

Only For The Money?

Motives for introducing shared services in government organizations

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Motives For Introducing Shared Services In Government Organizations

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Abstract

The aim of this research is to gain understanding of the meaning of shared services and possible motives for introducing shared services in government organizations. We review and clarify definitions of shared services and derive a definition applicable for the government context. Based on extent analyses of the literature using content-analyses procedures, we present an empirically grounded research framework of motives for introducing shared services. This framework is validated in 16 interviews with shared services experts from New Zealand and Dutch government organizations. Our literature analyses suggest that cost reductions are a major motive for introducing shared services. However, experts are skeptical about government organizations being able to achieve cost reductions from shared services initiatives. As organizations realize the difficulties in reducing costs, other motives for using shared services increase in significance. Alternative motives such as improvement of service delivery and consistency, exchange of internal capabilities and better access to external resources show the relevance for government organizations to introduce shared services.

Keywords: shared services motives, government, public sector, shared services definition

1. Introduction

Under pressure from budget cuts, political reforms, and increasing calls for service quality, cost containment and transparency, government organizations are searching for strategies to improve the cost effectiveness of back-office functions without reducing the quality of those services. In recent years, the trend has been to consolidate back-office functions using shared services models (Cooke, 2006). Bergeron (2003) explains the shared services concept as a collaborative strategy in which a subset of back-office functions are concentrated in a new, semi-autonomous unit to promote efficiency, value generation, cost savings, and improved service delivery for the internal customers of the parent organization. Although somewhat slower in the adoption of the shared services concept, the public sector has emulated the growing number of shared services implementations in the private sector (Janssen, Kamal, Weerakoddy, & Joha, 2012). Public organizations generally consider shared services an attractive strategy to find the difficult balance between cutting costs without decreasing the quality of service (Redman, Snape, Wass, & Hamilton, 2007). However, it remains to be seen whether public sector initiatives can achieve success. As Dollery and Akimov (2007) note, empirical evidence on the effects of shared services adoption in the public sector is limited.

Burns and Yeaton (2008) state that the implementation of shared services could be more difficult in the public sector than in the private sector. Possible obstacles for successful adoption of shared services in government include:

- Election cycles and changes in political agendas causing a lack of long-term commitment (Frei, 2008).
- Difficulties for public organizations to change from a supply driven service culture to a demand driven service culture, a client-centric vision (Frei, 2008).

- Uncertainty surrounding potential benefits (Dollery, Akimov, & Byrnes, 2009).
- Unrealistic scope and expectations of perceived benefits (Ulbrich, 2003, 2006).
- Conflicting motives that are difficult to accomplish (Janssen & Wagenaar, 2004).

Lack of clear goals and misunderstanding of the potential benefits of shared services are deterrents for organizations contemplating the adoption of a shared services model for one or more back-office functions. *“Something that is understood can be managed; something that is not understood leads to fire fighting and suspicion.”* (Strikwerda, 2003 in Maatman, Bondarouk, & Looise, 2010)

As shared services constitutes a relatively new organizational concept in the public sector, there is limited research exploring shared services in government (Janssen et al., 2012). The aim of this research is to gain understanding of the meaning of shared services and possible motives for introducing shared services in government. To gain insight on why government organizations choose to introduce shared services, this paper tries to answer the following central research question: *What are motives to introduce shared services in government organizations?* We answer this question by conducting a systematic literature review and validating empirically studied motives with 16 experts from 13 different organizations.

This paper is structured in the following manner: section 2 describes the history and concept of shared services. Section 3.1 illustrates the methodology of the study, which was conducted in two phases. First, we carried out a literature analyses to classify motives for shared services and to develop a research framework. In the second phase, we validated these motives in interviews with shared services experts; the methodology for this is explained in section 3.2. Section 4 presents the results

from the literature review and interviews. The main findings from the interviewed experts are then discussed and compared with research literature in section 5. Sections 5.3 and 5.4 present the strengths and limitations of our research and proposes directions for future research. We end this paper with our main conclusions and contribution in section 6.

2. The shared services concept

In the late 1980's, large corporations combined back-office functions, such as accounting, from separate business units into one single unit and the concept of shared services was introduced (Redman et al., 2007). With the advancement of information and communications technology as a catalyst, more companies followed and in the early 1990's the shared services initiatives of managers in US firms were also adopted by European and Asian firms (Davis, 2005; Redman et al., 2007). Initially, shared services commonly provided accounting and finance functions (Ulbrich, 2006). More recently, shared services models are also used for IT services, human resource, customer services, procurement, call centers, public administration, and in asset management (Janssen, 2005; Janssen, Joha, & Zuurmond, 2009; Murray, Rentell, & Geere, 2008; Nasir & Abbott, 2011).

In research literature, different terms for the shared services concept are used. These include 'shared services' (e.g. Ulrich, 1995), 'shared services center' (e.g. Corradini, Polzonetti, Riganelli, Forastieri, & Sergiacomi, 2005), 'shared services network' (e.g. Becker, Niehaves, & Krause, 2009), 'shared service organization' (e.g. Schulz, Hochstein, Uebernickel, & Brenner, 2009), and 'shared services model' (e.g. Maatman, Bondarouk, & Looise, 2010). Throughout this paper, the term 'shared services' will be used to refer to this inter-organizational sourcing model for the delivery of back-office functions.

Just as in the case of the shared services terminology, there is no generally accepted definition of shared services. Schulz and Brenner (2010) analyzed the characteristics of shared services definitions. Combining the elements that are described in at least 50% of their literature sample, they arrived at the following definition: Shared services is an organizational concept that:

- consolidates processes within the group in order to reduce redundancies
- delivers support processes
- is a separate organizational unit within the group
- is aligned with external competitors
- has cost-cutting as a major driver for implementation
- is focused on internal customers
- is operated like a business.

These seven characteristics were derived from articles published between 1995 and 2009. However, also in more recently published papers, we can observe the ongoing relevance of these characteristics. When these recent papers give a definition of shared services, they often cite one of the definitions studied by Schulz and Brenner (2010), especially the definitions of Bergeron (2003) and

Ulrich (1995) receive attention. A few authors propose a different shared services definition. Miles (2011, p.1) defines shared services as "*an organizational arrangement for providing services to a group of public or private sector clients via a service provider which replaces the previous in-house or contracted-out function.*" This definition is encompassed by the justification that the shared services concept refers to a separate organizational unit with a focus on internal customers. In addition, Miskon, Bandara, Fiel, and Gable (2010, p. 378) define the shared services concept as "*the internal provisioning of services by a semi-autonomous organizational unit to multiple organizational units involving the consolidation of business functions supported by a sharing arrangement.*" Again, there is a focus on shared services as a separate organizational unit and a focus on internal customers. This time, the definition also includes the consolidation of processes. We observe that the most recent definition by Schulz and Brenner (2010) synthesizes the understanding of scholars with regard to the concept of shared services. However, Schulz and Brenner's study (2010) focused on analyzing literature only, and they did not empirically validate the definition with shared services practitioners in a specific sector such as government organizations. Therefore, a secondary goal of this research is to validate and extend the meaning of shared services in government organizations.

To further explain the concept of shared services, it is helpful to highlight the difference with two other organizational sourcing models: centralization and outsourcing. Centralization and shared services have in common that functions are moved to a centralized location. However, an important distinction is that with centralization control is taken over by corporate management while shared services imply responsibility to multiple units; the shared services customers take control (Burns & Yeaton, 2008; Ulbrich, 2003). The difference to outsourcing is best understood when considering the unit that is delivering the services. Outsourced services are provided by an independent third party, while shared services are delivered by a separate organization within the group (Corradini et al., 2005).

3. Method

In order to study motives for introducing shared services in government, we conducted a systematic literature review first (Kitchenham et al., 2002). Subsequently, the motives derived from the literature analysis were used as input for the second step: a validation and extension of the shared services concept by means of interviewing experts in the field.

