:

- Based on the data obtained, **key trends** and sentiments were drawn to understand the **effectiveness** of the shared values across both entities and **identify recommendations** for **improvement** (Refer to section 4.2 and 4.3 for combined culture and change management transformation recommendations)

CF Shared Values

Respect	**Pride**
Excellence	**Integrity**
Sinobuntu	**Client centric**

UIF Shared Values

Transparency	**Integrity**	**Caring for people**
Mutual Respect	**Accountability**	**Excellence**
Client Centered Service	**Teamwork**	

Overall CF Findings

The following section provides an overview of the findings from the CF Shared Values survey:

Response rate for CF: 22% (342 employees)

Shared Value	Areas of success	Consideration for improvement
Respect	**66%** of employees agree with the question: "CF encourages diversity and inclusion".	**42%** of employees disagreed with the question: "Employees and leadership trust each other within my entity".
Excellence	**64%** of employees agree with the question: CF has an inspiring work vision, mission and philosophy".	**27.8%** of employees disagreed with the question: "The current practices and policies reflect our stated values".
Sinobuntu	**63%** of employees agree with the question: "CF creates a positive social atmosphere (for example, employees interact with each other)".	**37%** of employees disagree with the question: "At CF, initiatives and new ideas provided by employees are valued".
Pride	**65%** of employees agree with the question: "We hold ourselves and our team members accountable".	**24%** of employees disagree with the question: "Employees at CF abide by the code of Ethics".
Integrity	**56%** of employees agree with the question: "Work is done honestly and ethically at CF".	**37%** of employees disagree with the question: "Leaders take responsibility for their actions".
Client centric	**64%** of employees agree with the question: "CF emphasises quality of our products and services".	**26%** of employees disagree with the question: "CF has a good understanding of our client needs".

The following graph provides an overview of the average responses for the CF Shared Values survey:
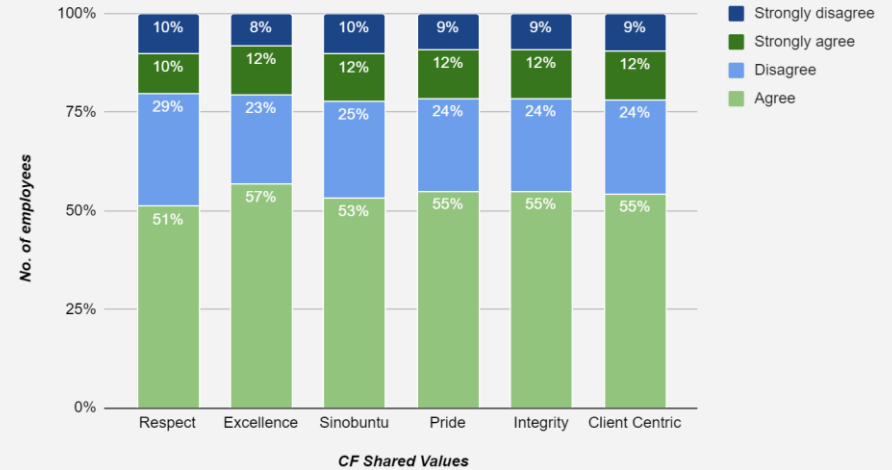
Shared Values Responses

CF Shared Values	Strongly disagree	Strongly agree	Disagree	Agree
Respect	10%	10%	29%	51%
Excellence	8%	12%	23%	57%
Sinobuntu	10%	12%	25%	53%
Pride	9%	12%	24%	55%
Integrity	9%	12%	24%	55%
Client Centric	9%	12%	24%	55%

Employees were asked to provide additional information on the following:

Values that are most important to employees and most important for CF to embody and uphold:
Respect and Excellence

81% of employees believe that it is important to **work for an organisation that shares their personal values.**

Additional values to be considered:
Accountability Transparency Commitment

CF Shared Values Responses

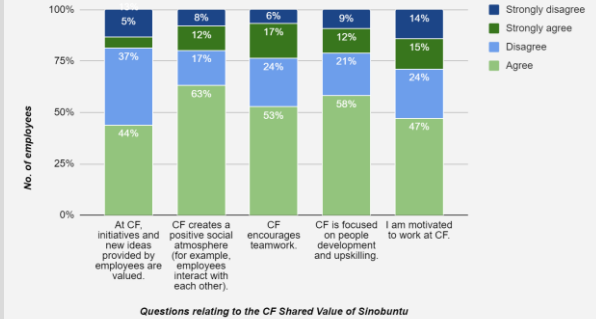**The following graphs reflect the responses provided by employees for each question across the CF Shared Values survey:**
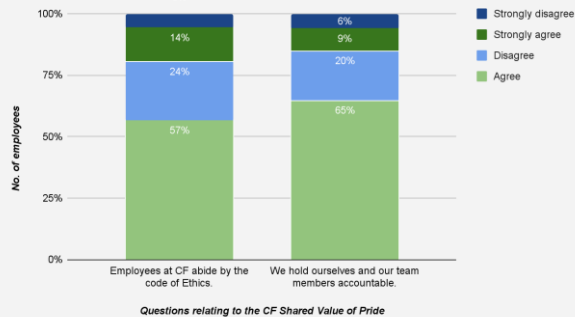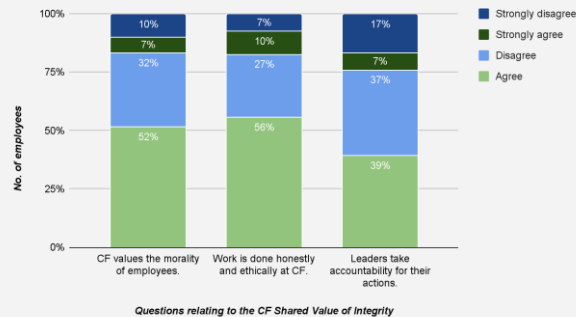

Shared Value 1: Respect

Questions relating to the CF Shared Value of Respect
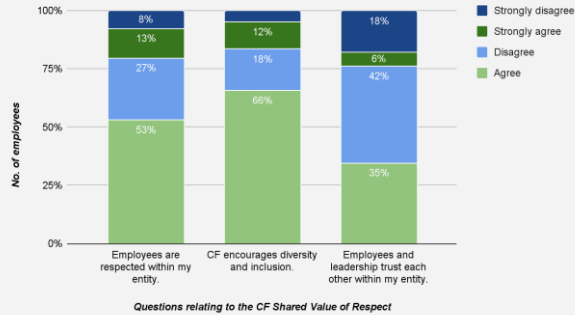
Shared Value 2: Excellence

