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THEORY AND PRACTICE OF LEADERSHIP IN PUBLIC POLICY

Leadership and Public Organization Reforms in a Small Developing State

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Abstract

This study focuses on leadership in administrative reforms to improve the effectiveness and efficiency of public financial management in Jamaica. The embeddedness of leadership in complex contextual challenges suggests the need for administrators to both drive and respond to directional forces. It further suggests that leaders may need to balance or oscillate between leader and follower roles, and even demonstrate both simultaneously in order successfully achieve change. Conceptual difficulties are highlighted, given for example the simple definition of leadership as an “individual who has followers”. While many studies focus on transformational and transactional leadership styles, not many studies have explored the use of adaptive leadership. Hence the paper seeks to advance theoretical and practical perspectives on leadership and highlight its importance to decision-making and implementation.

Keywords: Leadership, adaptive, administrative reforms, complexity, transformational.

Introduction

Jamaican political and administrative leaders have engaged in ongoing reforms for over forty years to improve the efficiency and effectiveness of public organizations. The reforms, described by one public official as being more a journey rather than a destination (Gatchair, 2015), have been constrained by numerous challenges including turbulent and uncertain contexts, which continue to limit organizational performance. The 2008 global financial crisis for example, exacerbated resource scarcity and led to the country’s return to multinational lending agencies such as the International Monetary Fund and the World Bank. As a consequence, the lenders imposed conditions requiring the acceleration of the depth and pace of reforms. The imperative to “get it right” forces attention to the role of leadership, which is well-recognized among academics and practitioners, as an important enabler of success. However, the practice of leadership remains a challenge because of an incomplete understanding both the process and implications of its action.

Despite considerable research, the concept of leadership remains unresolved with no clear criteria to distinguish between leaders and non-leaders (Rost 1991). The simple definition of

leadership as an “individual who has followers” highlights the lack clarity and conceptual difficulties with the term.

Some scholars argue that the roles of leaders and followers may be blurred, with shifts occurring depending on contexts and time; thus continuous movement may occur along a leadership – followership continuum (Lichtenstein, Uhl-Bien, Marion, Seers, Orton, and Schreiber, 2006; Kelley, 2008; Crippen, 2012). According to Kelley (1988) understanding both followership and leadership is important in explaining the behaviour of individuals and outcomes. More explicitly, Rost (1991, p. 102) suggests that the mutual goals of leaders and followers to achieve real change result in a relationship of joint influence.

Although more recent scholarship emphasizes the leadership process rather than the traits or characteristics of leaders, considerable disagreement remains on explanations of what makes good a leader and successful leadership. Scholars place much emphasis on the transformational and transactional leadership styles to effect change in the public sector. However this paper argues that these approaches do not accurately account for leader roles. Instead this paper argues that leaders must demonstrate flexibility because of complex challenges, and the need to engage different interests in the change process.

Given that adjustments to meet contextual challenges and resulting impacts may be particularly disruptive for small developing states, more recent approaches to leadership that embrace complexity such as the perspective of the adaptive leader provide better explanations of the role of leadership. According to Heifetz and Laurie (2001), adaptive leadership focuses on overcoming both internal and external challenges that societies, communities, and organizations face as a result of change. Public organizations operating in a dynamic environment often

marked by decreasing resources and rising expectations face constant pressure to maintain effectiveness and performance improvements Adaptive leadership acts to overcome challenges by motivating behavioural changes in people.

Public organizations and their leadership are embedded in a complex context, which include economic challenges, technological imperatives, and the demands of interest groups such as international lending agencies, political cronies, bureaucrats and citizens suggests that leaders need to both drive and respond to directional forces. As with other public policies, multiple interests shape the direction of decision-making and implementation of reforms, therefore leadership is critical for achieving balance among interests, including followers.

It further suggests that leaders may need to balance leader and follower roles and even demonstrate both simultaneously in order successfully achieve change. The balance implies deliberate and marked oscillations among roles rather than the maintenance of the perspective of a neutral bureaucrat. Given that the adaptive leader approach emphasizes empowerment and distributed leadership rather than embracing explicit leader – follower roles, further work is needed to reconcile different perspectives and better understand how leaders engage in role shifts as leaders and followers.