3.1. Literature review

Following the five-stage literature review method of Wolfswinkel, Furtmueller, and Wilderom (2011), the first step is to define the searching criteria. Although the notion of shared services started in the late eighties, the scientific literature only gained interest for the concept of shared

services in the early nineties (Ulrich, 1995). Therefore, only articles published in or after 1990 were included in the review. Furthermore, our search focused on scientific journals and conference proceedings. Non-English articles were omitted. As this paper focuses on the organizational concept of shared services, we limited the search to the fields of Business, Management & Accounting, and Behavioral Sciences. The second stage of the literature review is to conduct the initial search. The starting point was a database search on Web of Knowledge and Scopus. As the term 'shared service' is the common denominator for the different descriptions of the shared services concept, this term was used to find relevant articles. We searched for articles based on topic, title, abstract, and keywords. This first search strategy resulted in 328 hits on Web of Knowledge and 118 hits on Scopus. In the next stage, we removed 38 doubles, which resulted in 408 unique articles. The main researcher critically examined the titles and abstracts of available papers and selected only those papers that discussed the concept of shared services explained as organizational units delivering back-office functions to internal customers of the parent organization. With this criterion we set aside papers on, for example, IT systems or service-oriented architectures. This selection process resulted in an initial dataset of 61 papers. An external researcher examined the titles and abstracts of the 408 results as well and selected 56 papers as potentially relevant; including 2 additional papers compared to the dataset of the first researchers. Together, the researchers agreed on the selection of 63 highly relevant articles for the analyses. See appendix A for an overview of the selected articles. Of these papers, 6 had a quantitative nature by using surveys and questionnaires; and 53 used a qualitative research strategy, often reporting case studies and interviews. The remaining 4 articles adopted a mixed method. In most articles the authors focused on a particular sector. To generate a general applicable framework of motives for introducing shared services, we did not exclude articles reflecting the private sector. The private sector was discussed in 27 papers. Public sector shared services were the focus in 20 papers. Ten papers were mixed on both private and public sector organizations. Six articles did not mention on which sector they focused. Two of the 63 papers were published before 2000 and 33 articles, around half of the total, appeared in recent years; 2010, 2011 or 2012.

The fourth stage in Wolfswinkel et al. (2011) requires researchers to analyze and code the articles identified in the previous stage. In this content-analysis step, we carefully read and analyzed the 63 articles. Using open coding, excerpts were annotated in the text and we documented the concepts in a concept matrix (Webster & Watson, 2002). Through an inductive approach using axial coding, we developed a categorization of motives. We continuously refined the concepts and categories by going back and forth between the various excerpts of shared services motives while reading and analyzing each of the 63 articles. Based on similarities and differences between the concepts, we identified 13 key categories of motives for introducing shared services. In a final round of reading

and discussing the categories, we counted the number of articles mentioning each of the 13 categories. We counted only the number of articles mentioning each motive and ignored whether a motive was mentioned multiple times in an article. The fifth stage is to present the results. Section 4.1 presents the outcome of our systematic literature analyses.

3.2. Interviews

Using the literature analyses of motives for implementing shared services we also aimed to validate the relevancy of the identified motives for government organizations. For the validation, we conducted expert interviews with practitioners engaged in shared services implementations in the public sector. We conducted interviews in New Zealand and the Netherlands, both countries in which governments encourage the use of shared services. For example, the national government of the Netherlands is currently introducing a shared services center for delivering several back-office functions (Donner, 2011). Policy plans for a national shared services center for HR and procurement in the Netherlands even date back to 2003 (*Kabinetsbesluit tot oprichting van een SSC HRM*, 2003). The New Zealand government shows to be supportive of shared services as well; evident in publications on the potential of shared services (*Cabinet Paper: Shared Services in the Public Sector*, 2007) and endorsing shared services through cabinet decisions (*Better Public Services Advisory Group Report*, 2011; Key, 2012).

We used governmental websites, online news websites, LinkedIn and the university network to search for governmental organizations in New Zealand and in the Netherlands that utilize shared services. We focused on providers of shared services, as they have knowledge on the different motives of all their customers. Also, shared services customers have a focus on their own business, while providers' core business is the delivery of shared services. Therefore, we expected a more comprehensive discussion with providers around the shared services concept.

We contacted organizations and practitioners through email and telephone and requested them to take part in an interview. Practicing snowball sampling, we also asked interviewees whether they could recommend other experts who might be willing to participate. The final sample comprised of 16 practitioners who agreed to participate in this study. One of the interviewees was female, the other 15 were male. Most experts were working in management positions in shared services providing organizations. These 16 interviewees worked at 13 different organizations. Most of these organizations were either on national government level, such as ministries and state level departments, or local government organizations; municipalities. We conducted the interviews in two countries, with eight of the experts working in New Zealand and eight of them in the Netherlands. Table 1 presents the function, government level and nationality of each of the interviewed experts.

The semi-structured interviews started with open-ended questions about what the interviewed experts thought were

Expert	Function	Type of shared services	Level of government (national/regional/local)	Country
1	Shared services consultant	Finance	National	New Zealand
2	Program manager shared services unit	ICT	National	New Zealand
3	Group manager IT services	ICT	National	New Zealand
4	Manager shared services unit	Finance	National	New Zealand
5	Procurement manager	Procurement	National	New Zealand
6	Group manager commercial support	Procurement, ICT, Finance, HRM	National	New Zealand
7	Chief Information Officer	ICT	National	New Zealand
8	Director shared services unit	ICT, Finance, HRM	National	New Zealand
9	Information manager municipality	ICT	Local	The Netherlands
10	Policy advisor municipality	ICT	Local	The Netherlands
11	Program manager municipality	ICT	Local	The Netherlands
12	Head of ICT department	ICT	Local	The Netherlands
13	Manager ICT team	ICT	Local	The Netherlands
14	Director shared services consulting firm	ICT	National, regional and local	The Netherlands
15	Senior manager ICT department	ICT	National	The Netherlands
16	Shared services consultant	Mixed	National, regional and local	The Netherlands

Table 1. Information on the 16 interviewed shared services experts.

the motives for introducing shared services: “*What were the motives for introducing shared services in your organization?*”. When interviewees couldn’t think of any more motives, we asked them to discuss the 13 categories of motives that were derived from scientific shared services literature. The interviews lasted between 50 and 105 minutes. The interviewer took notes during and after the interviews and a digital audio recorder was used to record the interviews. Full interview transcripts were emailed back to the interviewees for validation. We carefully read the interview transcripts and highlighted sections discussing motives for shared services. Enriching the interview data, some interviewees supplied business cases, reports and press releases on the introduction of shared services in their organization. The results of the analyses of the interview data and background information are presented in the following section.

4. Results

4.1. Motives for shared services in literature

Of the analyzed literature, 58 articles mentioned at least one motive for utilizing shared services. Using open and axial coding (Wolfswinkel et al., 2011) of the identified themes, the motives were classified into 13 categories. Table 2 summarizes the motives framework and the frequency of articles mentioning each motive. The concept matrix in appendix B demonstrates the various authors who mention one of the motives. The detailed analyses revealed that some selected motives play a considerable role in the shared services literature, while others receive only limited attention.

- *Cost reductions.* With almost all scholars mentioning reducing costs as a motive for shared services, this motive receives significant more attention in the shared services literature than any other motive.

Shared services literature explains that cost reductions can be achieved by lowering the cost per unit through economies of scale (Selden & Wooters, 2011) or by reducing the number of employees and thereby lowering staff costs (Dollery, Grant, & Crase, 2011). Although receiving significant attention as one of the main motives for introducing shared services, empirical evidence of successful achievements of cost reductions with shared services is surprisingly scarce (Dollery & Akimov, 2008; Dollery et al., 2009). Published cost savings are in the form of reports from organizations themselves or they are based on perceptual data from case studies, interviews and surveys (Miskon et al., 2010; Zeynep Aksin & Masini, 2008). As Dollery and Akimov (2008) discuss, there is little ‘hard’ rigorous evidence supporting financial gains through introducing shared services, but also no such evidence against shared services. However, the ‘soft’ evidence suggests shared services are perceived to be beneficial for achieving cost reductions.

- *Improve quality of service.* Moving to a shared services organization is believed to improve the quality of service due to a focused attention of management (Zeynep Aksin & Masini, 2008). Such improvements can be achieved through the use of process improvement strategies (Nasir & Abbott, 2011) and by better consistency and accuracy (Reilly, 2010).
- *Improve efficiency / effectiveness / productivity.* Another motive for many organizations is the aim to improve efficiency, effectiveness and productivity of their service delivery. Bringing together similar support processes into centrally provided shared services is believed to increase productivity which in turn promotes efficiency (Wagenaar, 2006) and effectiveness (Miskon, Bandara, Gable, & Fieft, 2011).