Questions relating to the CF Shared Value of Excellence
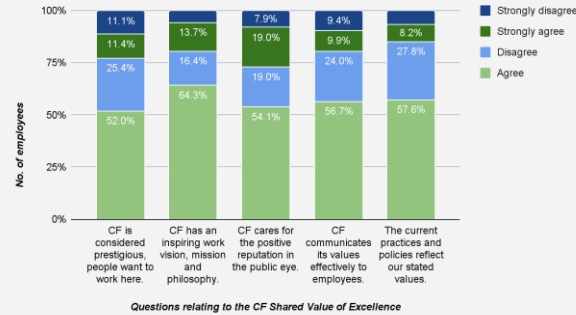
Shared Value 3: Sinobuntu

Questions relating to the CF Shared Value of Sinobuntu

Shared Value 4: Pride

Questions relating to the CF Shared Value of Pride

Shared Value 5: Integrity

Questions relating to the CF Shared Value of Integrity

Shared Value 6: Client Centric

Questions relating to the CF Shared Value of Client Centric
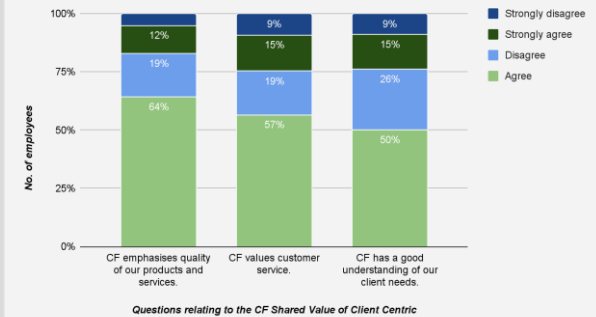
CF Additional Comments

Employees were asked to provide additional information on the following:

What steps can CF take to better integrate and promote our shared values in day-to-day activities?

engagement with employees
team building   working together
teamwork
listen to employees
advocacy   workshops
motivate employees   leadership walk the talk
communication   respect
accountability
transparency   consultation with staff
value employees
encouragement
practice batho pele princ

Overall UIF Findings

The following section provides an overview of the findings from the UIF Shared Values survey:

Response rate for UIF: 14% (212 employees)

Shared Value	Areas of success	Consideration for improvement
Transparency	**59%** of employees agreed with the question: "The current practices and policies reflect our stated values".	**21%** of employees disagreed to the question: "UIF communicates to all stakeholders"
Mutual Respect	**64%** of employees agreed to the question: "UIF encourages diversity and inclusion".	**43%** of employees disagreed to the question: "Employees and leadership trust each other at UIF".
Client Centered Service	**55%** of employees agreed to the question: "UIF emphasises quality of our products and services".	**28%** of employees disagreed to the question: "UIF has a good understanding of our clients needs".
Integrity	**53%** of employees agreed to the question: "Work is done honestly and ethically at UIF".	**33%** of employees disagreed to the question: "UIF values the morality of employees".
Accountability	**56%** of employees agreed to the question: "We hold ourselves and team members accountable, and UIF abides by the code of ethics".	**41%** of employees disagreed to the question: "Leaders take accountability for their actions".
Teamwork	**58%** of employees agreed to the question: "UIF creates a positive social atmosphere".	**41%** of employees disagreed to the question: "At UIF, initiatives and new ideas provided by employees are valued".
Caring for Our People	**58%** of employees agreed to the question: "UIF is focused on people development and upskilling".	**23%** of employees disagree to the question: "I am motivated to work at UIF".
Excellence	**63%** of employees agree to the question: "UIF has an inspiring work vision, mission and philosophy".	**33%** of employees disagree to the question: "UIF is considered prestigious, people want to work here".

The following graph provides an overview of the average responses for the UIF Shared Values survey:
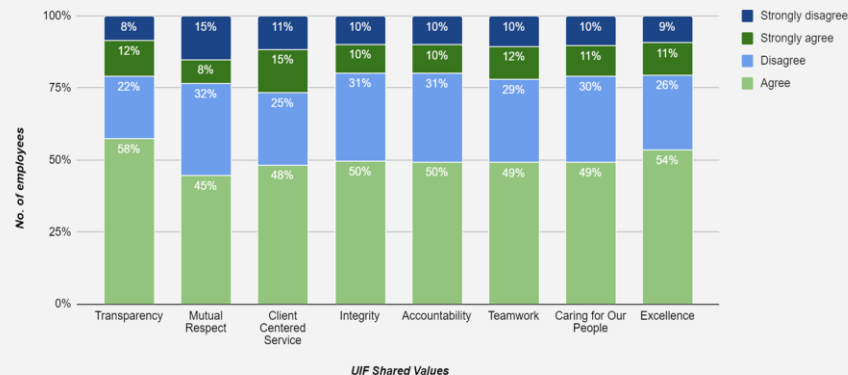
Shared Values Responses

Employees were asked to provide additional information on the following:

Values that are most important to employees and most important for UIF to embody and uphold: **Transparency**

86% of employees believe that it is important to **work for an organisation that shares their personal values.**

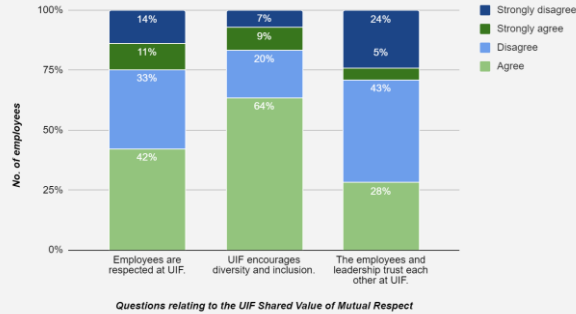Additional values to be considered: **Commitment Quality Innovation**

UIF Shared Values Responses

The following graphs reflect the responses provided by employees for each question across the UIF Shared Values survey:
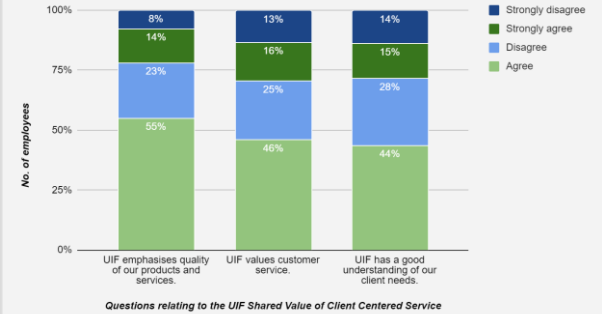