This paper explores the role of adaptive leadership in the design and implementation of administrative reforms to improve public financial management focusing on the Ministry of Finance in Jamaica. It explores the extent to which leaders engage in role shifts while facilitating reforms driven by internal and external forces. Since not many studies have explored the perspective of adaptive leadership in public organizations, this paper seeks to advance theoretical and practical knowledge on the importance of leadership and followership to decision-making

and implementation. The study is qualitative, using a case study methodology with data obtained from elite interviews of political, senior and middle-level administrative managers, and workers in public organizations and document analyses.

The remainder of the paper is organized as follows: Section 2 provides selective review of the literature on leadership and followership; Section 3 discusses the context, leadership and administrative reforms to facilitate improvements in PFM in the MOF; and Section 4 concludes with recommendations and implications for leadership theory from the study.

Leadership and followership

Given the spate of reforms in small and developing states and the far –reaching consequences of failure, it is important to examine the role of leadership in public organizations and the implications for modern administration. This section discusses selected perspectives on leadership including the transformational, transactional, and complexity approaches, leader / follower relationships, and the adaptive leader approach.

Conceptualizing leadership in public organizations

The challenge of conceptualizing leadership in public organization has been as elusive as in the broader leadership studies aimed at providing insights on the practice and outcomes of leadership (Rost, 1991). Rost argues that leadership is distinct from management with leadership focusing on effecting real or intended changes linked to mutual goals and influence of followers; while management is more concerned with the production of goods and services. Although the distinction between leader and manager remains unresolved, leadership and management may be viewed as complementary with both being important to good performance (Gagnon, 2012) as managers are likely to be more effective if they are good leaders.

Heifetz, Grashow and Linsky (2009) argue that leadership is a practice or activity that some individuals do from time to time and does not rest solely on authority, power and influence. Adaptive leadership in particular may require individuals to move beyond what they are authorized to do.

Kelley (1988) argues that the study of followers provides valuable insights on understanding leadership. He created a typology underpinned by two dimensions, critical /independent thinking and active engagement, which served as key indicators of the behaviour of followers. Kelley notes that “understanding motivations and perceptions is not enough since followers with different motivations can perform equally well” (Kelley, 1988’ p. 1). Followership according to Bjugstad et.al 2006, 306) implies that leaders direct attention to increasing the skills of followers “is critical for creating high performance organizations” and has received growing attention in the literature (Baker, 2007; Bligh, 2011; Carsten, Uhl-Bien, West, Patera, & McGregor, 2010; Kelley, 2008).

Popular approaches for understanding leadership practice include transformational, transactional, participatory styles among others (Van Waart, 2003). According to (Burns, 1978; Yukl, 1999; Paarlberg and Lavigna 2010), the transformational leader is concerned about improving individual values and motivation, which can contribute to the success of leaders in the public service. This motivational centred approach is congruent with the emergence of New Public Management and the entrepreneurial approach of managerialism and neo managerialism (Terry 1998). Empirically, a transformational approach that facilitates risk taking and the empowerment of subordinates seem to contribute to effective leadership (Ozaralli, 2003; Dionne, et al 2004; Voon, 2011).

Paarlberg and Lavigna (2010) suggest that a transformational model is more appropriate to the public sector when compared to the transactional approach. They argue that while the transactional approach in which leaders reward employee performance that meets organizational expectations, the alignment of the self-interest of employee and manager can conflict with the other values of many individuals in the organization (Paarlberg and Lavigna, 2010, 710). Bass (1990) further argues that the value of transformational leaders outweighed that of transactional leaders affirming that "transformational leaders make the difference between success and failure" (Bass 1990, 24). In subsequent work, Bass Jung, Avolio, and Berson, (2003) suggest that depending on the context, both transformational and transactional leadership may facilitate effective performance (Bass, et al 2003). Further, the concept of the transformational leader has been criticized because of weak or incomplete explanations of the leadership process, and its close alignment to the hero concept, among others (Yukl, 1999).

Schneider and Somers (2006) suggest that the application of complexity theory with the assignment leadership through the lens of a complex adaptive system as potentially useful approach. This rather new proposition captures the multidimensional nature of the leadership process namely - the leader, the follower, and the process of leadership – as well as practical and analytical frames for the assessment of the institutions in which the complete leadership process occurs. Complexity theory incorporates the organizational identity as key feature in the leadership analysis with the concept of self-similarity which Schneider and Somers (2006) suggest can be paralleled to organizational identity. Self-similarity suggests that the organization may be able to remain constant even under constant change not by resistance but through change itself.