Motive	Frequency
Cost reductions	51
Improve quality of service	32
Improve efficiency / effectiveness / productivity	24
Access to external resources	19
Standardize processes	15
Focus on core competencies	15
Concentration of innovation	10
Improve customer orientation	10
Exchange of internal capabilities	10
Improve control	9
Consistent management information	4
Improve compliance with legislation and standards	4
Mitigate risk	3

Table 2. Content-analyses of motives in research literature.

- *Access to external resources.* This can mean access to expertise, people, skills, services and technology. One potential advantage is that shared services enable the concentration of high quality resources, making them more easily available to all internal customers (Redman et al., 2007). The other potential advantage is that it can be difficult for smaller organizational units to reach a certain level of competence across all functions and processes because resources are limited. By combining the resources of several internal customers, shared services are able to attract and deliver higher levels of expertise (Ulbrich, 2010). It is also observed that shared services settings offer better career paths and flexibility for employees, boosting their motivation (Rothwell, Herbert, & Seal, 2011).
- *Standardize processes.* By standardizing processes, shared services make reductions in duplicated processes possible (McIvor, McCracken, & McHugh, 2011; Nasir & Abbott, 2011). Standardized delivery of processes ensures a consistent and streamlined provision to clients (Selden & Wooters, 2011).
- *Focus on core competencies.* Using shared services for the delivery of support processes is seen as an instrument to free up management time. In turn, this freed up management time can be better used by focusing on core competencies (Sako, 2010).
- *Concentration of innovation.* Shared services offers one central location for the maintenance of support processes. Hence, organizations trying to develop and exploit new applications of process delivery, can concentrate their investments on this one location, instead of splitting the innovation efforts across different organizational units (Borman & Janssen, 2012).
- *Improve customer orientation.* With introducing shared services, organizations seek to draw together activities that were previously performed similarly in various departments. Work can be handled quicker and more precisely, putting the customer in focus (Ulbrich, 2006). The needed change process for

implementing shared services is regarded as an opportunity to model the standardized processes to be more customer focused (Grant, McKnight, Uruthirapathy, & Brown, 2007).

- *Exchange of internal capabilities.* Shared services are sometimes aimed at improving the exchange of knowledge and best practices between organizational units. Shared services models can deliver processes to several internal customers and in doing so, can significantly enhance the internal exchange of knowledge and working practices between the involved organizational units. Best practices are broadly available to the internal client network (Nasir & Abbott, 2011; Wang & Wang, 2007) and specialized know-how gained in one unit can be more easily transferred to other stakeholders (Frei, 2008).
- *Improve control.* When organizations are comparing the pros and cons of different sourcing strategies, shared services is seen as a means of maintaining internal control over the delivery of services (Baldwin & Irani, 2001; Farndale, Paauwe, & Hoeksema, 2009). Additionally, using shared services can eliminate complicated local control by concentrating on one central point that is providing the services (Maatman et al., 2010).
- *Consistent management information.* By utilizing shared services, information on similar processes that is maintained and used by different units in an organization, can be centralized and combined in one central location. Such a centralization of information can result in consistent information and provide an efficient way of communicating between the organizational units (Turle, 2010).
- *Improve compliance with legislation and standards.* Organizations report that shared services can help them to keep up with changes in legislation and standards (Dollery et al., 2011; Su, Akkiraju, Nayak, & Goodwin, 2009). Instead of each unit needing to check compliance of their processes, this can be organized at one location through the use of shared services.
- *Mitigate risks.* Risk can be related to uncertainties surrounding the development and deployment of new services. Such risks can be mitigated by concentrating the investment of time and resources (Janssen & Joha, 2006). Organizations prefer to share such responsibilities with other customers of shared services and in that way reduce the associated risks for each individual business unit. Another type of risk comes in the form of organizational units working together. How others act in a partnership is often uncertain, but using shared services comes with a formal contract and often setting up a new organizational unit. This increases the trust between partners and reduces the sense of risk in partnerships (Murray et al., 2008).

4.2. Motives for shared services in governmental practice

To initiate a dialogue with experts on the motives for shared services in government, we asked them to think of the motives that were important for their organization. Table 3 shows which expert mentioned which motives. An examination of this data reveals some similarity between the motives mentioned in the interviews and the attention each motive receives in the shared services literature. As government organizations are dealing with budget cuts, it is no surprise that reducing costs is a main motive for shared services initiatives in government. Economies of scale and lowering staff costs are reported as means to achieve these cost reductions. Other motives receiving considerable attention in both the interviews and in literature, are ‘improving the quality of service’ and ‘access to external resources’. As interviewees reported, this second motive is driven by the fact that expertise in some fields is limited, especially around ICT. Organizations have difficulty recruiting and retaining personnel and shared services are seen to improve these aspects. The motive ‘consistent management information’ was initially not mentioned by any of the interviewees. Apparently this motive was not relevant in the views of the experts.

As table 3 shows, some motives were mentioned only in the interviews conducted in New Zealand and not mentioned in the interviews conducted in the Netherlands. These findings suggest a difference between the motives in the two countries for introducing shared services.

However, the interview data does not show significant differences between government organizations in New Zealand and the Netherlands that could explain dissimilar motives between the two groups. A closer look at the results shows that there is another difference between the two groups of experts. The first eight experts are working in national government organizations, while the second group of eight experts is mostly involved in local government. Departments on national level are probably larger and tend to be more detached from the public and businesses. This could explain different foci for shared services in national government organizations. Improving customer orientation and a focus on core competencies were only mentioned by experts working on national level. Standardizing processes is probably also mostly relevant for larger organizations, which have different internal units delivering similar functions. Shared services in local organizations entails working together with other municipalities, the differences between similar processes are not so clear for each organization. This is also demonstrated by our interview data. Six experts on national level but only one expert on local level mentioned standardizing processes as a motive for introducing shared services.

It is likely that not all relevant factors surfaced by using open-ended questions. Therefore, in the second part of the interviews, we presented the interviewees our framework of 13 motives that resulted from the review of research literature. Appendix C presents the comments of the experts on each of the 13 categories of motives. Appendix

Expert	Country	Cost reductions	Improve quality of service	Improve efficiency / effectiveness / productivity	Access to external resources	Standardize processes	Focus on core competencies	Concentration of innovation	Improve customer orientation	Exchange of internal capabilities	Improve control	Consistent management information	Improve compliance with legislation and standards	Mitigate risks
1	NZ	X	X	X		X				X			X	X
2	NZ	X	X		X				X	X				
3	NZ	X				X	X							
4	NZ	X		X	X	X			X	X				
5	NZ	X		X		X	X							
6	NZ					X								
7	NZ	X	X	X		X			X					
8	NZ	X	X	X	X			X	X	X				X
9	NL		X		X	X				X				
10	NL	X									X			
11	NL			X						X				
12	NL													X
13	NL	X			X									
14	NL	X	X	X						X				X
15	NL			X										
16	NL	X	X											X
<i>Frequency</i>		11	7	8	5	7	2	1	4	7	1	0	1	5

Table 3. Motives mentioned in interviews.

C also presents quotes from the literature to reveal similarity or disagreement between the shared services literature and the interviewed experts. Most of the motives had already been mentioned and discussed by the interviewees in the initial open questions. In general, the interviewees agree on most of the motives from literature and regard these motives applicable to shared services in government. Nevertheless, a number of points of difference stand out, which are discussed in the following section.

5. Discussion

5.1. *The views of shared services experts compared with the motives identified from literature*

The validation of motives with shared services experts revealed additional information and contrasting views of the experts compared with the findings from literature. First, although experts considered cost reductions as one of the main motives for introducing shared services, the experts believed that the importance of this motive changes over time. During the change process towards shared services, organizations regularly began to realize that achieving cost reductions would be very difficult. The interviewees reported that cost reductions were either significantly lower than expected, or cost reductions would not be achieved at all. The discussions with experts revealed several complications that could account for the difficulty of reducing costs through introducing shared services in government. Transitions to shared services are not completed overnight, as setting up a new organizational unit takes time and extra initial investments. Moreover, government departments are relatively small and as Zeynep Aksin and Masini (2008) state, recovering the costs of setting up shared services is more difficult for smaller organizations. The fixed setup costs are proportionally large, the economies of scale are smaller and the internal government departments served by the shared services units might be obligated by law to continue offering services that will not cover costs anyway, regardless of the extent of savings achieved in the back-office. Additionally, government organizations have to deal with the political culture and climate. Changes in political directions may take place rather frequently. New Zealand for example has elections every three years. Consequently, politically motivated changes in the public sector organizational structures and sourcing are more regular. Furthermore, interviewees believe that laying off redundant employees is difficult in government organizations compared to the private sector. Where private organizations are more likely to use redundancy as a tool, government organizations will instead try to reallocate redundant employees. As reducing staff numbers is a major part of cost reductions, achieving such results may be significantly complicated with the current interpretation and implementation of labor rights around government employees.