Shared Value 1: Transparency

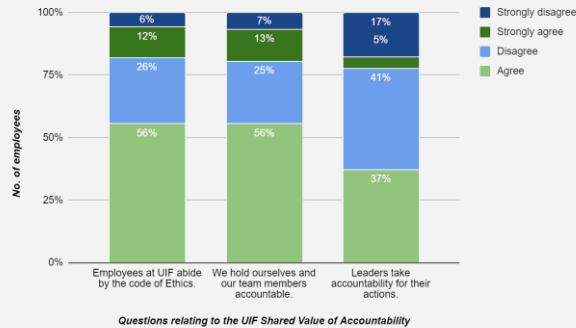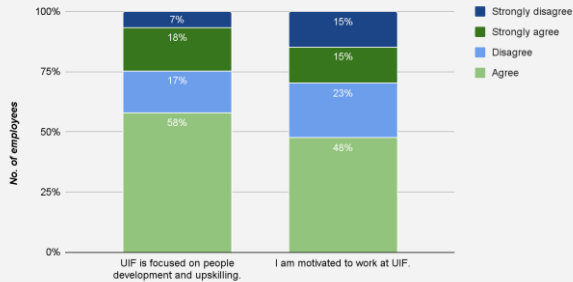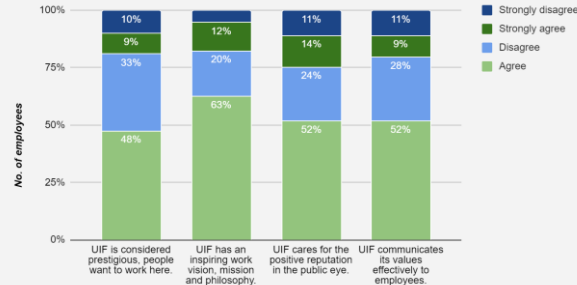Questions relating to the UIF Shared Value of Transparency
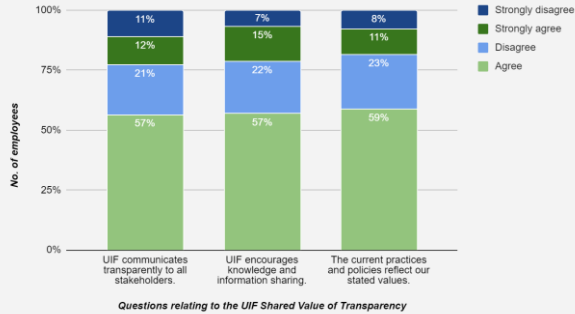
Shared Value 2: Mutual Respect

Questions relating to the UIF Shared Value of Mutual Respect

Shared Value 3: Client Centered Service

Questions relating to the UIF Shared Value of Client Centered Service

Shared Value 4: Integrity

Questions relating to the UIF Shared Value of Integrity
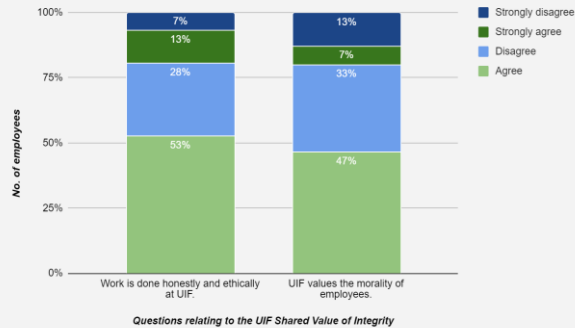
Shared Value 5: Accountability

Questions relating to the UIF Shared Value of Accountability

Shared Value 6: Teamwork

Questions relating to the UIF Shared Value of Teamwork
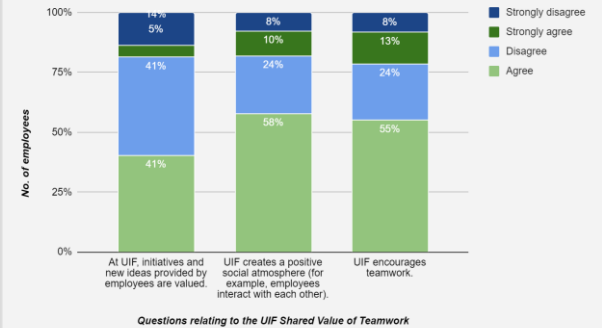
Cont. UIF Shared Values Responses

The following graphs reflect the responses provided by employees for each question across the UIF Shared Values survey:

Shared Value 7: Caring for Our People

Shared Value 8: Excellence

UIF Additional Comments

Employees were asked to provide additional information on the following:

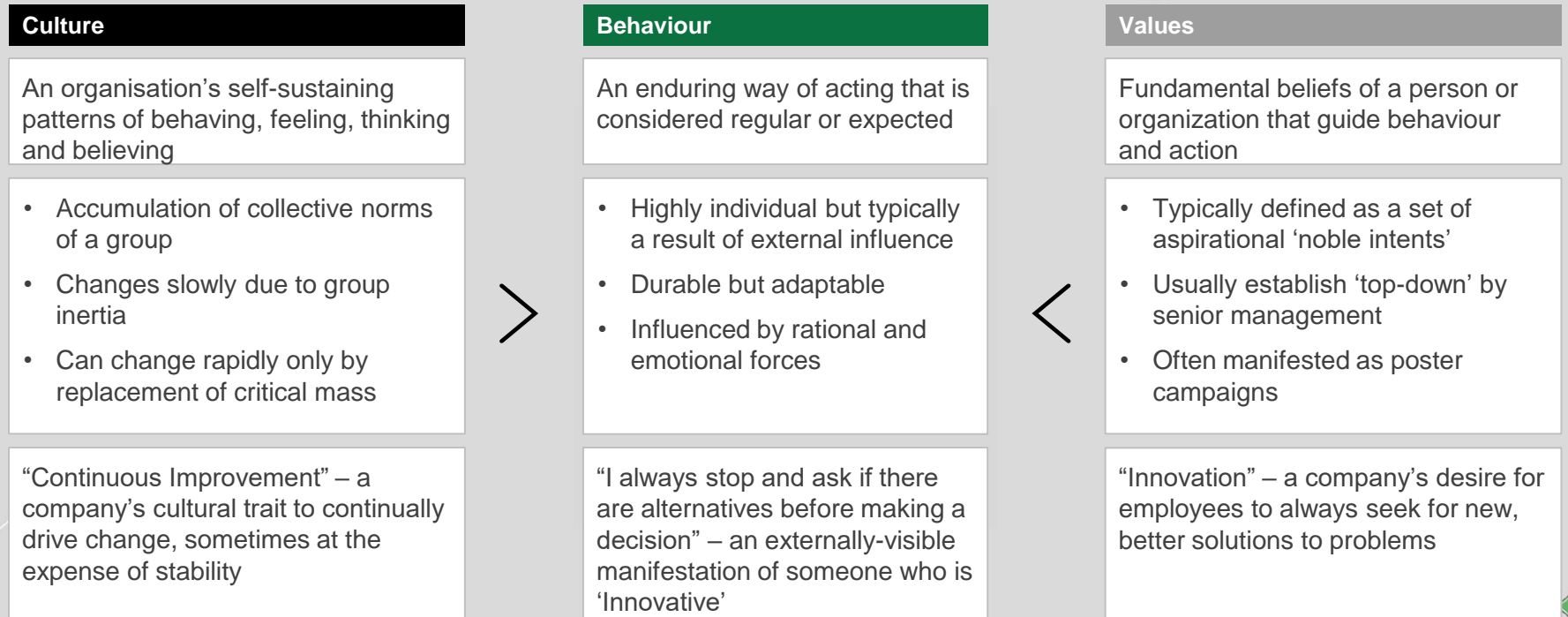**What steps can UIF take to better integrate and promote our shared values in day-to-day activities?**