Lichtenstein, et al (2006, p. 2) argue that “traditional, hierarchical views of leadership are less useful given the complexities of our modern world”. The complexity approach suggests that leadership can emerge under multiple circumstances from interactions among multiple actors therefore differs from traditional model, which places emphasis on the formal leader. For Lichtenstein et al (2006, p. 12) focus on leadership interactions “.... encourages all members to be leaders – to ‘own’ their leadership within each interaction, potentially evoking a much broader array of responses from everyone in an organization”. Further given that dynamic nature of interactions, individuals may participate as leader or follower on different occasions and for different purposes. Lichtenstein et, al (2006, p. 12) notes that “complexity leadership theory provides a clear and unambiguous pathway for driving responsibility downward, sparking self-organization and innovation, and making the firm much more responsive and adaptive at the boundaries”.

Adaptive leadership, which closely relates to complexity theories occurs when changes take place in knowledge, behaviour, and actions associated with interactions among individuals in response to complex, changing environments or contexts and which in turn may prompt further change (Heifetz, Linsky, and Grashow, 2009; Lichenstein et al, 2006; Uhl-bien et al 2009).

Therefore attention to the needs of a particular organization and the environment are necessary to facilitate performance improvements (Behn, 2004). According to Heifetz, et al (2009), adaptive leadership mobilizes individuals to address challenges, which can lead to uncertainty and loss in order to ultimately accomplish goals, although exact outcomes may be somewhat unpredictable. It combines three key activities, which take place iteratively: (i) diagnosis (data collection), (ii) interpretation (problem identification), and (iii) the design of interventions to solve the problem identified (Heifetz, et al 2009). Though the empirical evidence is wanting, the adaptive approach

distinguishes itself as it identifies challenges that a leader must respond to; and expands the concept and practice of leadership including distinguishing between authority and the leadership (Heifetz, et al 2009). These are elaborated in subsequent paragraphs.

The adaptive practice identifies two types of challenges, technical and adaptive, with most problems exhibiting a mix of both types, rather than the existence of a sharp distinction between the two. Heifetz et al (2009) argue that technical challenges, though sometimes complex have known solutions, which can be implemented using existing organizational expertise and processes. Adaptive challenges do not have clear solutions and require changes to existing processes and how people think and behave. The context of adaptive challenges is often disruptive and can lead to distress or loss among individuals, which the adaptive leader must address.

Adaptive leadership mobilizes people to solve problems by triggering changes in priorities, habits, beliefs, loyalties, and resources. Unlike traditional models that ascribe leadership to the individuals i.e. leader and followers, the adaptive approach suggests that the leader does not simply provide the solution but that he/ she must instead empower individuals so that they become responsible for identifying and implementing solutions. In this regard, the adaptive model facilitates the fluid interchange of roles and therefore allows leadership to arise at any level or amongst any group in the organization, reflective of distributed leadership rather than a top down approach. This provides an avenue through which subordinates can be empowered and integrated in decision making and in participation which the empirical evidence suggests should auger well for the organization.

Adaptive leadership as in complexity theory does not rely on authority, power, and influence although these are critical tools. Leadership in complexity theory according to Schneider and Somers, (2006) is “non-reliant upon formal authority” and are “often independent of, and possibly even contrary to, the authority structure, as it may well influence the process of emergence or self-organization” (Schneider and Somers, 2006, p. 356). Traditionally leadership has been associated with authority or hierarchical position, which Heifetz et al argue provides guidance, protection from threats and stability. However, adaptive leadership challenges the expectations of those who provide formal or informal authority and may give rise to a situation in which anticipated outcomes are not be realized. Thus the approach differentiates between authority and adaptive leadership with the latter having the potential to result in disruption, uncertainty, and instability. Adaptive leadership is therefore risky for both the individual and the organization.

Indeed, Lichtenstein et al (2006) argue that the conflation of authority and leadership can sometimes result in the “leader” relying more on authority, which may preclude true leadership particularly in the public organization where leaders are constrained by rules, procedures and hierarchical relationships.

Leadership and Public Management Reforms in Jamaica

Leaders in public organization must drive change while simultaneously respond to external and internal challenges including the demands of different groups (Gatchair, 2015). This study focuses on leadership in administrative reforms within the Ministry of Finance (MOF) to accommodate improvements in public financial management (PFM) and fiscal responsibility in Jamaica. The MOF, which has overall responsibility for developing the country’s economic and

fiscal policies and deploying revenues and expenditure, is the driver of changes in PFM practices in the public sector as a whole, and must itself undergo substantial changes to increase its capacity to undertake its designated role.

Context for reforms

Jamaica a small developing state faced several contextual challenges, which precipitated deep reforms to its public financial management system. These include unsustainable public debt, general underperformance of economic activities with concomitant low growth, and demoralization of critical stakeholders (Interviewee 1; *World Bank, Jamaica Overview* 2017). The country faced persistent shortage of resources and was unable to effectively deliver goods and services to its citizens. According to one interviewee, the prolonged economic underperformance (over 30 years) and social under-development threatened the stability of the society. The 2008 global financial crises exacerbated these conditions with the result that the country turned to the International Monetary Fund (IMF) and signed a stand-by agreement in 2010 then subsequently an extended fund facility in 2013, which was followed by another stand-by agreement in 2016 in order to obtain much needed resources. Concomitantly, the country received funds from other multilateral lending agencies such as the World Bank and the Inter-American Development Bank (IDB).

According to one senior director, the conditionalities associated with the financial arrangements, far exceeded demands the country had to deal with under colonial systems. He further described the situation as

“...telling humiliation...”; “...people telling you what you had to do...” and “...lack of autonomy as an individual...”

The decision-making context of the MOF was that of a highly politicised environment in which decisions were often based on political interests rather than national interests (Gatchair, 2015). These contributed to poor financial management practices and the unsustainable debt position. Other challenges related to the technical capacity to effect changes needed to improve PFM practices (Schoburgh and Gatchair, 2013), which the MOF sought to diagnose through various reviews and the subsequent design and implementation of reform programmes. The MOF relied on the expertise of external consultants for diagnosis and implementation of the reforms.

Thus context is important in how leadership is exercised in the MOF as it determines in part the availability of critical resources, which influence the response of and potential success of the leader. The implications are discussed in greater detail in a subsequent section as one respondent indicated that resource constraints had implications for the organizational change, leadership and culture, which Schein (2004).suggests are two sides of the same coin.

Organizational Change

Reforms within the Jamaican public sector have been ongoing for more than forty years. However, the IMF agreements required that the Government deepen and accelerate the pace of reforms, and in so doing cut the cost of the public sector, which was viewed as a major impediment to the management of the country's public debt (CAPRI, 2011).

The MOF embarked on a series of changes involving, structure, processes, technology, and human resources (Interviewees 1-7). Thus in 2012 as part of Fiscal Administration and Modernization Programme (FAMP) funded by the IDB, the Debt Management Unit (DMU) underwent major restructuring to implement front, middle, and back office structures in keeping with prevailing perspectives on optimal structures to undertake such functions. In addition to

changes to systems and processes, the MOF also undertook retrenchment, re-employment and retaining of staff in the DMU particularly to improve analytic capabilities. Efforts were made to build capacity in taxation policy the Fiscal Policy Unit, with staff training and increased hiring (Interviewees 6-8, 12). The MOF, unlike other ministries was able to create positions to satisfy the need for higher level skills to drive technical changes. However, one interviewee suggested that the attitude or approach taken by human resources in the re-staffing effort was to protect the incumbents (*“their own”*) rather than identifying the best skills possible (Interviewee 8). In order to reduce bias in hiring, the process had to be taken outside of MOF using external consultants.

Subsequently in 2013, the MOF underwent a strategic review to examine the broad mandate of the organization and identify challenges, which prevented the efficient and effective delivery of core services. The strategic review resulted in a business process review to examine mission critical processes, which is still ongoing in 2017. The MOF is in the process of implementing recommendations from the strategic review, however although a programme management office and a change management plan were put in place to facilitate transformation, changes within the MOF itself have been slow with many of these still at the planning phase. Thus a major recommendation, the restructuring to reduce the span of control of the Financial Secretary (chief administrative officer) and stream-lining of core functions to improve service delivery have not been done as yet (Interviewees 2 - 7). Further it is anticipated that deeper structural changes will be introduced following the reviews and over time.

In addition, the MOF undertook training needs assessment, which identified that many MOF staff were unfamiliar with even basic PFM principles so a series of internal training programmes were implemented (Interviewee 4). The MOF also intends to introduce several system and process changes hinged on greater use of information and communications technologies. These

include budget, procurement, public investment, and integrated financial management information systems. The plans include an increase in monitoring and evaluation as part of efforts to improve service delivery internally and externally. Some of the impetus for planned changes came from the Public Expenditure and Financial Accountability (PEFA) reviews, an internationally standardized assessment for public financial management systems, which one interviewee described as a moving goalpost.

The country reached a critical juncture or crisis, which required that senior officials accede to the directives of external forces to reform its public financial management system in order improve, sustainability, efficiency and effectiveness of the use of the country's limited resources. While MOF officials indicated that they recognized the need for change, the notion of the political and administrative leaders setting the vision for PFM and accompanying organizational reforms was not the case.

Resource constraints, limitations in organizational structure, and functional arrangements served as clear challenges for the leadership in the MOF. These in turn have the potential to affect the successful implementation of reform objectives and ultimately effective and efficient service delivery. The MOF reforms clearly include both technical and adaptive challenges with the former having clear solutions that can be implemented using existing organizational capacities while the latter give rise to more disruptive contexts and require changes to how people think and behave. The restructuring of a behemoth, a major public bureaucracy such as the MOF can be described as highly risky endeavour in which the consequences of failure could be devastating. Therefore it is not surprising that leaders have tinkered at the margins with the restructuring of a single unit, which is akin to experimentation expected in an adaptive approach.

The implementation process can best be described as piecemeal since changes to structure and processes preceded or were concurrent with reviews and needs assessment undertaken to determine the needs and direction of the MOF (Schoburgh and Gatchair, 2013). Changes directly related to PFM practices (e.g. budget process, fiscal rules, and the annual fiscal policy paper) and to critical agencies such as Jamaica Customs, Tax Administration Jamaica (revenue agencies) and the Accountant General (Government Treasurer and host of the Central Treasury Management System to control expenditures) have proceeded much faster, even though many these required legislative changes.

Given that MOF leaders had to abide by external dictates, one leader expressed discomfiture the decision-making process that he was part of (Interviewee 1). It is clear that under these conditions, role shifts were taking place with individuals being both followers and leaders in the change process (Lichtenstein et al 2006). Although, this is not the same shift anticipated in the adaptive approach, which gives rise to distributed leadership.

Leadership approach

Some external stakeholders characterize the leadership approach of the MOF and by extension individuals as “*top down*”. Directives from the MOF were essentially considered as edicts, which had to be obeyed (Interviewees 6- 11). However another perspective was that not even the Minister was able to exert supreme control over some of the more powerful public bodies, whose leadership was aligned to the political directorate. Instead, the MOF had to “.. *rely on the dictates of the IMF to reign in the public bodies..*”, which argued for legislative and governance changes to improve financial management (Interviewee 9).

Nevertheless, despite a seemingly top-down approach towards most MDAs in the post-IMF dispensation, several interviewees indicated that the participation of external and internal stakeholders was important in moving the agenda for reforms up and down various levels of the MOF as well as across different ministries, departments and agencies (MDAs). For example, the economic support or loan programmes with the multilateral agencies, which underpinned the reform agenda were described as “*negotiations*”; the process being that government proposed aspects of programme design accompanied by efforts to resolve inadequacies or disagreements.

Both political leaders and technocrats had to ensure buy-in to increased fiscal responsibility at the highest levels of Government, the Cabinet, which in the Jamaican context is responsible for policy (Interviewees 1,5, and 13). Political priorities, which change from year to year, are set within the constraints of the economic reform programme. Leadership at the highest levels of the MOF also had to ensure buy-in of Parliament, the business sector, as well as other groups in the society. It was suggested that the IMF imposed changes could only be implemented through strong political leadership and required the expenditure of some amount of political capital.

As part of efforts to achieve buy-in, the Economic Programme Oversight Committee was established to monitor changes to meet the targets set by the IMF, including increased fiscal responsibility. The committee includes individuals from the private sector and civil society as members and is co-chaired by an individual from the private sector. The committee is charged with providing the public with an independent (from the government) analysis of public financial performance and the economy. As a result, EPOC provides quarterly reports to the public and comments on government action or in action in relation to the economic reform programme..

The view was expressed that the MOF was making efforts to move away from the silo-like approach to its relationship with other MDAs to one in which there was greater collaboration and negotiation in decision-making and implementation of policies. As a result, project teams comprising individuals from relevant entities identify and determine the implementation of major changes in administrative and other processes in PFM required by the lending agencies. A concrete example was the implementation of the Central Treasury Management System (CTMS), described as “*a complex administrative effort*” to eliminate the multiple accounts and sub-accounts held by a vast, complex and multifarious government in different banks (Interviewees 1-6; 13-14). The effort aimed to reduce interest charges and had far reaching consequences for both government and the banks.

Further, one interviewee felt that although a top-down approach was used to drive changes, the financial secretary with strong team support communicated well with the workers, through regular organization wide, unit or team level meetings in which he personally participated. Thus changes in the MOF appeared seamless and transparent, which minimized alienation and disgruntled feelings among staff. The use of teams, with members drawn from different levels in the organization to implement policies contributed to greater motivation and empowerment.

Internally efforts to involve more line personnel in the development of prescriptions and recommendations on policies were necessary as top-down approaches were not efficient given the context of changes in the public service. The top down approach was unlikely to work well with new entrants, who were better educated and wanted to have their positions heard. He argued that if greater participation is not possible, the public service would have difficulties attracting talent. Further it contributed to group think and in order to have rounded policies, consultations to solicit multiple perspectives / opinions were necessary. In addition, new technologies such as

social media demanded inclusivity and if this is absent, it would lead to resistance to policies.

Thus senior directors within the MOF opined that participation and dialogue among internal and external stakeholders were important as they contributed the implementation of more effective policies. According to a senior director, the “...*autocratic approach led to disharmony and ineffectiveness...*” (Interviewee 6). Another indicated that he embraced a participatory approach and engaged in dialogue “... *by philosophical persuasion and pragmatic orientation...*” (Interviewee 1).

Nevertheless, one stakeholder indicated that several leadership changes at the highest levels in the Ministry (three at the ministerial, and five at financial secretary levels) in the past six years resulted in differences in leadership approach and levels of consultation. He opined that the MOF experienced its greatest successes in accomplishing change when both the Minister and the Financial Secretary engaged external (e.g. banking, manufacturing, unions, among others) and internal stakeholders in consultations on the need for and planned changes. The unions in turn were able to make some inputs on issues which for example affected major targets of the reform programme including adjustments to the size, wage bill, and pension arrangements of public sector workers, engage members, and get buy-in. Both contextual and personality differences may have contributed to observed leadership differences among senior managers as stakeholder buy-in was a critical factor in the country getting a second IMF loan agreement having failed to meet obligations under the previous agreement.

One interviewee noted that the strong democratic traditions of the Jamaican context were also important in the adoption of a participatory leadership approach. He suggested that democratic governance resulted in a complex relationship between leadership and the populace in which the government received a mandate from the electorate so it was not right to dictate. Democracy

implied a right of continued participation and an obligation to confer. However the consultative process should not be confused with the mandate to take decisions. Thus a balance was needed between facilitating participation and being decisive (Interviewee 1).

Further it was suggested that the MOF needed to shift from the top-down instructional approach to decision-making towards the combination of both bottom-up and top-down approaches. He argued that this requires a change in emphasis from technical skills and the soundness of technical decisions to a broader management rationale which focused on soft skills and non-quantifiable aspects that may influence the outturn of policies. This sentiment was echoed by another interviewee who observed that there was an apparent shift in the skill set of top administrative leadership away from technical skills such as economic and financial analyses to individuals with broader managerial skills. Heifetz et al (2009) argue that diagnostic skills, that is recognizing problem, are the most important for adaptive leadership yet it is often undervalued. While MOF managers recognized limitations in the capacity of the organization to meet its mandate, weaknesses existed as external assistance was needed to fully diagnose and develop remedies. While appropriate skill sets, both technical and soft skills are important for effective leadership, these need not reside in the same individual nor exist internal to the organization.

A key component of adaptive leadership is the encouragement and facilitation of participation by a wide range of individuals, which leads to empowerment and distributed action. Although leadership within MOF made efforts to engender participation, and encourage individuals to be active in providing inputs to change, some individuals opined that there was the need for even greater participation.

The HR Unit's efforts to overcome resistance, and discomfort in some individuals in DMU and FPU as a result of deep seated change is in line with expectations of the adaptive approach.

Organizational Culture

One interviewee described the culture of the MOF as bureaucratic in keeping with observed top-down approach to decision-making. He further stated that MDAs often consider that the MOF was unresponsive although he disagreed with this view as he felt the MOF was responsive given constraints.

Several interviewees suggested that the typical culture of the MOF reflected that of crisis management with reaction to issues demanding immediate attention. As a result, decision-making focused on tactical issues and short term fixes rather than strategic directions. Resource constraints, in particular inadequate financial means force the MOF to constantly prioritize and address issues that are urgent and important. They further indicated that although the constantly changing socio-political landscape contributes to changing priorities, the MOF was trying to move to a medium term, strategic decision-making.

Further it was suggested that both national and organizational culture was such that administrative leadership often deferred to political leadership. Thus sometimes tension exists between technically competent senior level individuals and the elected official and technical advice may not be accepted. In such cases, it is clear the administrator has abdicated the role of leadership and embraced the role of follower.

Nevertheless, despite ongoing reforms, the interviewees indicated that not much change was apparent in the culture of the MOF for example in the top down approaches used. Thus the nexus between culture and the adaptive approach is somewhat weak. It is argued that the mix of

technical and adaptive challenges, which most organizations face need to be solved by changing priorities, loyalties, habits, motivations, and beliefs, in other words the culture of the organization (Schein, 2004). Adaptive leadership aims to build a culture that values the diversity of different views. While the MOF clearly recognized inputs of diverse groups (Cabinet, multinational lenders, EPOC, unions), it is not clear that it has sufficiently developed mechanisms for bottom-up inputs, although this is identified as a desirable objective.

Leadership and followership skills

A key theme emerging from the study was the inadequacy of skills in followers, which has implications for leadership. Mixed views were expressed on whether the MOF had the necessary skills and competencies to carry out its functions. The general view was that skilled and experienced individuals were present at the higher levels of the organization and they did a good job given available tools and constraints. However, technical skills in specific areas for example in taxation, economic, and financial analyses were inadequate. Thus, re-structuring, re-training, retrenchment, new hiring were necessary in the DMU, the FPU, and other parts of the MOF to build capacity.

One interviewee, focusing on the highest levels of the MOF lamented that more emphasis was placed on building competencies in the central bank where salaries were typically higher. He expressed that the MOF should be the entity with superior skills and compensation.

The small size of the country, the lack of requisite technical capacity, and a mismatch between training provided by the universities and the skills needs of the country were viewed as constraints. The unevenness in quality of graduates from different universities compounded the problem of getting the requisite skills for example individuals were weak in basic mathematics

and analytic skills. Further, the unfavourable competitive position relative to the private sector because of lower salaries in the MOF placed the organization at a disadvantage. Although some skills could be sourced internationally e.g. through the use of consultancies, it was argued that the use of external consultancies could be problematic if the individual did not have good understanding of the nuances of the Jamaican context. Further both national and organizational cultures exhibited a reluctance to embrace expertise from outside of the country. The reluctance to recruit individuals from outside the MOF to senior positions was viewed as part of the culture of the organization. Instead individuals typically moved up the organizational hierarchy in a fairly competitive process; therefore it is difficult for outsiders to come into the MOF. An interviewee opined that the inward-looking culture contributed to “...*incestuous, weak-minded institutions unable to take advantage of the best ideas and practices from elsewhere...*”

Another interviewee suggested that the retrenchment and hiring efforts were stymied because of bias and the tendency to give preference to existing staff, in part “*to protect their own*” and to overcome resistance. Since this could prevent the best skills from being hired, the evaluation process was shifted from the MOF to an external agent.

It is important to have individuals with the right skills in place as despite the best efforts of leadership, if the organization lacks the technical capacity to carry out critical functions it will not successfully achieve its mandate and the effectiveness of leadership will be questioned (Bjugstad et al 2006; Bligh, 2011; Carsten et al 2010). The skills must be developed in both leaders and followers thus training and hiring were important steps towards the process of changing attitudes and behaviour and ultimately solving the problem. Heifetz et al (2009) suggest that self-reflection is important for recognizing strengths and weaknesses, hence the type of skills that must be developed. .

Towards a theory of leadership

Leadership depends on the context, which determines both the response and actions of the leader as well as the constraints and resources needed to facilitate effective leadership. In the case of Jamaica, the country and by extension the MOF faced severe resource challenges for many decades, which forced political and administrative leaders to engage in crisis or tactical actions rather than taking a strategic orientation. The leader must have available the tools and resources needed to devise and implement appropriate solutions otherwise the potential for effective organizational performance is reduced. The dynamic nature of contexts suggests that the leader must be responsive, adapt to meet challenges as well as take advantage of opportunities presented, which for example may come in the form of external skills or internal cooperation.

An important component of exercising adaptive leadership is diagnosing the problem, which the MOF accomplished through internal assessments, the use of external consultants, and systematic reviews including PEFA. Strategic and business process reviews. International donor agencies, external to MOF played critical role in providing resources for diagnosing the problem, identified in part as poor PFM practices leading to high and unsustainable debt, which further constrained resources for effective delivery of public services. Thus the capacity to recognize appropriate skill sets, whether technical and soft skills needed to overcome challenges is an important part of effective leadership.

In general, the senior managers interviewed asserted limited ownership or leadership of the reform processes instead they expressed views, which suggested that they acted based on roles and responsibilities as senior managers. Therefore leadership was conflated with senior management positions and authority and focused on the perspective and remit of the organization

rather than identifying and charting a vision. This is keeping with some perspectives which see little distinction between leaders and managers (Gagnon, 2012).

Decision-making was top-down and although efforts were made to solicit inputs from lower level staff, efforts to motivate and empower staff beyond acceptance of changes appear limited. Although the study, uncovered some resistance to more radical changes, this appeared limited with frequent meetings and direct communication from the most senior manager contributing to increased acceptance of change and reduced disgruntlement. From the study, it appeared that issues were channelled through the unions and collective bargaining process.

It is possible that some leadership (either positive or negative towards moving the reform agenda forward) may have emerged on the ground, but this was not uncovered in the study. Thus no evidence emerged of distributed leadership. A serious limitation in the study was the difficulty to get perspectives of junior members of the organization as they were reluctant to participate in interviews.

Nevertheless, it is apparent that strong leadership emerged at both the political and administrative levels, which is closely aligned to the concepts of the adaptive leader. The MOF leaders responded to complex, changing contexts that include both technical and adaptive challenges. Given the difficulties and delays in restructuring the MOF is best described as an adaptive challenge that is a problem with no clear solutions. Therefore experimentation is necessary to devise solutions, which associated with some risk. Leaders have to mobilize and empower individuals internal and external to the organization to identify and implement solutions, while dealing with the potential for disruption and loss. Distributed leadership rather than top-down leadership may have the potential to produce successful transformation.

Individuals in leadership roles oscillate between followership roles (Bjugstad et al 2006; Carsten et al 2010). However the follower is not necessarily a subordinate for example leaders from the MOF have to persuade Cabinet members about the necessity to pursue in PFM reforms. Thus MOF leaders have to respond to direction from collective decisions of Cabinet as well as external forces. They have to understand different interests, and values in order to engage different groups, get buy-in and resolve conflicts. Therefore as Lichtenstein et al (2006) argue the hierarchical view of leadership is less relevant in today's complex world. The leader should also not be viewed as a single individual vested with specific characteristics and holding immutably to that position. Instead the roles are dynamic with the interchange of leadership and followership roles as the situation demands.

Leaders are required to be innovative while working in either existing or changing organizational contexts and across boundaries. The process of adaptive change forces individuals to adapt their own behaviour, which include the interchange of roles and the implementation of a different interventions aimed at resolving problems identified. For example, leaders changed institutional (structural, process, and legislative) frameworks, important elements of the context of public organizations, which constrain action on public expenditure. Leadership is critical for the public service to overcome challenges, and fulfil its mandate and expectations. It is also important for employee commitment motivation and ultimately performance.

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Appendix

Interviewee 1 – Senior Director 1

Interviewee 2 – Consultant 1

Interviewee 3 – Consultant 2

Interviewee 4 – Consultant 3

Interviewee 5 – Consultant 4

Interviewee 6 – Senior Director 2

Interviewee 7 – Senior Director 3

Interviewee 8 – Consultant 5

Interviewee 9 - Former Director 1

Interviewee 10 – External Stakeholder 1

Interviewee 11 – External Stakeholder 2

Interviewee 12 – External Stakeholder 3

Interviewee 13 – External Stakeholder 4

Interviewee 14 – Senior Director 4