A second remarkable result concerns the 'increase of efficiency'. In line with the scientific literature, experts

regard improving efficiency as one of the main motives for introducing shared services. Nonetheless, several interviewees stated that shared services can also lead to a decline of efficiency. With the introduction of shared services, processes are centralized and sometimes moved away from the original geographical location of the service delivery. As the processes are detached from the local people, expertise and awareness of local problems diminishes. Interviewees report that dealing with local issues can require additional time and effort to gather the necessary information, and sometimes result in costly mistakes. For example, consolidating the emergency response call centers in New Zealand resulted in some emergency responses being sent to the wrong address, due to lack of local knowledge. This resulted in some high profile bungles and an internal police enquiry. Consequently, local problems may either take a greater number of steps to resolve or local people deal with the problems themselves and circumvent shared services completely. Either way, the hoped-for efficiency suffers.

A third noticeable result concerns the fact that the 'exchange of internal capabilities' was more often discussed than expected based on the attention in literature. It appears that government departments, at least those in New Zealand and the Netherlands, are quite keen on working together. As interviewees reported, it is sometimes even necessary for departments to work together. Without collaboration, they are not able to deliver the wide range of services they are legally obliged to offer citizens and businesses. The experts regarded the motive 'exchange of internal capabilities' as one of the most important for introducing shared services in government organizations.

A fourth point is the relatively low initial consideration of several motives compared to the amount of attention received in the shared services literature. For the motive 'concentration of innovation', a plausible argument seems to be that innovation is not very high on the agenda for government organizations. R&D departments are generally limited to large private corporations and government spending on technology is significantly lower than the private sector budgets (West & Lu, 2009). This limited attention of government organizations for innovation is also confirmed in the discussions of the 13 motives during the interviews. Despite the fact that 'concentration of innovation' was not often mentioned as a motive by the experts themselves, the motive was considered relevant by some interviewees when we specifically questioned them about it, but it was not a main motive for their organization.

Similarly, 'consistent management information' was rarely mentioned by the interviewees in response to the open questions. Even when prompted specifically, some interviewees noted that this was not a major shared services motive for their organization. They believe that consistent information can be achieved by standardizing systems. However, standardized platforms can be used independent of introducing shared services. One interviewee reported a general consideration in government to move to standardized platforms. Another

interviewee stated that his organization already focused on producing consistent management information before moving towards shared services. Consequently, ‘consistent management information’ is an important objective for government organizations, though it appears to be independent of introducing the shared services concept in government.

Although there are differences between the public and the private sector, the discussions with experts showed considerable similarity concerning the motives for introducing shared services in government organizations. As our sample of 63 papers had a significant focus on shared services initiatives in the private sector, we did expect some differences between our literature findings and the interview data. As the results in table 3 show, when answering the open-ended interview questions the experts came up with various motives for introducing shared services, but experts did not mention all 13 motives derived from literature. However, in the second part of the interviews, experts considered additional motives relevant as well. We speculate that these additional motives are less important in the views of the experts than the motives they mentioned themselves. Our interview data revealed a similar attention to certain motives as in the analyzed literature. For example, experts gave much attention to reducing costs and little attention to improving control. Nonetheless, as all motives appeared to be relevant in at least one of the interviews, we conclude that each of the 13 motives can contribute to the justification of introducing shared services. As no new motives came up during the interviews, we also conclude that the 13 categories are a suitable framework of motives for introducing shared services in government organizations.

For our last point we come back to the motive of reducing costs. A striking finding is the fact that this motive receives significant attention in both the scientific literature and as justification for introducing shared services in government, despite the fact that interviewed experts report achieving cost reductions is very difficult in government. We believe that as the involved organizations using shared services start to realize the difficulty in reducing costs, initially one of the main motives, a shift of

focus occurs towards other motives. Specifically, the motives ‘improving the quality of service’, ‘exchange of internal capabilities’, and ‘access to external resources’ will be considered important benefits as well for government organizations to utilize shared services. Because we conducted the interviews with experts only after shared services were already implemented, it is difficult to indicate how organizations valued the different motives before and after implementation of shared services. However, evolving of motives for shared services depending on the results parallels the ‘drift’ phenomenon that is described in information systems literature (Orlikowski, 1993). ‘Drift’ means that the purpose of use shifts as software applications are put in use and the results of the implementation process do not match the original design.

5.2. Definition of shared services in government organizations

A secondary goal of the interviews with shared services experts was the evaluation of a shared services definition in the context of government organizations. As Schulz and Brenner (2010) argue in their paper, deciding on one unique definition of shared services could be challenging and it might be necessary to formulate different definitions for the public and the private sector. Our interviewed experts agreed and as the interview results in table 4 show, they did not regard all proposed definitional characteristics to be relevant in government organizations.

As governments have a monopoly on the provisions of public services, they do not feel any pressure of external competitors. Experts reported that the choice for introducing shared services is often political. As there is little benchmarking or measurement of the competitiveness of the shared services, experts felt that ‘being aligned with external competitors’ is not relevant in a government context.

Based on the interview data, shared services organizations were not expected to work with profit targets. Experts regarded these expectations different from the focus on profits for private sector shared services

Shared services [...]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
[...] are a consolidation of processes within the group in order to reduce redundancies	+		+	+		+	+	+	+	+			+	+	+	+
[...] is delivering support processes as its core competency	+	+	+	+		+	+	+		-	-	+		+	+	-
[...] is operated as a separate organization within the group	-		+	+	+		-	+			-			+	+	+
[...] has cost cutting as a major driver for implementation	+		+	+	+		+	-	+	+	+	+		+	+	+
[...] means having a clear focus on internal customers		+	+	+	+	+	+	+	+			+	+			+
[...] means being aligned with external competitors	+	-	-	+	-			-			-	-		-	-	-
[...] are being operated like a business			-	-			-	-						-	+	

Table 4. Responses of interviewees. (+) means agree with the proposed characteristic as part of the shared services definition, (-) means disagree, and an empty cell means the interviewee did not comment on this characteristic.

initiatives. Therefore, the definitional characteristic 'being operated like a business' was also regarded irrelevant for the definition of shared services in government organizations.

On the one hand, experts reported an understanding for the characteristic 'cost cutting is a major driver' as part of the definition. On the other hand, the experts also showed to be skeptical about whether cost reductions were possible with shared services in government organizations: "*Look at the literature around the world and demonstrate to me where it has been successful*". In order to avoid setting unrealistic expectations, we suggest to exclude 'cost cutting as a major driver for implementation' from the definition as well.

Additionally, three changes to the remaining characteristics make the definition better suited for a government context. First, the term 'government' instead of 'group' seems a better fit for describing shared services among departments or municipalities. Second, the original term 'consolidation of processes' is appropriate for the phase of the initial implementation of shared services. Existing processes are consolidated and the provision of these processes is transferred from the customer organizations to the new shared services organization. However, mature shared services are not focused on consolidating existing processes. With the introduction of new services, no existing processes exist. Therefore, no processes can be consolidated. The focus for mature shared services is providing 'standardized processes'. Third, the inclusion of 'to reduce redundancies' in the definition, limit the motivation for standardizing processes to this single justification. The interviews with experts showed that standardized processes can also help to increase the quality of services and enable one consistent service delivery towards customers across the organization. Therefore, we exclude 'to reduce redundancies' from the shared services definition. Consequently, for both shared services scholars and practitioners, the following definition characterizes the concept of shared services in government: *Shared services in government means providing standardized processes, delivering support processes as core competency, operating as a separate organizational unit within government, and having a clear focus on internal customers.*

5.3. Limitations and strengths

We acknowledge some limitations in our interview approach. We conducted the 16 interviews with experts who were generally working at shared services providers. As reported by Berens (2006), providers of shared services tend to be significantly more positive about the success and benefits of shared services. Asking a director of a shared services provider about the benefit of shared services when cost reductions are not achievable, it is no surprise that he is quick to point out there are other benefits of shared services as well. Nevertheless, the customers of the shared services might have a different opinion.