4.2 Culture and Behaviour Transformation

Behaviours are powerful because they have the ability to rapidly drive changes in business performance and culture

Behaviour is the bridge that connects a company's culture (current state) and values (aspiration)

Culture	Behaviour	Values
An organisation's self-sustaining patterns of behaving, feeling, thinking and believing	An enduring way of acting that is considered regular or expected	Fundamental beliefs of a person or organization that guide behaviour and action
• Accumulation of collective norms of a group • Changes slowly due to group inertia • Can change rapidly only by replacement of critical mass	• Highly individual but typically a result of external influence • Durable but adaptable • Influenced by rational and emotional forces	• Typically defined as a set of aspirational 'noble intents' • Usually establish 'top-down' by senior management • Often manifested as poster campaigns
"Continuous Improvement" – a company's cultural trait to continually drive change, sometimes at the expense of stability	"I always stop and ask if there are alternatives before making a decision" – an externally-visible manifestation of someone who is 'Innovative'	"Innovation" – a company's desire for employees to always seek for new, better solutions to problems

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Successful Culture Change

Successful culture change focuses on behaviours leveraging the emotional power of existing culture and internal informal leaders.

Leaders can't expect to see results from culture initiatives unless they connect with their organisation on an emotional level. They also must work with, rather than against, the grain of how people already think, feel, behave, and work together.

Ground culture goals in what's possible ⊕

Any leader aspiring to transform an organization's culture must begin with a clear idea of the current state. Culture evolution must be aligned with the strategy and operating model to take root

Use emotions to bridge the gap 👍

Cultural evolution requires connection between leadership and the rest of the organization. Leaders need to call on and tune in to the emotions of the workforce

Engage with and empower AILs

The best way to hear the heartbeat of an organization is to tap into its authentic informal leaders (AILs). They play a valuable role by breaking taboos and accelerating behaviour change — making it "go viral" — through a grassroots approach

Role model the behaviors yourself

AILs are key in culture initiatives, but key responsibility still rests on formal leaders. **They must "walk the walk" and demonstrate the critical few behaviours yourself—make visible, concrete changes to signal the type of behaviour you want to see in others**

Implementation Recommendations

The diagram below illustrates a practical approach to behaviour change. It frames our belief that changing behaviour is key to speedily changing the way people act. It also emphasises the importance of communicating early successes in order to build momentum, encouraging more people to act in ways similar to the best exemplars in the organisation. We want to identify those "moments that matter" and make sure as many people, as quickly as possible replicate the critical few behaviours that will make a difference to the Department, UIF and CF. The intent is to get people to act differently quickly and for more people to embed good practice in their ways of working.

1 Diagnose the existing culture traits and define culture aspirations	**2** Identify the "critical few" behaviours	**3** Identify and engage authentic informal leaders (AIL)	**4** Integrate formal and informal enabling mechanisms	**5** Monitor change progress and impact on business
• Identify the key traits of the current state culture • Analyse traits, and understand positive and negative implications • Define and formulate your culture aspirations	• Identify behaviours that take advantage of current culture strengths to create a focused emotional energy towards culture aspirations • Identify critical few (3-4) behaviours (clear, emotionally powerful and well-recognised)	• Identify informal leaders and learn from them—what they do differently appeals to co-workers on an emotional level • Leverage the "special forces" who excel at motivating colleagues to help them adopt new behaviours	• Use informal approaches to build emotional commitment and pride in doing things differently • Deploy formal mechanisms (training) to reinforce and sustain the "critical few" behaviour changes and infuse practice	• Leverage established enabling mechanisms and feedback channels to track change progress • Identify and monitor key KPIs related to intended culture/ behaviour change and track business impact

Phase 1 Diagnosis   **Phase 2** Design   **Phase 3** Pilot/s and scale-up

4.3 Robust Change Management to support Implementation and Adoption

The success of the Implementation Plan needs to be underpinned by robust Change Management that is people focused

For the implementation project to be successful, it is necessary to **underpin the project with a robust change management programme**. A change management programme for any such large intervention needs to consider the **broader context of the organisation** and the **change**, the **spread of stakeholders** and each of their **personal agendas and issues** relating to the communication of the strategic intent of the organisational redesign and the management of the imminent changes to the organisation.

Change management plays an integral role in an organisational redesign. It is an imperative for organisational leaders to manage any change process to ensure an understanding of the project and process.

It is imperative that CF and UIF develop a **Change Management Strategies and Frameworks** which aim to:

- Determine the scale and nature of the change;
- A people centric approach to change at the CF and UIF;
- Define the best fit change approach;
- Seek required Labour Law advice across implementation activities;
- Define a comprehensive change vision for the CF and UIF;
- Define a compelling change story;
- Establish change governance and resources; and
- Develop the change management plan.

Technical Side → Design / Develop / Deliver

Current state | Transition state | Future state

People Side → Embrace / Adopt / Use

= Results Outcomes Success

The Strategy should then **set the scene for a master change plan** for all change management activities relating to the implementation, outlining the scope, timing, work plans, resource estimates, accountabilities and dependencies. The section that follows provides a **detailed description of a proposed change implementation for the consideration of CF and UIF.**
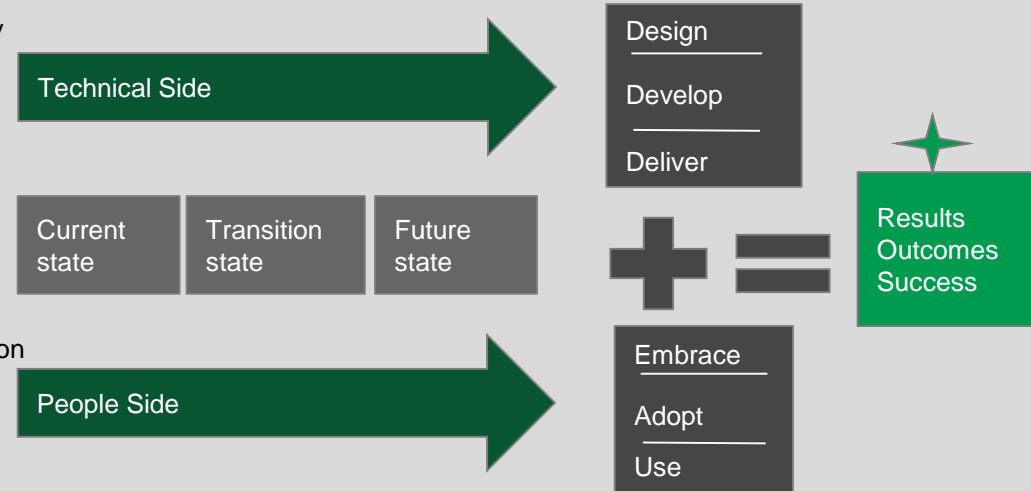
Introduction to NextGen Change

A *fresh approach* that will give UIF & CF the freedom to think differently and experiment while adopting change and delivering a fantastic experience for employees.

The future of change is no longer a 'process'; there is no start or end...
It's a capability, with organizations looking to build the capacity and capability to drive change themselves.
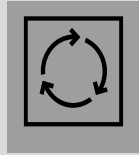
The value cycle is getting shorter…
Organizations must realize hard benefits at pace, with value realization visibly front and center. It means less waterfall, more iteration.

Coercive top-down tactics are no longer effective...
People want earlier engagement and to be part of the process from the start. Rather than being on the receiving end of 'top down' decisions, they want to play a key role in shaping the vision and design of the transformation.

Shared experiences and emotional commitment are paramount...
People want more from their work. Earlier involvement, putting users in the center of design, and creating meaningful experiences lead to improved impact and results.

It's not acceptable to sit back and wait to attend in-person training…
People are accountable for their learning from day 1. From user input to the solution, to drip-feed learning during implementation. It's about getting people ready faster and in more engaging ways so it sticks.

Core NextGen Capabilities

The core set of activities and capabilities required to drive change adoption.

TRANSFORMATION ORCHESTRATION
Stand up a winning team and project foundation with governance, team-building, metrics and guiding principles to get the best out of the team, guide the project and foster continuous learning and improvement.

CREATIVE COMMS & EXPERIENCES
Develop high-impact messaging, comms and experiences that not only clearly explain what's happening and why, but also energize and excite stakeholders as they prepare for the change.

ORGANIZATIONAL CAPABILITY
Support organizations as they enhance and build new capabilities; from digital acumen, to agile ways of working, to an internal change function. Co-creating a vision for the future; from structure, governance and toolkits, to the skills and roadmap to get there.

LEADER ALIGNMENT & EFFECTIVENESS
Supercharged leader alignment sessions to accelerate the vision, drive big decisions and kick-start new behaviors. Build change capability, coach and model behaviors at the leadership level.

HABIT FORMATION & WAYS OF WORKING
Coaching front line leaders in the capability and tools to work differently; enabling high performing teams to deliver a step-change in efficiency, effectiveness and productivity.

READINESS & INSIGHTS
Use targeted data to keep a pulse on what's changing, how prepared stakeholders are for the change, identify hot spots, and act quickly to keep everyone moving forward.

STAKEHOLDER ALIGNMENT & NETWORK ACTIVATION
Develop a motivated and engaged network of influencers leading change and creating interest and excitement throughout the organization.

EXPERIENTIAL LEARNING
Prepare people for the change through high-impact 'drip-feed', immersive and social experiences and timely, targeted learning.

KNOWLEDGE TRANSITION
Transfer the knowledge, tools, and lessons learned to the future-state owners to continuously improve and future-proof the change.

CRITICAL BEHAVIORS & CULTURE
Accelerate and sustain transformation by tapping into cultural strengths and focusing on the 'critical few' behaviors to drive success.

NextGen Change Approach...cont

	Start from where you are	Envision your future	Build the solutions	Execute your plan	Generate insight & impact
Leadership	• Understand the current leadership structure, roles and ways of working • Assess the current level leadership alignment and areas of challenge • Identify opportunities to leverage and strengthen leadership through change	• Identify business outcomes and goals for your future-state organisation • Identify the critical few events to prioritise targets • Define the desired future state leadership behaviours and alignment characteristics	• Define the roles of the leadership in the change • Plan leadership alignment activities and events • Design the leadership development solutions • Create tools and methods to engage leadership in the change vision	• Deliver leadership alignment and impact action plan • Implement tools and methods that actively enable leadership behaviours and impact • Ongoing leadership coaching and development	• Monitor and manage the leadership impact on employees and change • Continue driving leadership alignment, communication and engagement • Ongoing review of leadership behaviours and channels of communication
Engagement	• Understand the current employee engagement, environment and communications approaches • Identify opportunities to leverage and strengthen communications and engagement to drive change • Assess emotional, intellectual, political and commercial factors influencing experience	• Define the targeted employee experience of the change • Identify the desired characteristics of the future environment • Design the communications and engagement strategy • Define preferred emotional, intellectual, political and commercial states to facilitate the change	• Develop impactful methods of connecting with and engaging your people to build a positive approach to change • Develop communications and engagement solutions to leverage employees and the organizational culture • Develop the environmental solutions to support employee experience of change	• Execute methods and tools to give employees ownership of the change • Implement communication and engagement strategies to keep workforce engaged throughout the change • Manage communications and engagement channels • Establish the environment to enable the change and enhance employee experience	• Monitor and review the efficacy of communications channels and solutions • Continue to reinforce and strengthen the future-state vision • Review and manage the implementation success of engagement strategies • Provide avenues for employee feedback, and act upon the feedback given by employees
Skills & Behaviours	• Understand the current skills, behaviours and shared assumptions within the workforce • Identify opportunities to leverage and align skills and behaviours to support change and future vision • Identify potential challenges and barriers to change, including skills and behaviour gaps	• Define the desired future state skills, behaviours and ways of working • Identify the critical few behaviours, activities and interactions through which to focus change • Identify opportunities to create and utilize new skills and opportunities to provide value through change	• Create frameworks to define skills and behaviours and tools to identify gaps between current-state and future-state • Design skills and behaviour development programmes/activities to support your people, and provide the opportunity to learn the required skills and behaviours to succeed through the change and support future state vision	• Conduct review of skill and behavior gaps • Implement 'quick win' solutions through guidance and communication • Roll out development activities to upskill workforce, e.g. workshops, training and presentations • Implement programs to create the cultural experience and behaviours of the future state	• Continue to reinforce future-state skills and behaviours, with a focus on the priority events • Ongoing assessment and analysis of skills and behaviours in the workforce, e.g. to monitor trends and progress • Provide opportunities for feedback, self-assessment and continued learning of new skills and behaviours

Establishment of a Transformation Task Team

The Transformation Task Team's ("TTT") main purpose will be to **drive the process of coalition** to **consolidation**. They will deal with **difficult issues as they arise** and **address potential "deal breakers"** to the consolidation, consider applying a **RACI Chart** to assist in defining the composition of this Team. The TTT must not only have the **required capabilities** to drive this process but also the **ethical standin**g in the organisation to reinforce the perception of fairness in the process. Their roles and responsibilities will include, but are not limited to:

- Providing overall direction;
- Supporting the implementation team;
- Scheduling meetings / site visits with relevant stakeholders;
- Resolving conflicts; and
- Accepting milestone deliverables.