As we interviewed two groups of experts (i.e. Dutch and New Zealand) that also differ in other characteristics, it is difficult to demonstrate whether differences in our findings are due to either the nationality of the experts or the level in government they are working in (i.e. national or local). Despite this limitation, we also identify the advantage of the diversity of our experts. First, based on the detailed interview data, we believe our findings are applicable to organizations on all levels of government. Second, although the activities of ten experts consisted of ICT shared services, with six experts we discussed other back-office functions as well. Adding to this diversity, the analyzed literature encompassed a mix of shared services functions as well. Therefore, we believe that the 13 categories of motives are not limited to ICT types of shared services only, those motives can be relevant for any type of shared services.

The systematic literature review included a diverse mix of articles reporting on both public sector and private sector organizations. Adding to this, each of the 13 motives is mentioned in multiple articles and no new motives came up in the interview data. Therefore, we are confident that the literature analysis resulted in a representative classification of motives for shared services.

5.4. Future research

In the previous sections we discussed our findings and reflected on strengths and limitations of this research. These aspects provide directions for studying shared services in the future. First, future research with government organizations that are the customers of shared services can strengthen the findings from this study and enable a comparison between providers and customers of shared services. Furthermore, a longitudinal study investigating the motives for shared services before, during and after the implementation of shared services, might reveal whether organizations demonstrate a 'drift' in the motives for using shared services. A third suggestion for future research would be to study the influence of the size of the departments moving to shared services. Economies of scale are seen as a major means to achieve cost reductions, but this benefit might be less applicable in smaller organizations where the possible gain in efficiency is relatively small. It would be interesting to investigate whether larger shared services initiatives are better able to reap the benefits of economies of scale.

6. Conclusions

This study set out to build understanding on why government organizations introduce shared services. Thirteen motives resulted from an inductive categorization of shared services literature. Subsequently, we validated these 13 motives in interviews with 16 shared services experts in New Zealand and Dutch government organizations. The most striking finding is the fact that cost reductions are often regarded as the main motivation for introducing shared services, although experts are skeptical about whether government organizations are able

to achieve these cost reductions at all. Nevertheless, government organizations value shared services for other reasons as well. Specifically, ‘improving the quality of service’, ‘exchange of internal capabilities’, and ‘access to external resources’ seem to be important.

Our research contributes to the shared services literature by analyzing why government organizations introduce shared services. Building on this, our methodology can be used to investigate other organizational sourcing options, such as centralization, decentralization, and outsourcing, as well. As our literature review revealed, a main goal for introducing shared services is cost reductions. However, our interviews suggest that reducing costs by means of introducing shared services is not a realistic outcome for government organizations. Furthermore, our findings show what government organizations expect from introducing shared services and as such, our study can direct future research on determining the success of shared services in government context.

Government organizations might learn from this study that the introduction of shared services in the public sector is complicated. Sector-specific principles such as job security and politics can significantly hinder the adoption of shared services. Shared services in government context have to deliver benefits to the organization but under the provision that this has to be done in a politically acceptable manner. Nevertheless, neither of the interviewed experts thinks shared services could not be beneficial for government organizations. They are quick to point to other motives, showing benefits for organizations in improving the quality of services, the possibilities to work together, and being able to attract external expertise and knowledge by combining efforts and resources. This demonstrates the usefulness for introducing shared services in government.

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Appendix A

Analyzed research literature.

	Authors	Year	Public / Private	Method	Sample
1.	Borman & Janssen	2012	Public (education)	Qualitative	8 interviews in two case studies
2.	Janssen, Kamal, Weerakoddy, & Joha	2012	Public	Qualitative	3 case studies, 9 structured and over 25 semi-structured interviews
3.	Arya	2011	Public (hospitals)	Qualitative	<none or not mentioned>
4.	Boglind, Hallsten, & Thilander	2011	Mixed	Qualitative	192 interviews with HR professionals, line managers and other stakeholders
5.	Burmann & Konig	2011	Private	Quantitative	657 questionnaires
6.	Conway, Dollery, & Grant	2011	Public	Qualitative	10 interviews with general managers and mayors of 4 councils
7.	Dollery, Grant, & Crase	2011	Public	Qualitative	<none or not mentioned>
8.	McDowell	2011	Public (hospitals)	Quantitative	Review of 30 integrated delivery systems on performance metrics over a period of 4 years
9.	McIvor, McCracken, & McHugh	2011	Public	Qualitative	Case study, longitudinal approach over 3 years, 21 interviews in one organization
10.	Miles	2011	Public	Qualitative	Case study of a partnership between 4 UK municipalities
11.	Miskon, Bandara, Gable, & Fielt	2011	Mixed	Qualitative	Literature review, 158 articles mentioning "shared service*"
12.	Nasir, Abbott, & Fitzgerald	2011	Private	Mixed	Case study, 50 SSC employees in surveys, 5 interviews, data from logs and documents
13.	Peng	2011	<not mentioned>	Qualitative	<none or not mentioned>
14.	Rothwell, Herbert, & Seal	2011	Private	Qualitative	3 case studies, 19 semi-structured interviews
15.	Selden & Wooters	2011	Public	Mixed	Survey (42 American States)
16.	Uva & Catalao-Lopes	2011	Private	Quantitative	<none or not mentioned>
17.	Wallace	2011	Public (hospitals)	Qualitative	1 case study
18.	Wang, Wang, & Zhang	2011	<not mentioned>	Qualitative	<none or not mentioned>
19.	Borman	2010	Public	Qualitative	1 case study, 11 interviews
20.	Dollery, Grant, & Akimov	2010	Public	Qualitative	<none or not mentioned>
21.	Gospel & Sako	2010	Private	Qualitative	2 case studies
22.	Joha & Janssen	2010	Mixed	Qualitative	3 case studies; literature, project documents, reports, interviews
23.	Maatman, Bondarouk, & Looise	2010	<not mentioned>	Qualitative	Literature
24.	Miskon, Bandara, Fielt, & Gable	2010	Mixed	Qualitative	Literature review, 107 shared services papers from the IS field
25.	Niehaves & Krause	2010	Public	Qualitative	2 case studies, 7 expert interviews
26.	Sako	2010	Private	Qualitative	<none or not mentioned>
27.	Schulz & Brenner	2010	Mixed	Qualitative	Literature review, 10 papers and 4 books from an initial paper set of 185 results
28.	Sim	2010	<not mentioned>	Qualitative	<none or not mentioned>
29.	Trinh, Begun, & Luke	2010	Public (hospitals)	Quantitative	Surveys and cost reports (1227 US acute care hospitals)
30.	Turle	2010	Public	Qualitative	<none or not mentioned>
31.	Ulbrich (<i>Transforming Government</i>)	2010	Public	Qualitative	1 case study, interviews, number not mentioned
32.	Ulbrich (<i>Journal Electronic Government</i>)	2010	Public	Qualitative	6 case studies, interviews and documents
33.	Dollery, Akimov, & Byrnes	2009	Mixed	Qualitative	Literature
34.	Dollery & Grant	2009	Public	Qualitative	<none or not mentioned>

(continued)

	Authors	Year	Public / Private	Method	Sample
35.	Farndale, Paauwe, & Hoeksema	2009	Mixed (14 international companies and 1 government)	Mixed	15 questionnaires (15 companies) with follow-up interviews
36.	He & Cao	2009	<not mentioned>	Qualitative	<none or not mentioned>
37.	Janssen, Joha, & Zuurmond	2009	Public	Mixed	Case study and quantitative simulation of options
38.	Su, Akkiraju, Nayak, & Goodwin	2009	Private	Qualitative	1 case study
39.	Zhang, Zhang, & Huang	2009	Private	Qualitative	2 case studies
40.	Dollery & Akimov	2008	Public	Qualitative	17 articles
41.	Frei	2008	Private	Qualitative	<none or not mentioned>
42.	Hesketh	2008	Private	Qualitative	70 interviews
43.	Janssen & Joha	2008	Private	Qualitative	Case study, 8 interviews + documents analysis
44.	Lacity & Fox	2008	Private	Qualitative	Case study at Reuters
45.	Lesage, McMillan & Hepburn	2008	Public	Quantitative	22 municipalities surveyed
46.	Murray, Rentell & Geere	2008	Public	Qualitative	6 case studies
47.	Su, Akkiraju, Nayak, & Goodwin	2008	Private	Qualitative	1 case study, a global leader in information-based solutions
48.	Walsh, McGregor-Lowndes, & Newton	2008	Mixed	Qualitative	<none or not mentioned>
49.	Zeynep Aksin & Masini	2008	Private	Quantitative	139 30-minute interviews
50.	Chiang, Huang, & Yen	2007	Private	Qualitative	Interviews & survey (sample size not mentioned)
51.	Goh, Prakash, & Yeo	2007	Private	Qualitative	1 case study, 5 interviews
52.	Grant, McKnight, Uruthirapathy, & Brown	2007	Public	Qualitative	Literature review
53.	Redman, Snape, Wass, & Hamilton	2007	Public (hospitals)	Qualitative	1 case study, 28 interviews
54.	Cooke	2006	Private	Qualitative	1 case study, two face-to-face interviews and 3 group interviews (48 people total)
55.	Janssen & Joha	2006	Public	Qualitative	1 case study, 24 interviews
56.	Op't Land	2006	Mixed (1 bank, 1 government agency)	Qualitative	2 case studies, researchers own experiences
57.	Ulbrich	2006	Mixed	Qualitative	Interviews, number not mentioned
58.	Wagenaar	2006	Public	Qualitative	1 case study, 60 interviews on a failed shared services project
59.	Davis	2005	Private	Qualitative	<none or not mentioned>
60.	Janssen	2005	Public	Qualitative	1 case study, 10 interviews
61.	Liang & Wan	2005	Private	Qualitative	<none or not mentioned>
62.	Shah	1998	<not mentioned>	Qualitative	<none or not mentioned>
63.	Christianson, Moscovice, Johnson, Kralewski, & Grogan	1990	Public (hospitals)	Qualitative	Survey (127 US hospitals)

Appendix B

Concept matrix – Motives for shared services.

	Authors	Year	Cost reductions	Improve quality of service	Improve efficiency / effectiveness / productivity	Access to external resources	Standardize processes	Focus on core competencies	Concentration of innovation	Improve customer orientation	Exchange of internal capabilities	Improve control	Consistent management information	Improve compliance with legislation and standards	Mitigate risks
1.	Borman & Janssen	2012			X				X						
2.	Janssen, Kamal, Weerakoddy, & Joha	2012	X	X		X		X							
3.	Arya	2011						X							
4.	Boglund, Hallsten, & Thilander	2011	X	X	X		X					X			
5.	Conway, Dollery, & Grant	2011										X			
6.	Dollery, Grant, & Crase	2011	X			X					X			X	
7.	McDowell	2011	X		X										
8.	McIvor, McCracken, & McHugh	2011	X	X			X								
9.	Miles	2011	X	X	X										
10.	Miskon, Bandara, Gable, & Fielt	2011	X	X	X		X		X						
11.	Nasir, Abbott, & Fitzgerald	2011	X	X	X			X							
12.	Peng	2011	X	X			X	X		X					
13.	Rothwell, Herbert, & Seal	2011	X			X				X					
14.	Selden & Wooters	2011	X	X	X	X				X					
15.	Wallace	2011	X					X							
16.	Wang, Wang, & Zhang	2011										X			
17.	Borman	2010	X												
18.	Dollery, Grant, & Akimov	2010	X		X										
19.	Gospel & Sako	2010	X	X				X							
20.	Joha & Janssen	2010	X	X	X	X	X	X	X		X	X	X	X	X
21.	Maatman, Bondarouk, & Looise	2010			X	X	X			X		X			
22.	Miskon, Bandara, Fielt, & Gable	2010	X	X	X	X	X	X	X	X	X	X			
23.	Niehaves, & Krause	2010	X												
24.	Sako	2010	X	X				X	X						
25.	Schulz & Brenner	2010	X	X	X		X			X					
26.	Sim	2010	X												
27.	Trinh, Begun, & Luke	2010	X			X									
28.	Turle	2010	X												
29.	Ulbrich (<i>Transforming Government</i>)	2010	X	X		X									
30.	Ulbrich (<i>Journal Electronic Government</i>)	2010	X	X											

(continued)

Appendix C

Quotes from shared services literature and validation of motives with 16 shared services experts.

Motive	Quotes from literature	Comments from interviewed experts
Cost reductions	<p><i>"The motives for adoption of HR transformation, as described in official documents and confirmed by the respondents, are a combination of cost reductions, value-adding, standardisation and control."</i> (Boglund, Hällstén, & Thilander, 2011, p. 580)</p> <p><i>"...benefits which councils could derive from collaborative service provision: lower staff costs,..."</i> (Dollery, Grant, & Crase, 2011, p. 161)</p> <p><i>"I expect that our new shared services approach and governance structure will capture the benefits of economies of scale..."</i> (Selden & Wooters, 2011, p. 350)</p> <p><i>"The main motivations seem to be cost reduction..."</i> (Janssen, 2005, p. 564)</p> <p><i>"Several surveys revealed that cost cutting is a primary motivation for implementing SSC."</i> (Schulz & Brenner, 2010, p. 215)</p> <p><i>"Second was that the SSA was seen as a way of reducing cost while maintaining service levels."</i> (LeSage, McMillan, & Hepburn, p. 466)</p>	<p>"The top of the list would be; the view of economies of scale." (Expert 1)</p> <p>"Finances are the key driver frequently. In principal by lowering the staff costs, that's the bulk of it. It's reduction of duplication." (Expert 1)</p> <p>"Save money." (Expert 2)</p> <p>"If we look at the fundamental reasons behind a shared service, it's the leverage to get repeatable processes to get the economies of scale." (Expert 3)</p> <p>"We've got a budget cut of 7.5 million dollars that we are looking at to realize that from the savings." (Expert 4)</p> <p>"I think their biggest focus would be staff reduction." (Expert 5)</p> <p>"In most of the [projects] I have seen, most of the prime drivers were about a cost reduction." (Expert 7)</p> <p>"How can we reduce the costs per transaction." (Expert 8)</p> <p>"Reducing costs through using less people and economies of scale." (Expert 10)</p> <p>"Cost reductions, as you have to pay fewer licensing fees." (Expert 13)</p> <p>"Money is often one of the motives." (Expert 14)</p> <p>"I would say costs." (Expert 16)</p>
Improve efficiency / effectiveness / productivity	<p><i>"The city council decided that there was an urgent need to avoid duplication of systems and efforts to increase the efficiency."</i> (Janssen, 2005, p. 566)</p> <p><i>"More often than not, development of shared services are a result of some need for downsizing, not because shared services are seen to be a more appropriate way of doing business, but because consolidation appears to be an opportunity to make efficiency gains."</i> (Arya, 2011, p. 290)</p> <p><i>"Shared Services implementations often have stated goals of increased efficiency and effectiveness. These goals are realized through consolidation, integration and standardization of processes."</i> (Miskon, Bandara, Gable & Fielt, 2011, p. 5)</p> <p><i>"The drivers for shared services are improved productivity (e.g. as the result of fewer employees), ..."</i> (Boglund, Hällstén, & Thilander, 2011, p. 572)</p> <p><i>"Increase productivity - 12 % of firms"</i> (Farndale, Paauwe, & Hoeksema, 2009, p. 551)</p> <p><i>"The top three objectives of shared services that IS literature have reported on are; support consolidation and integration, cost effectiveness and support standardization."</i> (Miskon, Bandara, Fielt, & Gable, 2010, p. 378)</p> <p><i>"With the goal of improving the effectiveness of HRM while simultaneously reducing costs"</i> (Selden & Wooters, 2011, p. 359)</p> <p><i>"With the aim to achieve efficiency and increase effectiveness across these administrative functions"</i> (Walsh, McGregor-Lowndes, & Newton, 2008, p. 10)</p>	<p>"Efficiency of delivery would be second." (Expert 1)</p> <p>"Effectiveness of delivery." (Expert 1)</p> <p>"Yes, better technology can be, better business processes." (Expert 2)</p> <p>"Managing your volume." (Expert 3)</p> <p>"We wanted it to be running efficiency." (Expert 4)</p> <p>"There is decrease in efficiency as well." (Expert 4)</p> <p>"To get it up, there would have been an efficiency. The shared services is now dropping out everything that is not shared services." (Expert 5)</p> <p>"The secondary part of the motivations how do you become more efficient." (Expert 7)</p> <p>"Shared services doesn't always necessarily translate into increased productivity." (Expert 7)</p> <p>"How do we become more efficient, how do we get the effectiveness up. Definitely they want to do that." (Expert 8)</p> <p>"And increased effectiveness is definitely there too." (Expert 8)</p> <p>"Improving the efficiency of processes." (Expert 11)</p> <p>"Efficiency is one of them." (Expert 14)</p> <p>"There were explicit considerations around efficiency, doing more with less." (Expert 15)</p> <p>"Efficiency, yes, in principle that is the idea." (Expert 16)</p> <p>"Productivity increases belong to efficiency, although it could be in a different form" (Expert 16)</p>

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Motive	Quotes from literature	Comments from interviewed experts
Standardize processes	<p><i>"The top three objectives of shared services that IS literature have reported on are; support consolidation and integration, cost effectiveness and support standardization."</i> (Miskon, Bandara, Fielt, & Gable, 2010, p. 378)</p> <p><i>"The motives for adoption of HR transformation, as described in official documents and confirmed by the respondents, are a combination of cost reductions, value-adding, standardisation and control."</i> (Boglund, Hällstén, & Thilander, 2011, p. 580)</p> <p><i>"The project team believed there was significant potential to eliminate outdated and idiosyncratic work practices, and achieve significant costs reductions via standardisation of duplicated processes"</i> (McIvor, McCracken, & McHugh, 2011, p. 453)</p> <p><i>"By bundling and concentrating services the SSC provides a means for retaining services in-house, still keeping a high degree of control over the services, however, also be able to reduce the complexity of control and to better focus on the core-business."</i> (Janssen & Joha, 2006, p. 114)</p>	<p>"Standardize some work and simplify some things." (Expert 1)</p> <p>"When you look at the life cycle to get to a cost saving, the first thing you need to do is standardize, the next thing you need to do, is to make sure you have repeatable processes. Once you have the repeatable processes you get the economies of scale, once you've got the economies of scale you can reduce your costs." (Expert 3)</p> <p>"The consistency and standardization is a clear goal." (Expert 4)</p> <p>"Some of the back-office could then become common, that was definitely a focus. Yes, continuous improvement is a key objective." (Expert 5)</p> <p>"I remember from when I came into it, to make sure we were doing the same things all across. So standardization." (Expert 6)</p> <p>"The initial motivations for shared services really stemmed from how do we make sure that we reduce the duplication of effort and touch-points by citizens with government." (Expert 7)</p> <p>"I think standardizing processes is a means to get more efficiency rather than a goal in itself, if that makes sense." (Expert 8)</p> <p>"We also try to standardize our processes." (Expert 9)</p> <p>"This is off course very important. Standardization leads to improved quality." (Expert 14)</p> <p>"Yes, processes are standardized, but isn't that a consequence of efficiency or reducing costs?" (Expert 15)</p> <p>"Standardization of processes, yes. But standardization of processes is actually an effect of cost reductions." (Expert 16)</p>
Improve quality of service	<p><i>"All interviewees noted that ..., improved quality of service would be strong motivations for adopting a shared services model."</i> (Goh, Prakash, & Yeo, 2007, p. 262)</p> <p><i>"A modest 13.6 per cent reported that the SSA was seen as a way of improving service."</i> (LeSage, McMillan, & Hepburn, 2008, p. 466)</p> <p><i>"In general, it is believed that moving to a shared service organization (SSO) helps companies ... achieve better service quality."</i> (Ulbrich, 2010, p. 240)</p> <p><i>"The new SSC will deliver quality services."</i> (Dollery & Grant, 2010, p. 48)</p>	<p>"Not just to save some money and be able to spend it elsewhere, but actually to up the quality of their service. Better services is definitely an aim." (Expert 1)</p> <p>"Delivering a better service." (Expert 2)</p> <p>"I think, you are fooling yourself if we put in there, realistically, the quality of service that is a major thing. That's got nothing do with shared services, it's just dictated by the price." (Expert 3)</p> <p>"There expectation is that hopefully we will have some." (Expert 4)</p> <p>"Part of it was how do you get a better experience to citizens." (Expert 7)</p> <p>"Improve the level and quality of services provided and deliver continuous improvement." (Expert 8)</p> <p>"Quality improvement, for example a standard workstation for all departments." (Expert 9)</p> <p>"Improving the quality of services." (Expert 14)</p> <p>"No, I don't think it was seen as a motive, but it should be." (Expert 15)</p> <p>"It should add something to the quality, why would you otherwise do such complicated things?" (Expert 16)</p>

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Motive	Quotes from literature	Comments from interviewed experts
Improve customer orientation	<p><i>"In our case study, the municipalities needed to negotiate the objectives because they did not agree on what was more important: maximum cost efficiency or customer-orientation and service levels."</i> (Janssen, Joha, & Zuurmond, 2009, p. 22)</p> <p><i>"Improve professionalization – customer orientation."</i> (Farndale, Paauwe, & Hoeksema, 2009, p. 551)</p> <p><i>"SSCs in Asia are not only used to improve internal support service; they are also being used to improve service to external customers as well."</i> (Davis, 2005, p. 7)</p>	<p>"Get a better outcome from a citizen viewpoint." (Expert 2)</p> <p>"We wanted to support the strong customer provider making." (Expert 4)</p> <p>"Customer orientation, yeah definitely that's a focus." (Expert 6)</p> <p>"Improved customer orientation, absolutely. Making sure the citizens-centric approach." (Expert 7)</p> <p>"This wasn't highlighted as a big issue around customer orientation, but I think it's still something that we would, to provide customer-focused services." (Expert 8)</p> <p>"Customer orientation, yes that fits." (Expert 16)</p>
Improve compliance with legislation and standards	<p><i>"The South Australian report identified seven 'financial and non-financial benefits for councils working together: lower 'staff costs'; 'access to skills and expertise'; 'exchange of best practice'; 'procurement savings' from scale economies; improved 'community outcomes'; 'coordinated services'; and 'improved compliance with legislation and standards'."</i> (Dollery, Akimov, & Byrnes, 2009, p. 209)</p>	<p>"There's a whole of government initiative that's driving quite a lot of this work. They are looking to be compliant to the minister, that's actually a motive." (Expert 1)</p> <p>"Compliance with legislation and standards, that's always there, why we are doing it, how are we doing it, are we doing it?" (Expert 6)</p> <p>"Improving compliance wasn't a big issue, but I guess when I think of reducing risk, the risk of not complying, we should be reducing that." (Expert 8)</p> <p>"Yes, off course, because we are a government organization. We are talking about ICT here, there are laws and policies within government which you have to respect." (Expert 15)</p> <p>"Compliance, yes, that fits too. At least on ICT I know that for sure. (Expert 16)</p>
Access to external resources	<p><i>"Typically, a business unit by itself cannot afford leading-edge technology. By pooling resources among divisions, the purchase of technology such as enterprise-wide software programs can be cost justified."</i> (Shah, 1998)</p> <p><i>"The organizational motivation across all three case situations was the opportunity to tap into a skilled workforce overseas."</i> (Rothwell, Herbert, & Seal, 2011, p. 247)</p> <p><i>"The most frequent response was that it provided a new opportunity to provide a service that did not previously exist (45.5 per cent of respondents)."</i> (LeSage, McMillan, & Hepburn, 2008, p. 466)</p> <p><i>"The South Australian report identified seven 'financial and non-financial benefits for councils working together: lower 'staff costs'; 'access to skills and expertise'; 'exchange of best practice'; 'procurement savings' from scale economies; improved 'community outcomes'; 'coordinated services'; and 'improved compliance with legislation and standards'."</i> (Dollery, Akimov, & Byrnes, 2009, p. 209)</p>	<p>"By the consolidation of people into an area, we thought we were better able to provide career paths for people. And create better HR and staff development opportunities. Better mentoring, because they have got a whole bunch of other people working with them." (Expert 4)</p> <p>"I would say yes, access to skills and technology from the shared services provider. When you are larger, you can attract more people, you can aggregate it." (Expert 7)</p> <p>"But between the three agencies we could justify having the role of an expert skill who can go and help out, because we have got a bigger scale, with more scale we could afford to do it." (Expert 8)</p> <p>"Access to expertise possible through the availability of more budget or through partner organizations." (Expert 9)</p> <p>"Making sure you have enough knowledge in the organization in cases of sick leave or holidays." (Expert 11)</p> <p>"Expertise" (Expert 13)</p> <p>"I see this as a level of quality, attaining quality such as the quality of people. Or attracting new quality." (Expert 14)</p>

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Motive	Quotes from literature	Comments from interviewed experts
Exchange of internal capabilities	<p>"Cooperation through shared service provision could be 'a practical and cost-effective way for councils to share experience and resources.'" (Dollery, Grant, & Crase, 2011, p. 161)</p> <p>"Such consolidation facilitates the sharing of both staff and technology." (Redman, Snape, Wass, & Hamilton, 2007, p. 1486)</p> <p>"Sharing of best practice was highlighted as an objective of E." (Murray, Rentell, & Geere, 2008, p. 550)</p> <p>"Knowledge and expertise sharing." (Su, Akkiraju, Nayak, & Goodwin, 2009, p. 391)</p>	<p>"Ability to collaborate with other government departments" (Expert 1)</p> <p>"Leverages our services or work more closely together." (Expert 2)</p> <p>"That's right. You don't have to invest in learning and development for 5 other different practices." (Expert 3)</p> <p>"It's about leveraging of the best we can do, where we can do it and then actually using that information nation wide." (Expert 4)</p> <p>"I think theoretically that's right, to share what's working and what is not. In practice, I have seen what happens is you don't actually have these types of conversations." (Expert 7)</p> <p>"Another important opportunity that CASS provides, is to act as the basis for closer working between the three agencies." (Expert 8)</p> <p>"Access to expertise possible through the availability of more budget or through partner organizations." (Expert 9)</p> <p>"Improving the scalability and flexibility, as the workload is divided over a large pool of employees." (Expert 11)</p> <p>"We are doing that already, without shared services." (Expert 13)</p> <p>"They have difficulty providing certain services, shared services is than something they can share with each other. That expertise your own team is missing, maybe another organizational unit can provide that." (Expert 14)</p>
Concentration of innovation	<p>"The principal objective of shared services at SURFnet is to be a driving force behind ICT-based innovation in higher education and research in the Netherlands." (Borman & Janssen, 2012, p. 2516)</p> <p>"... a place to deploy new technology." (Ulbrich, 2006, p. 197)</p> <p>"Technology renewal." (Su, Akkiraju, Nayak, & Goodwin, 2009, p. 391)</p> <p>"... introducing new technology." (Sako, 2010, p. 28)</p>	<p>"It does provide an opportunity to review your technology and your platforms in a way that frequently doesn't get done. Where is our money going." (Expert 1)</p> <p>"That whole agility innovation things is pretty key." (Expert 4)</p> <p>"Indirectly there has been a little team set up to look at innovation and new programs." (Expert 5)</p> <p>"Innovation, I think that is counter-intuitive. Dependent on the model of shared services I would argue that shared services can be the catalyst for innovation initially and then becomes a drag on innovation." (Expert 7)</p> <p>"Improving the capability to innovate. It wasn't the big motive but it's certainly something they want to achieve." (Expert 8)</p> <p>"Yes, some smaller organizations can't keep up, sharing with other departments means more control." (Expert 14)</p> <p>"Innovation, that's true." (Expert 16)</p>
Consistent Management Information	<p>"Better management information, provided more consistently across the organization as a whole." (Cooke, 2006, p. 214)</p> <p>"Greater transparency of cost of services and easier monitoring of budgets." (Cooke, 2006, p. 214)</p> <p>"Accountability improvement" (Su, Akkiraju, Nayak, & Goodwin, 2009, p. 391)</p> <p>"Better cost predictability" (Janssen & Joha, 2006, p. 109)</p> <p>"Greater transparency of cost of services and easier monitoring of budgets" (Cooke, 2006, p. 214)</p>	<p>"The government is quite keen on seeing people move to standard platforms. It will give them an opportunity to share information effectively" (Expert 1)</p> <p>"Across agencies, yeah that's right." (Expert 2)</p> <p>"No, we could get that out of some of our systems beforehand." (Expert 4)</p> <p>"I think standardization on process means standardization on collected data, which is the citizens thing. So I agree with that." (Expert 7)</p> <p>"Consistent management information, that hasn't been a driver." (Expert 8)</p> <p>"I never hear this one as a motive." (Expert 16)</p>

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Motive	Quotes from literature	Comments from interviewed experts
Focus on core competencies	<p>"... one of the often mentioned motives for the establishment of an HRM SSM is to enable a business to focus on its core business ..." (Maatman, Bondarouk, & Looise, 2010, p. 330)</p> <p>"Focus on their core business" (Janssen & Joha, 2006, p. 109)</p> <p>"The motivation for a shared services approach stems from the strategic move towards an organisational focus on "core competencies"." (Nasir, Abbott, & Fitzgerald, 2011, p. 175)</p> <p>"By bundling and concentrating services the SSC provides a means for retaining services in-house, still keeping a high degree of control over the services, however, also be able to reduce the complexity of control and to better focus on the core-business." (Janssen & Joha, 2006, p. 114)</p>	<p>"Yes, certainly." (Expert 1)</p> <p>"Make sure you concentrate on your core business." (Expert 3)</p> <p>"For us, that is for certain areas a particular focus. Focusing on the organizational priorities." (Expert 4)</p> <p>"Yeah, it probably started the drive. It made people focus on what do they really need, what is their core function." (Expert 5)</p> <p>"I think that's right." (Expert 7)</p> <p>"I don't think it was a big core competency focus, although the government wants to get more productivity from the public sector by putting more focus on the front-line services." (Expert 8)</p> <p>"Yes, that's right. As shared services organization being able to steer clearly on our own mission." (Expert 15)</p> <p>"Yes, focus on core competencies, that fits." (Expert 16)</p>
Improve control	<p>"The control motivation was sometimes described as the primary driver." (Boglund, Hällstén, & Thilander, 2011, p. 580)</p> <p>"Eliminate local and complicated control." (Janssen & Joha, 2006, p. 109)</p> <p>"By bundling and concentrating services the SSC provides a means for retaining services in-house, still keeping a high degree of control over the services, however, also be able to reduce the complexity of control and to better focus on the core-business." (Janssen & Joha, 2006, p. 114)</p>	<p>"The fact that we have the people and the critical mass in a consolidated place, it's a lot easier to train them and to ensure that that change has actually happened than when everybody is distributed geographically." (Expert 4)</p> <p>"It improves control from the center yes. But it also create motivations for parallel process." (Expert 7)</p> <p>"I don't think control was a big driver." (Expert 8)</p> <p>"With introducing shared services, such as cloud, you take care of SLA's, make clear agreements, and take the direction in your own hands." (Expert 10)</p> <p>"Yes, you get more control over your own processes and then you also know more about them." (Expert 14)</p> <p>"Improved control, yes. That is a wish, partly related to the financial aspects." (Expert 16)</p>
Mitigate risks	<p>"The risks of developing new systems and services are mitigated by the concentration of development and learning from experience. The courts use the SSC as an instrument to share risks among each other." (Janssen & Joha, 2006, p. 108)</p> <p>"A procurement shared service could provide a number of benefits for smaller councils which may be able to justify employing their own procurement professional, of particular interest are the opportunities to provide access to procurement expertise and systems, shared risk, ..." (Murray, Rentell, & Geere, 2008, p. 545)</p>	<p>"Actually risk reduction will be the last one. With joined up processes and a more consolidated view, they hope that the anomalies and the outliers that occur, people falling through the cracks of service, are reduced." (Expert 1)</p> <p>"I wouldn't pick that as a big one. It depends on how far back you look to." (Expert 5)</p> <p>"It was really around reducing risk and resilience." (Expert 8)</p> <p>"To survive departments need to work together. More and more they look at how can we reduce risks by working together." (Expert 9)</p> <p>"Less risk, when one person leaves there is no expertise left in the current situation." (Expert 12)</p> <p>"If you want to reduce the vulnerability, you need to share. That way you can have replacements for every person in case of sickness." (Expert 14)</p> <p>"One of the goals is to reduce vulnerability." (Expert 16)</p>