Central to the success of delivering a project of this nature, is **effective mobilisation and planning arrangements** at the **outset**. The TTT, will therefore, be responsible for developing the following:

- Providing overall direction;
- A detailed project plan and timetable for the process of coalition to consolidation;
- Defining roles and responsibilities;
- A list of stakeholder contacts for consultations and agreement with senior internal and external stakeholder involvement;
- Communication sessions to be held with relevant stakeholders in consultation with the Change Management work stream; and
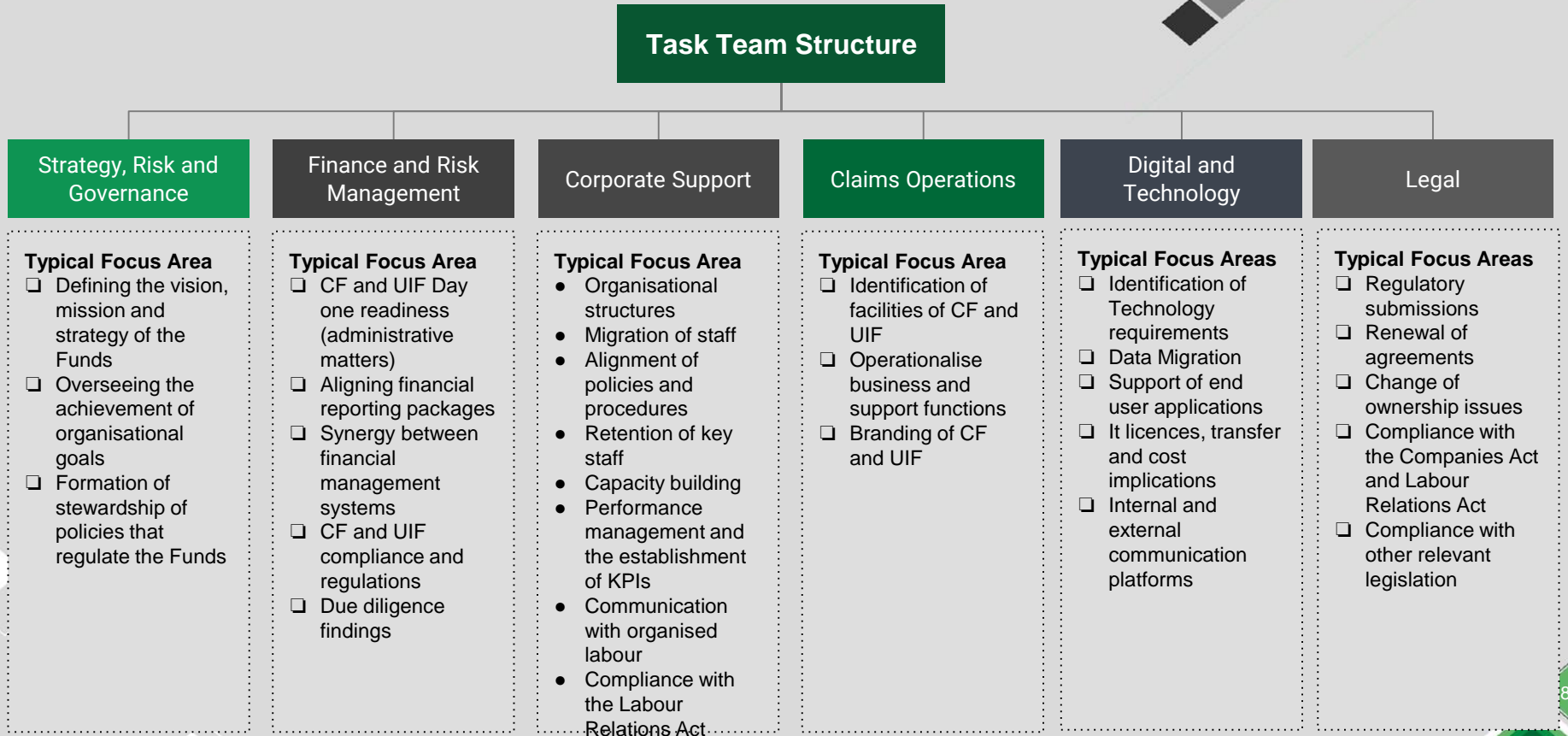- A list of potential risks and mitigating actions.

Establishment of a Transformation Task Team...cont

The diagram below shows the **six keys for successful project management**. The **scope** defines the **project's boundaries** and the **factors within the TTT's direct control**: i.e. scope, team, and work and schedule. **Stakeholders, delivery organization benefits, business benefits** and **risks** are not always within the direct control of the TTT, although they can greatly influence the project. Because successful project management must consider all of these factors, the TTT should structure their planning around **performing activities to manage all seven keys during each stage of the project**. The **neglect** of any **key** at any point can **increase the risk of project problems or failure for the UIF & CF.**

Project Management

Indirect Control - Context →

| Stakeholders | Delivery Organisation Benefits | Business Benefits | Risks |

Scope

Direct Control - Context →

| Team | Work and Schedule |
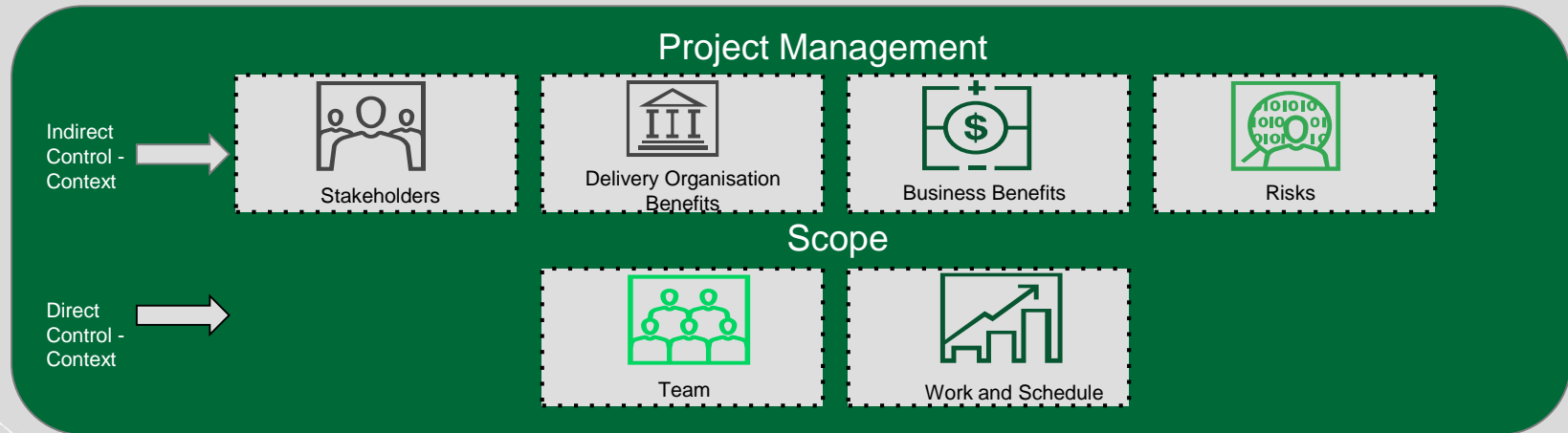
Transformation Task Team Structure

The diagram below depicts the approach to the **implementation for the CF and UIF** and focuses on **six different work-streams.**

Task Team Structure

Strategy, Risk and Governance	Finance and Risk Management	Corporate Support	Claims Operations	Digital and Technology	Legal
Typical Focus Area ❑ Defining the vision, mission and strategy of the Funds ❑ Overseeing the achievement of organisational goals ❑ Formation of stewardship of policies that regulate the Funds	**Typical Focus Area** ❑ CF and UIF Day one readiness (administrative matters) ❑ Aligning financial reporting packages ❑ Synergy between financial management systems ❑ CF and UIF compliance and regulations ❑ Due diligence findings	**Typical Focus Area** ● Organisational structures ● Migration of staff ● Alignment of policies and procedures ● Retention of key staff ● Capacity building ● Performance management and the establishment of KPIs ● Communication with organised labour ● Compliance with the Labour Relations Act	**Typical Focus Area** ❑ Identification of facilities of CF and UIF ❑ Operationalise business and support functions ❑ Branding of CF and UIF	**Typical Focus Areas** ❑ Identification of Technology requirements ❑ Data Migration ❑ Support of end user applications ❑ It licences, transfer and cost implications ❑ Internal and external communication platforms	**Typical Focus Areas** ❑ Regulatory submissions ❑ Renewal of agreements ❑ Change of ownership issues ❑ Compliance with the Companies Act and Labour Relations Act ❑ Compliance with other relevant legislation

Communication Strategy

The CF and UIF Communication Strategy identifies the **role players** involved in implementing the communications approach and their communications responsibilities, including their role in the **message approvals process**, and concludes by emphasising the importance of **feedback** in monitoring and evaluating communication during the implementation.

The Communication Plan includes all the steps and information required to implement and maintain the Communication Strategy, including:

- ❑ Defining and scheduling project events and milestones;
- ❑ Identifying the audiences which need to be targeted;
- ❑ Selecting the most viable and effective channels;
- ❑ Preparing the communications content and obtaining approval for each communication;
- ❑ Establishing timing and timeframes;
- ❑ Feedback mechanisms;
- ❑ Periodically evaluating the effectiveness of the communications;
- ❑ The senders, voices or change agents conveying the message; and
- ❑ Making changes to the strategy as necessary.

The Communication Plan is used to **organise the communications** to either increase CF and UIF **stakeholders' willingness to change**, or to **maintain their position**. Building commitment takes time and effort – so efforts need to be targeted so that one concentrates on the **right people at the right time**.

The scheduling of communication events and actions, aligned with key phases and milestones in the CF and UIF Project needs to be developed by the **People Management and Change Management Communication working group.**

Proposed Change Management Plan

The Change Management implementation plan below details some of the **key activities and deliverables** that should be **undertaken throughout the implementation**. This plan has been grouped into **five phases** namely, *mobilisation and assessment, envisioning, capacity building for delivery, rollout and alignment (CAN - Change Agent Network & CC - Change Champions).*

Step 1	Key Activities	Key Deliverables	Responsibility
Mobilisation and Assessment	• Evaluate requirements of the target operating model and supporting activities • Identify Change Leaders and required activities with main stakeholders	• Change Leaders identified • Change activities aligned with targeted operating model requirements	CF and UIF Transformation Leadership
	• Understand business benefits of the target operating model • Understand individual risks and benefits of the targeted operating model	• Understanding of leadership beliefs, feelings and fears about change	CAN and CC
	• Develop an understanding of employee issues at a macro level and gain insight and understanding of into CF and UIF's staff's beliefs, feelings and fears about the new model which will impact the implementation success and effectiveness	• Understanding of staff's beliefs, feelings and fears about the changes • Employee resistance and people related implementation risk issues identified and documented	CAN and CC
	• Conduct a Change Readiness Assessment (CRA) survey	• Change readiness assessment report – to be used to confirm the Change Management Strategy and way forward and defines the change scope and risk	CM & Comm Workstream

Proposed Change Management Plan

Step 2	Key Activities	Key Deliverables	Responsibility
Envisioning	• Facilitate envisioning workshops with Senior managers and Managers that will: ○ Clarify the vision for the change. Why is it being done? ○ Articulate the anticipated business, people, stakeholder and organisational benefits that creating the new CF and UIF will provide and how this integrates with the overall strategy, vision, and other strategic initiatives of both entities ○ Determine what values will be important for the 'transformed' organisations • Assess the extent of the change at a high level of: ○ Who will be affected and how ○ Extent of organisational change ○ Stakeholder, 'winners' and 'losers' • Assess the approach to be used for change with different stakeholders, and different portfolios and interventions • Validate the position of CF and UIF on, reskilling, coaching and mentoring	• Facilitated Senior Management and Management workshops • Unpacked visions, with a focus on the transformation project objectives and key changes between the vision and the way things are today. This will include: ○ Operational interpretation of the vision for staff, and ○ Values to be upheld in the 'transformed' entities and by leaderships teams ○ Report on this outcome	CF and UIF Transformation Leadership CAN and CC's
	• Create and agree upon a compelling storyline for change that can be supported by all employees. This should be linked to the visions of CF and UIF	• Change philosophy and storyline which addresses the burning desire that has made the change inevitable	CF and UIF Leadership

Proposed Change Management Plan

Step 2	Key Activities	Key Deliverables	Responsibility
Envisioning	• Confirm informational needs of the CF and UIF with the appropriate communication messages, timing, sender and media to serve as a mechanism to: 　○ Provide an integrated framework to identify what needs to be heard (message), by whom (audience), how (vehicle), how often (frequency) and when (timing) 　○ Ensure messages are consistent and support the transformation heard by those who need to hear it at the time they noted to hear it 　○ Clarify the impact of the implementation, timeliness and commitments 　○ Encourage involvement by those affected by the change through ongoing consultants 　○ Ensure the flow of information through a structured communication programme	• Communication requirements and strategy defined • Communication channels identified • Frequency of communication identified	CAN and CC
	• Define the communication content of the change programme for lower level employees and identify appropriate communication methods	• Communication documentation specifically targeted at the lower levels of the organisation but includes all stakeholders.	CAN, CC and Communication Workstream
	• Develop toolkit for implementation • Develop risk management strategy and plan • Develop communication plan	• Communication Toolkit	CAN, CC and Comm Workstream

Proposed Change Management Plan

Step 3	Key Activities	Key Deliverables	Responsibility
Capacity Building For Delivery	- Develop Stakeholder Management Strategy and Plan - Enhance Change Leader skills to undertake their role. Such interventions should capacitate Change Leaders to: - practice participative management - be linchpins in the Communication Network - inspire commitment through ongoing communication - manage resistance through an issue log system - Enhance leadership personal mastery and leading for change skills to equip leadership to deal with change and to lead their teams through the change programme	- Change Leaders equipped with skills to undertake their role - Personal mastery and leading for change workshops for leadership	CAN, CC and Comm Workstream CAN, CM and Comm Workstream
	- Change Agent Network to support and assist change management process with guidelines and supporting materials - Train the change agents on their roles and responsibilities, implementation of change guidelines and overall roadmap for transformation to ensure consistency and quality of change process - Deploy change teams to regions/provinces with the appropriate support from the core change team	Trained and deployed change agents	CAN, CM and Comm Workstream

Proposed Change Management Plan

Step 4	Key Activities	Key Deliverables	Responsibility
Rollout	• Implement Change and Communications Strategy and Plan and Risk Management • Review and refine	• Communication status meetings conducted by workgroup leaders at specified frequency • Status reports compiled at specified frequency • Posters displayed • Newsletters, (containing news, stories, status, Q&A), distributed at specified frequency • Feedback mechanisms implemented	CAN, CM and Comm Workstream
	• Implement Change Management Strategy	• Transformation Hotline established • Staff briefing sessions conducted • Workshops to lead/re-inforce communications conducted • Website established • Intra-net communications distributed • Effects of stakeholder management / risk management / communication evaluated and reported	CAN, CM and Comm Workstream

Proposed Change Management Plan

Step 4 & 5	Key Activities	Key Deliverables	Responsibility
Rollout	• Implement change related programmes for different levels of CF staff to equip staff to deal with change and align with identified behaviours that could enable change • Focus on the individual and their capacity to embrace change and to be resilient to change in general	• Personal mastery and change resilience workshops for CF staff conducted	CAN, CM and Comm Workstream
	• Interaction with Change Leaders to ensure appropriate response to employees issues, questions, changes, etc.	• Meetings with Change Leaders conducted as required	
	• Update leadership on change management project progress and discuss roles of leadership in the Change Management project and how they can continue to actively support it	• Continued buy-in and support from leadership	CAN, CM and Comm Workstream
	• Report on gaps and issues including feedback on leadership and staff needs during the transformation	• Report on needs and capacity building required for CF and UIF leadership and staff to deal with change • Ongoing interaction with change network • Regular site visits	CAN, CM and Comm Workstream
Alignment	• Provide strategic advice to deal with post implementation challenges	• Strategic advice	CAN, CM and Comm Workstream
	• Ongoing change communication with all stakeholders • Reporting on an ongoing basis	• Consistent Change Management communication that supports the change management and overall transformation programme	CAN, CM and Comm Workstream

5. Critical Success Factors

Critical success factors for successful implementation

It takes a lot of dedicated people to get an organisational architecture review implementation up and running. The implementation is not only about the technical activities,but it's also about how your people embrace the change- and that will be the difference between the success or failure of the implementation.

To ensure that the implementation process has minimal service delivery interruption and has a maximum positive effect on the Funds, the following critical success factors have been identified:

1. **Shared Vision** – agree a shared vision across the organisation. Clearly articulate and communicate aims, scope and role of directorates;

2. **Clear political and managerial leadership** – ensure support from executive leaders and stakeholders, there must be sustainable commitment from top management;

3. **Competence** - the right people with the right skill sets are required to ensure the implementation is carried out;

4. **Implementation** - of the envisioning and capacity building phases of the implementation plan;

5. **Organisation Performance Management** – performance criteria (KPIs and dashboards) at the individual level with clear roles and responsibilities;

6. **Buy-in To Organisation Culture Change** - without all stakeholders buy-in to the organisation culture change the transformation process will be unsuccessful; and

7. **Communication** – provide continuous and accurate information to all key stakeholders.

8. **Leadership** - Executive and Senior Leadership roles need to be clearly defined, as they have the biggest impact on the creation and embedding of the critical shared vision.

Technical – Critical Success Factors

As the UIF and CF embarks on its Transformation journey. It is important to contextualise the following:

1. **Immediate term:** The current political and legislative realities within both Funds
2. **Medium term:** Structure implementation and process re-engineering
3. **Long term:** Full implementation of enabling Technology

Immediate term:

- **Dedicated SPMO to drive Transformational Change -** Dedicated resources to ensure the timeous and coordinated implementation of all implementation recommendations.
- **Legislative changes to enable Funds to serve as standalone schedule 3A entities** - Currently underway, and should include the legal separation of entities,design of governance structure and delegations of authority.
- **Commence with design of Microstructures and -** In parallel to the activity above, microstructure design should commence to prevent prolonged transition timelines.
- **BCM and Cyber Security** - Strategies and plans to be finalised and implementation / regional awareness to commence.
- **Process mapping** - To be level 1 process mapping to commence and continuously mapped until level 5 in parallel to Technological enhancements.

The majority of organisations that have attempted transformation over the past several years have often progressed only as far as getting the core system in place. But then they're left wondering, what's next? Many organisations benefit from a structured approach to managing their transition. It's never simply a switch.

Additional factors to be considered to enable the transition to the quantum leap structure (Medium to Long):

Customer Experience
- Train consultants to enhance their functional roles and the customer experience by becoming and serving as trusted, valued allies who represent UIF & CF's brand.
- Better address and resolve customer needs: Find ways to minimize the number of touch points customers need by making the most of the first touch point at the Customer Experience Centres and Call Centre's.
- Develop customer interaction maps: Use analytics to identify and examine customer interactions at both touch points in the customer journey process.

Operating Model
- Outsource where appropriate to deliver high-quality service to customers while maintaining due focus on the core business.
- Develop business process further to a Level 5, aligned to job profiles and the strategy and mandate of each of the departments within UIF & CF.

Integrated Management
- Incorporate into both Funds Strategies the delivery of a highly integrated claims "closed loop," in which high-quality data uses claimants insight to inform decision making.
- Develop and maintain strong relationships and a well-thought-out network of vendors such as lawyers, doctors, other medical vendors, and contractors.

Advanced Technology
- Ensure that the core operations systems are connected with other systems to share data across the organization and with critical 3rd party systems.
- Provide a seamless, intuitive claims user experience, not only for systems, but also for all customer-facing applications.
- Implement advanced telephony integrated with the core claims system to track data from customer interactions.

Information & Analytics
- Develop significant analytics skills within the claims function to investigate critical customer insights and to enhance decision making.
- Apply analytics to data to know your customers, their expectations, and their patterns of behavior. This requires sophisticated and accurate insights, which can be gleaned from internal and external data, given the right analytic capabilities, talent, and enterprise-wide focus.

6. Conclusion

This report provides consolidated OAR implementation recommendations that cover, Strategy, Structure, People, Process and Technology. For detailed recommendations related to specific activities highlighted within this document it is necessary that the respective diagnostic reports be referred to.

Additionally, this document should remain dynamic in nature and re-aligned throughout the transformation journeys of each entity.

In conclusion, the joint efforts of both the UIF and CF Project Teams, Executive Committees, Steering Committees and Working Group members are commended for the successful timeous completion of the OAR project that serves as the foundation for the attainment of its transformational objectives.

employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA