

**DEVELOPING LEADERSHIP AND FINANCIAL ALLOCATION PRACTICES IN  
THE BRITISH VIRGIN ISLANDS CIVIL SERVICE:  
AN ACTION RESEARCH STUDY**

Thesis submitted in accordance with the requirements of the  
University of Liverpool for the degree of Doctor of Business Administration

by

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## **ABSTRACT**

This thesis reports on a study of the leadership and financial allocation practices of the British Virgin Islands (BVI) Civil Service. It focuses on the introduction of proposed modifications to the current practices meant to improve the effectiveness of leadership and the efficiency of budgeting practices. The study examines how the leadership practices in the BVI Civil Service influence resource allocation and the challenges that prevent it from realizing higher service delivery standards. This thesis also examines the synergies required between leadership practice, budgeting, and the implementation of initiatives.

The literature review aimed to understand some of the challenges that exist in public sector leadership, organization systems, decision making, and financial management practices. The study then sought to understand the peculiarities of the British Virgin Islands' leadership and financial management practices that may be responsible for the dissatisfaction of the senior managers within the BVI Civil Service in their quest to ensure that they carry out their mandates from the political directorate efficiently and effectively.

The results showed that many of the issues regarding the budgeting and allocation of financial resources could be attributed to the leadership practices of the BVI Civil Service. Proposals include suggestions for changes to leadership and budget cycle procedures to improve the effectiveness of resource allocation and the implementation of BVI Civil Service initiatives. This improvement is achieved by, first, integrating stakeholders meaningfully in their various capacities to participate in the development of initiatives that utilize the resources of the Government of the Virgin Islands; second, by ensuring that lines of accountability and responsibility are established that are obvious to all stakeholders; third, by providing that the in-depth details necessary for implementing budget initiatives are shifted from pre-budget approval to post-budget approval; fourth, during the planning for implementation of initiatives, by emphasizing clear and accurate articulation of the problem as opposed to devising possible solutions to a less clearly defined problem; fifth, by ensuring that decision points are clearly

defined and that the information required to make decisions at these points are part of a natural and progressively more detailed process moving towards the formulation of an acceptable solution to the defined problem.

Finally, the implications for the leadership and financial management procedures and public policy in the British Virgin Islands Civil Service are discussed, along with proposals for further research.

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## **AUTHOR'S DECLARATION**

I do hereby declare that this thesis is the result of my own research, except to the extent indicated in the Acknowledgements and References and by comments included in the body of the report, and that it has not been submitted in part or full for any other degree to this or any other university

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Signature of Student

Date: December 2019

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## LIST OF ACRONYMS

<b>BVI</b>	<b>British Virgin Islands</b>
<b>BVICS</b>	British Virgin Islands Civil Service of Government of the Virgin Islands
<b>CAS</b>	Complex Adaptive System
<b>CRP</b>	Complex Responsive System
<b>HOA</b>	House of Assembly (British Virgin Islands)
<b>MDA</b>	Ministries, Departments and Agencies
<b>UoL</b>	University of Liverpool
<b>SoR</b>	Statement of Requirement
<b>RDA</b>	Virgin Islands Recovery and Development Agency

## **DEDICATION**

To my wife, Natalie, for her patience and support. To my son Drae' and daughter Dasha for their understanding. I hope that their continued growth in knowledge, wisdom, and strength far exceeds my own.

## **ACKNOWLEDGEMENTS**

I would like to acknowledge my sincere appreciation to my primary supervisor Dr. Yusuf Nulla for his strong coaching and guidance. Also, much gratitude is due to Jim Stewart for his advice that improved my work as well as to all the support from the staff at the University of Liverpool.

I would like to finally acknowledge my colleagues in the Government of the Virgin Islands who took their time to assist me in completing this project.

# CHAPTER ONE: INTRODUCTION

## 1.0 Introduction

In recent years, the civil service in the British Virgin Islands (BVI) has changed; however, there are many more changes that could improve its operations. This study was necessary due to concerns that, despite the many initiatives designed to create an effective civil service, the civil service at BVI lacks the service standards that stakeholders expect<sup>1</sup>. Although various public sector reform initiatives have yielded robust findings and recommendations for improvement, and despite the implementation of proactive strategies in response to political and philosophical conflicts amongst the executives of the BVI Civil Service (BVICS), fundamental enhancements are yet to be achieved.

The fundamental problems in the BVICS that prevent it from realizing higher service delivery standards are investigated in this research. The researcher's experience, and the outcome of several past studies of the BVICS, have suggested that there are major outstanding issues concerning reform. These issues include current leadership models, strategies, and budgetary systems, and addressing them would improve performance. Therefore, this study examines these issues to seek suggestions for improvement.

Operational processes that are integral to the proper implementation of the BVICS budget, such as planning, require improvement. Also, due to political challenges and a lack of effective processes and strategic implementation systems, leadership is unable to initiate reform based on previous BVICS reform recommendations. Lessons learned from this research were shared with other departments or branches within the BVICS. A better-managed civil service will facilitate a better-managed economy, which is particularly important for the BVI in this critical period of fiscal challenge.

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<sup>1</sup> The ultimate stakeholder is the public, which is represented by the elected government of the Virgin Islands. However, within the BVICS there are various agencies and individuals with various statutory responsibilities to fulfil. Within the process, the stakeholder would be represented by Members of the House of Assembly, Ministers, Permanent Secretaries, Heads of Departments and representatives of various civil society organizations.

## **1.1 Historical Context**

The BVICS is the largest employer in the BVI, and its successful operation relies on its operational efficiency and effectiveness. Therefore, the BVICS directly influences the way that most business transactions in the territory take place. The BVI has a complaint system for improving public customer services to improve its laborious and bureaucratic processes. In 2015, the government of the BVI launched the BVI forward initiative to address many of the service delivery complaints lodged by residents and visitors. Before this, in 2014, the government planned to study service improvements to diversify the economy and reduce exposure to an increasingly volatile international business sector. The government tasked McKinsey and Company Management Consultants with investigating the BVICS's program efficiencies and effectiveness. The McKinsey report, titled *Building on a Thriving and Sustainable Financial Services Sector in the British Virgin Islands* and published in 2014, indicated that improvements in the effectiveness and efficiency of the BVICS are needed to create a BVI financial services sector that is more conducive to business.

Two significant initiatives have been launched in the past two decades. The first is the Public Sector Development Programme (PSDP), which aimed at developing a world-class civil service. The second is the Financial Management Reform Programme, which aimed at improving budgeting, financial management, and reporting practices. Both initiatives had the common goal of improving service delivery operations by introducing a structured approach to strategic planning and creating a modified programme-based budget. The former envisaged higher expectations of service delivery and a structured approach to strategic planning; the latter focused on developing a revised programme-based budget process with more stringent financial controls.

### **1.1.1 Public Sector Development Programme**

In 1999, the BVI government began a public sector reform process by commissioning the consulting firm Ernst and Young to suggest measures for transforming its public service into a

world-class civil service. The new BVI would be more responsive to its environment, efficient in executing its duties, and accountable to all its stakeholders. The Ernst and Young study concluded that the BVICS, as an institution, is slow and bureaucratic and that much change is needed to improve its public services. The firm made eleven recommendations that formed the cornerstone of a 2005 public service reform agenda known as the Public Sector Development Programme (PSDP). These recommendations were primarily related to employee recognition service charters and outlined specific standards for departmental performance and strategic planning. However, these recommendations have not been adopted in reform implementation actions due to implementation challenges such as complexity and impracticability.

Led by the Governor,<sup>2</sup> another attempt was made in 2006 to restart public sector reform. The Public Sector Reform Programme (PSRP), built on the previous PSDP experience, targeted specific areas that were associated closely with financial reform efforts, such as human resources, financial management, service delivery, and strategic planning. The BVI Cabinet approved the PSRP proposal to amend the strategic planning and budgeting processes. These amendments delegated a higher level of authority to financial and human resource ministries, created incentive systems for individuals, departments, and ministries, and introduced operational processes throughout the organisation.

However, due to the repeated deferral of their implementation and subsequent decisions to disregard the PSRP proposal, these reforms ended up being mere suggestions. One very significant reason for the unsuccessful application of reform efforts in the BVICS is the suspension of the financial management reform element of the PSDP, which is a cornerstone of its agenda. Another reason is the indefinite postponement of a decision to create changes and a quality management unit to monitor progress and evaluate the recommendations. In the 2010 report, issued by the Deputy Governor's office,<sup>3</sup> the loss of momentum was blamed on a lack of reform urgency, an entrenched public service culture, suspension of the financial management reform initiative, and a lack of coordination throughout all levels of the public sector.

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<sup>2</sup> Represents the interests of the United Kingdom and is the head of the BVICS.

<sup>3</sup> *Status Report on Public Service Reform in the British Virgin Islands.*

### **1.1.2 Financial management reform**

A diagnosis exercise conducted in 2006 identified various problems at several levels of the public service, including poor service delivery, a lack of authority at the political and managerial levels, inadequate financial management information, inactive or disinterested management, and the lack of incentives to promote efficiency and effectiveness in the financial management practices of the Government of the BVI (GBVI). As a result, the Ministry of Finance proposed a New Public Management (NPM) system that focused on applying an accrual accounting method for financial reporting. It provided improved mechanisms for elected officials and ministers to determine policy, more reliable accountability mechanisms and structures, stricter fiscal control mechanisms, and greater transparency. Unfortunately, the cabinet did not support the financial management reform initiative, although it was part of the revised PSDP. The BVICS, meanwhile, believed that the processes required in the financial management initiative were too complicated.

In 2011, the Ministry of Finance requested that the Caribbean Regional Technical Assistance Centre (CARTAC) review its budget planning and preparation processes and identify strategies to strengthen its existing operations. CARTAC identified many issues that were also recognized by the previous financial management reform, such as the need for a revised chart of accounts, a three-year rolling budget cycle, a results-based budget structure, and the production of a medium-term fiscal frame (MTFF). In this case, the CARTAC recommendations to improve on the budget preparation processes and amend the financial reporting requirements were applied gradually, from 2013 until today, with some success.

In April of 2012, the GBVI signed the Protocols for Effective Financial Management with the United Kingdom, agreeing with the United Kingdom Government (UKG) that it would observe specific principles of good governance and financial management. In October of 2017, the GBVI launched the Public Service Transformation initiative to develop the BVICS into a resource- and capital-ready organisation and to meet current challenges. Currently, this initiative has not



progressed as quickly as initially anticipated. The purpose of this initiative was to “support the strategic direction for an improved Public Service.”<sup>4</sup>

## **1.2 Purpose of the Research**

The purpose of this research is to identify the problem areas in leadership and budget allocation that prevent the BVICS from achieving desirable levels of efficiency and effectiveness and providing practical improvement suggestions that are consistent with current strategic goals and objectives. This research identified managerial issues that prevent the BVICS from achieving its budgetary goals and having effective leadership.

## **1.3 Problem Statement**

The BVICS senior management team is concerned about current leadership strategies and approaches, particularly the misappropriation of funds, budget deficits, and an inability to meet budgetary goals. The executive team demands well-managed budgets from the operational managers to achieve its strategic objectives of efficiency, effectiveness, timeliness, and expenditure management. They also require an effective leadership system to meet budgetary goals and comply with policies and procedures, budget approval, control, and dissemination, and the monitoring and reporting system. These concerns and requirements resulted in the following research questions:

1. How do we align our current leadership strategies and approaches to; meet our budgetary goals, eliminate budget deficits and alleviate the misappropriation of funds?
2. How can we achieve our strategic objectives of efficiency, effectiveness, timeliness and sound expenditure management?
3. How can we meet our strategic objectives within the current policies, and procedures of the BVICS?
4. What would be required to have an effective monitoring and reporting system that is appropriate to support the achievement of our strategic objectives?

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<sup>4</sup> Public Service Transformation Consultation document, 2017.

Figure 1.1 illustrates the current established budget process and the various challenges resulting from deficiencies in leadership practices, showing that leadership actions failed to produce the intended results.

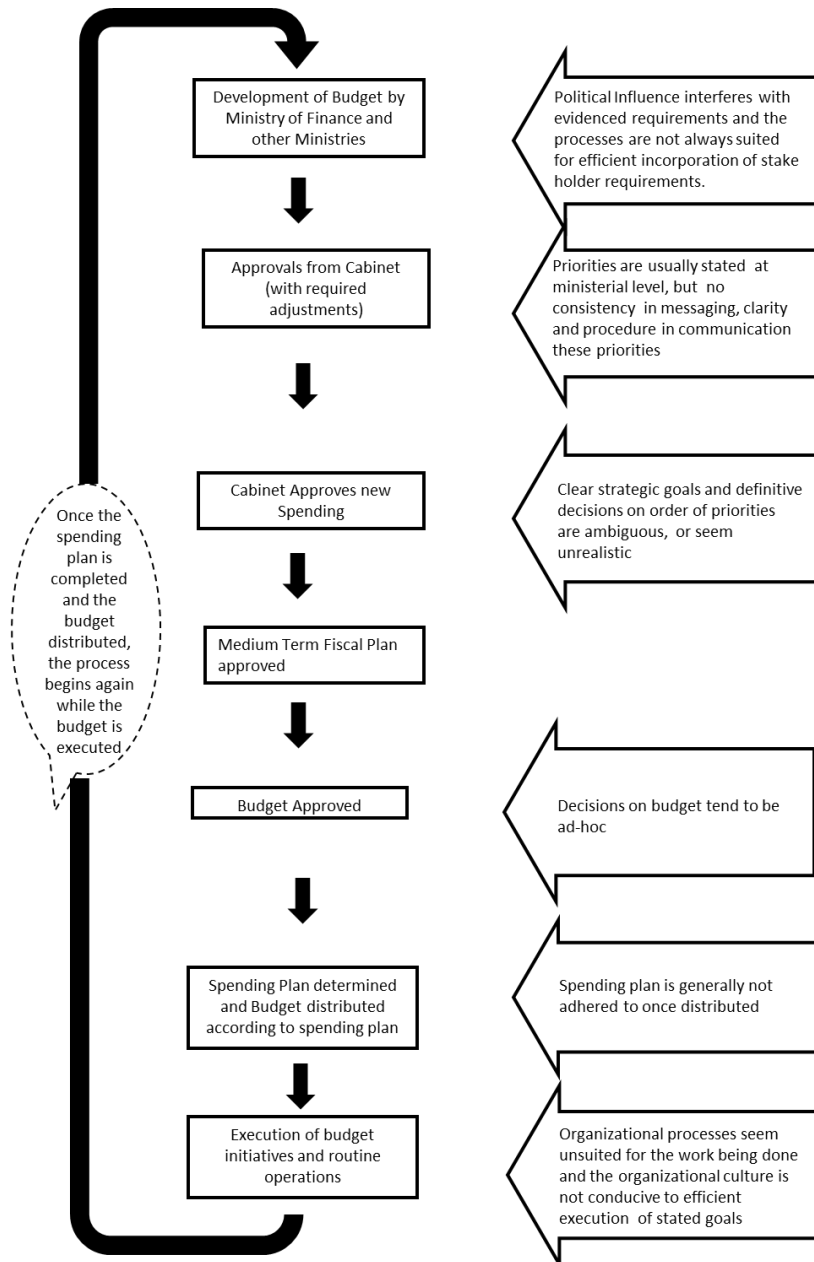


Figure 1.1: Illustration of Budget Cycle

Figure 1.1 also illustrates the minimal involvement of ministers in the development of the Medium-Term Fiscal Plan,<sup>5</sup> which is vital because a medium-term fiscal plan is the core budget strategy. It outlines the revenue forecasts and develops the fiscal envelopes<sup>6</sup> for expenditures based on government priorities. The hollow arrows in Figure 1.1 identify the issues that need to be addressed at each stage of the process.

Furthermore, policymakers (elected officials) and management have not resolved disagreement about how to solve problems relating to budgetary issues and management control systems. Therefore, these outstanding issues in the BVI prompted me, with the approval of the senior management of the BVICS, to conduct this research to develop leadership and financial allocation models aimed at achieving reliable and effective implementation and management controls while supporting the goals of the BVI strategic team. These leadership and financial allocation models were developed through an integrated system that focuses on leadership practices to achieve optimal efficiency and performance of the BVICS.

#### **1.4 Thesis Structure**

The thesis is presented in four parts.

**Part I** – Chapter 1 highlights the objectives and purpose of this research and identifies the problems, environmental constraints, and expected outcomes. Chapter 2 provides a literature review of work related to the organisational systems, leadership, decision-making, change management, performance, and financial management of the BVICS.

I investigate the thinking associated with the leadership, decision-making, and change systems to understand the dynamics of the strategic and operational activities of the BVICS. I also focus on the ways that managers can effectively perform leadership functions and embark on change processes that yield better financial allocation decisions. I also study the complex adaptive

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<sup>5</sup> The Medium-Term Fiscal Plan is a multi-year fiscal forecasting document prepared by the Ministry of Finance every year. It sets the fiscal envelopes that will be utilized in the budget.

<sup>6</sup> These are the limits on spending for the each of the categories in the budget.

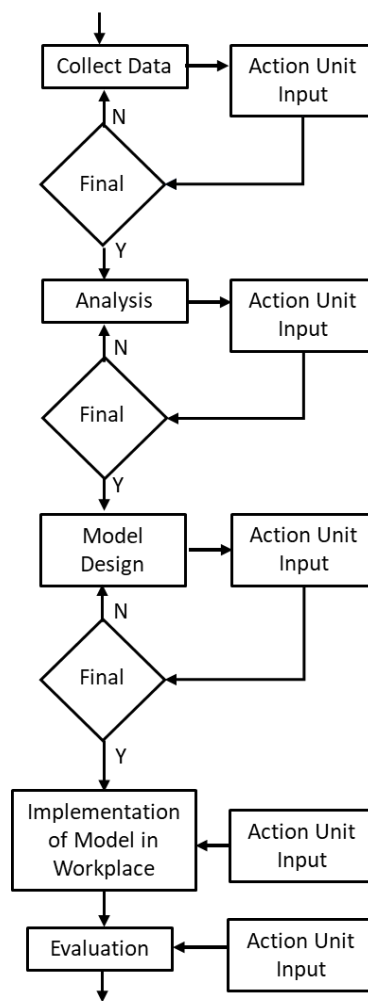
system to acquire a better appreciation of the factors that affect the system and those factors' potential role in facilitating improvement through the implementation of suggested-feasible processes that meet the organization's strategic goals. Furthermore, I study the role that change agents perform and examine how change should be orchestrated and facilitated to develop an effective leadership system; examine the literature on financial management in the public sector; examine current thinking on Public Financial Management to gain a better appreciation of what to expect and what is required in the development of leadership and financial allocation models; and examine literature that discusses current and past thinking on how to facilitate an informed change process in a cooperative environment. Finally, I consider views about the components of creating a learning environment, developing employees' competence and innovation, and developing an efficient system for measuring good outcomes.

**Part II** – Chapter 3 describes the research methods used in this study and the reasons they were chosen. It details the study's research design and how the research methods were executed. This study focused on solving a specific workplace problem in the BVICS context, a topic uniquely suited to action research, according to Greenwood and Levin (2007) and Phatshwane and Baliyan (2011). Therefore, I adopted an action research method.

The research activities within this action-based study took place over four distinct phases: constructing, planning, acting, and evaluation. These phases were applied across three action cycles: Leadership and Strategy of the BVICS (Action Cycle 1); Financial Allocation Model (Action Cycle 2); and Merging Leadership Strategy and Financial Resources Allocation (Action Cycle 3). For the initial data collection exercise, a questionnaire was administered to senior, middle, and junior managers. These data were used to identify problems in the current civil service leadership and financial management models and create a new leadership model and financial control framework.

**Part III** – Chapter 4 focuses on the results and findings phase. The data from the action cycle investigations are analysed qualitatively by extracting themes from the interviews,

questionnaires, and workplace observations. Through the collection and sorting of the data, emergent themes were identified to develop leadership and financial process models before including them as new workplace practices. This action analysis was performed using Microsoft Excel to sort and identify common themes across the data. Once the data were analysed, the interventions were developed via desktop evaluation exercises. That is, members of the action units discussed the pros and cons of each step to determine whether the proposed interventions would work in practice. If the action units identified any problems, they modified and re-evaluated the design. This process was iterative, as illustrated in Figure 1.2.



**Figure 1.2: Workflow of the fieldwork process**

Once the action unit reached an agreement about the designed interventions, a workplace implementation followed. As the researcher, I observed the success of the changes, and the findings are reported in this chapter.

**PART IV** – Chapter 5 focuses on discussing the results presented in chapter 4 in the context of the literature review. In this chapter, I demonstrate how theory was applied in practice in my workplace to solve the workplace problem and to reveal disagreements between theory and practice. Chapter 6, the conclusion chapter, provides a summary of the thesis and discusses the evaluation of applied measures, results, lessons learned, and suggestions for future research.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

The purpose of this literature review is to present the findings of various scholars on organisational systems and change within organisations, leadership, and budgeting. These themes are investigated in the literature review to provide some guidance on past, current, and new ways to approach improvements in the current methods of allocating financial resources in the British Virgin Islands (BVI) Civil Service. The approaches used in this investigation were not meant only to develop a new financial allocation system and leadership model. They were also intended to achieve the BVI Civil Service policymakers' planned operational and strategic outcomes through the adjustment of leadership patterns and management practices to provide sound budgetary control systems and avoid unplanned fiscal deficits. Accordingly, themes related to organisational systems, leadership, organisational change, decision making, strategy and core competencies, and public sector financial management are reviewed and discussed in six sections in this chapter. The primary literature review on organisational change focuses on the works of Buick et al. (2015) and Yeung Lai and Yee (2007) on public sector performance, Cameron (2015) on leadership, Phatshwane and Baliyan (2011) on financial management and budgeting, and Stacey and Mowles (2016) on organizational dynamics. The literature review on decision making begins with works published by Peterson (2017) and Blanco and Matute (2015) on public sector financial management; by Bergmann (2009) and the World Bank and Song et al. (2013), Takey et al. (2014), and Muntean (2014) on performance in organizations. The literature review includes peer-reviewed articles from journals, books, and relevant websites. Lederer et al. (2015) and Oksiutycz and Azionya (2017) provided excellent examples of action research case studies.

### **2.1 Organizational Systems**

Kast and Rosenzweig (1972) stated that an organisation can be viewed as a system with various elements that contribute to its behaviour as an entity. This definition is derived from a general

system theory of organizations. A general system includes twelve components: subsystems and holism (i.e., the system is more than the sum of its parts); openness and interaction with its external environment; an input-output transformation model that has a dynamic relationship with its environment; creates outputs based on inputs from its environment; system boundaries; negative entropy; a steady state; dynamic equilibrium and homeostasis; feedback, hierarchy, internal elaboration, multiple goal-seeking; and equifinality. However, according to Stacey (2011), the inherent differences between a natural and artificial system should be borne in mind to prevent carrying analogies too far. The agents of natural systems develop their characteristics and ability to emerge from their inherent nature in a social order (organisation). This latter ability lies in the agents' capacities and skills, as well as the limitations and constraints under which they must operate, which together form the medium for communication and development through feedback loops. Goldspink and Kay (2010) suggested that a social system is reflexive and that feedback loops occur through communication in various forms, such as language. Oksiutycz and Azionya's (2017) study found that misunderstandings between groups significantly affected an organisation's efficiency and the ability to meet its mandate. In a natural system, agents may be unaware that others are observing their behaviors; knowledge of these observations could materially affect an agent's actions (Goldspink and Kay, 2010). Therefore, the organisation can be described as an organism that interacts beyond its boundaries (Burke, 2018).

Stacey and Mowles (2016) proposed that there is chaos in a complex adaptive system (CAS) best described as "predictable unpredictability." At one end of the spectrum, cybernetics postulates that the organization's behavior comprises of linear cause and effect relationships, and is a homeostatic, recursive, self-regulating, goal-seeking system, with a clear boundary between the system and the external environment. These inputs can be controlled with quantitative modelling and feedback systems that cause the system to adjust in response to stimuli. However, according to Carmichael, T., Collins, A. J. and Hadžikadić, M. (2019), a CAS can be viewed as a collection of agents interacting with each according to their internal behavioural



characteristics via interrelated feedback loops. These interactions result in behavioural modalities that are inherently unstable.

Although each agent within the system may be trying to influence it to change, the interventions may not be sufficiently significant or directed to the correct areas necessary to destabilise the system as it exists and create change (Jones and Brazzel, 2014). Furthermore, a destabilisation may not generate the type of change that the agent (manager or employee) desires. Besides, the agent or agents who act as influencers are not objective but are influenced by the system itself (Nan, Zmud and Yetgin, 2014). This outlook can be applied in an organisation to demonstrate that its managers are influenced by the same individuals over whom they have the organisational authority to manage and influence (Besieux, 2017). It appears to support the argument that, although influence may be predictable in the short term, feedback processes affect the influencers, which helps to create long-term stability. This stability may be impossible or exceedingly difficult to predict through the phenomenon of emergence, which suggests that developing a long-term strategy is a prohibitive task (Akgün, Keskin and Byrne, 2014). Thus, it may be prudent to make incremental changes over successive short-term periods that use the results of each preceding cycle to inform consecutive cycles to reach the desired end (Baumann, 2015).

According to Nan et al. (2014), this complex responsive process (CRP) accounts for an evolution in the level of knowledge and understanding on the part of the various agents in the system and their temporal realities and processes at a given historical point. Change, which depends on the knowledge universe of the system's agents as well as their interactions with each other, is derived from the present reality. Stacey and Mowles (2016) use the complex responsive processes to describe organizations as an interplay of human intentions between interdependent individuals that results in patterns of interaction between people that allow them to become a group with a shared identity. In this approach, knowledge is considered socially constructed. The organization (e.g., culture or society) is, therefore, a pattern of relating that takes habitual forms. These habits, in turn, constrain and enable what it is possible to think, say, and do. Because human interaction is non-linear, it also allows an opportunity for

the escalation of slight differences, spontaneity, and imperfect reproductions to result in changes to the generalized patterns of the CRP.

Organisations have five drivers that challenge their ability to survive: connectivity, data, information and knowledge, access speed, and digitisation (Bennet and Bennet, 2003). This current study was built on the CAS model (Stacey, 2011). Bennet and Bennet (2003) proposed a practical understanding of the CAS that can be applied in the BVI Civil Service. It includes organisational intelligence, shared purpose, selectivity, optimum complexity, permeable boundaries, knowledge centrality, flow, and multidimensionality. The system's complex responsive processes are examined with respect to how the agents interact with themselves and the external environment. Fundamental to the appreciation of these interactions is the paradoxical transformative causality that causes the agents in the system to be *being formed* and *forming* at the same time (Stacey and Mowles, 2016) in response to their environment. From a practical point of view, it suggests that an organisation can respond to its environment proactively with creativity, problem-solving, decision-making, and implementation processes (Bennet and Bennet, 2003).

As a system, the BVICS possesses many of these complexities. It is composed of many interdependent relationships that affect each other and come to a steady state to establish a culture or set of norms for the organization. The CAS describes an organizational system by attempting to explain the interdependencies of the agents in the system. These agents can be described as the various employees of the BVICS, its departments, or its ministries. The CAS provides a good description of how the BVICS operates because it recognizes interdependencies and multidimensional feedback loops and understands that influence is multilateral and interdependent. An organization is not best described as a cybernetic system since inputs into the organization do not produce linear, predictable outputs. Rather, they are the result of the complex interdependencies within the organization and the external environment.

Since BVICS is a complex adaptive system, it is essential to apply these concepts to facilitate and embed change. As agents in the system, my colleagues and I must understand that our actions can affect the existing culture and expectations of the organization and that those actions need not have discernable links to the consequences. The concept of causing change within the organization by actions that are not directly targeting the change that occurs is important for several reasons. First, the results of my efforts during the study could have had unintended consequences. Hence, while the research sought to make improvements in one area of the BVICS, there may always be ripple effects in other areas. Secondly, it may be essential to have a practical appreciation of the impact that the various agents within a system may have on that system. It is quite possible to improve BVICS's operation by intelligently combining various mitigating measures to achieve improvements in areas not directly targeted by the change measures.

As BVICS is an intelligent complex adaptive system, I expected that change was very likely to occur. Stability within a system may be partly described as the consequence of social norms and culture. Social norms (Bicchieri, 2006) are acceptable rules/conduct at the organizational/group level. Though not always directly enforced, social norms are circumscribed through informal means such as censure, ostracism, or dishonor. Transgression is often accompanied by guilt or remorse on the part of the offender, partly due to negative feedback from others. Social norms are not moral codes, but they represent expectations of behavior and are usually accompanied by a strong obligation to obey them.

## **2.2 Leadership**

Goleman (2002) and Zlate (2004) defined leadership as the ability to influence followers to work toward a common goal by guiding or persuading them. However, Uhl-Bein *et al.* (2007) stated that leadership also involves understanding and marshalling the interdependence of various agents in a system composed of many interacting forces. Bass (2008) pointed out that there are a plethora of definitions and descriptions of leadership. Jones (2014) defined it as adaptation and learning that arises because an influencer or follower is guided by a shared

value system to achieve a mutually beneficial goal. Leadership differs from management, which Musgrave (2014) proposed includes acts attributed to directing and controlling resources within an organisation or system. The contemporary transformational and participative leadership theories (Vasilescu, 2019), which focus on the relationship between leader and follower, was applied in this study, mainly due to the importance of establishing relationships in the BVI culture as a prerequisite to getting things done.

### **2.2.1 The Leader's Role**

Examining leadership style theory and its evolution, Zaleznik (1992) stated that the leader, as an individual, is a change agent or transformer who formulates a vision and translates it into action by influencing others. According to Goleman (2007), leaders have been described in diverse ways: as visionaries; counsellors; peers, and those who are democratic, promoters, or dominators. Kets de Vries (2003) indicated that leaders manipulate agents to achieve a goal. Bârgău (2015) categorised leaders in four types: autocratic, democratic, laissez-faire, and transformational/transactional. Solomon et al. (2016) also suggested four categories: autocratic, democratic, informal, or formal. Rogers, Immaculate, and Ssekiziyivu (2020) propose that the democratic leader makes decisions but invites team members to contribute. This approach increases job satisfaction since it gives team members a sense of control that motivates them and promotes the development of their skill sets. Democratic leadership typically results in slower decision making, but the outcomes are generally better than those stemming from an autocratic process. Democratic decision making is most suitable where teamwork is essential, and quality is more important than speed.

Autocratic leaders, by contrast, are traditionally bossy (Obiwuru et al., 2011), expecting their subordinates to work according to them, and they typically retain decision-making rights. Bureaucratic leaders influence the people under them to follow their policies and procedures, to which they are firmly committed, placing little emphasis on their people (Germano, 2010). This method is not especially useful as it does not lead to employee motivation. Ojukuku et al. (2012) also stated that bureaucratic leadership undermines organizational performance.

Solomon did not classify non-leadership as a leadership role, while Lewin classified it as laissez-faire leadership, as do others (Wong and Giessner, 2018). This classification is supported by Bass and Bass (2008), who also defined leadership according to three categories: transactional, transformational, and laissez-faire. They followed the same patterns as Lewin, with transactional leadership analogous to autocratic leadership and transformational leadership resembling democratic leadership. The former style exchanges various types of rewards for the efforts of those being led, and the latter style uses the concepts of goodwill and benevolence toward employees. While this continuum appears to be accepted widely in the literature, with leadership styles ranging from autocratic and charismatic to strategic and visionary, scholars believe that informal and formal leaders can be found anywhere along the leadership spectrum.

### **2.2.2 Components of Effective Leadership**

The leader's craft (or activity) is his/her leadership, and understanding it requires investigation not only of what leadership is but also what type is most effective. Salehzadeh (2017) indicated that leadership depends on the preferences of those being led. He found that as students matured academically, they required progressively less autocratic roles on the part of their leaders. This finding was supported earlier by Tannenbaum (1973), who recognised the importance of leadership type and the role that it plays in determining the best kind of leadership style. The decision made in this study to adopt a particular leadership style was associated with three considerations: the forces in the manager, which relates to his/her inherent behaviours and characteristics; the forces in the subordinates, which relates to their traits, behaviors, and characteristics; and the forces in the situation, which refers to the organization's idiosyncrasies. Oc and Bashur (2013), who stated that followers exert pressure on leaders to behave in a certain way, suggest that followers prefer particular characteristics in their leaders. Specifically, leaders who exhibit these characteristics are more successful, which implies that the environment and the followers influence the choice of leadership style.

According to Uhl-Bein and Marion (2007) and Halal and Taylor (1999), in modern society—which is characterised by democratisation, globalisation, deregulation, and technology—what

leaders require differs from what they needed several decades ago. Schyns et al. (2008) proposed that because of the environment in which organisations operate today, they must be flexible, adaptable, and steeped in learning and innovation to achieve success. Eisenhardt (1989) and Jennings and Haughton (2015) shared this opinion. Rožman et al. (2019) proposed that competitiveness today requires organizations to maximize the use of their employees' competencies, thus it is more appropriate to hire, develop, manage and retain knowledge employees as opposed to the traditional hierarchical approaches to organizational leadership. Employees' efforts are governed best not by strict rules but by relationships and clear guidelines. Thus, leadership's role in modern society seems to be dominated by rules of exchange, the formation of alliances, and reciprocity (Cohen and Bradford, 2005), suggesting that the individual expects to be compensated at some point for work being done (Jeske, 2018).

Gouldner (1960) and, more recently, Zou *et al.* (2015) examined the role of reciprocity in society and organisations. These researchers indicated that social groups only tend to assist each other if there is some form of positive feedback (or expectation of such feedback). Gouldner (1960) suggested that there is such an unequal relationship between society and organizations that one exploits the other. In a leader-subordinate role, the leader's ability to lead depends on this relationship in the same way that an organisation achieves equilibrium (Stacey and Mowles, 2016). Bernerth et al. (2016) supported this view with their leader-member exchange (LMX) concept, which also proposes that strong LMX contributes positively to an organisation's performance.

The leader-membership exchange (Sin, Nahrgang, and Morgeson, 2009) depends on a dyadic relationship between the leaders and those they supervise. These relationships vary, but employees with whom leaders develop high levels of trust and attachment tend to promote the plan that the leader has set out. The exchanges between leader and subordinate depend on various forms of transfer that allow for reciprocity to emerge in a manner that enables the leader to influence potential followers. Such styles of exchange may vary between organisations and individuals, and the best leaders must be able to recognise and use them. In the BVI context, the LMX approach seemed most appropriate because the success of efforts in

the BVICS mainly result from the vision of the leader, whose proteges promote the leader's vision in their proper spheres of influence.

Second, the LMX concept was necessary for the propagation of the model in the test environment. Third, the lead stakeholders in the process needed to have appropriate leadership influence over the budget process to ensure the timely movement of the initiative from inception to completion. Cohen and Bradford (2005) listed five forms or *currencies* that are important in the concept of reciprocity: inspiration-related, such as, vision, excellence, moral, or ethical correctness; task-related, such as resources, assistance, cooperation, and information; position-related, such as advancement, recognition, visibility, reputation, importance, and networks; relationship-related, such as acceptance, personal support, and understanding; and personal-related, such as self-concept, ownership, challenge, and gratitude.

In today's knowledge-based society, the employee applies his/her knowledge to the tasks that the leader assigns. The level of efficiency with which these tasks are executed is a consequence of the quality of the leader-employee relationship and the work environment (Pinnow,2011). Indeed, Pinnow (2011) suggested that employees should be led, not be managed. Clear measures and targets should be set and articulated to employees who are then held accountable for those standards and expectations. Lopes (2011) believed that the leader should exhibit proper time management, as time is a non-renewable resource that is fundamental to sequencing the tasks that the leader must accomplish.

The leader should also remain focused on the outcome to ensure that all efforts associated with the endeavour are consistent with what is required to achieve the goal. The leader must understand the followers' talents and gifts so that their efforts can be exerted most effectively. Asking employees to perform in their weak areas is not conducive to efficiency or success. The decisions made on the journey to the outcome should be well-founded and straightforward. Having a credible basis for the decisions made improves the quality of the leader's influence and enhances the leader's cause. Further, the leader should be a model for others to emulate and a living example of efficiency, effectiveness, and productivity, as well as someone who

accepts responsibility for the actions of his/her employees. These conclusions are supported by Özbağ's (2016), who demonstrated a positive relationship between the leader's ethical standards and employee performance. Nguyen et al. (2016) also found a positive correlation between employees' resilience and leadership styles and personalities.

According to Rahman et al. (2018), there is a positive relationship between strategic leadership, operational excellence, and business performance. Strategic leadership is responsible for most organisations' ability to be innovative, sustainable, and profitable. It deploys human capital, represented by the organisation's employees, and social capital (Hitt and Ireland, 2002). The ability to harness human capital depends on the leader's social capital, which Adler and Kwoon (2002) defined as the good will engendered by the fabric of social relationships that can be mobilised to facilitate action. The component of social capital in hierarchical relationships relates directly to the leader-follower relationship (Adler and Kwoon, 2002).

In a bureaucracy such as the BVICS, an understanding of CAS theory is essential, as generic leadership theories do not adequately address the interdependencies and dynamics of a living organization. According to Donkor and Zhou (2019), Complexity Leadership Theory (CLT) provides some plausible explanations for the role of leadership in modern state-owned enterprises. They suggest that CLT promotes adaptability, creative thinking, and innovation. The CLT approach to leadership uses the capacity of CAS to create an adaptable, knowledge-based environment (Yukl and Mahsud, 2010; Arena and Uhl-Bien, 2016). According to Baltaci and Balci (2017), the CLT paradigm recognises three<sup>7</sup> coexisting functions. First, there is administrative leadership, which relies upon the coordination, planning, and organisation of tasks. Most closely with traditional leadership theories, this top-down style is concerned with strategic planning and resource allocation (Uhl-Bein and Marion, 2009; Shalley and Gilson, 2004). Second, adaptive leadership occurs between various system (organisational) agents and the mechanisms that enable social interactions (Drath, 2001; Lichtenstein et al., 2006). Adaptive leadership relies significantly on the context of the interactions among a system's agents. A

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<sup>7</sup> Arena & Uhl-Bien (2016) describes them as the operational system, entrepreneurial system and adaptive space



new status quo emerges that is attributable to interdependent interactions among agents at various levels of adaptability, creativity, and learning. Uhl-Bein et al. (2007) described the new status quo as the emergent behaviours that occur because of interdependent interactions that are influenced by the asymmetrical information flows and the network dynamics in a CAS. Third, Uhl-bein et al. (2007) described enabling leadership as facilitating the interface between administrative and adaptive leadership.

For this research, it was useful to view the BVICS as a complex system with various interdependent agents that must be managed through leadership that is tailored for the BVICS environment. The literature suggests that leadership is multidimensional. Strategic leadership involves distributing substantive decision-making responsibilities to employees (Cannella, Finkelstein, and Hambrick, 2008). Thus, to facilitate an innovative BVICS, it is crucial to recognize that influencing the organization requires leadership techniques that can manage any conflicts between the entrepreneurial and operational players in the organization (Arena and Uhl-Bien, 2016). Doing so requires reciprocal, relational, and knowledge-based interactions.

### **2.3 Organisational Change**

Strodtbeck (2016) proposed that successful organizational change must come from leadership, even if some of their ideas had other sources. There must be an operational leader for the change, as well as communication, education, and training to facilitate the change process. Leaders must be patient but intolerant of resistance from other leaders. They must be accountable for reviewing procedures, and they must be persistent in implementing change. Noumair et al. (2018) further proposed that in government organizations, it is essential that the pre-contracting phase should be inclusive and that open, multi-stakeholder involvement is critical to a successful outcome. Finally, the change process should be non-linear and allow for experimentation and multi-stakeholder alliance building.

Schein (2004) proposed that an organisation's culture determines how it views the world. Its culture consists of its unique norms and social and psychological processes (Weick, 1998) and the nature of its interventions (Pauchan and Mitroff, 1988). Some researchers have suggested that leadership plays a significant role in an organisation's ability to change (Oreg et al., 2011; Khan and Ahmad, 2012), while others have suggested that the mechanisms behind organisational change are uncertain (Armenakis and Bedeian, 1992). However, Ready (2016) proposed that some leaders make significant changes by holding individuals accountable, investing in additional organisational capabilities, recognising and understanding inter- and intra-organizational tensions, and emphasising a culture of continuous learning. According to Ford and Ford (2012), the difficulty coming to a definitive conclusion about what leaders must do appears to be associated with the subjectivity of assessments and the limited period of most observations.

### **2.3.1 The Process of Change**

Stacey and Mowles (2016), and Burke (2018) indicated that change is not a linear process, but rather, is complex and chaotic due to the difficulties inherent in changing existing norms, collectively called "cultural lock-in" (Foster and Kaplan, 2001). In some cases, change occurs in leaps and involves those at the individual, group, and inter-organisational levels (Weick and Quinn, 1999). Beckhard and Harris (1987) indicated that change occurs through setting goals, diagnosing the current situation, defining transition activities, and developing strategies to manage the change. Describing another approach to change, Amstrong (2006) proposed five strategies: directive, bargained, hearts and minds, analytical, and action-based. Bridges (1991) stated that changes in an organisation go through beginning, neutral, and ending phases. Kotter (2012) explained that when organizations fail to realize change, they neglect one or several of the following: establishing a strong sense of urgency; forming a strong guiding coalition; having a clear vision; having a good communication culture; eliminating obstacles to the vision; systematically planning for and creating successes; announcing successful change(s) after sufficient time has passed; and solidifying the changes in the organization' culture. Salloum and Cedergren (2012) proposed that employee involvement is a significant factor in successful

change and that further research about the manner is critical to achieving participation by all involved.

Open Systems theory is useful for understanding the dynamics of a system and, by extension, organizational change (Stacey and Mowles, 2016) because it recognizes that the boundaries between the system (organization) and its environment are open to some extent (Weber and Waeger, 2017). Dooley (1997) indicated that CAS incorrectly suggests that an organism is in a steady state when it is actually in constant flux and includes interdependence between the system (organisation) and its environment. The system shifts to a new state when there is a critical imbalance among opposing forces (Dooley, 1997). Weich and Quinn (1999) stated that such a shift might occur either because of dramatic or evolutionary change. Caldwell (2003) suggested that four change agents are involved in this context: leadership, management, consultants, and teams. Van de Ven and Poole (1995) attempted to explain the ways that organizational change occurs by suggesting four theoretical frameworks: “teleological, which proposes that an organization develops toward a particular goal; life cycle, which suggests that organizations, like living organisms, go through stages in sequential steps; dialectical, which states that organisms exist in a complex world of opposing forces each seeking dominion over the other; and evolution, which mirrors the evolutionary process of natural selection.”

From a systems perspective, the status quo is the point of stability that the system seeks unless the intervention or destabilising force is sufficient to cause a new status quo through a process called “emergence,” which usually encompasses the three phases of novelty, growth and stability formation (Seidel and Greve, 2017).

Simon and Pauchant (2001) indicated that three levels of learning must take place to effect organisational change: behavioural learning, which tends to be fleeting and short-lived; systemic learning, which is the fundamental and deep entrenchment of new knowledge throughout the organisation; and paradigmatic learning, which, although not fleeting, is insufficiently deep to result in a significant paradigm shift. Mas-Machuca and Marimon (2019) examined the relationship between sense-making/sense-giving and organisational

performance. While sense-making and sense-giving, which refer to establishing and communicating purpose in the organization, are precipitators of change, positive behavioural change in the direction of the new vision is required (Burke, 2018).

Although examinations of organisational change usually emphasize episodic change (Herscovitch and Meyer, 2002), it also is necessary to address continuous change (Pettigrew et al., 2001). Kotter (2012) proposes that an organization should go through eight steps to implement change successfully. These steps involve establishing a sense of urgency, creating a guiding coalition, developing a vision and strategy, communicating the change vision, empowering employees for broad-based action, generating short-term wins, consolidating gains/producing more change, and anchoring new approaches in the culture. The 2017 hurricanes established an urgent need for the BVICS to maximize its existing and potential resources for the recovery of the BVI. This urgency was the impetus behind the creation of a guiding coalition to address the concerns, communicate a vision, and empower stakeholders to proceed with the development of a solution.

The action cycles described in this thesis illustrate the latter stages of Kotter's model. Wee and Taylor (2018) explained that when continuous changes to daily routines transpire, they can produce tensions that result in widespread organisational transformation (Feldman, 2000). By implication, change leaders (Gill, 2002) are essential to this process, as it requires more than mere management. Instead, it requires individuals who can influence others in the organization to implement the desired change through personal advocacy, vision, and drive. Change agents are also vital in the process because they are the individuals appointed to oversee a change process, sometimes requiring specialized skills to do so (Lunenburg, 2010).

Action Cycle one was used to perform a gap analysis by identifying the current state of the BVICS surrounding managers' concerns about the ongoing budget process. It also helped to determine where the BVICS should stand in relation to managers' expectations of the budget process. It involved identifying the gaps in the BVICS by obtaining data from previous studies of

the BVICS and using Leadership and Financial management questionnaires. The data were then analysed qualitatively. Finally, initial process interventions were identified and developed.

## **2.4 Decision-making**

According to Peterson (2017), decision theory is usually examined from two perspectives:

Normative Decision Theory seeks to develop rational prescriptive methods and processes for decision-makers, and Descriptive Decision Theory attempts to describe and predict how decisions are made. According to Hansson (2005), decision making before 1972 was understood primarily as a sequential process. As Dewey (1910) and other scholars proposed, decisions are composed of the information stage (or intelligence phase of finding an occasion to make a decision), the design stage (designing alternatives), and a choice stage (choosing one of the options). According to Simon (1979, p. 510), “There can no longer be any doubt that the micro assumptions of the theory—the assumptions of perfect rationality—are contrary to fact.”. Simon (1979) proposed that decisions are often made based on what is acceptable instead of what is optimal, an approach he refers to as “satisficing” in earlier work. In their work on bounded rationality, Drugova and Kalachikova (2019) discussed the need to establish known assumptions and biases when making decisions to demonstrate the fact that decisions are being made without complete information and with some subjectivity. Hence, any decisions made will likely be suboptimal. By acknowledging that all possible permutations cannot be accounted for, however, the individual is comfortable with some acceptable uncertainty (Schwartz, Ben-Haim, and Dacso, 2011). This acceptance of risk is especially relevant in strategic decision making, where competing interests and gaming are involved.

Mintzberg et al. (1976) proposed that strategic decision making can be divided into different phases. The first is the identification phase, which consists of the decision-making and diagnosis routines. The second is the development phase, comprising the search and design routines. The third is the selection phase, which consists of the screening, evaluation or choice, and authorisation routines. Temoçin (2018) suggested that decisions usually result from several cognitive stages in which one attempts to assess and define the problem, determine remedies,

decide whether the solutions are acceptable, and implement them. This process is consistent with Lindblom's (2010) incrementalism concept, which describes change agents making small adjustments along the continuum of decision making.

According to Aharoni, Tihanyi, and Connelly (2011), the decision-maker is bounded by his/her conscious experience and cultural biases. Critofaro (2017) recognized the danger of cognitive distortions or biases and identified several types that can occur, ranging from self-centered bias to loss aversion, and indicated that they must be recognized before they can be eliminated. He proposes that even emotionally driven decisions can be more reflective when reasoning is systemically monitored and mistakes corrected. Cristofaro (2017) cited several authors who have suggested that because decision-makers do not have all possible information when making decisions, mental models play a crucial role in how the decisions are made. These mental models vary and can emphasize uniqueness, certainty, importance, stability, urgency, familiarity, congruence, the number of variables, their relevance, and risk. Galvatori (2019) suggested that organizational decisions can be separated into programmed decisions, which are repetitive and solved through pre-existing procedures, or unprogrammed decisions, where there is no pre-existing approach or readily comparable experience. Sund et al. (2016) also suggested that in climates of uncertainty, organizations make decisions by using simple rules to provide direction, relying on patterns that have become organizational heuristics, or through emotion and intuition. Another concept which affects decisions is escalation of commitment (Sleesman, 2019). This seeks to explain the individual or group's willingness to continue in a course of action that is no longer advantageous. I have observed instances of this in the BVICS. Schmitzer-Torbert (2020) also proposes that mindfulness (Schmitzer-Torbert, 2020) may be a good counter to a susceptibility to escalation of commitment.

Blanco and Matute (2015) stated that one of the problems associated with the quality of decision making seems to be the basic human tendencies to make connections that may or may not exist and to ignore relevant information. In other words, many sub-optimal decisions that result in inappropriate judgments and biases are attributable to existing heuristics (Blumenthal-Barby, 2016). Thus, the perception that decisions are autonomous is most often inaccurate.

Casarrett (2016) found that even trained professionals were often willing to believe illusions associated with their professional judgments. According to Bazerman and Moore (2008), Hammond *et al.* (1998), and Drummond and Chell (2001), heuristics are common in decision making and affect quality noticeably, even though the individual may, in some instances, lack the care and discipline to make evidence-based decisions. DeBono (1998) attempted to combat this issue by having a group of problem solvers adopt different roles (neutral, emotional, judgmental, optimistic, creative, and process-oriented) while thinking through a problem from different perspectives using the “six thinking hats” approach. According to Irwin and Real (2011), even in cases when the individual is aware of the danger of heuristics and makes deliberate attempts to avoid bias, she/he may fail. Hutchison *et al.* (2010) and Schon (2001) believed that the processes associated with interpreting data are influenced dramatically by experience and training, which can create conformity and harmonious decision making to the detriment of independent thinking within a group. Janis (1973), Eisenhardt (1989), and Riccobono *et al.* (2016) indicated that groups often seek consensus, which may result in delaying a decision. In this process, group members also may modify their views based on the opinions of others in the group while navigating their perceptions of the hierarchy (Russell *et al.*, 2015). Members’ evaluations of the pecking order may also serve to counterbalance their tendencies to devalue their own opinions; in cases when there are targets to meet, ideas may be enhanced or reduced (Riccobono *et al.*, 2016).

Making decisions in the public sector can be complicated because of the multiplicity of stakeholders who have to be satisfied (Vainio, 2015). It seems to be driven more often by programme constraints, workforce capacity, and policy mandates than factors such as data, community needs, or research evidence (Bekemeir *et al.*, 2013). Moreover, some researchers have indicated that these complications may lead managers or leaders in the public sector to engage in risky decision making that stems from the group (Ana-Maria, 2013). Other literature has found that managers in the public sector usually are highly risk-averse when making financial decisions compared to those in the private sector (Chen and Bozeman, 2012).

Walters and Ramiaha (2016) supported these results, attributing risk aversion to a tradeoff between security, the high-level scrutiny to which public sector employees are subjected, and the compensation and rewards for taking risks successfully in the private sector. However, risk aversion, which is related directly to gender, education, and age (Nierboer, 2015), can reduce public sector employees' motivation (Matheson, 2007), leading to delayed decisions (Walters and Ramiaha, 2016) and reduced performance (Nicholson-Crotty and Fernandez, 2017). Balsam et al. 's (2016) found that firms with a higher ratio of insiders on their boards are more conservative when making decisions, which suggests that civil servants usually have a closer association with the arrangements. According to Cheung (2011), a link between political will and the evaluation of employees' opportunities for advancement can intrude on professional merit. It seems intuitive that, although there is little literature to support a link between risk aversion in the public sector and performance, the delays that heightened risk aversion can cause may be counterproductive to the efficient and effective use of taxpayers' resources (Walters and Ramiaha, 2016). Vainio (2015) argued that, despite the complexities of decision making in the public sector, the involvement of a broad spectrum of stakeholders simplifies the process. The result is a more successful implementation of initiatives, which appears to be consistent with Groysberg and Slind's (2009) proposal that intentional interactive discussions may improve the workplace culture, reduce the risk aversion present in the organisation radically, and improve the decision-making environment.

Cojanu (2017) proposed that the principle of *homo econimus*,<sup>8</sup> in which the individual tends to make decisions that serve his/her best interest, can influence the decision-making process. Cook et al. (2007) believed that decision making is an activity rather than a process. However, Hollnagel and Woods (1984) found that an event can be identified in hindsight as a series of decision points that were confronted and addressed before the final decision was made. Cook et al. (2007) also noted the strong influence that heuristics have on decision making. They indicated that decisions might not necessarily be made by choosing between alternatives;

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<sup>8</sup> The concept of a completely selfish, rational manner in which a human being makes decisions that optimize his/her current situation (Roman, 2017).



instead, they may be influenced strongly by intended outcomes, information deficits, and bias. Finally, Cook et al. (2007) recognised that decision-making might be an evolutionary process associated with what is occurring in an organization.

## **2.5 Strategies and Core Competencies**

In a CAS, causing heterogeneous agents to behave as homogeneous agents by requiring individual agents to conform to a suite of rules would cause them to *flock* toward a homogenous collective behaviour (Stacey and Mowles, 2016). Hence to guide an organization towards a predetermined direction, there must be a fundamental strategy within its current processes to do so. The literature on the performance of public sector organisations reveals that high performance appears to relate directly to learning, innovation, measurement, and competence (Song et al., 2013; Takey et al., 2014; Muntean, 2014). Buick et al. (2015) stated that the required components of learning include reaching mutual consensus and having the collective motivation to achieve the organization's goals, an adaptable organization, clarity about the organization's objectives and mandates, and consistency between organisational goals and the efforts of employees. Song et al. (2013) indicated that these factors are essential to the ability to perform at a high level. In institutions where leaders encouraged and facilitated innovation, the organisation typically performed very well. Buick et al. (2015) also suggested that the organisational structure should promote innovation. It is necessary to be able to measure performance against performance indicators to demonstrate consistency between the two (Cohanier et al., 2006). In this context, according to the authors, all stakeholders must have a clear understanding of what constitutes good performance and how it is measured.

Muntean (2014) indicated that competence is correlated strongly with organisational performance. However, competence means different things to different people (Crawford, 1998). It has no universally accepted definition (Seppänen, 2002; Takey et al., 2014) because it is related to the individual's ability to apply his/her knowledge, skills, and resources to meet or surpass assignments that have social and economic value (Fleury and Fleury, 2005; Quintana et al., 2011). Therefore, to maximise organisational performance, it is crucial to align the

organisation's functions with its competencies, viewed as the collective skills and resources peculiar to it (Prahalad and Hamel, 1990). Such alignment requires the organization to be sourced with the right competencies, and leaders should utilize these to facilitate the performance of the institution, possibly by using competency mapping to align internal skills with organisational mandates (Kaushik,2014; Takey et al. (2014).

## **2.6 Financial Management in the Public Sector**

Financial management is central to service delivery in the public sector, including performance management, networking, and business model decisions, making it a key component of public administration management (Sharon et al., 2011). The World Bank's publication *Public Expenditure Handbook* (1998) defines public sector financial management as "fiscal management; flows (revenues, expenditure); positions (assets, debt) and risks; resource allocation according to the policy priorities; value for money, and economy, efficiency, and effectiveness." It also states that the fundamental principles of sound public sector budgeting and financial management are comprehensiveness and discipline, legitimacy, flexibility, predictability, contestability, honesty, information, transparency, and accountability. They further recognise three levels that have a "decisive influence": "aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery." According to Bergemann (2009), public sector financial management can be accomplished using integrated approaches based on task and intuition. The integrated approach encompasses a comprehensive view of financial management that seeks to avoid the myopic tendencies of the task and institutional strategies discussed in the Public Expenditure and Financial Accountability and Public Financial Management framework (PEFA). It identifies the following areas as relevant to proper public financial management in any institution: credibility, transparency and comprehensiveness, control and predictability, policy, adequate accounting, financial reporting, and auditing.

The World Bank's views appear to be consistent with Tikk and Almann's (2015) consolidation of views that public sector financial management includes five subsystems: operative planning and strategy, budgeting, financial accounting and reporting, and internal and external auditing.

According to the World Bank's 1998 report, if these systems do not work well as one comprehensive system, problems develop. The World Bank stated that the challenges the public sector faces in the quest to achieve high performance in its financial management practices might be attributed to "poor planning; having no links between policymaking, planning and budgeting; poor expenditure control; inadequate funding of operations and maintenance; having little relationship between the budget as formulated and budget as executed; having an inadequate accounting system; unreliability in the flow of budgeted funds to agencies and lower levels of government; poor management of external aid; poor cash management; inadequate reporting of financial performance and poorly motivated staff" (World Bank, 1998, p. 5).

Similarly, Ntoiti et al. 's (2013) findings indicated that the financial challenges that some local authorities experience are mainly caused by their poor financial management practices. Public financial management includes a combination of elements that work in tandem, the core of which is the budgeting process (Smith and Bempah, 2017). A case study conducted by Nkrumah-Young and Powell (2008) found that budgeting and financial management in the public sector depended largely on ad-hoc political decisions, which led to weak accountability and governance systems that became progressively weaker. The budgeting process is used to control, report, authorise, and plan. There have been concerns about financial measures' ability to quantify and manage the public sector accurately (Mensah and George, 2015) and to link financial management practices with public sector policies to achieve desired outcomes. According to Bergmann (2009), it is possible to look at budgets from a functional perspective by classifying the various products from an institutional perspective then aggregating the classifications based on the departments or sub-units involved. Another approach is to view budgets at a disaggregated level (inputs, salaries, costs of administrative items). According to Kwoon (2018), the concept of performance budgeting was created to pursue and achieve strategic goals, lower debt, and increase economic growth.

## 2.7 Conclusion

In this review, I examined the thinking associated with leadership, decision making, and change and systems to understand the dynamics of my query better. Based on my review of the literature, my research questions, constructed initially to answer the concerns of my colleagues<sup>9</sup>, evolved to the following:

1. How do we integrate strategic planning in our current processes to ensure that: we align our current leadership strategies and approaches to meet our budgetary goals; eliminate budget deficits; and alleviate the misappropriation of funds?
2. How can we ensure that the required core competencies are applied to appropriately address the salient issues in the relevant phases of the budget process?
3. What would be needed to adopt a holistic approach in the BVICS that articulates the contextual issues, develops an appropriate disposition in managers, and understands the idiosyncrasies and characteristics of the BVICS, in order to achieve our strategic objectives of efficiency, effectiveness, timeliness and sound expenditure management?
4. How do we incorporate decision-making and strategy as essential components in our budget processes in order to meet our strategic objectives?
5. How do we guarantee that; credibility, transparency, comprehensiveness, appropriate controls, predictability, clear identifiable links to a stated BVI Government policy, and good monitoring and reporting mechanisms<sup>10</sup> are fundamental to our public financial management processes?

Smith and Bempah (2017) indicated that proper public financial management is dependent on strategic planning and a holistic approach to management. This holistic approach was dependent on the disposition of the managerial team, the contextual articulation of issues, and organizational characteristics. The concept of managerial disposition, according to Smith and Bempah (2017), relates directly to the ability of managers in the organization to develop an ethos that engenders high performance. Song et al. (2015), Buick et al. (2015) Muntean (2014)

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<sup>9</sup> Articulated in section 1.3

<sup>10</sup> Includes adequate accounting and financial reporting

and Cohanier together indicate various things that suggest that high performance in an organization can be linked to a culture of learning, innovation, clarity of goals and a mutual consensus about them, an organization structure that promotes performance, and competent management and staff. Further, the World Bank's *Public Expenditure handbook* (1998) and their current PEFA framework indicates that proper planning and policymaking are essential for sound public financial management. Both the World Bank and Bergmann (2009) suggest that sound financial management in the public sector requires credibility, transparency, a clear link to policy, predictability, reporting, comprehensiveness, and control. These points form the basis of my conceptual framework, which shown in Figure 2.1.

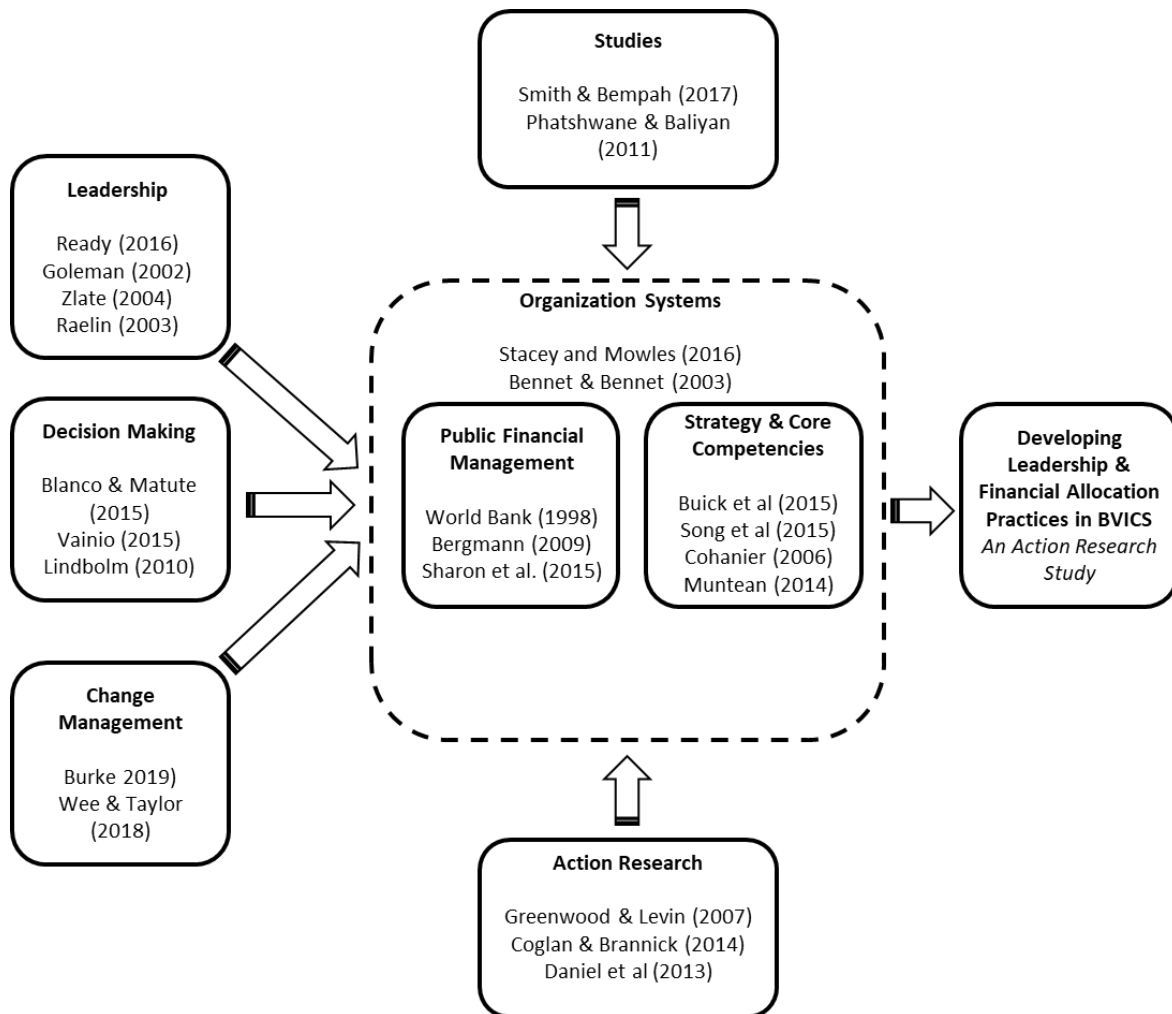


Figure 2.1: Conceptual Framework

The emphasis of my research is on the need to understand how the managers of the BVI Civil Service can adopt the role of leaders rather than that of managers and, in the process, embark on change processes required to make better financial allocation decisions. The literature review indicated that the learning environment, employee competence, innovation, and a sound system of measurement are vital for an excellent performance. Therefore, the method for making adjustments is not linear but circuitous. Thus, the concept of the CAS was studied to acquire a better appreciation of these factors and their potential role in facilitating stability, inducing de-stability, and freezing into a new paradigm. In my investigations, I used CRP (Complex Responsive Process) to determine the interrelations among various agents and how they can be encouraged to promote better budgeting practices in the BVI Civil Service. Based on the literature review, it appears that LMX provides a practical and workable approach to leadership that bears in mind Drucker's theoretical and practical applications to leadership (Drucker, Snyder, and Hesselbein, 2015). I am now acutely aware of the challenges of making decisions and the propensity to bias when doing so. To minimise these challenges, careful attention was paid to the selection of the members of the action units.

## CHAPTER THREE: METHODOLOGY

### 3.0 Introduction

This chapter includes an overview of the methodology, techniques, strategies, procedures, and the approaches used in the study, as well as a discussion of its potential ethical issues and how they were addressed to meet the University of Liverpool's research ethics requirements. In conducting this research, I have developed an action plan (see sections 3.3 to 3.5) to outline the steps and techniques that were used to collect and analyse the data; the action plan also specifies the research design. The closing sections focus on how the data were analysed, sorted, and presented and how the model can be applied in the workplace.

### 3.1 Action research

MacIntosh, Bonnet, and Eikeland (2007) described action research (AR) as a method for developing a link between field and laboratory work. The purpose of this study was to suggest improvements for the leadership and financial resource allocation systems in the British Virgin Islands Civil Service (BVICS). As a research practitioner, I used both academic study and practical experience to find such improvements. As I am an insider (Zeni, 1998), I needed to take measures to mitigate the influence of my biases and assumptions on the data analysis. These measures included using action units, questionnaires, interviews, and literature review. I also used my insider knowledge to enhance the practicability and appropriateness of the improvement suggestions that resulted from my data analysis (Coghlan and Brannick, 2014).

Greenwood and Levin (2007) defined action research as a democratic, participatory social research method, that is conducted by a team that seeks to solve a problem in an organisation, network, or community experienced by group members who are part of the community, network, or organisation under investigation. Participants were selected based on their job functions and seniority within BVICS. Bringing varied and rich perspectives on the problem, they ranged from mid-level technical and administrative officers to the executive heads of ministries (permanent secretaries), ministers, and officers responsible for compiling

budget documents, for monitoring, evaluation, and accounting, for policy development, and for departmental or ministerial administration.

Scholars developed the action research method to help provide practical solutions to complex problems and to precipitate systemic change within organisations (Greenwood and Levin, 2007; Visser and van der Togt, 2015). One of the factors that precipitated this research was the need to understand why previous efforts to address leadership and financial allocation concerns within BVICS have not yielded the expected results. The intent was to develop practical suggestions that may reduce or even eliminate these recurring problems. Initial discussions with my colleagues in BVICS about the difficulty of implementing recommendations for change revealed that, as a group, BVICS either is not fully committed, or has not prioritized. The interventions developed in this study built on the action unit members' suggestions for improvement. In the process, the action unit members gained a deeper understanding of the problems they were facing and developed a better appreciation of the suggested improvement measures.

Usually, a “professional action researcher” (Greenwood and Levin, 2007, p. 3) who facilitates the problem-solving process leads an action unit team. I led the unit discussions in that role. I followed the four principles of action research—participation and collaboration, a constant cycle of self-reflection (planning, acting, observing, and reflecting), knowledge generation, and practice transformation (Cordeiro *et al.*, 2017). Similarly, Greenwood and Levin (2007) found that action research has three essential elements: action, research, and participation. It requires that a problem is formulated and operationalised, hypotheses are developed, data are gathered and analysed, and steps for implementation are designed and evaluated. In this study, I followed an iterative cycle in which an initially created intervention was modified until either no further improvements were deemed necessary or until it was evident, during the action unit's discussions and consensus, that no substantial improvements would result from the changes.

Action research requires discipline, problem-solving, and an open-minded ethos (Dunton, 2008). The participants were senior civil servants who had established reputations for frankness, conscientiousness, productivity, and helpfulness. My previous experiences in the



BVICS indicated that many individuals tend to allow decisions to be influenced by their own emotions, which may prevent them from making objective assessments. To help overcome this issue, I emphasized honesty and civic responsibility in their communications (verbal and written), and I encouraged the action unit members to consider the viewpoints of others objectively.

Townsend (2013) proposed that action research is practical and context-bound; its knowledge is generated collectively through a diversity of opinion and an egalitarian, participative, and communicative process. In our discussions, we drew on our experiences in the BVICS to make suggestions to improve the organization's leadership and budgeting practices. The literature review provided insights that were beyond the expertise of the members. To avoid the Hawthorne Effect (Daniel *et al.*, 2013), in which participants modify their behaviour because they are being observed, I employed data collection processes that were as unobtrusive as possible.

### **3.2 Research Approach and Strategies**

Easterby-Smith (2012) and Creswell (2013) proposed that management research begins with researchers' understanding of their tendencies to make ontological, epistemological, axiological, and methodological assumptions. This initial reflection is vital since their perspectives on the world determine their choice of research technique. My ontological position is that while the needs of a circumstance may seem ambiguous or unclear, there is an absolute truth supporting each circumstance as it appears. In other words, I am a positivist (Easterby-Smith *et al.*, 2013). This position affected the interpretive frameworks that I employed.

I am also influenced strongly by the belief that logic and scientific discipline have value, which means that I identify as an internal realist. However, my exposure to the social constructivist and post-positivist positions have introduced into my framework some level of scepticism about absolute truth: it is only after a substantial investigation that I accept a position as the most probable truth. That scepticism has also allowed me to accept the differing opinions of colleagues with more alacrity since I understand that their ontological and

epistemological positions may differ from my own. Such open-mindedness was essential to the success of the action unit, especially in the lively discussions that I facilitated in the fieldwork phase of this research.

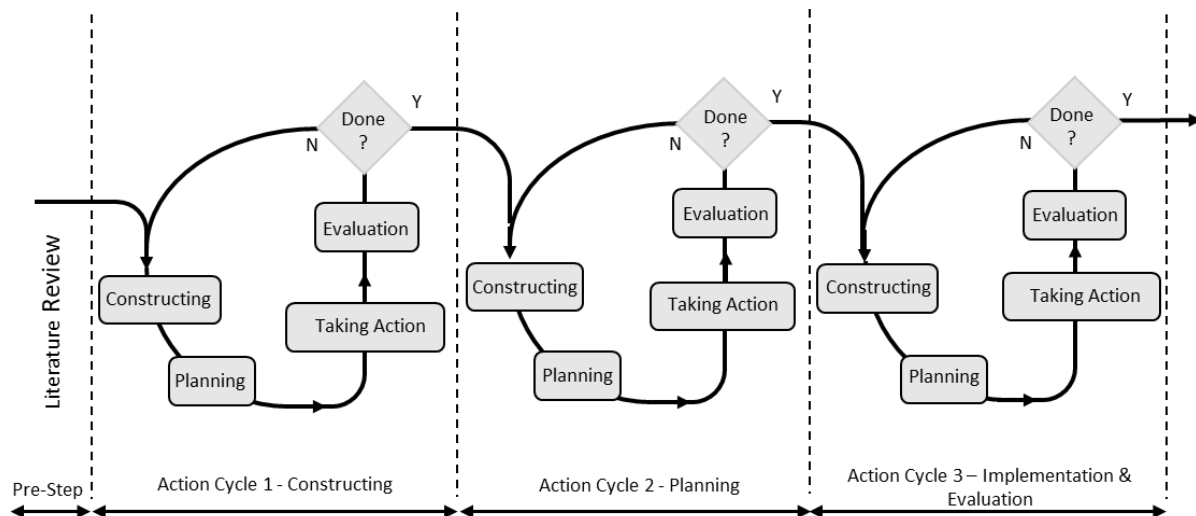
Despite the value that this approach lends to the search for practical solutions, an action research project must be managed carefully to retain its credibility. For example, the effect that interpersonal relationships may have on the types of solutions formulated might not be apparent, but it should be compensated for in an action research process. Vaughan et al. (2019) noted that some scholars have expressed concerns about the efficacy of action research. These concerns are due to its emphasis on non-quantitative methods and the political and social realities that the researcher may encounter. Cochran-Smith and Lytle (1999), however, suggest that when researchers are engaged in a collaborative learning workplace community, the benefits of developing and implementing practical solutions are significant. According to Greenwood and Levin (2007), meanwhile, action research is essential precisely because it promotes stakeholder participation in actions that result in an improved situation while significantly improving their knowledge about, and understanding of, their environment.

Members of the BVICS were engaged collaboratively in arriving at solutions that the action unit judged to be appropriate for solving some of the problems that the BVICS faces. Action research is necessary for this context because a merely theoretical presentation of methods to improve these conditions will not be credible in the BVICS working environment. In the organizational culture of the BVICS, only practical, attainable improvements successfully applied in settings similar to that of the BVICS are likely to be adopted. This research was approached in an organizational context that included the multiplicity of relationships and unique circumstances of the British Virgin Islands (BVI). Indeed, as Merriam and Tisdell (2016) have proposed, qualitative research is most useful when the uniqueness of a situation and context needs to be understood. These reasons are why a qualitative action research methodology similar to that documented by Phatshwane and Baliyan (2011) was used.

According to Coghlan and Brannick (2014), action learning cycles consist of several phases: the pre-step phase, which sets the context and purpose of the research; the constructing phase (critical reflexivity); the planning action phase (developing an action plan);

the taking action phase (implementation); and the evaluating the action phase (observing and testing). This research study followed that model. The pre-step stage defined the context and purpose of the research, which was to improve the leadership and financial allocation practices of BVICS. Three action cycles followed: the constructing action cycle (Action Cycle 1), the planning action cycle (Action Cycle 2), and the taking action and evaluating the action cycle (Action Cycle 3). The constructing action cycle, which provided a detailed analysis of the problem, focused on data collection (via questionnaires), analysing the data, and an assessment of the processes in the BVICS that needed to be improved. The outcome was initial process models aimed at addressing the identified problems. In the next action cycle, the planning action cycle, I developed the model for application within the BVICS. Next, in the implementation and evaluating action cycle, the final process model developed in the second action cycle was tested in simulations that cycled through a few iterations of the model's procedures and applied them in a workplace environment. Then, senior and middle managers within the BVICS evaluated the effectiveness of those procedures.

Each of the three action cycles was subdivided into four stages: Constructing, Planning, Taking action, and Evaluation. These stages were iteratively interconnected with and dependent upon the previous actions and their results. Figure 3.1 illustrates the stages.



**Figure 3.1: Illustration of the action cycle process used**

A satisfactory outcome at the taking action and evaluating phases determined the progress made. The next action cycle began at the constructing stage. The evaluation stage spanned from the end of one cycle to the beginning of the subsequent cycle (which was the constructing phase). The outcome of the three action cycles in this research was an improvement suggestion for each workplace problem. The decision to move on to another action cycle was made when members of the action unit and I opined that we reached a point at which further discussion would not yield more significant improvements (Simon, 1979). Figure 3.2 illustrates the steps taken in this research, which the following sections describe.

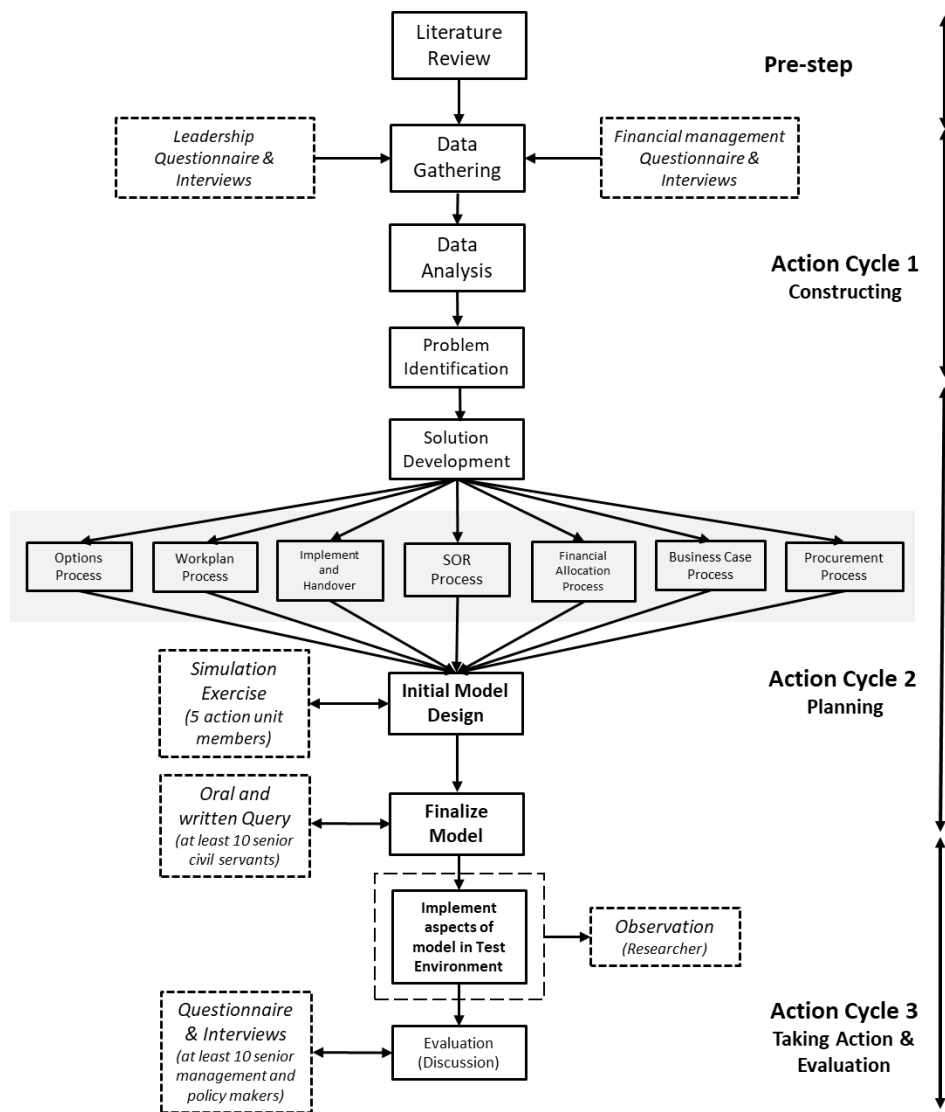


Figure 3.2: Research process map

### **3.3 Constructing Action Cycle 1**

Action Cycle 1 is primarily focussed on data collection, analysis of the data, and the initial development of models. In this cycle, data analysis determined the current leadership and financial allocation issues in the BVICS. In this phase of the research, the construction phase, I developed the model designs using flow diagrams, focussing on the leadership practices at the BVICS while investigating its financial management and financial allocation practices. In the subsequent planning phase (Action Cycle 2), I planned how to solve the identified issues by integrating the financial allocation suggestions with the leadership practice suggestions developed in Action Cycle 1.

Another purpose of Action Cycle1 was to understand the leadership concerns that the BVICS faces and to group these concerns thematically. The action unit discussed the central themes based on the participant responses to the questionnaires and interviews, which helped to determine the reasons for the existing complaints. I also examined the current leadership model based on the questionnaire and interview responses and then examined the extent to which it could be improved. I then developed modifications to enhance leadership performance at the BVICS. As issues were identified in this action cycle, I suggested potential corrective actions. The data (gathered from non-action unit members) identified a wide range of reasons why the current leadership practices within the BVICS are suboptimal. The action unit members and the researcher implemented several iterations of these stages (constructing, planning, taking action, and evaluation) until we agreed that satisfactory improvement had been made. Once this occurred, we progressed to the next step.

Participants in the data collection for Action Cycle 1 were required to confirm that they wished to take part in the exercise. I clearly explained the purpose of the project to the participants using modified standard UoL information sheets and consent forms. The participants were then asked to indicate their willingness to take part in the exercise by signing the consent form. Action Cycle 1 (Constructing) spanned two months, used questionnaire data from sixteen key individuals across several ministries, and included one action unit of five individuals (see Table 3.1).

**Table 3.1: Action Cycle 1**

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
1. Determine deficiencies in current leadership model in BVICS.	1. Develop and send questionnaires to targeted individuals and conduct interviews with senior and middle management (minister, permanent secretaries, heads of departments).	1. Construct matrix of current issues.  2. Develop data on effectiveness of current leadership and financial allocation models.	Meeting notes.	DBA Student Investigator	Months 9-10
2. Develop responses to address identified leadership deficiencies.	1. Develop and access responses to identified deficiencies.  2. Develop questions for Financial Allocation questionnaire	Clear, consistent understanding of the responses to remedy each issue.	Action unit notes, paper.  Action unit minutes and notes describing conclusions.	Action unit facilitator (DBA Student Investigator)	Months 9-10
3. Test improvements to leadership model.	1. Develop initial leadership models to incorporate the improvements developed to address the problems identified.	1. Develop a draft leadership model that identifies where the financial allocation processes would be most appropriately applied.	Meeting notes	Action Unit facilitator (DBA Student Investigator)	

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
4. Determine shortcomings in BVICS financial allocation system	<p>1. Conduct questionnaires and interviews to get data on current system; participants include management, financial, and operational personnel.</p> <p>2. Examine current budget process and conduct a SWOT analysis of current process.</p>	1. Document matrix of vulnerabilities and strengths of current budget and financial management process. This is needed for the new design.	Spreadsheet matrix.	Action unit facilitator (DBA Student Investigator)	Months 12-13
5. Develop responses to issues identified in current financial allocation model.	<p>1. Develop and discuss suggestions to improve or eliminate deficiencies.</p> <p>2. Use the SWOT analysis of results to inform development of amendments to fund allocation framework.</p>	1. Strategies/subsystems that resolve issues identified in the current way resources are allocated in BVICS.	Action unit notes and conclusions.	DBA Student Investigator	Months 12-13

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
6. Test suggested improvements to financial allocation system.	1. New financial allocation framework introduced to action unit members and senior management of the BVICS.	1. Analyse feedback notes and information derived from group meetings and/or interviews to make improvements to responses developed.	1. Action unit minutes and conclusions.	DBA Student Investigator	Months 12-13
	2. Discuss how the financial allocations will be made with various senior officers in diverse stages of process to identify practical issues.	Analyse data from new financial performance model.	2. Data gathered on accuracy of actual use of budget allocations versus budget allocations and number of planned initiatives completed.	DBA Student Investigator	
	3. Adjust new financial resource allocation model.	2. Improved financial allocation model			
7. Incorporate financial allocation sub model into leadership model.	1. Action unit discussions to determine the best place for the financial allocation sub model to be used in the new leadership system. Involves the action unit team.	1. Leadership model resolves the leadership and financial allocation problems of the BVICS as one comprehensive solution.	1.Meeting notes. 2.Decision tree.	Action Unit	

Once the data collection was complete, I sorted and coded the data (see section 3.7.4). After identifying problem areas, I developed initial suggestions for improvement and discussed them with the action unit. Based on these action unit discussions, I generated flowchart models of ways to correct the issues with the current leadership practices and budget (financial allocation) processes that my analysis of the questionnaire and interview data from Action Cycle 1 had identified.



Bergeman (2009) proposed that successful public sector financial management requires an integrated approach, and Sharon *et al.* (2011) suggested that public financial management requires many of the traits also required of leaders, such as decision-making and strategy development. Hence, I proceeded with the expectation that the leadership practices of the BVICS directly affect its financial management practices. I revised the flowchart models based on the action unit discussions proposing new financial management practices. I used the flowchart method for both the leadership and financial management processes. After developing initial models (both a leadership and a financial allocation model), I combined them by inserting the new financial management practice procedures in the appropriate places within the leadership model.

### **3.4 Planning: Action Cycle 2**

The purpose of Action Cycle 2 was to develop the leadership and financial allocation model proposed and approved by action unit members further. The goal was to facilitate improvements to the deficiencies identified by the BVICS' senior management team in Action Cycle 1. In the second cycle, I refined the model developed in Action Cycle 1 so that it could be deployed in the workplace by subjecting it to simulations designed to test its relevance and practicality in the workplace setting.

In Action Cycle 2, I tested the corrective actions developed in Action Cycle 1 through recurring desktop simulation exercises to assess their ability to alleviate the misappropriation of funds and budget deficits and to enhance the ability of the BVICS to meet its budgetary goals. The desktop exercises simulated how they would work in practice. When uncovering issues, I adjusted the model and conducted another series of simulation exercises, sometimes making further adjustments to the model as needed. I continued these iterative processes until the action unit members and I agreed that no further improvements were necessary.

I then adapted each model for limited application testing in a specific workplace setting in Action Cycle 3 once approval from relevant stakeholders was received. In fact, what occurred was the wholesale adoption of the model as the basis for all procedures in the Virgin Islands Recovery and Development Agency.

Such a limited deployment was an essential aspect of the study for two reasons. First, implementation in a limited workplace setting provided an opportunity to evaluate the design model in a relatively controlled environment. Second, my own experiences in the BVICS had demonstrated that the managers are more likely to accept suggestions for improvement if a successful implementation of these measures has already been demonstrated in environments similar to those of their workplace. Therefore, it was essential to confirm the workability of the suggestions for improvement in limited and specific contexts.

Table 3.2 shows the steps involved in Action Cycle 2 (Planning), which focuses on developing the combined leadership and financial allocation model. Five individuals participated in this cycle.

**Table 3.2: Action Cycle 2**

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
1. Test corrective action for current issues identified in leadership model (financial allocation sub model included).	1. Discuss the proposed corrective action. Pros, cons, and risks identified.	1. Clear decision tree and responsibility matrix proposed.	Meeting notes	Action unit facilitator (DBA Student Investigator)	Months 10-12
	2. Conduct SWOT analysis on corrective actions and propose new leadership model.	2. Vulnerabilities of developing new model identified and mitigation measures incorporated.	Meeting notes and Action Unit	Action unit facilitator (DBA Student Investigator)	
	3. Conduct SWOT analysis on proposed new leadership model.	3. Identify systemic strengths and weaknesses in proposed model.	SWOT Analysis Meeting notes	Action unit facilitator (DBA Student Investigator)	
	4. Test proposed new leadership model with simulation exercise in the action group.	4. Determine if new model is robust enough to be practically applied in the workplace.	Notes	DBA Student Investigator	
	5. Discuss new leadership model.	5. New leadership model.	Notes/ Flow chart/ Decision tree	DBA Student Investigator	

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
2. Test leadership/financial allocation model.	1. Conduct desktop simulation exercises to identify weaknesses and strengths in the current model in the action group.	Improved leadership/financial allocation model.	Leadership Model	Action Unit Facilitator (DBA Student Investigator)	
3. Provide feedback on anticipated effectiveness of corrective actions on current model.	1. After modifications and performance analysis by a critical action are set, discuss model in a group interview setting; participants are senior managers from across civil service.	1. Strong understanding of challenges that are faced and overcome by model. Practical understanding of its expected effectiveness and performance.	List generated from meeting interviews.	DBA Student Investigator	Months 12-13
	2. Use feedback from senior managers and policymakers to adjust the model if necessary.	2. A refined model that should have higher probability of success.			
	3. Model readied for use in a workplace setting apart from central BVICS. Supporting a procedural amendment proposed and approved by policymakers.	3. Approved processes and procedures.			DBA Student Investigator
4. Final version of financial allocation model documented in thesis.	1. Document and discuss flowchart of processes in the action set.	1. Action unit finalizes tenets of model with researcher.	Interviews, group discussion minutes.	DBA Student Investigator	Months 12-13

### 3.5 Taking Action and Evaluation: Action Cycle 3

In Action Cycle 3, I examined the leadership and financial allocation models that were designed and refined in the previous action cycles to determine how they should be expected to function in a workplace setting. This action cycle built on the work of the first two action

cycles. In previous efforts to improve BVICS operations, the introduction of improvement measures agreed upon at the policy level met with unanticipated challenges before their deployment. Accordingly, the purpose of Action Cycle 3 was to address the deficiencies in information sharing and buy-in from policymakers that hampered the success of previous reform efforts.

I further assessed the performance of the model developed in Action Cycle 2 with senior and middle managers in the workplace setting where the model was applied. Also included in the second assessment phase were individuals who only had information about the new model presented to them through written material, oral presentations, and the diagrams that I provided. The interviews and questionnaires addressed how decisions were made, how financial allocation and discipline were maintained, and how closely employees followed the current compliance system. I recognized that this praxis-based approach to assessing the model ensured the quality of my analysis and findings and enhanced the level of discussions with policymakers as I discussed the pros and cons of the models with them.

Table 3.3 shows the steps taken in Action Cycle 3 (Taking Action and Evaluation), which focussed on merging leadership strategy and financial resource allocation and required approximately two months to complete. It included twenty participants and one action unit made up of five individuals.

**Table 3.3: Action Cycle 3**

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
1. Apply certain aspects of the leadership and financial allocation model in a test workplace setting.	<p>1. Use the decision tree of the leadership and financial allocation model as the basis for the processes and procedures in the workplace setting.</p> <p>2. Data collected from senior management.</p> <p>3. Develop a step-by-step sequence that utilizes a leadership model to ensure compliance/adherence with the financial allocation model based on researcher's draft submissions.</p>	Draft leadership and financial allocation model.	Written description based on notes from surveys, interviews, and discussions from action sets.	DBA Student Investigator	Months 14-15
2. Examine the leadership and financial allocation models' effectiveness at influencing leadership and financial allocation decisions.	<p>1. Assess the financial model and the role that leadership strategy plays.</p> <p>2. Interact with senior managers and colleagues (senior managers in the workplace setting) to use the leadership and financial allocation model.</p>	<p>1. Assessment matrix of draft model.</p> <p>2. Analyse effectiveness of leadership strategy towards achieving high performance using new financial resource model.</p>	<p>Spreadsheet matrix.</p> <p>Meeting and interview notes.</p>	DBA Student Investigator	Months 14-15

Plan (Priorities)	Action	Outcome	Evidence	Responsibility	Duration
3. Evaluate performance of model in the workplace setting.	1. Conduct interviews, meetings, and surveys with senior and middle management.	1. Clear, measurable performance indicators incorporated into budgeting processes.	1. Document procedures based on action unit notes and analysis, conclusions, and proposals.	DBA Student Investigator	Months 14-15
	2. Develop these with action unit and researcher based on results of all previous action cycles.	2. Performance measuring and grading system	2. Meeting and interview notes and written performance indicators.	DBA Student Investigator	
4. Assess leadership strategy and financial allocation performance system.	1. Interview colleagues and perform observations	1. A subjective assessment of the system developed.	1. Interviews and notes from observations.	DBA Student Investigator	Month 16

### 3.6 Selecting Participants

I used purposeful sampling (Benoot, Hannes and Bilsen, 2016) to recruit the participants for this study. All participants were middle- to upper-level managers of the BVICS who I recognized as conscientious, who valued productivity, and who were willing to take part in the study. They were required to be mature, objective, and systematic thinkers. Participants in the study were also chosen based on the following criteria: their tenure in the BVICS, their role in the organization, their management level (seniority), and the type of work they do (i.e., it must be relevant to the study). Table 3.4 lists the participants who were involved in the surveys and interviews and their associated selection criteria.

**Table 3.4: Participant List (pseudonyms used)**

	<b>Pseudonym</b>	<b>Post</b>	<b>Tenure</b>	<b>Office Location</b>	<b>Role</b>	<b>Management Level</b>
1	Sam	Permanent Secretary	15 < yrs. ≤ 20	Ministry	Admin	Upper
2	John	Deputy Permanent Secretary	10 < yrs. ≤ 15	Ministry	Admin	Middle
3	Pete	Deputy Permanent Secretary	20 < yrs. ≤ 25	Ministry	Admin	Middle
4	Mary	Senior Administrative Officer	yrs. >25	Ministry	Admin	Middle
5	Matthew	Deputy Permanent Secretary	20 < yrs. ≤ 25	Ministry	Finance	Middle
6	Sarah	Senior Policy Analyst	5 < yrs. ≤10	Ministry	Finance	Middle
7	Ebony	Deputy Permanent Secretary	20 < yrs. ≤ 25	Ministry	Finance	Middle
8	Doris	Senior Administrative Officer	5 < yrs. ≤10	Ministry	Technical	Middle
9	Rose	Senior Administrative Officer	15 < yrs. ≤ 20	Ministry	Admin	Middle
10	Imani	Deputy Permanent Secretary	yrs. >25	Ministry	Admin	Middle
11	Tom	Permanent Secretary	10 < yrs. ≤ 15	Ministry	Admin	Upper
12	Janet	Head of Department	15 < yrs. ≤ 20	Ministry	Technical	Middle
13	Fidel	Minister of Government	10 < yrs. ≤ 15	Ministry	Admin	Ministerial
14	Julia	Permanent Secretary	≤ 5 yrs.	Ministry	Admin	Upper
15	Stormy	Head of Department	yrs. >25	Department	Finance	Middle
16	Flo	Deputy Permanent Secretary	yrs. >25	Department	Finance	Middle
17	Alice	Senior Budget Officer	5 < yrs. ≤10	Ministry	Finance	Middle
18	Kayla	Policy Advisor	5 < yrs. ≤10	Ministry	Finance	Middle
19	Hope	Senior Administrative Officer	yrs. >25	Ministry	Finance	Middle
20	Rocky	Finance and Planning Officer	20 < yrs. ≤ 25	Ministry	Finance	Middle
21	Bob	Senior Policy Advisor	≤ 5 yrs.	Department	Finance	Upper
22	Jim	Chief Executive Officer	≤ 5 yrs.	Agency	Admin	Upper
23	Angel	Senior Policy Advisor	5 < yrs. ≤10	Ministry	Admin	Upper
24	Adina	Senior Auditor	15 < yrs. ≤ 20	Department	Technical	Middle
25	Tommy	Head Technical Officer	≤ 5 yrs.	Agency	Technical	Upper

Length of tenure was a significant consideration because participants needed to have an in-depth understanding of the relationship between their work functions and the organization as a whole to provide insights that were not obvious. Seniority was consequential since participants needed to have exposure to the ways of thinking that the organization requires and experience throughout the organizational structure. Civil servants in senior positions at the BVICS usually have been directly exposed to many of the complexities and problems that the organization faces and that the practice models were created to address. Finally, the significance of the

officers' influence over budgeting and leadership decisions was the most critical factor in participant selection.

### **3.7 Data Collection and Analysis**

#### **3.7.1 Introduction**

I began with a pilot study aimed at determining the relevance and appropriateness of my research topic, my research questions, and to formulate my query. Data was collected using a questionnaire. The pilot study allowed me to finalize my questionnaire questions (Appendices I, II). No change occurred in the methodology between the pilot and research phases. I discovered during the pilot study that the targeted population provided more thoughtful answers when responding to questionnaires on their own time than in face-to-face interviews. Data were collected from several sources: semi-structured questionnaires, interviews, observations, and past studies on BVI public service reform. There were three questionnaires: a leadership questionnaire, a financial management questionnaire, and an evaluation questionnaire. I administered two questionnaires to gather data for Action Cycle 1, extrapolated themes from that data, and coded the themes to understand the participants' leadership styles, behavioural performance, and attitudes. Then, I matched the findings against existing research to determine the appropriateness of existing practices. Based on this evaluation of the data, I was able to identify the nature of the problem and the best way to begin developing suggestions for improvement, such as which portions of the budget process require procedural changes or improvements.

Participants' daily work and personal obligations typically required participants to provide interview data for this study outside of working hours; the questionnaire format allowed them to respond to questions at a time convenient for them. Bird (2009, p. 137), citing Bulmer (2004), agreed that questionnaires are a well-established tool for acquiring information about participants' social characteristics, present and past behaviours, behavioural standards and attitudes, and beliefs leading to the reasons for their actions. I designed semi-structured



questionnaires to establish whether a particular aspect of the research problem existed and then elicit open-ended questions about its possible causes. I created the questionnaire to ensure that it was not closed to the elaborate explanations and revelations required of a qualitative query (McGuirk and O'Neill, 2016; Miriam and Tisdell, 2016).

Based on the reviewed literature, my conceptual framework<sup>11</sup> proposes that a culture of learning, innovation, clarity of goals, and a mutual consensus and motivation towards a common goal is required of an organizational structure that promotes performance. Strategic planning, a holistic approach to leadership, and competent management and staff are also essential for a public sector organization to function. The questions in the leadership questionnaire (Appendix I) explicitly queried the extent to which these factors exist in the BVICS and any concerns about their existence or absence. The framework also proposes that proper planning and policy are essential for good public financial management and that sound financial management in the public sector requires credibility, transparency, a clear link to policy, predictability, thorough reporting, comprehensiveness, and controls. The financial management questionnaire (Appendix II) was designed to determine the extent to which these factors exist in the BVICS and to query for any widespread concerns held regarding them.

The data from the questionnaires and interviews provided information for the inquiries and discussions that took place in the action unit. As part of the data gathering process, I observed the behaviours of participants, as suggested by Cristancho *et al.* (2018), who noted that such observation adds thickness to the information collected. The literature also indicates that interviews are useful in action research, and I interviewed participants about their experiences in the organization and the models that were developed.

The participant information sheet provided by email before the study's outset was meant to minimize the likelihood that respondents would have variable assumptions about what the study is intended to achieve, and thus the probability that some respondents may respond based on those different assumptions. To ensure parity between interviewees and individuals who did not have the benefit of face-to-face interviews (i.e., those responding via

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<sup>11</sup> See Section 2.7. These requirements formed the basis for all the questions developed in the questionnaires

the questionnaires), I also shared any additional information conveyed to one participant with all participants before the data collection process began.

### **3.7.2 Questionnaire Process**

After making initial contact with participants, I sent them the participant information form, the consent form, and questionnaires via email (see Appendixes I, II). These emails were brief and referred to previous face-to-face or telephone conversations with each potential participant about the research. I took consideration of instances in which it was more convenient for a participant to conduct a face-to-face or telephone interview than to respond to the written questionnaire. The participants were asked to return the questionnaires and consent forms via email. Upon my receipt of the questionnaires, I checked them to ascertain whether there were any unclear answers or omissions. If a discrepancy existed or an answer was vague, I contacted the participant for clarification and correction.

Except for the final question, the leadership questionnaire was divided into two sections. The first section determined if the respondent thought that a problem existed. The answers to that part of the questionnaire were tabulated and counted. The binary responses (*yes* or *no* answers) in that section indicated how significant particular aspects of the research query are to the BVICS. The binary answers were essential to determining the respondents' perceptions of the potential problems and guided my decisions about what to emphasise in the improvement suggestions. The results of the first section of the questionnaires were sorted, combined, and tabulated.

The second part of each question on the questionnaire was open-ended, asking participants to provide explanations of their responses in the first part and to express their opinions about the subject, which helped to ensure the richness of their answers (Miriam and Tisdell, 2016, pp. 110-111). I used these answers to identify the themes and sub-themes needed to design the BVICS process improvement models for Cycle 1. After the questionnaires were returned, I checked all answers for clarity. In instances where there were concerns related to interpreting the response, I contacted the respondent to clarify the answer. After the required clarifications were received and confirmed with the respondents, the questionnaires were filed.

The financial management questionnaire followed the same semi-structured format as the leadership questionnaire except that the questions focused on financial management.

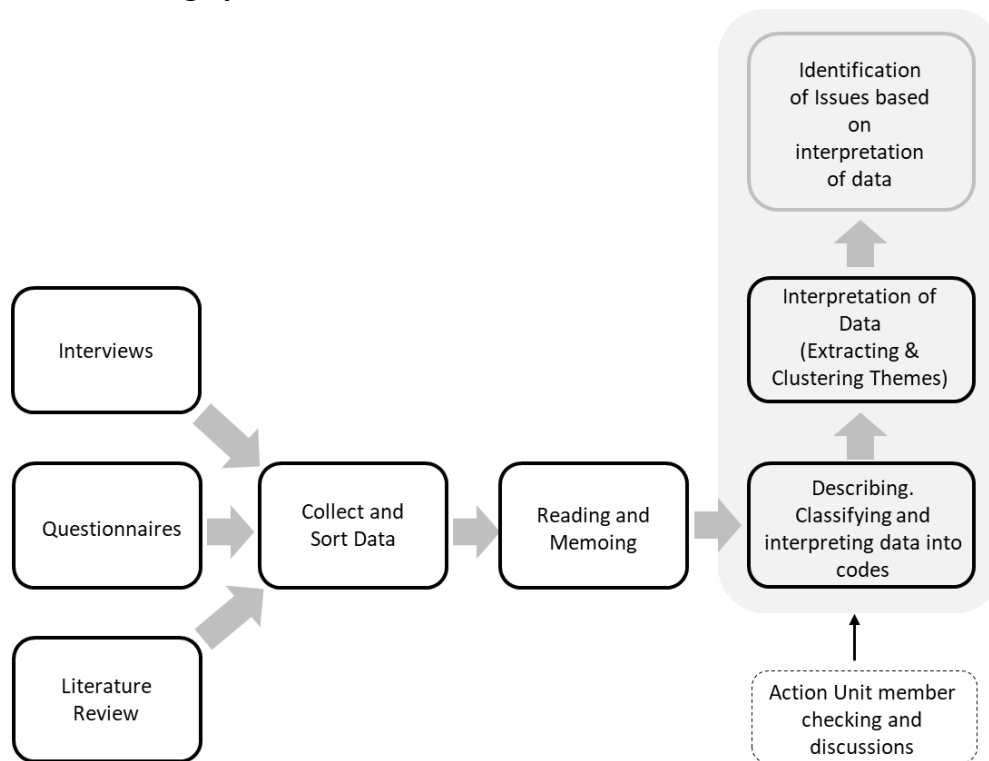
### **3.7.3 Interview Process**

There were three sets of interview questions, and they asked the same questions as the questionnaires, though not necessarily in the same order; all answers were completed before the conclusion of the interview. The interviews were semi-structured (Miriam and Tisdell, 2016). Once a question was answered, I read my notes on the answer back to the respondent to ensure that I recorded what they wanted to communicate precisely. If my notes were not accurate, I modified them. After this step was complete, I continued to the next question, repeating the process until all questions were answered.

To encourage clear, honest answers, I conducted the interviews in a manner that promoted the comfort of each participant and trust in me as the interviewer. Responses that were not honest would have resulted in misrepresentative data, and analysis performed on flawed data would have produced a flawed result. Therefore, when clarification was required, I asked follow-up questions that encouraged the interviewee to provide clarity, but that did not convey my personal biases. These interviews were conducted in an office at the BVICS with only the interviewer and the participant present. After the interview, I checked each answer with the participant after recording it (in this case, recording refers to filling out the data fields of the questionnaire) to ensure that the answer I recorded was the answer that he/she intended to give.

Once a questionnaire was received and answers confirmed or the interview completed, I stored the questionnaires and interviews in an electronic file (physical copies were scanned and shredded) to ensure their security. The collected responses were entered into an Excel spreadsheet to prepare them for data analysis.

### 3.7.4 Coding System



**Figure 3.3: Coding Process (Author)**

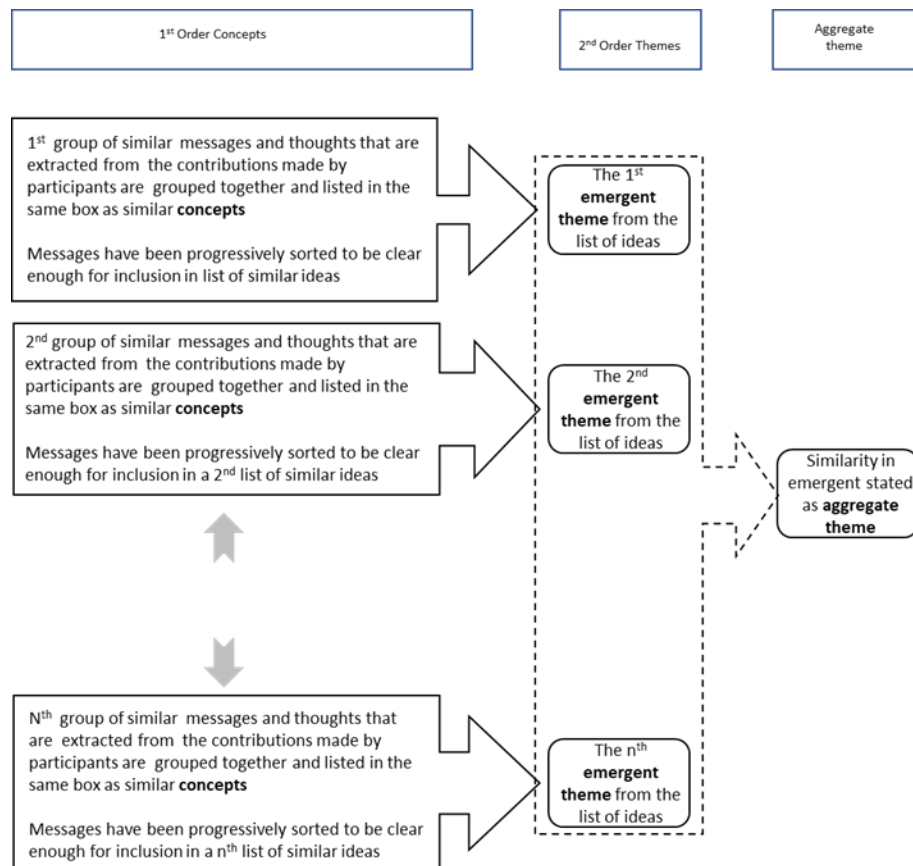
I followed the processes discussed by Creswell (2013) and Miriam and Tisdell (2016) for extracting and sorting these themes (Figure 3.3). I began with identifying codes and then extracted themes as I moved progressively to more aggregated concepts. To maximise the use of the data, I used an inductive (Neale, 2016), grounded theory (Rieger, 2019) approach to coding. All questionnaire and interview answers were sorted by respondent, question, and answer. Intimately familiar with the data, I was able to contextualize the nuances of each response, for a “rich picture” perspective (Churchman, 1967; Grant, Gilgen and Buchmann, 2019). Creswell (2013) indicated that the act of analysing qualitative data with computer programs might alienate the researcher from the data. To avoid this limitation while maintaining a disciplined, traceable approach to coding, I used Microsoft Excel to sort the interview and questionnaire data and record each successive step in the coding process. I extracted codes from the answers after reading the answers several times. Codes were identified from the salient messages (or ideas) in each response, and I recorded them in Excel

alongside the answer. I went through this process several times to identify a group of codes for the entire questionnaire and interview data set. The codes were defined by appropriately describing the ideas extracted from the questionnaire and interview data (Creswell, 2013).

After memoing the information on the BVICS public sector reform literature (see chapter 1), I also coded the memoed text of these studies, (Creswell, 2013). The next step was the creation of themes or first level aggregations (Creswell, 2013; Gioia *et al.*, 2013). Creswell (2013) referred to these themes as “units of information that can form a common idea” (Kindle Locations 3561-3562). In order to promote qualitative rigor in this inductive approach, I went through the process of coding and completing first level aggregations while bracketing any prior knowledge of the subject. In a process that they described as deliberate “ignorance” (Gioia *et al.*, 2013) proposed that extracting themes and classifying them into aggregate concepts can be beneficial if the researcher ignores previous knowledge of the subject.

In some cases, I was able to extract several ideas from one response, which resulted in first-order concepts (Gioia *et al.*, 2013). The next step was to sift through each of these concepts to group them into second-order themes (Gioia *et al.*, 2013). The final stage was the categorical aggregation of the themes, in which I identified patterns in the themes. I used the literature review to frame the second-order aggregations (Gioia *et al.*, 2013) that formed the basis of the data structure used in the research. Some of my emergent interpretations were not covered in the initial literature review, which I modified to include newly introduced topics. This process is illustrated in Figure 3.4.

Gioia *et al.* (2013) emphasized the importance of peer reviews of qualitative data assessments. In addition to following that recommendation, I analysed the qualitative data without reference to my pre-existing knowledge or ideas. While my aim in interpreting the data was to gather a consensus among peers within the action unit, my fellow action unit members and I did so at this stage while ignoring our prior experiences in and knowledge of the BVICS to ensure as objective an analysis as possible. However, our insight into the workings of the BVICS was useful later, when we developed suggestions for improvements.



**Figure 3.4: Data Structure - Progression of codes to themes (adapted from Gioia *et al.*, 2013)**

I used the coded themes resulting from the data analysis as the basis for developing improvements to the operations of the BVICS. For example, once action unit members identified a theme, we recognized it as an area in the BVICS that requires improvement. The specific ideas that made up these themes were used to determine the particular issues and areas of concern. The themes informed the structure of the procedural designs, which were eventually developed and implemented in the workplace.

The initial inquiry into the issues identified in the data analysis began with work that I did based on my independent individual review of the data. Once I developed these ideas sufficiently, I facilitated their discussion in the action set. It was first necessary to understand the true nature of the problems identified through the data analysis; after this, potential interventions were developed to address them. The data gathered through the interviews and questionnaires strengthened the ideas that I had already begun to develop, allowed me to

identify new concerns or probabilities that I did not consider, and even subverted some assumptions that I had made previously. This was true of some action unit members as well.

### **3.7.5 Meetings**

Meetings were held regularly with action unit members during the field phase. The frequency of meetings was dependent upon the complexity of matters or difficulty reaching a consensus to identify a probable solution to the issues (Tenkasi and Hay, 2004). The action unit helped ensure that I did not make unsubstantiated inferences when developing new approaches and formulating suggestions for improvement.

Each meeting went through five steps. First, I informed the members of the action unit about the study's progress, any problems encountered, and my proposed measures to alleviate these issues. Second, I invited action unit members to respond to and offer advice regarding problems that I encountered or that they observed during the research process. Third, I provided a brief background on each of the specific issues to the members of the action unit. Fourth, I facilitated subsequent discussions aimed at providing suggestions that helped to reduce identified problems. These discussions were focussed on the identified concerns, with several recommendations made until the group came to the point of agreement on which ideas should be tested further. Finally, I summarized the decisions made in the meetings for their approval. The meeting format was consistent throughout the research process. Since public officers usually face tight schedules during the workday, I scheduled meetings right after working hours or during lunch.

### **3.7.6 Model Design**

The first step in the model design process began with identifying the persistent problems in the current system related to current leadership practices and financial allocation methods. This process began with the data analysis, which resulted in the identification of current problems. The next step was to develop remedies for the identified issues and, concurrently, create a general overview of the existing budget process. With these efforts undertaken, I then developed several options for improvements in the budget process that I

discussed with the action unit members to determine the most effective and practical options for improving the current leadership and financial allocation procedures for the BVICS environment. This process was iterative, requiring several meetings over two months.

The action unit members, as middle and senior managers in the BVICS, will most likely be part of the cadre of individuals who will enforce any adopted measures. Therefore, they had a stake in the improvement suggestions. Understandably, this interest on their part appeared to have a significant effect on the types of measures proposed and the urgency and importance of the action unit meetings.

After a consensus was reached on the probable success of each suggestion for improvement, I produced draft flowchart models that outlined the new procedures. The next step was to run a few desktop simulations (Section 3.7.7) to examine the suitability of the designs. Once the action unit was satisfied with each plan, I finalised them for evaluation. As an additional check on the work of the action unit and a means of triangulation, I sought informal insight from various senior civil servants in the BVICS concerning the workability of the developed concepts. I queried these civil servants on the day-to-day approaches applied in the leadership and financial allocation models. The opinions of these public servants outside of the action unit helped to assess the practicability of the suggested improvements. The models were not finalized until I was satisfied that the proposed improvements would work or until the action unit members indicated that no further revisions to them should be made.

### **3.7.7 Desktop Simulation Process**

The desktop simulation in Action Cycle 2 sequentially following the processes of the model in a group setting, with the various individuals in the group (action set) performing different roles. Its purpose was to examine the design proposals in a safe environment to identify any problems that might manifest when the plans were applied in the workplace. To illustrate the flow of the integrated processes (leadership and financial allocation), I used flow charts (see chapter four) as a guide to the desktop simulation. The flowcharts were open to scrutiny, comment, and modification. It was essential to perform these simulations to identify potential issues that



might warrant an adjustment to the model before it was introduced into the workplace so that the proposed structures had the highest possible chance of success.

Everyone in the action set was involved in some part of the desktop simulation process and was able to comment on the actions of other individuals. No comments on the activities of a simulation exercise were allowed until after a simulation cycle was completed. Before another cycle began, the comments/evaluations of the designed processes were discussed, adjustments made to the processes where necessary, and another cycle initiated and completed if time permitted. This iterative process spanned several action set meetings until there was a consensus within the group (McKenzie, 2012) that the procedures would yield acceptable improvements to the workplace. To allow them to express different perspectives on different processes of the model, individuals were required to change roles in each simulation cycle.

### 3.7.8 Rollout of the Models and Evaluation Exercise

After the initial models were developed in Action Cycle 1, refined in Action Cycle 2, and discussed with senior civil servants outside of the action unit, they were evaluated in Action Cycle 3. The improvement suggestions resulting from this research were used as a framework for the organizational and procedural structures of the BVICS leadership and financial allocation systems. In addition to eliciting peer reviews from policymakers, the purpose of this stage was to address the themes identified in the data analysis. The processes developed in Action Cycle 2 were tested in a live environment (RDA) to provide context for the evaluation by participants, as described further in Chapter 4 and briefly illustrated in Figure 3.5.



Figure 3.5: Adapting BVICS Model to limited application in the workplace

The live testing evaluation supplemented the review of the processes by policymakers through questionnaires and interviews. Observations of the application of the models occurred over four months and were used to enhance the information gathered from the responses in the questionnaires and interviews. As part of the evaluation process, I asked senior officers in the organization to use their work experience to provide insight into the improvement suggestions when completing their answers to the questionnaires (or interviews). I also asked them, where possible, to enhance their responses with observations of how the model was operating in the test environment.

The participants in this part of the study were the same target group from whom the data in Action Cycle 1 was collected. The participants were familiar with the budget process and leadership issues faced in the BVICS. Before they responded to the questionnaire, I introduced the respondents to the model developed in Action Cycle 2 using flowcharts. Initially, I allowed respondents to ask questions that helped them to minimize any misunderstandings before they proceeded with the questionnaire or the interview. The responses to these questionnaires and interviews were used to assess the successes or failures of the improvements suggested in Action Cycle 2.

In the following sections, I discuss some concerns related to objectivity and account for ethical considerations.

### **3.8 Drawbacks of Action Research Challenges in the BVI**

Action research emphasizes practical solutions, as distinct from the strong emphasis on theory in conventional research (Greenwood and Levin, 2007). However, the action research approach introduces factors that may make the conclusions less definitive. As such, I considered other factors that may or may not have influenced the results of the research (Schon, 2001). Since there is no agreed-upon format for action research (Greenwood and Levin, 2007; Pedlar, 2008) beyond applying the phases of constructing, planning, taking action, and evaluating activity, I ensured that basic discipline and objectivity were maintained.

One potential limitation of the credibility of this research was the influence of insider information on the data (Coghlan and Brannick, 2014). In other words, a researcher's existing

knowledge of an institution can adversely influence the conclusions drawn or how the research is conducted. I anticipated that interpreting my data would be challenging for two reasons: firstly, since the study was qualitative, it required in-depth, thorough, and interpretive analysis to maintain rigor; secondly, I needed to ensure that, as an insider, I did not draw inferences that were not reflected in the data.

I anticipated several other challenges related to the fact that I am an insider in this research. For example, due to my familiarity with some of the action unit members, my conversations ran the risk of being too casual, which could have resulted in me not probing my action unit queries to the extent that I should or in making careless or subjective assumptions. Conversely, there was a potential for personal discomfort with participants with whom I may have had a strained professional relationship. To ensure an objective inquiry, therefore, I followed the relevant questionnaire steps and instructions whenever I interacted with participants in the formal interviews.

Moore (2007) discussed the danger of an action researcher's alienation as a result of being viewed as a spy by the members of an organization. In that context, I could have been seen as someone who may use the knowledge gained from the research to the disadvantage of the participants' reputations. In the BVICS culture, meanwhile, it is not uncommon for individuals to experience apprehension about providing their detailed thoughts and opinions since those thoughts may become public, and strain relationships, in a small society. Further, confidentiality was also critical. It is common for officers in the BVICS to conceal their real thoughts for fear that their thoughts on a matter will be viewed unfavorably by supervisors or colleagues. Therefore, it was vital that my colleagues trusted me enough to be honest and open for the interviews and questionnaires. Honesty and openness were essential to the credibility of the research. Being perceived as untrustworthy would have decreased the likelihood of me receiving uninhibited and useful information (Greenwood and Levin, 2007). I managed these potential problems by carefully observing the participants during my interactions with them and reacting positively to their responses to alleviate concerns about my reception of their suggestions. Ensuring that participants viewed me as trustworthy was facilitated by open and

frank discussion on any contentious matters that arose, helping to demonstrate that I was trustworthy.

Managing role duality (Coghlan and Brannick, 2014), meanwhile, required me to switch between being an actor, facilitator, and consultant for the organization. Such a duality of roles can be potentially debilitating to research because it can create ethical and practical dilemmas related to switching between the roles (Holian and Coghlan, 2012). In the present study, role duality did sometimes cause me to experience confusion regarding what position I was fulfilling at any particular time. In an action research setting, the roles of the researcher, insider employee, and participants were not always clear. This dynamic may have caused some participants to feel compelled to respond to my requests for participation or reluctant to be honest in their responses for fear of reprisal. I managed these challenges when carrying out distinct roles and clarified which functions I was performing for participants at different times. For example, as a facilitator of this research, I did not, as a rule, hold meetings in my general office setting; instead, I functioned as a consultant/civil servant in my office. I always communicated to colleagues when I was acting in my role as a facilitator of research. More importantly, by being open, balanced, and generous, I ensured that my actions and communication promoted trust among participants and members of the action units. Since this research was conducted in a workplace during the ordinary course of business, I also had to balance my research activities with my regular work obligations. To do this successfully, I practiced careful time management and planning.

Ramirez *et al.* (2014) identified the need for researchers to change their language and manage perceptions and expectations to satisfy the minimal level of comfort required for stakeholders to succeed in this type of research. This research required political sensitivity and diplomacy since it involved the participation of public officers who had work obligations to meet and may have viewed my work as time consuming and unnecessary. I managed this possibility by allowing participants to set the time and place for my engagements with them and by ensuring that my actions promoted stakeholders' trust to the fullest extent possible. I also kept participants informed about the progress of the research activities with updates. In

the BVICS, personal relationships reduce the impact of politically sensitive issues and facilitate progress.

### **3.9 Ethics**

To maintain the anonymity of participants, they were each assigned pseudonyms. The implementation of the suggested improvements proposed in this study requires current procedures in some parts of the BVICS to change, requiring managers to operate in new and unfamiliar ways. Historically, these types of change have met with some resistance in the BVICS context.<sup>12</sup> If the participants believe that such changes may be unfavourable to them, their contributions could have emphasized maintaining the status quo. It was important that individuals remained honest and open in their exchanges with me. Sensitivities can be significant enough to affect how a participant shares information with a researcher. These sensitivities can also change the professional relationship between the researcher and the participants. If the exchanges and interactions were not open and honest, it is highly probable that the information I received was not truly representative of the BVICS's current operations. Especially considering the concerns expressed by Bryon and Miller (2019) concerning researcher integrity and principles tested, I was careful to maintain self-reflective objectivity in the field.

Locke *et al.* (2013) laid out several ethical principles that should be considered in action research. Firstly, the action unit needed to understand its responsibility for ensuring that strong ethical principles and the rights of all stakeholders were maintained; secondly, all stakeholders who participated in the action group were considered members of the action group; and thirdly, all stakeholders were involved in the research design and aims and took ownership of the processes of each action unit. Members of the research group were free to withdraw from the study at any time, and information was communicated in a manner that allowed members to understand what was happening fully. Stakeholders were made aware that their data were being analysed. Further, transparency was paramount, and group members worked

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<sup>12</sup> The previous public sector reform efforts explained in Chapter 2 illustrate this.

collaboratively to ensure that the actions of the members of the group were within the boundaries of what was considered ethical in the context of the study. For example, all group members in this study had the right to verify and analyse the data and have their feedback considered. I ensured that each participant felt free to express his/her opinions respectfully without inhibition or fear of reprisal.

According to Churchman (1967), it is necessary to ensure that action units provide the level of insight and engage in the free productive discussion required to develop practical suggestions to address the problem under investigation. One of my non-negotiable rules was that each member of the action unit must be courteous and respectful of other group members' opinions. I encouraged this by setting clear standards on how we were to engage with each other. The most fundamental of these rules was that we intervene on a rotational basis; that is, if one individual spoke, he or she was expected to wait to talk again until after all the other members either made their interventions or declined to do so. Further, I set basic (but not strict) time limits on the responses of each individual, had everyone agree not to interrupt each other, and had participants record their comments on a notepad for later reference. At the end of each meeting, there was always a general discussion that allowed everyone to speak in a less structured manner to ascertain whether any matters received inadequate attention. I also encouraged members to interact with me outside of the formal action unit meetings if they felt uncomfortable raising a subject in the action unit meetings or that we ran out of time to continue a discussion.

Locke *et al.* (2013) noted that data collection and analysis must be designed with consideration to the impact it may have on stakeholders. I used a consent form to ensure that participants were comfortable making their contributions. I was also attentive to the potential for conflict between my roles as an insider and an outsider. Miyazaki and Taylor (2008) and Locke *et al.* (2013) observed that biases can occur when insiders have pre-existing knowledge and relationships. For instance, some action unit members could have viewed my seniority as an insider in the BVICS as intimidating. Therefore, I paid attention to the way I conducted myself with the participants in the research environment, being mindful that some participants may have felt compelled to participate in the study. I made it clear in the consent form that

participation was voluntary and that participants could withdraw at any time<sup>13</sup> without reprisal. I also used an action unit design that included discussions with other members to highlight and eliminate bias. Campbell and Groundwater-Smith (2007) noted that when a dominant opinion is reflected in research, it can create an unwanted “voice” in the work and analysis. Although potential insider bias was a limitation of this study, I am not aware of some of the inner workings of most of the ministries, departments, and agencies (MDAs) in the BVICS. I was, therefore, able to view these MDAs from an outsider perspective. Open conversation and consensus-building helped to ensure that this research was objective and balanced.

Additionally, I expected some action unit members to express concerns about investing considerable time and energy in an endeavour with little direct professional benefit to their careers. To alleviate this challenge, I ensured that these individuals were involved in the process of finalizing the suggested improvements. The evaluation phase of this research was crucial in this respect. I also maximized the use of the time participants spent in the action unit sessions by carefully planning them. Finally, I continually reinforced to the action unit members the usefulness of the knowledge and insight they would gain from their participation.

### **3.10 Summary**

In this chapter, I have outlined the methods that I used for data collection, described the type of data analysis that I performed, and detailed the techniques that I employed to obtain the information required to make suggestions for improvement in the BVICS. Figure 3.2 summarizes the research steps described in this chapter.

Action Cycle 1 provided an understanding of the nature of the problems and the underlying causes for their existence before I began to formulate suggestions for minimizing or eliminating them. Some of the underlying causes of problems were found to result from distinct but interrelated factors.

While I performed the majority of this work, the action units served as sounding boards for developing suggestions for improvement in the BVICS’s leadership and financial allocation

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<sup>13</sup> This is made explicit in the Participant Information Form that each participant is required to read.

processes. BVICS employees can be reluctant to voice concerns with issues that they observe; the anonymous, apolitical action unit environment in which I conducted this study provided a way for participants to make contributions to improve the effectiveness of the BVICS.

In Action Cycle 2, I developed interpretations of the preliminary models identified in the first action cycle through a series of tests conducted on the initial models developed in Action Cycle 1 and resulted in improvements to these models based on the opinions of the action unit and other participants. Most of the revisions were made based on desktop simulations. The deliberations and adjustments provided through these exercises resulted in models that were satisfactory for workplace applications. These refined models were then documented for presentation to policymakers in Action Cycle 3, with the finalized models represented in flowcharts.

Action Cycle 3 further evaluated whether the developed models would be successful (and to what extent) if applied in the BVICS. Evaluations of the interventions were based on responses from senior officers (including cabinet members) who would be the stakeholders responsible for implementing them in the BVICS. Given their intimate knowledge of the BVICS, these individuals were expected to be competent in the workings of the organization and able to apply the models. To provide additional perspective on what might occur, the models were applied in a functioning organization (the RDA). This extra measure was important in the BVI context, which has undergone given previous failed attempts at reform.

Chapter 4 provides a discussion of the results obtained from applying the methodology of this chapter. In Chapter 4, I illustrate how I have summarized the data into themes and recorded the activities and results chronologically. I use flowcharts, tables, and other diagrams to present the results. I also discuss how the improvement suggestions addressed the leadership and financial allocation concerns of the BVICS's senior management.



## CHAPTER FOUR: FINDINGS

### 4.0 Key Themes Discussed

This chapter presents the results of data analysis, including extracted themes, improvement suggestions for the workplace problems identified, the effects of their limited application in the workplace, and an evaluation of how they may be expected to perform in practice. In this study, I employed a qualitative query methodology based on questionnaire and interview responses from officers in the British Virgin Islands Civil Service (BVICS) to analyse and make improvement suggestions for a workplace problem. I validated the data and results in four ways: first, by having the action unit check my assumptions and work; second, by conducting short (one to two hour) simulation exercises on proposed process models with action set members; third, by observing how parts of the process function in a workplace setting; and fourth, by conducting peer reviews of the models with senior members of the BVICS. Table 4.0 outlines the way the research progressed, by identifying the action cycle, the tables and sections that describe what occurred, the number of participants, when the action occurred, and the methods used.

**Table 4.0: Results discussion map**

#	Action Cycle	Table/Figure	Description	Purpose	Number of Participants	Date of Actions	Method
I	1	N/A	Leadership Questionnaire  Financial Management Questionnaire	Data Collection	20 participants (middle to senior management)	July 2018 - February 2019	Oral Interviews/ filling out forms (Appendix: I & II)
							<ul style="list-style-type: none"> <li>Data is gathered and organized in a spreadsheet for analysis.</li> </ul>
II	1	Section 4.1	Thematic Diagrams	Analysis of Data	Researcher and 5 Action Unit members	July 2018 - February 2019	Qualitative analysis
							<ul style="list-style-type: none"> <li>Themes extracted from the data collection are grouped based on commonalities and progressively summarized. These themes identified the current leadership and financial allocation issues as leadership communication, leadership planning, decision making, organizational systems, financial management, and organizational culture.</li> </ul>
III	2	Table 4.2	Table	Identification of issues against existing	Researcher and Action Unit members	October 2018 - November 2018	Researcher and Action Unit (Appendix III)

#	Action Cycle	Table/Figure	Description	Purpose	Number of Participants	Date of Actions	Method
				budget deficiencies			
				<ul style="list-style-type: none"> <li>The existing systemic budget deficiencies identified through the data analysis examined carefully against the budget process deficiencies identified.</li> <li>Suggestions proposed for improvement.</li> </ul>			
IV	2	Figure 4.9	Modified Budget cycle	Demonstrates where fundamental change is proposed	Researcher and action unit members	October 2018 - December 2018	Researcher and Action Unit Discussions (Appendix: III)
				<ul style="list-style-type: none"> <li>Discussions about the current budget process pointed to the existing processes being fundamentally reliable and fit for purpose. However, the issues with decision making, communication, planning, financial management, organizational systems, and culture are felt to be addressed in the post-approval stages of the budget cycle.</li> </ul>			
V	2	FIGURE 4.10	Process flow	Demonstrates the simplified new process of decision making	Researcher and action unit members	October 2018 - November 2018	Researcher and Action Unit Discussions (App: IV)
				<ul style="list-style-type: none"> <li>The action unit formulates a step-by-step solution to the problems identified in the data analysis exercise, which involves a specific focus on the post-approval budget processes.</li> </ul>			
VI		Section 4.2.4 - 4.2.10	Detailed process flows	Buildup of new leadership and financial allocation model	Researcher and action unit members	October 2018 – February 2019	Researcher and Action Unit Discussions (App: III, IV and App V)
				<ul style="list-style-type: none"> <li>Action unit uses an action cycle process to develop a process for implementing and funding initiatives in a manner that progressively facilitates informed decision making by key stakeholders and efficient, widespread stakeholder participation.</li> </ul>			
VII	2	Section 3.7.7	Initial Evaluation of model	One to two-hour desk simulation exercises	Action unit members	January 2019 to February 2019	Step by step assessment of model (desk simulation)
				<ul style="list-style-type: none"> <li>Through step-by-step role play in the action set. The model was assessed this way to identify any previously unnoticed issues.</li> <li>These exercises help to refine initial models and sub-processes.</li> </ul>			
VII I	3	Section 4.3	Application of Strategies	Limited application of the model in a workplace setting	Action unit members	January 2018 - May 2019	Workplace Application Table 4.5 & Figure 4.19
				<ul style="list-style-type: none"> <li>The approved processes are fundamental to the new agency's operations. They are examined for effectiveness over the life cycles of several initiatives.</li> </ul>			
IX	3	Sections 4	Evaluation of Model	To evaluate the likelihood of success for	Middle to Senior management	May 2019	Interviews (App: IV)

#	Action Cycle	Table/Figure	Description	Purpose	Number of Participants	Date of Actions	Method
				application in the workplace			
				<ul style="list-style-type: none"> <li>Senior management within the BVICS and the RDA evaluate the processes against the criterion developed as necessary to correct the identified systemic issues of the BVICS.</li> </ul>			

## 4.1 Action Cycle 1 - Constructing

### 4.1.1 Introduction

The purpose of Action Cycle 1 was to determine the current leadership and financial allocation issues in the BVICS by analysing data from questionnaires and interviews collected between August 2018 and January 2019. I followed the procedures outlined in section 3.7.

I contacted 30 individuals from the senior cadre of the BVICS randomly: 18 at the middle management level, 18 at the senior level, and four at the ministerial level. Of the individuals contacted, one minister, six upper-level managers, and 17 middle managers agreed to take part in the study and signed consent forms. The participants' roles in the BVICS are listed in Table 3.4. The sensitive nature of this work required me to use pseudonyms to maintain participant anonymity.

I distributed the questionnaires electronically, and participants returned their responses either electronically or in hard copy. Some participants indicated that they preferred to be interviewed than to submit a completed questionnaire; in those cases, I scheduled a time to meet participants in person in their respective offices and interviewed them at the appointed time.

Once the questionnaires and interviews were complete, I entered the answers into Microsoft Excel. I also recorded the respondent's name, tenure in the BVICS, area of work (administration, finance, or technical), and level of seniority (lower, middle, upper, or ministerial). I tabulated the number of affirmative answers to the questions via formulas used in the spreadsheet (Table 4.1). The action unit members also reviewed the literature from previous public sector improvement projects that I used for inclusion in the analysis. I coded and recorded the results at each stage of the process as a reference for the rest of the study. After I analyzed the data, I gave each action unit member an electronic copy of the Excel

spreadsheet and asked them to examine the work. The action unit then held discussions on the results and made adjustments as necessary. I discuss these results in Section 4.1.2 to Section 4.1.5 of this chapter.

Table 4.1A shows the percentage of positive responses to the leadership questionnaires/interviews administered in Action Cycle 1. The data revealed that most respondents felt that there were material deficiencies in the leadership and financial management of the BVICS.

**Table 4.1A: Positive responses received from participants (Leadership)**

QUESTIONS (LEADERSHIP)	Positive Responses
<u>Q2</u> : There are enough resources	47%
<u>Q3</u> : There is a culture of excellence	53%
<u>Q4</u> : There are trust and mutual respect	53%
<u>Q5</u> : Knowledge is transferred adequately	53%
<u>Q6</u> : There is good feedback	47%
<u>Q7</u> : Team members can challenge leaders	60%
<u>Q8</u> : Suggestions are incorporated	67%
<u>Q8(a)</u> : Contributions are publicly acknowledged	47%
<u>Q9</u> : Employees are active in decisions	47%
<u>Q9(a)</u> : Employees should be engaged in decisions	93%
<u>Q10</u> : Leadership contributes meaningfully	60%
<u>Q11</u> : Goals are clearly articulated	47%
<u>Q12</u> : The organisation prioritises well	27%
<u>Q13</u> : The organisation is led effectively	13%
<u>Q14</u> : Managerial practice is fit for purpose	33%

Figures 4.1 to 4.6 illustrate the results of the coding and aggregation of the questionnaire and interview data. The narrative that follows each figure provides additional description of the aggregations.

Overall, the responses suggested that the BVICS has not been led effectively. They highlighted demonstrable differences between leadership styles and levels of effectiveness. Some interviewees, however, thought that their leaders were very good and appeared to have the knowledge, experience, and will to lead effectively. Two clear themes emerged from these

responses: (1) ineffective communication by the senior managers of the civil service (Figure 4.1) and (2) the lack of emphasis on planning by senior managers (Figure 4.2). An essential component of communication was the consistency of the messaging conveyed by BVICS leaders.

#### 4.1.2 Leadership (Communication)

Table 4.1A illustrates that most participants (87%) agreed that there was a deficiency in the effectiveness of leadership in the BVICS.

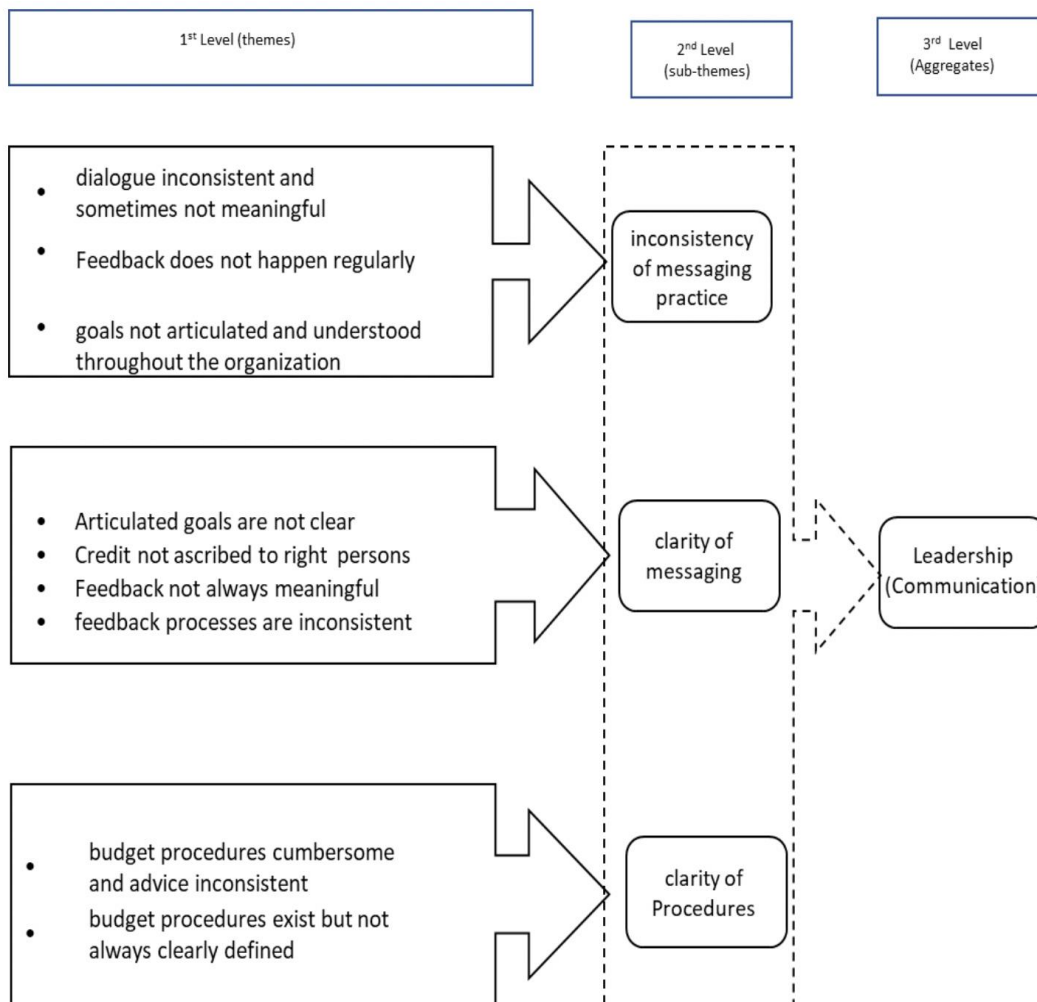


Figure 4.1: Data Structure - Leadership (communication)

Some participants provided examples of good leadership practices; for instance, Ebony indicated that “the leadership cadre in my organisation contributes above and beyond, as evidenced in the implementation of various bills and projects. However, Julia stated that the leadership cadre of the BVICS is “handicapped by ‘old tools and new problems’ and everyone just going through the motions.” Similarly, Sarah indicated that there was no strategic direction given to the ministry by her leader.

#### *4.1.2.1 Inconsistency of Messaging Practice*

While many participants reported that the BVICS was deficient in its communication practices, some thought that the BVICS environment successfully encouraged dialogue. Tom, for example, indicated that there was “regular feedback.” However, Imani stated that “one does not always feel comfortable” challenging or giving feedback to the leaders of the institution.

Participant responses also revealed that the leaders generally thought that they encouraged open dialogue, but the individuals that they supervised often did not share this view. For example, Tom indicated that “team members provide feedback on policies as needed.” Janet—an officer who Tom supervises—reported that, regularly, “members sit in meetings and refuse to give their opinions for fear of being ostracized or simply feeling that their opinions will not matter.” The responses also revealed that feedback from leadership was often cumbersome, ineffective, or merely provided as a formality.

#### *4.1.2.2 Clarity of Messaging*

Some participants stated that leaders were not clear about their expectations of those they supervised or were disorganised in the way they gave direction. Doris, for example, said that when “the leadership cadre” has tried “to contribute meaningfully,” she was unaware of “the goals” and “could not articulate them.” Matthew reported that the feedback processes could be “significantly improved” and needed to occur more frequently. John noted that “with the huge workloads, more focus is placed on getting the job done and not as much emphasis is placed on providing feedback to staff.” Some participants suggested that, while there was a

formal feedback process (performance appraisal), the constant and consistent feedback necessary for a meaningful evaluation of employee performance was absent.

#### *4.1.2.3 Clarity of Procedures*

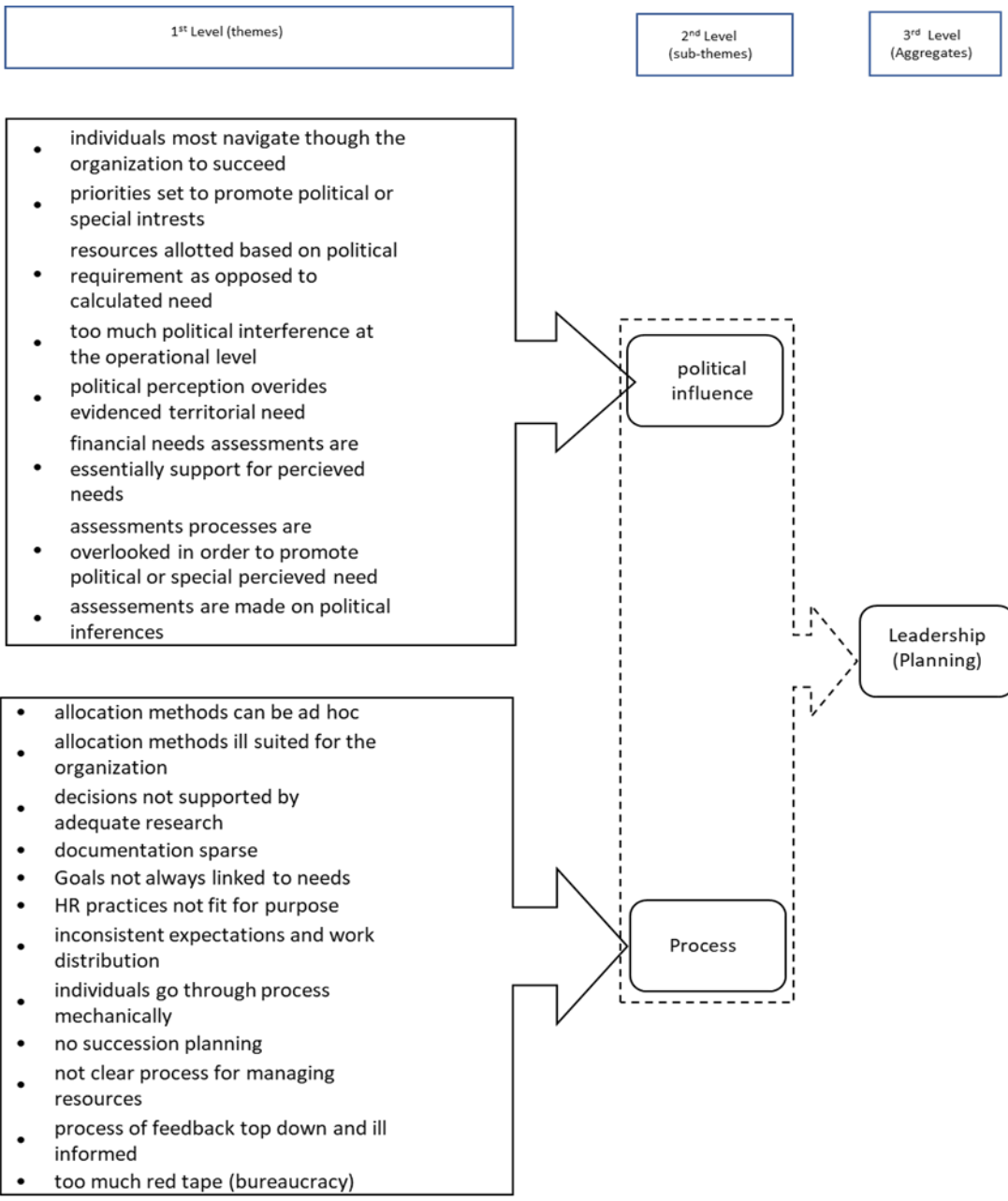
Some participants (except those in the Ministry of Finance) reported that budget procedures were often ambiguously defined or cumbersome. Bob, for instance, stated that, although budget procedures exist, they “are not clearly defined.” Other participants, however, thought that the procedures were clearly set out by the Ministry of Finance but that the Ministry of Finance often gave conflicting advice regarding processing. According to one participant, “it depends on who was giving the advice or interpretation of the procedures.”<sup>14</sup> Many participants confirmed that the procedures were generally followed as written, but input from the Ministry of Finance often caused confusion around their interpretation. Respondents also noted that, in many cases, ministries and departments merely followed instructions blindly, without understanding the rationales and desired outcomes behind them. Participants also expressed division over how to set priorities during the budget-planning process. Imani reported, for example, that “there is generally confused thinking around how to get priorities.” Although budget procedures exist, they may be insufficient.

#### **4.1.3 Leadership (Planning)**

The data also highlighted deficiencies in leadership during planning processes. Some respondents suggested that the BVICS acted on initiatives without clear direction or that it often did so in an ad hoc and uncoordinated manner. Figure 4.2 illustrates the themes, sub-themes, and aggregated groupings regarding leadership planning issues in the BVICS.

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<sup>14</sup> Questionnaire dated 18 October 2018.



**Figure 4.2: Data Structure - Leadership (planning)**

#### 4.1.3.1 Political Influence

Participant interview responses suggested that the influence of politics obscured the effectiveness of the BVICS leadership<sup>15</sup> in some cases and that a “lack of clear and proper

<sup>15</sup> Ebony.



communication and equity”<sup>16</sup> obscured it in others. Responses suggested that political pressure deeply affected BVICS leadership’s planning capabilities. Some participants alleged that there was undue influence or interference by the BVICS political cadre in the day-to-day activities of the organization that reduced public officers’ ability to operate effectively. As Sam indicated, decisions are “often politically driven, seldom based on facts or figures and often based on benefits to an individual or entity and not on the best fit for the situation.”

Given such strong political influence at the operational level, some participants indicated that decision-making was “constrained by the discretion of the minister to do so.”<sup>17</sup> Only about 26% of the participants indicated that the BVICS prioritised well. Those who did not identified politics and poor planning on behalf of the ministries as the reasons. Respondents suggested that the role of politics in day-to-day operations lessened the effectiveness of the BVICS. Mary noted that the “government’s objectives are not always best for the moment, and they are not always thought through and planned.”<sup>18</sup> Matthew suggested that individual public officers needed to make sustained, deliberate efforts to navigate politics to succeed in their civil service careers, often to the detriment of correct advice, procedures, or actions. This sentiment suggests that initiatives that should be directed towards the completion of specific tasks in pursuit of achieving a ministerial objective are instead used to negotiate political obstacles.

Perceived needs or wants that are not always evidence-based influenced financial management and budgeting decisions at BVICS. As Kayla suggested, “priorities are often somewhat defined but are not always relevant to the big picture” (i.e., they are often politically driven). Ebony stated that “priorities are determined/defined based on the minister’s agenda, and that should not be the case. Too many areas that are important and require attention go unnoticed for many years.” Responses like these indicated a general perception that the political arm of the BVICS has not done enough evidence-based, strategic thinking. Participants suggested that the technical ability of the BVICS to develop and prioritise initiatives was not used effectively to provide solutions.

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<sup>16</sup> Imani.

<sup>17</sup> Pete.

<sup>18</sup> The term “government” is often used to refer to the political leadership in the BVI context.

#### *4.1.3.2 Process*

Participant responses, particularly among the management cadre, identified as problematic a disregard for processes in the BVICS for reasons that include inconsistent practice, cumbersome processes, and a lack of interest in following established procedures. Imani stated, for example, that when prioritising actions, the “process seems random” and “there does not appear to be a method.” Most respondents suggested that planning was not a regular practice and that emotions rather than research played a significant role in decision making. As Julia suggested, “We need to harness more data in making decisions.” Other participants felt that there was no standardised way to manage resources. Overall, these responses suggested that there is a lack of standardised management and procedural practice across BVICS operations.

#### *4.1.3.3 Summary*

The data suggested several concerns among staff members with BVICS leadership: necessary information is not relayed in a consistent manner and coherent methodologies and operational expectations are lacking; across various ministries, the level of planning appeared to be consistently low; and leaders regularly made decisions without using information. Participants also expressed concerns about the suitability and organisational relevance of tasks assigned by leaders. The responses also suggested that, in many cases, decisions were made merely in response to political expediency.

While the data indicated that the entire organisation had documented procedures, some of these were not followed or were ill-suited to the operational environment of the BVICS. It is not apparent from the data why established procedures were not followed, but discussions during the action set revealed that some leaders/managers thought that established organisational procedures were a hindrance to achieving their objectives within an efficient time frame. While the action unit members viewed some of these objectives as legitimate, they said that others did not align with the organisation’s goals. For example, existing policies on the dissemination of grants were often ignored. Although participants in the action units expressed that such objectives rarely had unethical intent, the mistakes that resulted could be significant. Bypassing pre-existing procedures also exposed civil servants to

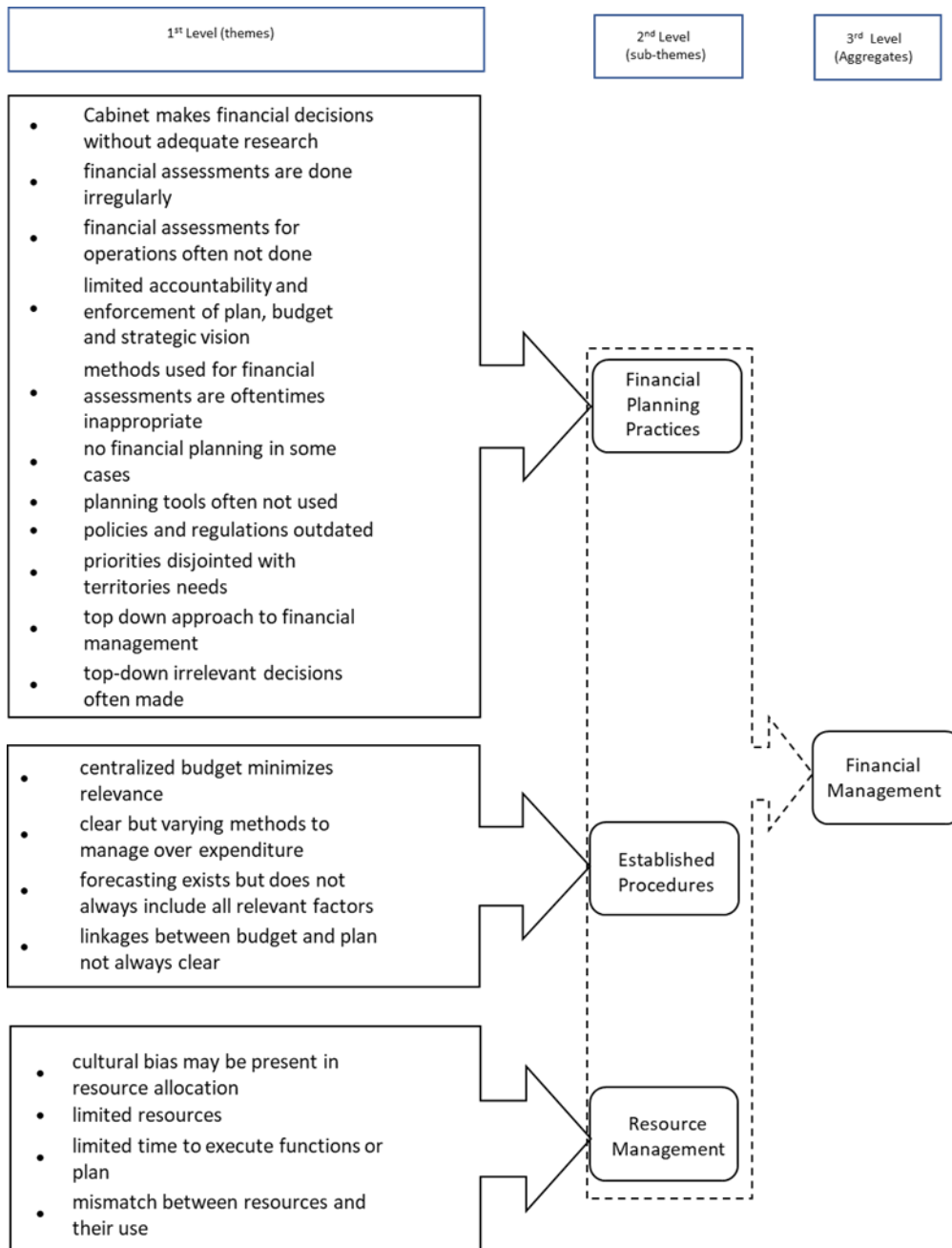
public criticism when outcomes were not as planned. These leadership practices directly affected the financial management practices in the BVICS.

#### 4.1.4 Financial Management

Understanding the rationale for financial allocations is another crucial component of this study, one that is directly related to the leadership and financial management practices of the BVICS. Financial management is a major component of the operations of the BVICS. Table 4.1B summarizes the results. Figure 4.3 illustrates the themes, sub-themes, and aggregated groupings regarding financial management extracted from the interview and questionnaire data.

**Table 4.1B: Positive responses received from participants (Financial Management)**

QUESTIONS (FINANCIAL MANAGEMENT)	Positive Responses
<u>Q1</u> : Needs assessments of financial requirements done regularly	13%
<u>Q2</u> : Financial assessments are done appropriately	13%
<u>Q3</u> : Financial assessments' priorities are clear	13%
<u>Q4</u> : Set priorities are appropriate	25%
<u>Q5</u> : Budget procedure exist and are defined clearly	75%
<u>Q6</u> : Budget design and flow of funding serve needs	25%
<u>Q7(b)</u> : The procedures explained above are effective	38%
<u>Q8(b)</u> : The procedures to forecast are effective	63%
<u>Q10</u> : The budget is linked to a strategic plan or vision	75%
<u>Q10(b)</u> : If yes, explain how it is appropriate	75%
<u>Q11</u> : Financial management decisions are made in a consistent and methodical manner within your organisation	0%
<u>Q12</u> : The methods used are an appropriate way to make these decisions	0%
<u>Q13</u> : Decision-making authority is clear	63%



**Figure 4.3: Data Structure - Financial management**

#### 4.1.4.1 Financial Management Practices

Participants were dissatisfied with the way financial resources were accessed, allocated, and committed in the BVICS (Table 4.1B). Participants from the Ministry of Finance felt that

adequate procedures were in place to achieve sound financial management but that many public officers did not follow these procedures. Respondents outside of the Ministry of Finance suggested that the Cabinet was not using the tools provided, made seemingly isolated decisions without conducting adequate research, and made decisions without regard to effective implementation. As Kayla observed,

Ministries, Departments and Agencies (MDAs) are required to prioritise and submit their needs based on the territory's needs at the beginning of every Budget Cycle; however, this is often not the case, and these needs often don't match the needs of the territory but are instead linked to political agendas.

In another BVICS ministry, Imani suggested, the financial management processes were not fit for purpose: "There is some guesswork involved, and an ad hoc process may be done sometimes. This type of process is not conducive to getting correct results, will be biased toward certain opinions and people." Some participants were involved in the financial reform process and had contributed to the financial management procedures that the Ministry of Finance had deployed. Their responses revealed frustration with the ways that existing financial management procedures were systemically ignored.

#### *4.1.4.2 Established Procedures*

Pete described the budget as too centralised, which reduces its relevance to individual departments, and noted that he would prefer to see a less centralised process of financial management and budgeting. Seventy-five percent of participants agreed that the budget procedures were clearly defined. However, some noted that compliance with established procedures was poor due to the influence that ministers exerted on public officers and to budget procedures not being fit for purpose. Many participants who did not work within the Ministry of Finance expressed the view that the Ministry assumed a heavy-handed approach that was not sufficiently sensitive to the challenges and needs of the line ministries, as Julia suggested.<sup>19</sup> Participants also identified a disparity between what various ministries needed to

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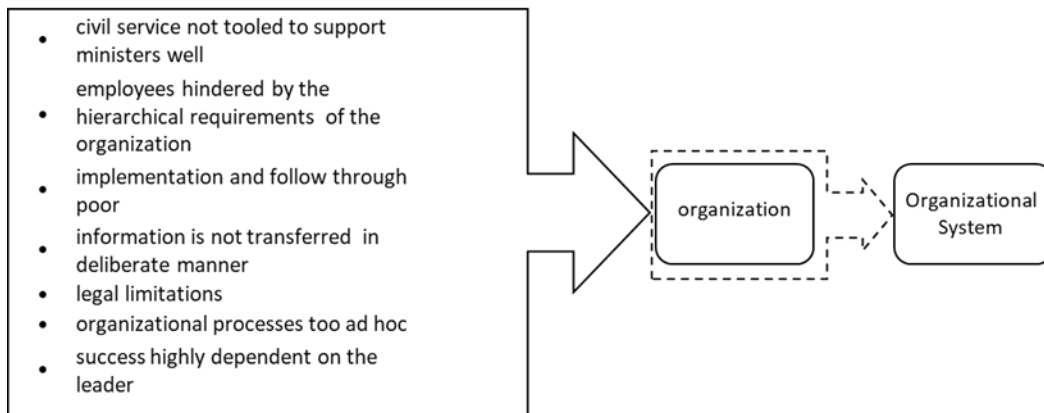
<sup>19</sup> Line ministries refer to the other ministries in the BVI that are not the Ministry of Finance or the ministry responsible for Governance.

perform their mandates and what the Ministry of Finance determined was necessary for the BVICS when formulating the budgets. The forecasting methods, for example, did not include all relevant factors or establish a link between a given plan and the budget itself adequately.<sup>20</sup>

#### 4.1.4.3 Resource Management

Some responses revealed that participants understood the need to be frugal in periods of fiscal constraint. However, even during periods of budgetary or human resource restraints, there was excessive spending. The responses suggested that insufficient time to complete assignments may result from improper human and financial resource management. Participants noted that work is often not appropriately researched, which results in inadequate advice being provided to ministers. This oversight caused problems for the respondents themselves in cases where ministers were able to determine later that the information they received caused them to make inappropriate decisions. Sam, Pete, and Ebony suggested that available resources were used for unessential things at the expense of valuable initiatives. Available resources could take the form of physical assets needed for tasks, such as information technology or transportation. These points suggested that a review of the organizational culture was required.

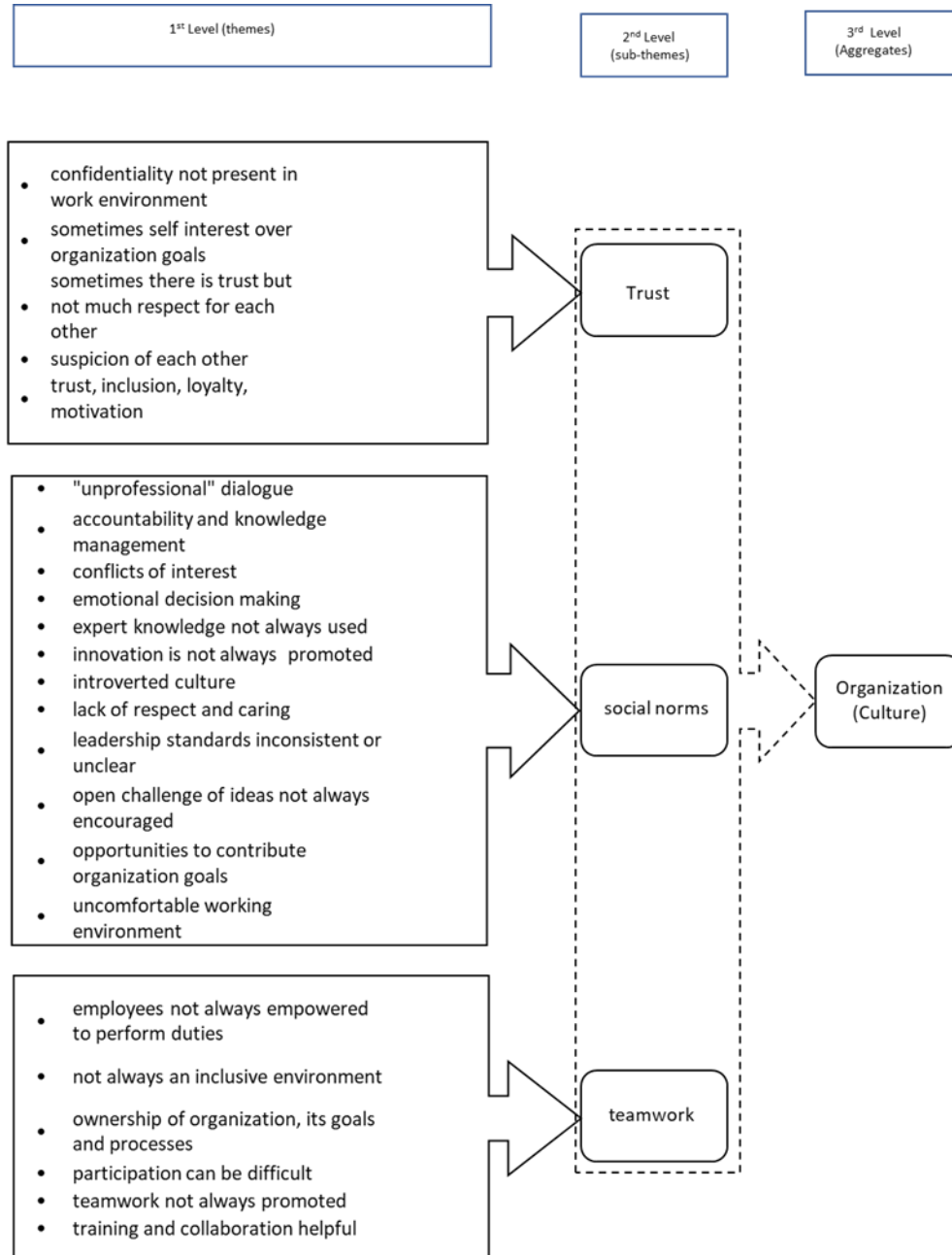
#### 4.1.5 Organisational Systems



**Figure 4.4: Data Structure - Organizational system**

<sup>20</sup> Some ministries had clear strategic and work plans.

Julia stated that the BVICS had “lots of rules that I can only say came from another era” and that the BVICS leaders are “handicapped by old tools.” Other participants had much more to say about the culture of the BVICS. Figure 4.5 summarizes the participants’ responses depicted in Table 4.1A.



**Figure 4.5: Data Structure - Organizational culture**

#### *4.1.5.1 Trust*

About half of the participants felt that there was enough trust amongst the members within their organisation. Conversely, some participants identified an environment of constant suspicion, of officers' self-interest being more important than of the goals of the organisation, and of a lack of confidentiality. As Doris stated, "The environment of the organisation is not trustworthy and lacks respect for their staff." Another officer, Rose, thought that her current work environment included respect and trust but that this was not the case in her previous BVICS roles: "This Ministry, yes; but I have worked in other environments where this has not been the case." Some of the participants felt that trust was essential but lacking in their departments.

As Sarah noted, "Largely, employees do not have a high level of trust in each other and thus operate with suspicion of motives." Participants saw this lack of trust as undermining the cohesiveness of their organisations. Julia, for example, identified competing self-interest as interfering with the goals of the organisation and the focus on individuals getting their respective jobs done well. The pursuit of self-interest appeared to be accepted as normal in the BVICS social structure and organizational environment.

#### *4.1.5.2 Social Norms*

The responses also noted numerous instances of unprofessionalism within the BVICS. In some ministries, for example, interpersonal conflicts affected the ways that decisions were made, which caused some employees to feel that their knowledge and skill were unappreciated. In other cases, participants suggested that the work environment was repressive. Mary stated, for example, that some leaders, "once challenged, set out to intimidate and shut the officer down," and Flo noted that "persons are seldom given credit." These responses illustrated that different ministries had different cultures, which varied from healthy and conducive to high productivity to repressive and challenging to operate within. The responses also suggested that some ministries and departments had environments in which challenging ideas were discouraged, despite leaders claiming that they desired openness.



#### *4.1.5.3 Teamwork*

Participants agreed that teamwork was essential, but they did not always feel that it was encouraged in the organisation. Some respondents felt that the goals and processes of the organisation were shared and understood by everyone, while others thought that the employees were not empowered to perform their duties. Ninety-three percent of respondents (Table 4.1) identified the empowerment of individuals as necessary; however, only 47% of the respondents (Table 4.1) believed that they were actively part of the decision-making process and, thus, part of the team of the ministry or department in which they worked. Participants also suggested that some work environments were not inclusive enough. As Pete noted,

A significant number of decisions being routed through Cabinet without the ability for the exercise of managerial discretion in the process at the level of PS. The elaboration of a more decentralized system where accountability at the managerial level can ensure greater participation in decision-making (founded on sound, effective, and agreed-upon values, principles, policies, and laws) may ensure greater participation.

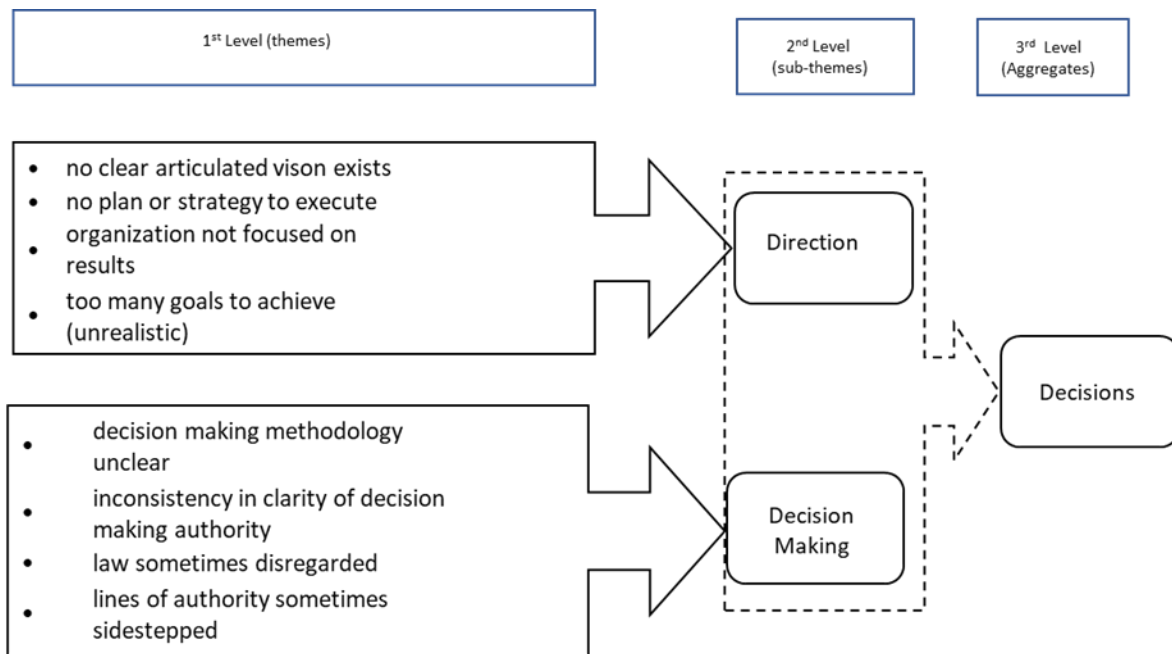
Rose, an officer who felt that the organisation in which she worked was well run, appeared to share the view, indicating that “there is great room for improvement as it relates to leaders fostering teamwork and connections among staff.” Similarly, Flo stated, “There is not a great culture for encouraging innovation or a culture for sharing.” Julia, however, held the view that the civil service was well trained and that, in many cases, there was collaboration (teamwork) within the ministries and between departments as well the officers themselves.

#### *4.1.5.4 Summary*

Participant responses indicated difficulties within the BVICS concerning its organisational culture. Each ministry has a specific spectrum of subcultures, some of which are more inclusive and relaxed than others. Participants identified varying levels of trust and teamwork, which had a direct impact on organisational effectiveness. The responses also indicated that BVICS’s shortcomings were not due to a lack of capacity, but instead to adherence to rigid organisational procedures that were not fit for their purposes or, conversely, to a lack of procedural discipline.

#### 4.1.6 Decisions

The data indicated a suboptimal decision-making process in the BVICS. Figure 4.6 shows the themes, sub-themes, and grouping that resulted from the analysis of the data. Participants closely connected decision-making with the ability of the BVICS to improve its leadership and financial allocation practices, and they also communicated that it was difficult to understand the plans of the organization.



**Figure 4.6: Data Structure -Decisions**

##### 4.1.6.1 Direction

Participants identified a lack of direction for BVICS as a concern. Only 47% of respondents (Table 4.1) thought that their departments or ministries had clearly-articulated goals. While the BVICS attempted, in the past, to formulate strategic plans, these were often eclipsed by the plans of elected officials who were primarily concerned with the short-term demands of their constituents.

In the 1990s, the BVICS attempted to institute a National Integrated Development Strategy (NIDS). This strategy met with some resistance from elected representatives in its later stages. The elected representatives voiced the opinion that much of the work done on behalf of this strategy was the work of civil servants; thus, the strategy did not reflect the views of the people of the BVI. Fidel (the interviewed minister) confirmed that this statement reflected his understanding.<sup>21</sup>

The lack of a clear organizational vision presented a challenging environment for some participants. Sam stated, “There are too many goals and objectives that are unrealistic;” Doris responded, “No! No direct declaration of goals is evident;” and Julia suggested that goals are communicated through “speech from the throne.” Sarah stated that while each department articulated goals, no direction came from the ministry within which the department operated.

#### *4.1.6.2 Decision-Making*

Participants found it challenging to explain the rationales for decisions made in the BVICS, and they identified the ubiquity of impromptu decisions not based on clear fact-finding and analysis. Some respondents suggested that elected representatives made important decisions haphazardly and that they were not aware of any overall plan or methodological approach to such decisions.

Participants did not express resistance to the decisions of elected representatives, but they did express concerns about elected representatives making operational decisions that promoted special or personal interests. According to Kayla, for example, “Some financial management decisions are politically driven and are made solely to increase/decrease political power in one form or another with no accountability.” Participants from one department held the view that some of the financial decisions made or practices implemented directly contravened the law.

#### **4.1.9 Conclusion**

During the data analysis, I identified several deficiencies in BVICS’s leadership practices. Specifically, the data indicated that BVICS leadership’s communication and planning, decision-

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<sup>21</sup> This view was expressed repeatedly in the HOA and Cabinet.

making, organisational systems/culture, and financial management practices could be improved. For example, although plans are often articulated through political manifestos, there are still misalignments between political aspirations and corresponding ministerial support. Even among the individuals who propose these plans, there are inconsistencies between what they promote publicly and ministry action.

The action unit and I used the themes identified in the coding exercise to formulate ideas to address these issues. I used these ideas to develop annotated flow diagrams that served as final improvement suggestions in Action Cycle 2 and Action Cycle 3. The action unit discussions in Action Cycle 1 enabled me to create a list of challenges identified by the senior management of BVICS and to match these with the themes identified in Action Cycle 1 (see Table 4.2).

**Table 4.2: Initial Leadership and Budget Challenges**

Challenge	Identified areas of deficiency are related to challenges
Political Influence interferes with evidenced requirements, and the processes are not always suited to the efficient incorporation of stakeholder requirements.	Leadership (planning)
Priorities are usually stated at the ministerial level, but there is no consistency in messaging, clarity, or procedure.	Leadership (communication)
Clear strategic goals and definitive decisions on the order of priorities are ambiguous or seem unrealistic.	Leadership (planning)
Budget decisions tend to be ad hoc.	Decisions
Spending plan is generally not adhered to once distributed.	Financial management
Organisational processes seem unsuited to the work, and the organisational culture is not conducive to the efficient execution of stated goals.	Organisation (culture), Organisational systems

I used the identified themes to corroborate (or possibly dispel) the concerns expressed by the senior management of the BVICS related to leadership and financial allocation (see Chapter 2).

This analysis process also enabled me to identify the appropriateness of more post budget planning, which the senior management of the BVICS did not identify but which was relevant to the study. Using the literature review, the work of Al Khajeh (2018), the questionnaire results, and our experiences, the action unit opined that the BVICS uses the bureaucratic leadership model, with pockets of autocratic and democratic leadership styles within the structure. The action unit decided, based on the deficiencies they identified in BVI's culture, that a democratic leadership style should be strongly promoted in any process improvement.

## **4.2 Action Cycle 2 - Planning**

### **4.2.1 Practical Solutions to Address Deficiencies**

Action Cycle 2 refined the initial draft improvement suggestions developed in Action Cycle 1. Based on the results of the data collection and analysis exercise in Action Cycle 1, I identified 12 questions that needed answering to develop suggestions to improve the current BVICS model (see Appendix III). These questions were used to prompt discussion within the action unit about the current leadership and financial allocation process that required attention and on the limits and goals of related improvement suggestions. I posed the questions to the action unit during formatted, time-bounded meetings, usually on one topic at a time. At the end of each meeting, I recorded the action unit's recommended solutions. Fourteen meetings were held on these questions. Two of the topics required more than one session (see Appendix III). I only recorded the outcome of the meeting once the action unit reached a conclusive decision. However, the action unit members and I took notes to maintain momentum and discipline in the discussion, especially if a topic spanned several meetings. After we reached a decision, I read the recommendation to the action group members until they reached a consensus. Using the agreement from each session, I developed processes to operationalize the decisions, represented these processes as flowcharts, and discussed each process with the action unit. After generating the processes, I integrated them into a continuous leadership and financial allocation process.

I then subjected the complete leadership and financial allocation models to several desktop simulations with the action unit. Each member of the action unit recorded their thoughts on a form as we reviewed the leadership processes step-by-step. I used the action

unit members’ notes to guide discussions on the strength and weaknesses of the process for the purpose of developing and improving the flow chart processes. Three of these simulations resulted in adjustments to the initial models, including the introduction of the business case process and the integration of a new financial allocation process into the leadership models.

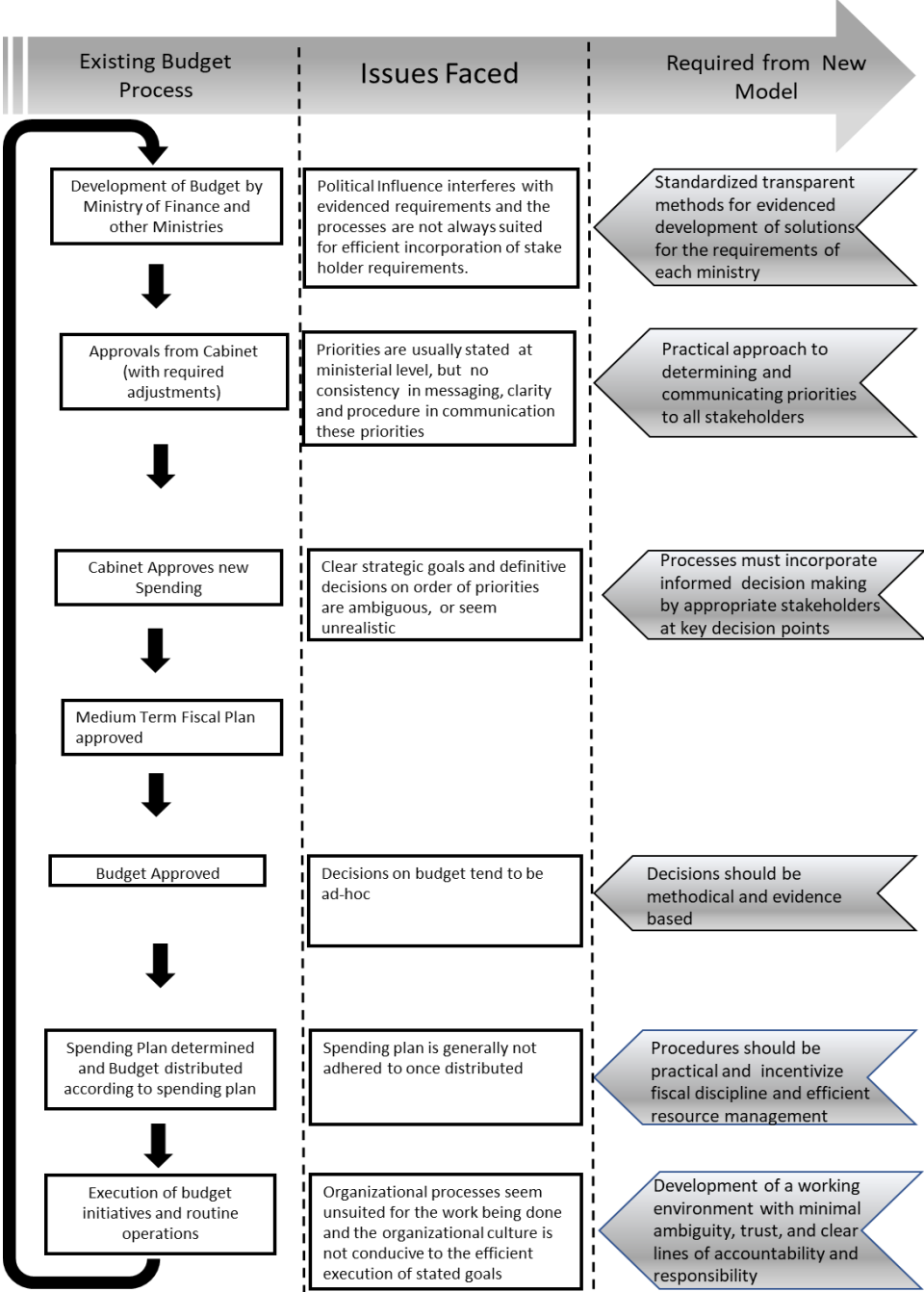


Figure 4.7: Initial identified issues

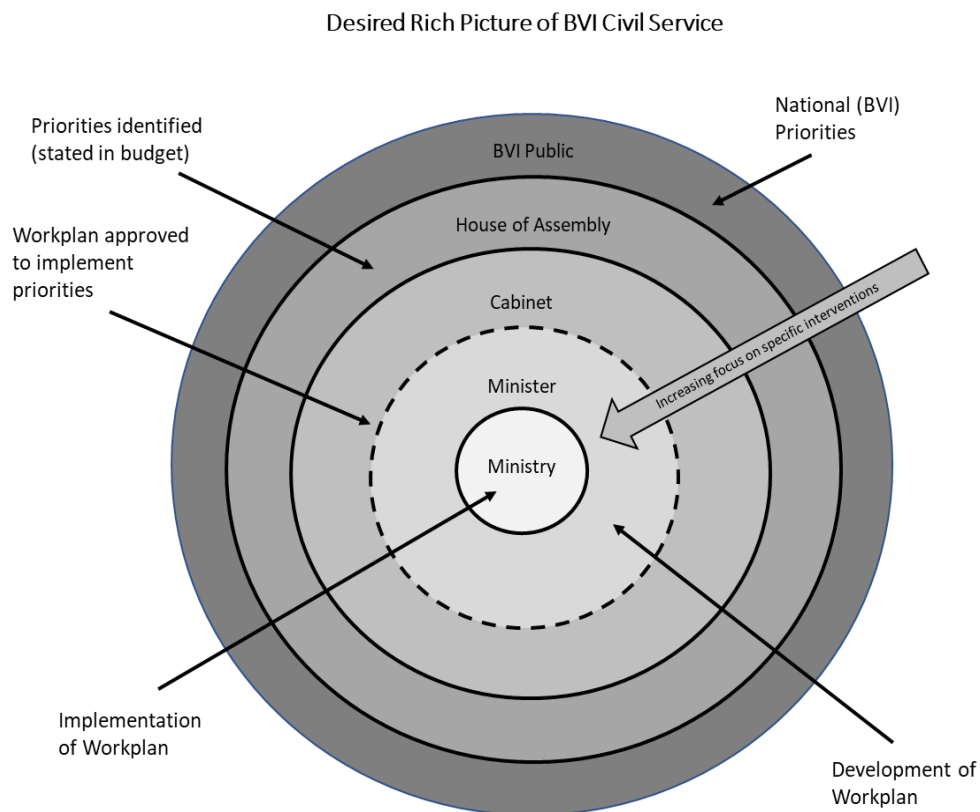
I also used the material gathered in the literature review (Chapter 2) to produce these practical and workable interventions for the workplace. The four themes identified in the analysis—communication and planning by leaders, decision-making, organisational systems/culture, and financial management practices—framed the action planning cycle. Figure 4.7 summarises the stages of the budget cycle at present, the issues experienced, and the measures necessary to improve current practices.

I applied the principles proposed by Bennet and Bennet (2003) on intelligent complex adaptive systems (ICAS) and Stacey and Mowles (2016) on complex responsive processes to formulate suggestions for budget process improvements. The civil service system can be described as an open system, as it is fluid to influences from outside its boundaries (Kast and Rosenzweig, 1972; Stacey, 2011) and is continuously influenced by externalities, which also reinforces its classification as an intelligent complex adaptive system (Bennet and Bennet, 2003). Therefore, I approached the development of an improvement model with the understanding that each agent within the system is always affecting other agents in a continuous multidimensional feedback loop. For the system to function optimally, information sharing among agents should be seamless throughout the organisation, informed decisions must be made, and there should be a natural order to how implementation activities take place (i.e., their organisation and flow).

The models for improvements, based on ICAS, entailed an integrated approach to addressing the deficiencies identified in leadership, financial management, organisational systems, and decision-making. Some participants suggested that financial management standards at the Ministry of Finance were sufficient but needed more consistent and meaningful application. Such responses indicated that the existing financial management system was adequate but that its established procedures needed enforcement. The data suggest that problems with financial allocations are associated with leadership actions. Therefore, no fundamental change to the current financial management system currently used in the BVICS, beyond its links to leadership, was necessary.

Based on discussions about the themes developed from the data analysis, the action unit and I agreed on a theoretical rich picture (Monk and Howard, 1998) for the BVICS (see

Figure 4.8). The rich picture illustrates that any BVICS working plan should address a subset of priorities that are articulated through successively more specific mandates set by the various arms of government, with the overarching mandate set by the BVI's public stakeholders (the concentric rings in Figure 4.8 illustrate this).



**Figure 4.8: Simplified desired rich picture for the BVICS**

Though senior managers identified setting priorities as a concern, the rich picture highlighted that the political arm of the BVICS should set the priorities; hence, the process of setting priorities was outside the scope of this study. While the improvement suggestions proposed in this study did not attempt to address how priorities are determined, they did try to provide a mechanism through which they can be communicated to stakeholders more clearly. This study also did not target the House of Assembly processes that result in budget approval. The role of this study was only to optimize the leadership and financial allocation processes to



support the priorities articulated by the HOA. As an institution, the HOA maintains its own culture and way of doing business. It would be inappropriate in the context of the BVI for a public officer who is not a member (such as me) to change the dynamics of the HOA. Instead, the procedures developed in this study built upon existing budget management processes.

Based on the rich picture that we jointly created, the action unit and I developed improvements to the current BVICS processes by facilitating the meaningful participation of all stakeholders in the work of the BVICS. This study's improvement suggestions aimed to achieve this outcome by empowering and encouraging stakeholders to become part of a leaderful process (Raelin, 2003).<sup>22</sup> Consequently, the political arm of the BVICS will be intimately involved in leading the budget allocation process in a way that appreciates the politicians' concerns but does not create an authoritarian arrangement. Leadership should integrate stakeholders' views and participation as seamlessly as possible into the BVICS's operations.

The data suggested that there is a communication gap between ministers and technocrats in the BVICS.<sup>23</sup> I sought to close that gap in the design of the model, in part, by requiring each minister to be involved in the technical analysis needed to make decisions and by having the relevant information available at the appropriate time without burdening the ministers with the details of the process. Involvement in the technical parts of the budget allocation process also allows the minister to hold the technocrats accountable and to query progress and outputs intelligently. I chose the principle of reciprocity as the target leadership approach (Gouldner, 1960; Jia, 2007; Weese, 1994). Reciprocity entails transparency and open exchange between leaders and other stakeholders, thereby encouraging stakeholder compliance and productive involvement.<sup>24</sup>

#### **4.2.2 Understanding the requirements for the new Model**

The results of Action Cycle 1 suggested that BVICS leaders do not communicate or plan well due to a misalignment between the relevance of planning, what is practical and achievable in a specific period, and what is implemented. It revealed deficiencies in the professional

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<sup>22</sup> A concept where everyone in the team is involved in the leadership of the organization.

<sup>23</sup> Support staff including, permanent secretary and technical and administrative staff or consultants.

<sup>24</sup> Stakeholders in this process are Cabinet, the minister responsible for the ministry in question, and the ministry staff members required to competently perform the various duties for developing the budget.

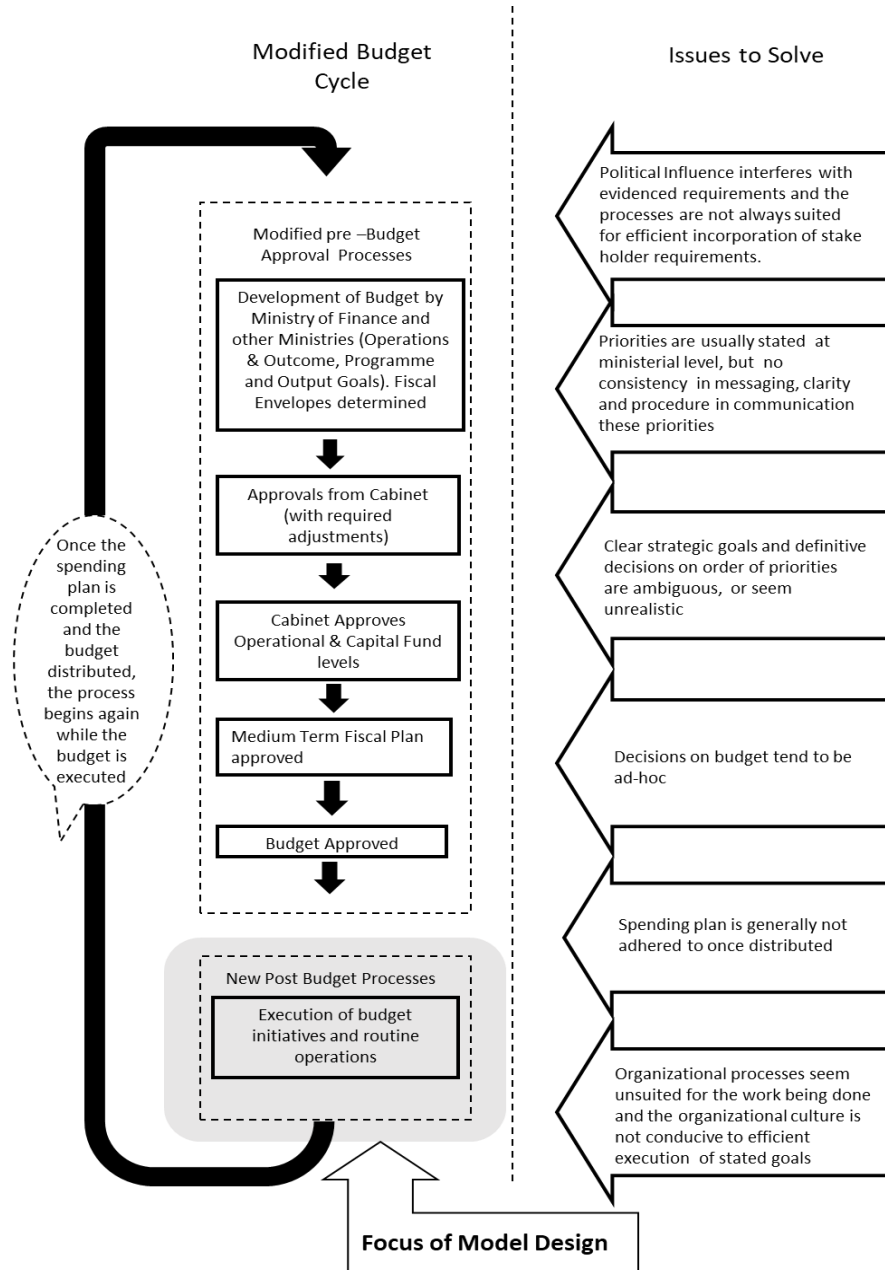
relationship between ministers and the civil servants and a lack of accountability by both. Respondents pointed out that some public officers adopted practices that violated legislated procedures without apparent or immediate adverse consequences. In other instances, participants identified constant changes due to ad hoc decision-making practices. Therefore, the corrective model must directly close the gap between what is desired, practical, and lawful for the BVICS.

Figure 4.9 illustrates the areas of the budget process that I sought to improve with this design. The modifications allow for the inclusion of ministers in the planning process. However, the success of the improvement suggestions are dependent on a few other fundamental conditions. First, the relevant ministers (as lead stakeholders) must give direction at the appropriate time in the process for the initiative to proceed. Second, it is crucial that each stage in the process is time-bound. Third, it is critical that the minister approves the workplan and sets time-sensitive goals for its completion in the upcoming years. Fourth, the suite of processes should not be excessive and should allow the minister to access manageable amounts of information promptly at critical decision-making points. In the BVI context, this is important to ensure the continued use of the suggested improvements. Complex decisions can involve successive simple decisions in an incremental progressive process that is manageable for all involved, including the technocrats who support the decision-making process. The proposed processes facilitate the continuous, iterative development of ideas, planning actions, decision-making, communicating, organising, and implementing decisions.

#### *4.2.2.1 Adjustments to the Budget Process*

The budget processes in the House of Assembly will remain essentially the same, but there is more emphasis on defining fiscal envelopes (expenditure levels and revenue forecasts) and less emphasis on detailed programme definitions and planning. Most participants suggested that the current budget creation systems are well developed but could be better utilised. The current system emphasizes budget planning before BVI HOA approval. While this is a logical way to establish an accurate and well-defined budget, in the BVI context, time pressures before the presentation of the draft budget to the House of Assembly usually result in the presentation of inadequately calculated estimates for approval. Consequentially, projects

commence without adequate planning and funding, which results in cost overruns. Besides, trading in the House of Assembly (HOA) tends to invalidate some of the draft budget planning.<sup>25</sup>



**Figure 4.9: Modified budget cycle**

<sup>25</sup> The term “trading” is used to describe the negotiation between HOA members to determine which initiatives will be kept or eliminated in the budget.

After HOA approval of a draft budget, funds assigned to an initiative are often left unspent as a result of minimal or no post-budget planning. This mode of allocating funding appropriations has resulted in inefficient financial resource use.

During action set discussions, we agreed that this problematic practice could be improved if access to financial resources was dependent on strong post-budget planning (as opposed to estimations of project costs made before budget approval). Balancing the time and effort put into programme preparation before approval in the House of Assembly can be difficult. These time and energy investments are wasted when funding for programmes has not been approved during the budget process, which can be demoralizing for busy public officers. Therefore, among the suggested improvements is that requests for funding for an initiative are only made when the project is ready for implementation, accurate, and supported by evidence. Figure 4.9 illustrates the proposed modifications to the budget cycle.

#### **4.2.3 Development of a New Model**

To maintain continuity between planning and implementation, detailed planning for initiatives should occur after the budget is approved (highlighted in Figure 4.9). This order will encourage continuous engagement between decision-makers and implementors.

With the proposed improvement, pre-budget approval activities will focus more on linking required outcomes<sup>26</sup> that support the government's strategic goals with rough funding estimates that support the programmes. These funding estimates will determine the number of designated funds for accounts classified according to their use (i.e., operational funding, capital funding, etc.). Previously, there were limits on the funds for each initiative approved in the budget (except for the operational account). Pre-budget financing will now focus at the programme level, but the details required to create the Medium-Term Fiscal Plan will remain unchanged. The Medium-Term Fiscal Plan establishes conservative estimates on revenue collection and sets limits on the various categories of expenditure (e.g., operations, capital,

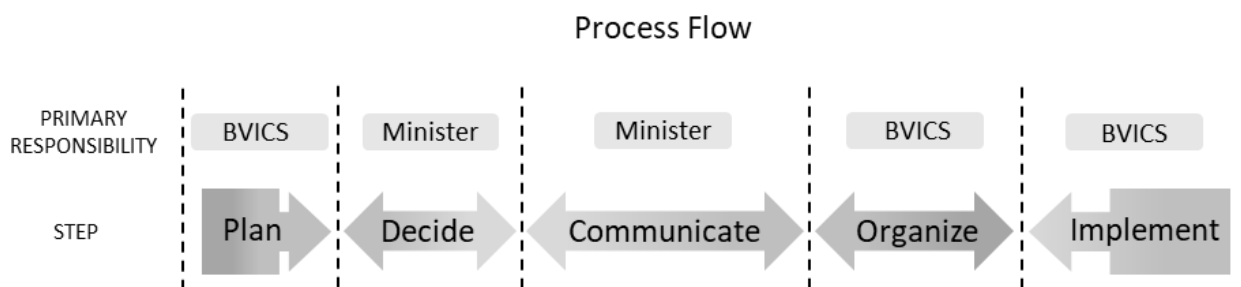
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<sup>26</sup> The flexibility of the HOA to choose outputs was judged to be practical in the BVI context; however, before funds could be fully committed, these outputs would need to be fully supported (or modified) by the business case process.

reserves, and debt). All budgetary estimates are, therefore, restricted to these limits (envelopes).

The aggregated programme estimates for the various initiatives will be used in the new model to set the amount of a fund for post-budget commitments, drawdown, and initiative implementation. The release of funding to implement a capital initiative will now be dependent on the completion of a process (Figures 4.11 to 4.16) that clearly outlines the justification for spending based on linkages to the strategic direction and fiscal constraints approved by the HOA, including financial and economic reasons. Funding allocated for operational activities will be accessible as it is at present; however, the process will benefit from closer collaboration between ministers and their staff (Figure 4.10). The aim of this shift of emphasis to post-budget detail is to improve the cooperation between civil servants and government ministers.

The first step described in the suggested post-budget process improvements is to address the planning process. In the proposed model, BVICS technocrats will create post-budget approval plans using information that has been approved or articulated through the legislative process. They will develop the information into a workplan that helps the responsible minister to make informed decisions on scheduling and HOA priorities. Figure 4.10 illustrates the basics of the model. It involves the ministry planning, the minister making and communicating decisions based on that plan, the ministry organizing to carry out the decisions of the minister, and the ministry implementing those decisions.



**Figure 4.10: Process**

Figure 4.10 shows that having access to the information necessary to make an informed decision will enable ministers to confidently articulate their goals and expectations with the

knowledge that the public statements they make will be consistent with the actions undertaken within the ministry. Since it includes a formalized platform for exchanging information among stakeholders, the model also provides the ministry with clear guidance, which will reduce uncertainty and promote efficiency. Regular task-focused meetings should be held, as well, to ensure continuous progress. After the minister communicates their vision, it is the BVICS's responsibility to organise the resources needed to implement the plan. As Figure 4.10 illustrates, this is an iterative process, but there is clear responsibility assigned during each stage of the process, which allows the stakeholders involved to be held accountable.

The following sections offer a discussion of the data collection stages, organised according to various parts of the developed model.

#### 4.2.4 Creating a Work Plan

The first step in the model is the creation of a workplan. The workplan begins the communication process between the leaders of the organization and the stakeholders who will implement the ideas. Feedback between the leader and the rest of the organization is integral to the workplan. Figure 4.11 shows this inclusionary process.

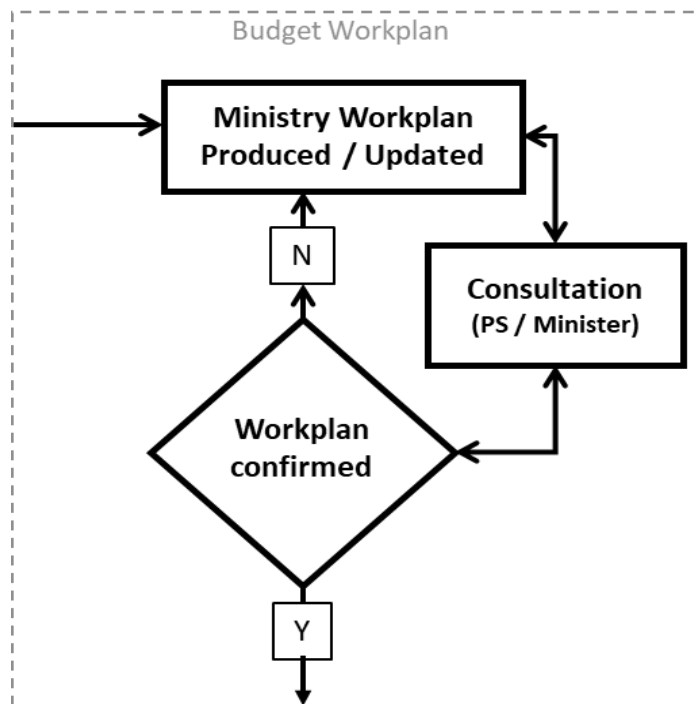


Figure 4.11: Creating a workplan

#### *4.2.4.1 Requirement*

The budget schedule (the budget document approved by the HOA) provides a broad outline of the outcome or programme requirements for upcoming budget cycles (up to three budget cycles spanning three years). The purpose of the work is to guide the way the ministry proceeds for the rest of the year after the budget is approved using the new model. It should contain the necessary information, such as broad budget allocations, specific tasks to be achieved, and timelines for completing these tasks. However, since it acts as a guide to the ministry on how to channel efforts and set priorities, it should not be too detailed. Developing a comprehensive work plan before the programme specifics are clearly defined would run the risk of misusing time and resources, and it may cause programmes to become irrelevant before the plan is complete. Instead, exacting details that reflect closer cost projections and tasks should be developed later. Completing a workplan is essential to minimizing ambiguity about what the ministry (or department) intends to achieve. It also provides an opportunity for the minister to communicate and receive feedback about the ministry's high-level goals.

In the proposed model, the work plan consists of two distinct programme components. First, the operational programme component must support the ministry's portfolio policy mandate (such as health and education). Second, the developmental (capital) programme component must outline specific initiatives. The operational programme consists of the routine activities of the ministry's bureaucracy on matters that usually require minimal ministerial involvement, such as maintaining human resource policies, the administration of office procedures, and providing managerial or financial support to supervised departments or units. Figure 4.10 illustrates the processes adopted for these administrative operations.

This approach should provide constant interaction between leaders and those they supervise. The BVICS, as the holder of institutional knowledge, can plan activities outlined in the work plan; the minister, as the strategic head/leader, can make decisions based on this information and communicate with leaders of the organisation meaningfully. As Figure 4.10 illustrates, regular feedback is critical to ensuring that, even in cases where modifications are necessary, the information needed to allow the relevant parties to make timely adjustments is forthcoming. The practical expectation is that the ministry's leadership will schedule regular

staff information/training sessions and be open to exchanging ideas. Specific, non-routine matters may need to be addressed (such as a public awareness campaign)—following the same process as the development programme component—on a case-by-case basis. The developmental part of the process is more complicated than the operational process, and it begins with a statement of requirements (SoR). The following steps describe the model’s capital process, where many of the significant leadership and financial allocation problems in the current system occur.

#### 4.2.4.2 Deliverable

This process will result in a completed workplan that indicates the sequence of events expected in the coming budget year(s). Since the workplan provides the underlying premises for the implementation of initiatives in the upcoming budget year, it should be complete before the organization move on to the next steps.

#### 4.2.5 Programme Statement of Requirement (SoR) Process

After the creation of the workplan and once the ministry has a clear (albeit not yet detailed) understanding of the expectations for the coming year, the BVICS will be ready to develop the requirements for each of the planned initiatives (see Figure 4.12).

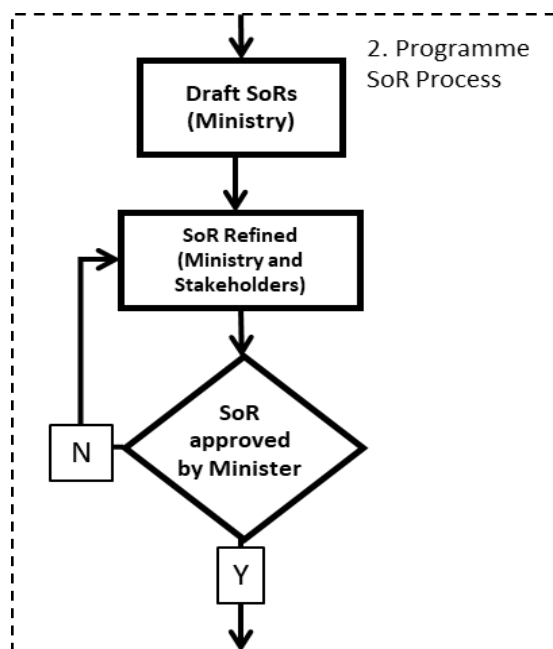


Figure 4.12: Statement of requirements



#### *4.2.5.1 Required Input*

The ministry's work plan (or implementation schedule) is required to begin the statement of requirements (SoR) process. Since its purpose is to clearly articulate the expectations for each initiative identified in the workplan, the statement of requirements cannot be created without the workplan. Although the technocrats write the SoR, the leader of the organization must agree to its terms.

#### *4.2.5.2 Process*

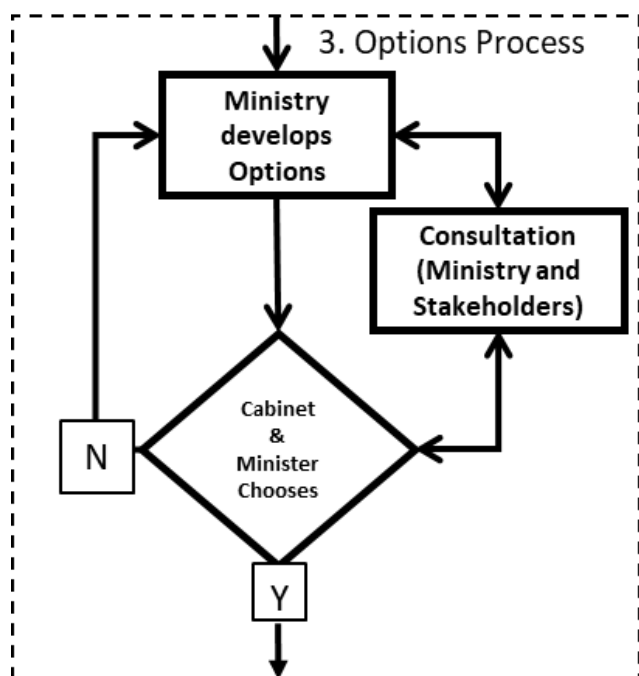
After the work plan is approved, the ministry decides on the parameters of the corresponding programmes. This process begins with a discussion between the minister and the team responsible for developing and executing the identified budget initiatives. The SoR defines what a specific effort should achieve, but it does not specify details of the initiative's design. The SoR development stage allows ministers to articulate what they intend to accomplish with each initiative. It also incorporates the views of other relevant stakeholders through a consultation process, which, depending on the preferences of the lead stakeholder, can be either exclusive or inclusive. The BVICS team, led by the Permanent Secretary, is responsible for drafting these requirements and ensuring that they are articulated as the minister (in consultation with stakeholders) expects. This process allows the minister, as the strategic head of the ministry, and the entire support team to have a shared understanding of the objectives. Once the SoR is complete, the minister signs off on each objective.

#### *4.2.5.3 Deliverable*

At the end of this stage in the process, the primary stakeholder (minister) must approve a finalised SoR that takes into account the contributions of other stakeholders. The SoR is vital because it articulates expected outcomes, which require resource planning and the development of options. Once this is complete, the next step (the options process) can begin.

### **4.2.6 Options Process**

It is necessary to examine the various options that can be applied to achieve the outcomes or outputs specified in the SoR. Figure 4.13 illustrates the process through which options will be developed.



**Figure 4.13: Developing options**

*4.2.6.1 Required Input*

The approval of an SoR allows the ministry’s technical team to proceed to the next step: formulating a solution. This step, which occurs independently of the minister, allows the technical team to apply its knowledge and skills to the creation of viable solutions to the identified initiative. During this process, creating a User Requirement Document (URD) may be necessary. The user requirement document is a similar document to the SoR, but it outlines more of the technical details required to meet the outcomes of the SoR.

At the end of this time-bounded options process, the ministry will present several solutions to the minister. At this point, the minister, although not involved in the design of the solutions, has several options available to him or her and information that outlines the advantages and disadvantages of each prospect, which facilitates an informed decision on how to develop the initiative. The option that the minister chooses at this stage serves as a basis for the detailed business case developed during the next phase.

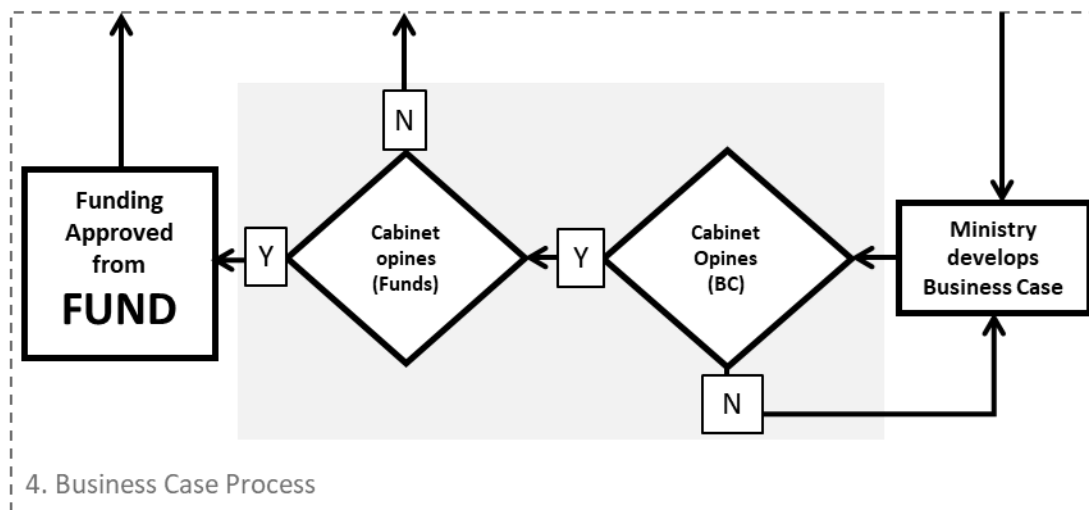
*4.2.6.2 Deliverable*

At the end of this stage, several options for consideration should be outlined using information that produces a high-level business case to examine the pros and cons of each

option (including estimated costs) and to describe the reasons for a preferred/chosen option. Depending on the type of initiative chosen and the in-house capacity of the ministry, this step may involve drafting terms of reference options for the provision of services or drafting design options for various infrastructural initiatives. All possibilities must support the programme or outcome identified in the SoR and include rough cost estimates for planning and implementation. The ministry will develop a final (full) business case based on the preferred option.

#### 4.2.7 Business Case Process

The next step is the finalization of a business case, which includes justifying the option chosen. The business case document is used internally to inform decision-makers about the option selected and elicit their approval. The business case document can also be used as supporting evidence in discussions with other stakeholders (including the public and potential creditors) to help them make informed decisions about how much they should support the project.



**Figure 4.14: Approval of business case**

##### 4.2.7.1 Required Input

The high-level business case identifies the option selected for development and describes the detailed planning for it, including rough order cost estimates for planning and implementation. The business case should state the preferred option for implementation, which will allow the BVICS to focus on developing its deployment.

#### 4.2.7.2 Process

The purpose of the business case is to outline the reason for the chosen option for initiative or programme implementation and to detail various factors—such as financing, economics, and risks—associated with it. The business case process should begin with an outline of the work plan, an articulated and agreed upon SoR, and the chosen option for implementation. At every step, the primary decision-maker (usually the minister) has been involved in the process at strategic points, allowing adequate information flow between the primary decision-maker and the technocrats in the ministry. Constant information exchange ensures that the immediate stakeholders are involved and have the information required to communicate competently about the initiatives underway.

The business case is particularly important because, during this stage, the funds required must be formally approved by the Cabinet to allow for the initiative's execution. In this new model, the Ministry of Finance provides advice on the affordability of the initiative, basing its guidance on the business case information. The business case should include the following sections:

1. Executive Summary;
2. Strategic Case (which includes an outcome goal and results framework);
3. Economic Case (which includes a social and environmental cost-benefit analysis);
4. Financial Case (which includes costs, affordability, funding);
5. Commercial Case (which includes procurement and evaluation);
6. Management Case (which includes an implementation schedule and method of implementation);
7. Risks (which includes strategic, economic, financial, management risks);
8. Recommendation; and
9. Annexes (master data and assumptions list).

The business case is useful for several reasons. First, it formally provides the Cabinet with pertinent information and can function as a centrepiece for meaningful inquiry and discussion among relevant stakeholders. Second, it gives the technical staff responsible for compiling the proposal the opportunity to develop the plan in consultation with all relevant

stakeholders. Third, it facilitates the examination of options, consideration of the views of decision-makers, and a clear trail of work leading up to the final decision, enabling the effective communication that the BVICS currently lacks. Fourth, it provides a vigorous yet natural process for addressing the planning deficiencies that exist in the BVICS.

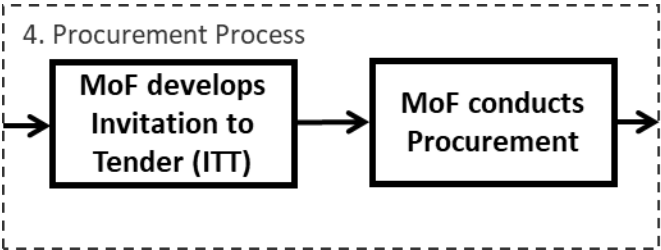
Once the Cabinet has decided on the initiative identified through the business plan, the funds can be committed for drawdown. For ease of reference, this fund is identified in Figure 4.13 as the FUND. The Ministry of Finance will apply the financial allocation model described in section 4.2.10.

*4.2.7.3 Deliverable*

At this point, detailed designs and terms of reference are required for funding procurement. The source of funding (if one is needed) for the project or initiative should also be clear at this stage. The rough order costs included in the previous steps should have become increasingly accurate as the ministry developed more concrete designs and requirements. By this stage, plans should be finalized, and costs should remain stable (unless affected by unforeseen market forces) during procurement.

**4.2.8 Procurement**

Figure 4.15 outlines the high-level processes that should occur at the procurement stage. The intricacies of the procurement processes, which will not be changed, are best left to the Ministry of Finance, which has detailed internal procurement processes. However, it is essential that procurement remains isolated from stakeholder influence and follows transparent rules.



**Figure 15: Procurement**  
*4.2.8.1 Required Input*

The final terms of reference for the procurement of services should be completed in the business case step. These terms of reference regarding the provision of goods, design services,

or designs for the infrastructure build can take various forms. For cases in which the initiative can be completed in house, the Cabinet will assign responsibility for its implementation.

#### *4.2.8.2 Process*

The procurement process, for which the Ministry of Finance remains responsible, is meant to be mechanical, with no interference from the lead ministry undertaking the initiative. The lead stakeholder may be involved in the evaluation of the tenders during the procurement process; otherwise, they should not influence the process. Once the procurement process is complete, the Cabinet is expected to approve the decision formally. At this stage, the Cabinet's role is to determine whether there is enough evidence to demonstrate that the approved procurement processes have been followed and been fair and transparent. If the Cabinet is not satisfied that this is the case, it can require that the procurement process be revised.

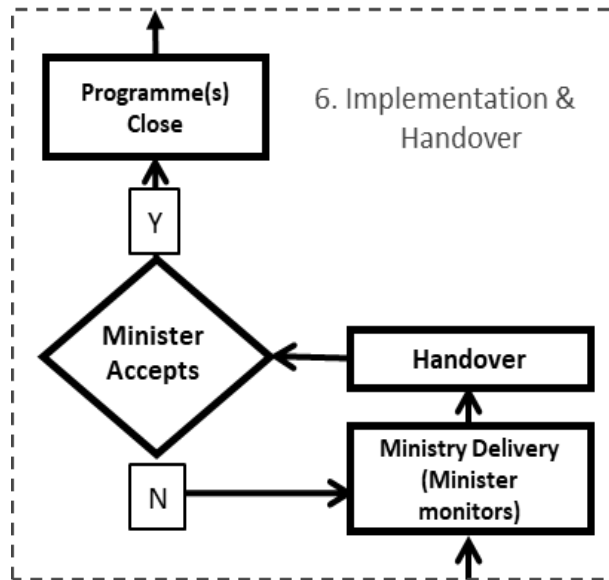
The procurement process is the only stage that requires minimal involvement from the lead ministry or any of the stakeholders, beyond a few technical individuals who are responsible for the procurement process. This distancing is necessary to maintain the integrity of the procurement process, which is vital to building and maintaining the professional standards of the BVICS and preserving the confidence of external stakeholders in the fairness of the process. The final costs for the initiative are decided at this stage. Once the procurement process is complete, the next step required for implementation is the drawdown of funds for the plan's implementation.

#### *4.2.8.3 Deliverable*

After the procurement stage is complete, a signed contract for the provision of goods or services should exist. The procurement process will identify the external contractors who are responsible for delivering the project or programme. If the initiative can be completed internally, a technocrat or technocrats within the BVICS who will be responsible for completing the initiative can be selected.

### **4.2.9 Implementation and Handover**

Figure 4.16 illustrates the implementation and handover process. While this process includes multiple levels of detail, especially regarding project management within the ministry delivery box, those sub-processes are outside the purview of this research.



**Figure 4.16: Implementation and handover**  
 4.2.9.1 Required Input and Process

The procurement process must be completed before the implementation and handover step can commence. The final cost should be known, and the required funds made available for the implementation of the initiative. The ministry should decide whether it will manage the initiative’s implementation or engage a third party to do so on its behalf, a decision that will be contingent on ministry resources. Regular updates between the minister or Permanent Secretary and the party managing the project should occur. Upon completion of the project, the minister (as the lead stakeholder) should assess whether the project meets the requirements defined in the SoR and identify any quality control issues that must be addressed before the formal handover of the project. The minister may elect to utilise the services of an independent group within the BVICS (for example, a group of civil servants can be tasked with this role on a case-by-case basis) to advise him/her on this matter. This stage is essential to demonstrating that the actions of the BVICS have supported the initiative articulated in the SoR.

**4.2.9.2 Deliverable**

The last step in the development of the initiative is project completion by the appropriate actors and project acceptance by the lead stakeholder (minister) who approved the statement of requirement (SoR). At this point, the stakeholder who issued the SoR can compare the results of the processes to the SoR’s intended outcomes or goals. The stakeholders should

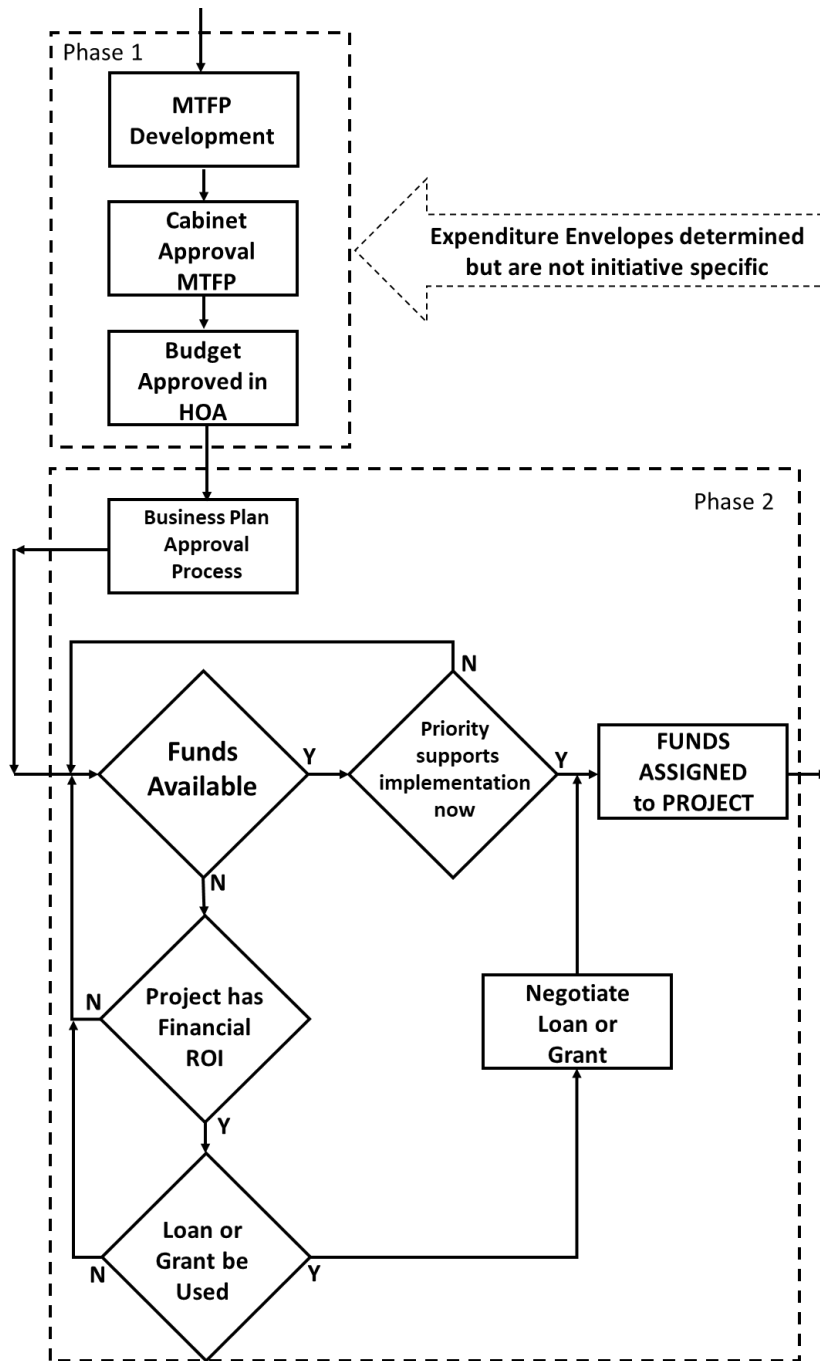
have been intimately involved in developing the initiative. Such stakeholder involvement facilitates decision-making and ensures responsibility and accountability. In the actual project implementation and subsequent acceptance, relevant stakeholder involvement in the project, from conceptualization to actualization, will provide them with the intimate knowledge of the project needed to ensure that it meets expectations.

#### **4.2.10 Financial Management**

The results of the data analysis indicated that issues surrounding financial management in the BVICS can be attributed to leadership problems with decision making, planning, and communication. These issues have been addressed in the suggested improvement measures. I developed a new process for allocating funds that allows for the more efficient allocation of the BVICS' financial resources. The improvement suggestion requires the completion of the Medium-Term Fiscal Plan before a budget can be considered. The respondents indicated that leadership process failures related to information deficits, unclear messaging and communication, and ad-hoc and subjective decisions caused the inefficient allocation of funds to various initiatives. Therefore, a significant aim of the new leadership process is to reduce information and communication deficiencies. Challenges for the BVICS after an approved budget process in the HOA include articulating priorities (which the HOA would state in the budget) and developing enough information to support BVICS leadership decisions.

The new process requires the firm commitment of funds for capital initiatives only after the final costs of the initiative have been determined and the project is ready for implementation. As the business case develops during the planning process (as addressed in sections 4.2.2 through 4.4.9), any anticipated need for additional funds can be discussed or negotiated. Because funds are only committed for spending just before the implementation of a project/initiative, the efficiency of financial resource use in the BVICS improves. The previous practice of committing funds that are not yet ready for use effectively shrunk the funds available for initiatives that were ready for implementation. Figure 4.17 illustrates how the financial allocation process should work.





**Figure 4.17: Financial allocation process**

Once a request for funds has been made, before project implementation, the Cabinet queries the availability of the required financial resources. If the funds are available within the existing financial resources, and the project can be implemented based on its assigned priority,

they are allocated to the project for implementation. If no funds are available from BVICS's existing deposits, then the project is checked for its assessed return on investment (ROI). This ROI check occurs during the development of the business plan to determine the types of external funding available if necessary. An acceptable anticipated ROI prompts a decision on whether alternate means of financing need to be considered. The business case is essential to providing the information required to decide whether to fund an initiative that is ready for implementation and to identify a funding source.

#### **4.2.11 Adherence to the Model**

Following the required actions developed here will ensure the transparency of the proposed model. The actions in the model are auditable, and each ministry (or department) remains accountable to stakeholders. The processes in this model enable close collaboration and information sharing among stakeholders, which is necessary for both the effective use of resources and for creating a clear audit trail. Along with the natural manner in which the new processes have been designed to unfold, this constant stakeholder participation is key to ensuring that data (whether formal or suggested through the creation of institutional knowledge) are generated continuously. In addition to facilitating stakeholder buy-in, the audit trail will assist with the generation of required monthly, quarterly, and annual reports.

#### **4.2.12 Application of Strategies**

I used the processes described in the previous sections to produce a comprehensive model (see Figure 4.18). These processes allow the processes in the financial allocation model (Figure 4.17) to function as required. Figure 4.17 illustrates that Phase 1 of the financial allocation model occurs in the pre-budget approval phase and that Phase 2 occurs in the post-budget approval stage.

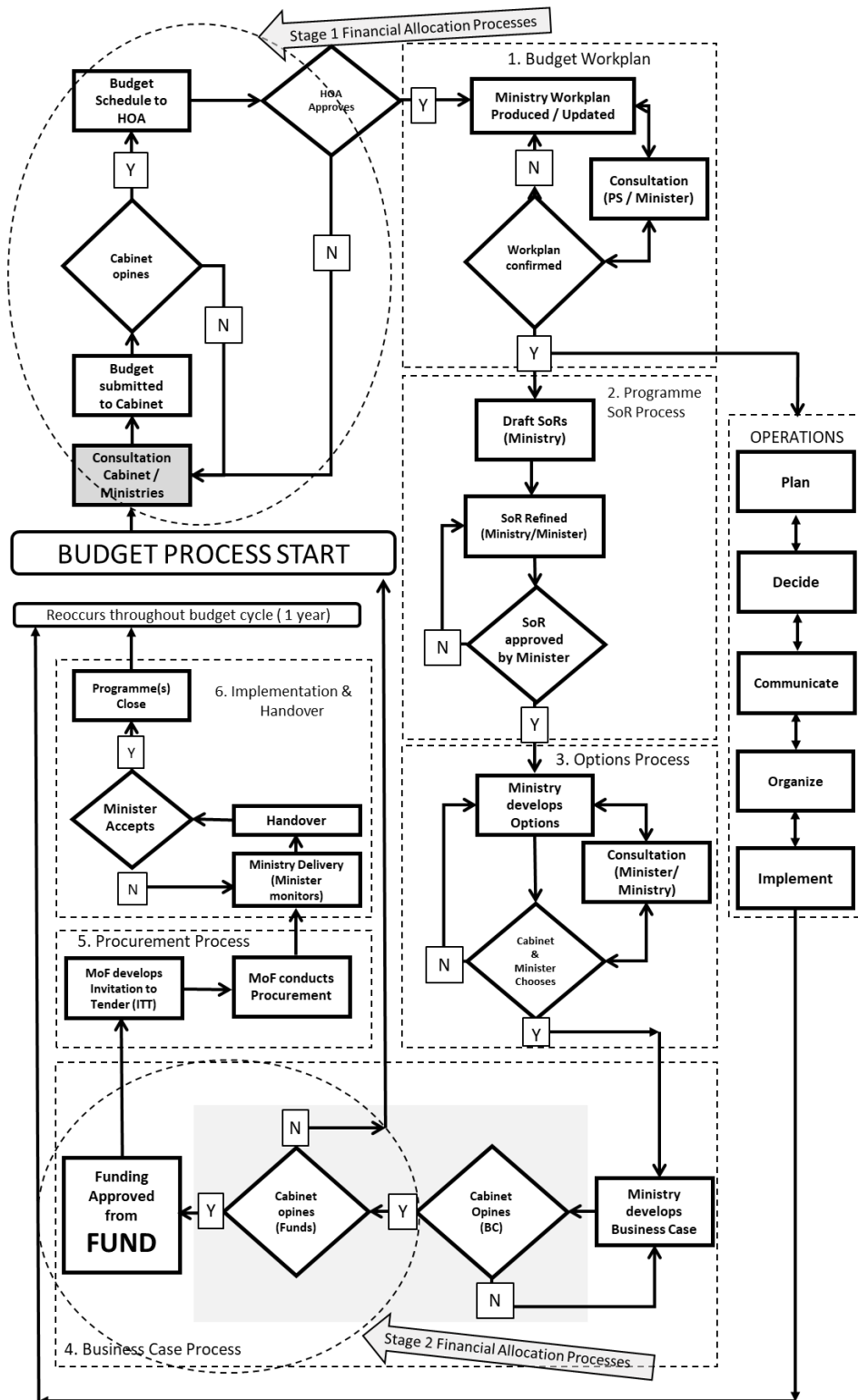


Figure 4.18: Leadership and financial allocation model

### **4.3 Action Cycle 3 – Taking Action and Evaluation**

#### **4.3.1 Evaluating Action**

The final evaluation process was based on responses to questionnaires and interviews completed between May and August 2019 with senior officers of the BVICS and the Virgin Islands Recovery and Development Agency (RDA).<sup>27</sup> As addressed in the methodology chapter, I chose these officers based on their seniority and ability to make decisions in the BVICS as well as their wide range of experience within and outside of the organization. I selected participants for Action Cycle 3 from within the initial group of individuals who participated in Action Cycle 1 in addition to other senior officers in the RDA. The RDA adopted the processes developed in this study. I selected officers from within the RDA for two reasons. Firstly, in addition to examining the model design and commenting on it, they can see the results of the application of the model in the RDA. Secondly, some of the officers in the RDA were secondees,<sup>28</sup> which allowed them to compare the RDA processes to BVICS processes and use that information to determine whether the RDA demonstrated the improvements developed in this study.

I designed the questionnaire to address the questions generated from the data collection undertaken in Action Cycle 1 and based on the processes developed to address them in Action Cycle 2 (see Appendix IV). Each question was divided into two sections. In the first section, a “yes” or “no” response to the question was required; in the second section, respondents provided a narrative in support of their answers. The questionnaire began with a short description of the research purpose, findings, and proposed solution. I made the narrative section as brief as possible so that respondents would not be reluctant to complete the questionnaire. Before allowing respondents to answer the survey, I spoke to them either face-to-face or by telephone to ensure that they understood what I was communicating and could ask me questions. I then asked potential participants to decide whether they would like to be interviewed or would prefer to take the questionnaire away and populate it. For those who preferred to be interviewed, I filled out the questionnaire with their answers. Once the

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<sup>27</sup> Virgin Islands Recovery and Development Agency – developed to manage the hurricane recovery efforts of the BVI after the devastating hurricane of 2017.

<sup>28</sup> Individuals that work for a specific period of time for a semi-autonomous institution of central government.

interview was completed, I confirmed each answer with them and filed the questionnaire as completed. Individuals who completed the questionnaire returned them electronically. I examined each questionnaire and contacted the respondent to clarify any unclear answers.

The purpose of seeking this feedback during Action Cycle 3 was to establish whether the suggested improvements would work as intended if applied to the BVICS. Again, I tabulated the number of affirmative responses and used the narrative answers to assess the identified issues (Table 4.3). I used these responses to develop a table that illustrates when the measures instituted by the new processes should work and what concerns still need addressing. The responses to the interviews and questionnaires are discussed in sub-sections 4.3.1.1 to 4.3.1.6. An assessment of the anticipated success of the model is summarized in Table 4.4, at the end of this chapter. For this study, I considered 90% positive responses as a strong indication that the model was perceived to be successful in improving a particular element within the BVICS: leadership planning, leadership communication, decision making, financial management, organizational culture, or organizational systems.

**Table 4.3: Results of Action Cycle 3 Evaluation Questionnaire**

Question	Agree with Statement
Do you think that the procedures indicated by the flow diagram shown demonstrate standardized transparent methods for evidenced development of solutions for the requirements of each ministry?	91%
Does the flow diagram, if applied in the BVI Civil Service, provide a practical approach to determining and communicating priorities to all stakeholders?	91%
Do the processes incorporate informed decision making by appropriate stakeholders at crucial decision points?	73%
Are decisions methodical and evidence-based?	91%
Are procedures practical and incentivize fiscal discipline and efficient resource management?	100%
Is there a working environment with minimal ambiguity, trust, and clear lines of accountability and responsibility?	91%

#### *4.3.1.1 Standardised Transparent Methods for Evidenced Development of Solutions.*

Of respondents, 91% (see Table 4.3) reported that the process would improve decision-making processes. Some respondents expressed concerns related to priority setting, which is done by the political arm of the BVICS. Tom opined that the procedures developed were transparent and clear, and Adian stated that they established a “transparent method for evidenced development of solutions of each ministry.” Adian pointed out that the processes would result in documentation that would enable the decision-maker to make a well-informed decision. Most of the respondents identified transparency and clarity as essential to the new operation. Adian felt that the increased focus on stakeholder inputs throughout the process would ensure the inclusion of their ideas. Julia agreed that the process addressed the issues identified effectively, but she also thought that the perceived benefits would only occur if the BVICS followed the procedures. Before the application of the new model, she emphasized, BVICS policymakers must accept and enforce its processes.

Tommy, a member of the RDA, expressed the perspective that the ministries, as stakeholders, did not have a thorough grasp of results-based planning; for that reason, Tommy believed, if the ministries could drive the process, there would be a definite improvement in the articulation of required goals. In Tommy’s opinion, the main issue was that stakeholders external to RDA were not utilizing the process of the new model as much as they should, and much of the driving force for the SoR process came from within the RDA itself. This opinion suggests that the SoR process could be useful once applied in the BVICS but that its effectiveness would be highly dependent on potential users of the system using it as designed. Julia indicated that the processes were easy to understand and accorded stakeholders a proactive role that enables officers in the BVICS to develop solutions.

Sam reported that the RDA’s SoR process was effective because it was a mechanism that was enshrined in the RDA operations and accepted as policy. A similar process attempted in the BVICS was not successful in the past because there was no adherence to its policies. That outcome suggests that the enforcement of critical measures is vital to realizing improvements in the BVICS. The RDA demonstrated the effectiveness of the SoR process in practice.

Jim stated that the SoR and the user requirement document allowed the stakeholders to understand their responsibilities better and hold each other accountable for results. Jim's response suggested that the SoR mandate facilitated greater accountability for delivery and led to stakeholders being clear about their requests. All stakeholders were able to voice their opinions; just as importantly, their ideas were recorded by the RDA and formed part of the solution. The approach allowed for the development of a fruitful solution that systematically addressed all stakeholders' needs.

Angel indicated that while the SoR provided a path to a solution that suited the client ministry, the level of transparency envisaged in the design of the RDA process was not achieved. The other members of the RDA team thought that this gap was merely a matter of a maturing institution that was embedding practices in its operations while meeting the demands of the tasks assigned to it. Angel also admitted that the way the RDA operated was new to most of the external stakeholders and that the novel approach of the model contributed to some of the initial challenges faced.

The responses suggested that although RDA members were comfortable with the success of the measures incorporated in the RDA to provide evidence-based transparent solutions, external stakeholders did not fully understand the processes developed by the study and used by the RDA. The RDA held several seminars at the beginning of its interactions with stakeholders to educate them on associated processes. Many voiced the opinion that these seminars were useful and that they should yield good results in practice. However, the BVICS itself seemed to accept the SoR process.

#### *4.3.1.2 Practical Approach to Determining and Communicating Priorities to all Stakeholders*

Ninety-one percent (see Table 4.3) of the respondents indicated that they thought the model was a practical way of determining and communicating priorities to stakeholders. However, many believed that it was not clear about the means of establishing priorities. This perception was expected, as it was decided early in the study that determining priorities was best left to the HOA and was outside of the purview of the BVICS as a support organization.

Julia opined that the inclusion of external stakeholders was of paramount importance but that she was concerned that some stakeholders might have more access to members of the HOA than others, which would result in the promotion of some interests over others. She indicated that it was important that the processes of the new model engage with the BVI's national debate to inform stakeholder expectations more homogeneously. Hence, in Julia's view, the success of the new processes was based on the extent to which the BVICS was able to consult with a broad spectrum of stakeholders. Adian noted his concern about the preparation of the budget and the way that resources from the general fund were drawn for project implementation.

While the processes include a business case that must be completed and presented, as part of the final requirements for Cabinet approval of an initiative, Sarah expressed concern about the details of how the Cabinet would make withdraws from the general fund. While this concern is operationally relevant, the determination of priorities is outside this study's purview. Adian indicated that, in addition to the involvement of stakeholders in the development of an initiative/programme/concept, the proposed processes also provided a practical way to require stakeholders to participate in determining and communicating priorities.

Within the RDA, respondents considered effective communication to be crucial to the organization's success. Tommy indicated that the SoR document provided a practical approach to communicating priorities once the stakeholders accepted it as their instruction to the agency.<sup>29</sup> The SoR allowed the lead stakeholder to communicate expectations clearly and allowed the RDA to set about developing a solution. In the context of the BVICS, meanwhile, clarity of expectations is critical; the SoR allows expectations to be articulated clearly and unambiguously to stakeholders.

Sam thought that the SoR was useful as a tool in the RDA, but there was some misunderstanding of the roles that the various stakeholders played. Sam suggested that this misunderstanding was due to a lack of understanding of the processes, and he did not feel that enough initial effort had been put into educating the client ministries on the procedures.

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<sup>29</sup> The primary stakeholders were the ministries.



However, Sam also identified a noticeable improvement in their understanding, which might be directly attributable to the RDA's deliberate actions to educate stakeholders.

Angel indicated that, in her view, the approach to communicating priorities was practical but that the RDA had more work to do as an organisation in terms of stakeholder engagement and management. Angel suggested that it was useful that stakeholder engagement had been identified as an issue. Fundamentally, Angel felt that lower expected engagement with stakeholders was the result of the processes not being followed as the organisation was maturing. Still, she was confident that, on the current trajectory, the problem of and efficiently communicating priorities would be addressed. Jim, meanwhile, stated that there was still some work to do on communication with RDA stakeholders. Jim indicated that the RDA did not always get the tone right in their communications but had flexibly adapted their approach to optimize the effectiveness of those communications.

In general, respondents who were also members of the RDA team thought that the RDA had achieved many of the communication goals using the processes but that further improvements were necessary. These improvements would need to enhance stakeholders' understanding of their roles. However, the need to include stakeholders—as required by the model design—was partially successful in practice, and stakeholder engagement was improved. This feedback was essential to understanding what would need to be done in the actual rollout of the new model. Specifically, an extensive education campaign about the processes involved in the new model design would be necessary.

#### *4.3.1.3 Processes must Incorporate Informed Decision-Making by Appropriate Stakeholders at Key Decision Points*

Involving stakeholders at crucial decision points was essential. Stakeholders should also be supported by the right information to make appropriate decisions. Seventy-three percent of the participants (Table 4.3) agreed that new processes informed stakeholder decision-making at key decision points.

Adian agreed with that assessment and that, importantly, the model allowed no interference by individuals external to the procurement process in that process. Not being able to interfere in the procurement process is especially important to maintaining the credibility of

the BVICS during project implementation. Janet opined that the SoR process encourages research and evidence-based decision making but that the success of the SoR process was “heavily dependent on the civil service’s ability to access and deliver information.” Janet noted that, in the BVICS, information was not stored in a readily accessible manner, which means that poor data management could undermine the success of the new processes. Adian supported the proposed processes by commenting that it was important that the highest levels of “organizational management”<sup>30</sup> would now be required to maintain their involvement.

Julia noted that the inclusion of the public would be essential for the processes to yield the potential for buy-in and inclusion that the model seeks. Julia also admitted that although it would be challenging to get consensus on any decision given the spectrum of stakeholders involved, doing so would be important, demonstrating to the public that the BVICS was seriously working toward an identified goal. Julia believed the most comprehensive consultation possible would build confidence in the process and assist in re-educating the public on the “proper/appropriate”<sup>31</sup> way of doing things in the Government of the Virgin Islands. Matthew indicated that more detail on the processes was required to affirm that all decision-making was “informed”<sup>32</sup> since not all stakeholders are privy to the details in the processes that occur before the HOA budget approval, such as the timing for the submission of requests from individual ministries.

Sam reflected that the RDA was not effective in its management of various stakeholders and suggested that, in some cases, it gave too much leverage to external stakeholders, which allowed those stakeholders to change requirements continuously. This problem, Sam felt, was due to the need for more time to develop technocrats’ skill levels related to administering the process. Sam also thought that the challenging external environment in which the RDA operated was partly responsible for difficulties maintaining the discipline of the SoR. Similarly, Angel suggested that while the RDA did incorporate informed decision-making at crucial

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<sup>30</sup> Adian.

<sup>31</sup> Julia.

<sup>32</sup> Matthew.

decision points, it needed to focus more on the needs of multiple stakeholders and engage them at more levels of detail, depending on their needs and responsibilities.

Tommy and Sam suggested that there was not enough stakeholder involvement due to an initial lack of comfort between external stakeholders and the RDA. Tommy added that he believed the challenge of reconciling the differences between the RDA and stakeholders lay in the ability of the technical team to determine the appropriate level of stakeholder involvement. He agreed that that the lead stakeholder (the minister, in the BVICS context) would be the individual responsible for determining that level. Sam proposed that the difficulties reconciling the differences between the technical team and the external stakeholders were reflective of an environment in most of the client ministries marked by the avoidance of decision-making. They felt that the processes within the RDA were fit for their purposes and facilitated more informed decision making.

Jim believed that the model's processes—as used by the RDA and its stakeholders—facilitated a deep consultative engagement with the thinking required to formulate solutions, and that, through this process, both parties were empowered to evolve together in their problem-solving. He indicated that this was a significant improvement because it developed the thinking of all stakeholders about the development of solutions; it was beneficial and yielded good results, Jim believed, even though it required extensive effort. Although Tommy thought that the stakeholders were often overly involved, other respondents suggested that deep involvement and buy-in from everyone were fundamental to the model. Most of the respondents stated that the model did provide for informed decision making by the right decision-makers at the right time, and they saw the management of the processes as essential to ensuring that they would work.

#### *4.3.1.4 Decisions should be Methodical and Evidence-Based*

The investigations in Action Cycle 1 revealed that, in many cases, the BVICS tended to make decisions that were not developed appropriately or based on an understanding of the relevant facts. Ninety-one percent of the respondents expressed the opinion that the suggested improvements of the new model resulted in systematic and evidence-based decisions. Janet

was concerned about the availability of data to support the process. At the same time, Adian acknowledged that the new processes required documentation at each step in the process. All respondents appeared to be concerned about the need to ensure the availability of data. Janet contended that the model did not demonstrate how ministers of government would be mandated to participate in the processes.

Respondents felt that business cases and option analyses were effective ways of ensuring that decisions were based on evidence but that the processes needed more time to mature and that RDA staff members and stakeholders should be more involved in them. In Tommy's words, in actual practice: "decisions are more focussed on stakeholder satisfaction than evidence. That said, the processes related to business cases and options analysis would be a more effective way of ensuring that decisions are based on evidence." Jim opined that the business case process perpetuated a demonstrably high level of technical detail and analysis based on a combination of the skill level and professionalism of RDA employees and the efficacy of the model processes.

#### *4.3.1.5 Procedures should be Practical and Incentivize Fiscal Discipline*

Even though the financial procedures of the BVICS have been documented, it was previously difficult for stakeholders to ensure that they were followed. The procedures developed in this study were meant to provide incentives to ensure that stakeholders followed proper financial practices. All participants agreed that the procedures promoted fiscal discipline and highlighted transparency, accountability, and practicality as necessary features. Julia stated that "transparency is the key" and that, in affecting the model's processes, the technocrats and politicians must be sensitive to the needs of the public, prepare communication plans, and develop several business cases at the same time. Adian stated that the model's removal of the previous ad-hoc processes meant that the BVICS management team would make better decisions. Janet was concerned that the processes did not show consideration for social and environmental factors (however, the business case processes included these social and

environmental considerations).<sup>33</sup> Sarah agreed that the procedures should work as intended but held that there was still some uncertainty around the allocation of funds. This concern stemmed from the fact that the model did not seek to determine how the HOA sets priorities. Sarah did point out, though, that the procedures resulted in strong fiscal discipline. Sam indicated that once the procedures of the RDA were followed—including writing business cases, program evaluation and planning, establishing a procurement procedure, and allowing the projects to go through the entire project life cycle—high levels of fiscal discipline would be achieved. The respondents who were part of the RDA all agreed that while the proposed procedures were still in the process of being institutionalized, they were working successfully as practical tools in the financial management of the organisation.

Jim indicated that the RDA had created a space for reflective thinking that allowed for innovation. In Jim's view, this usually resulted in unique ways of maintaining projects within their budgets. The procedures also ensured that individual stakeholders remained within budget for the matters for which they were responsible, which meant that accountability and fiscal discipline were maintained.

#### *4.3.1.6 Development of a Working Environment with Minimal Ambiguity, Trust, and Clear Lines of Accountability and Responsibility*

The data in Action Cycle 1 revealed that in many cases in the BVICS, the working environment was tense, expectations were unclear, and there were inconsistencies in accountability and trust. Ninety-one percent of the respondents in the study indicated that they felt that the processes promoted clarity and clearly stated who was responsible for what. However, Julia believed that trust needed to be rebuilt throughout the BVICS. Tom was guarded about the processes' ability to engender trust, but he agreed that they improved accountability and clarified lines of responsibility. Julia proposed that cynicism within the BVICS could undermine the entire process. Adian believed that the clear identification of processes and procedures would assist the BVICS in defining responsibilities more effectively.

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<sup>33</sup> See section 4.2.7.2

Separate from the questionnaire, I asked RDA respondents to compare RDA's working environment to that of the central government. They thought that the RDA environment was more conducive to productivity. One member of the group noted that the practice of having regular, results-oriented management meetings and staff training days provided relevant, contextual information about ongoing work at all organisational levels. Another respondent stated that the ethos of collective accountability and the ease of knowledge transfer between RDA members were useful. The respondent suggested that this was important since it gave more meaning to their role in the organisation and empowered them to perform better. One respondent indicated that the improved ability to challenge others and voice opinions allowed all members to become equal contributors to solutions, which developed strong staff cohesion. At the board level, Angel proposed, there was still some room for improvement.

RDA processes based on this study's model require daily interactions between various members of the organisation to achieve a common goal. Partnerships between all individuals in the system, who have the independence needed to create products, appear to contribute to the creation of a cohesive team. The careful recruitment of staff members also ensured that the group had the skill sets needed for the agency to function effectively.

#### **4.4 Conclusion**

In this chapter, I recorded this study's progress from the collection of data, the analysis of that data, the discussions about developing a combined leadership and financial allocation model, and its application in a workplace setting, to an evaluation of the designed model. The processes developed in the model and adopted by the RDA instituted a noticeable improvement over the standard BVICS processes. Although some concerns remain, especially about ensuring that the organisation moves toward institutionalising these processes, on balance, the processes adopted by the RDA and evaluated by participants appear to address the identified problems directly. Participants identified these processes as preferable to current BVICS practices. . Table 4.4 illustrates the participants' evaluation of the model's level of success. In the following chapters, I provide a reflexivity analysis to examine my growth as a

doctoral practitioner, discuss the results of the field phase of this study, examine its implications for the BVICS workplace, and identify avenues for further research.

**Table 4.4: Summary of Evaluation Discussions (Section 4.3.1)**

Issue	Desired Outcome	Achieved (Yes/No)	Actual Outcome
Political influence interferes with evidenced requirements, and the processes are not always suited to the efficient incorporation of stakeholder requirements.	Standardised transparent methods for evidenced development of solutions for the requirement of each ministry.	Substantially yes	The presentation of evidence and well-researched information allows stakeholders to have the required information to make decisions. Political influence remains strong, however.
Priorities are usually stated at the ministerial level, but there is no consistency in messaging, clarity, and procedure in communicating these priorities.	Practical approach to determining and communicating priorities to all stakeholders.	Partially	SoR process was practical and allowed all stakeholders to have a clear and unambiguous understanding of the overall goals. Further work is required to promote inclusiveness and stakeholder management.
Clear strategic goals and definitive decisions on the order of priorities are ambiguous or seem unrealistic.	Processes must incorporate informed decision-making by appropriate stakeholders at crucial decision points.	Partially yes	The business case process mandated open, transparent, and justifiable reasons for commitments made and established clear linkages between strategic goals and activities. However, the processes do not address how priorities are determined.
Budget decisions tend to be ad hoc.	Decisions should be methodical and evidence-based	Substantially yes	Decisions are taken based on the technical and financial information available and based on established procedures.
Spending plan is generally not adhered to once established.	Procedures should be practical and incentivise fiscal discipline and efficient resource management.	Substantially yes	The business case requires substantial justification for the financial allocations and required that careful consideration be given to spending. The processes encourage fiscal discipline.
Organisational processes seem unsuited for the work, and the organisational culture is not conducive to the efficient execution of stated goals.	Development of a working environment with minimal ambiguity, high trust, and clear lines of accountability and responsibility.	Substantially yes	The process promotes unambiguity and accountability due to its transparent and inclusive methodology. However, trust is a complex and personal matter that does not depend solely on organizational structure and processes.

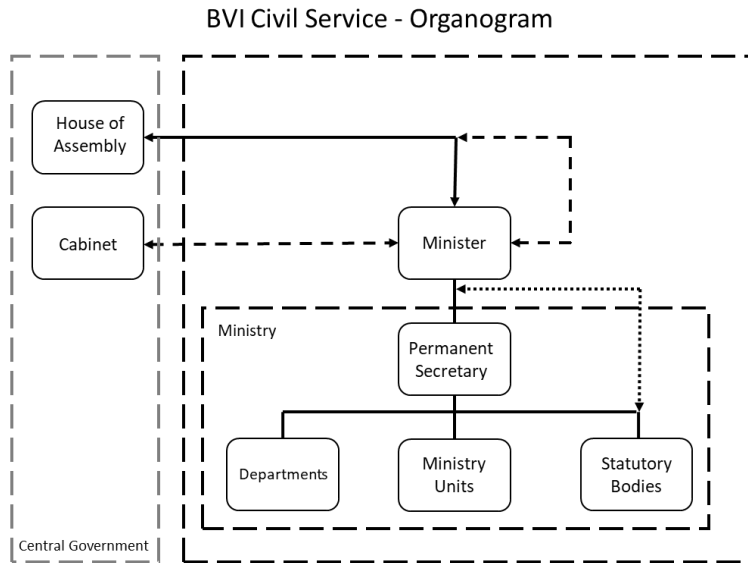
## 4.5 Adaptation

To further test the models and better understand their suitability for application in the BVICS, I employed a limited application of the processes in a workplace environment. The Virgin Islands Recovery and Development Agency (RDA) presented a unique opportunity to do so, and its leadership and financial allocation processes were adopted wholesale into the organization almost a year after its formation in 2019. I was very aware, though, that I could only test some of the improvement suggestions because the entire budget cycle spans at least one year. However, I was able to observe several cycles from the SoR through the development of various options, the development of the business plan, procurement, project implementation, and, eventually, project handover. Before the RDA adopted the processes, I compared the organizational structure of the RDA with that of the BVICS and created a matrix for that purpose (Table 4.5, Figure 4.19, and Figure 4.20).

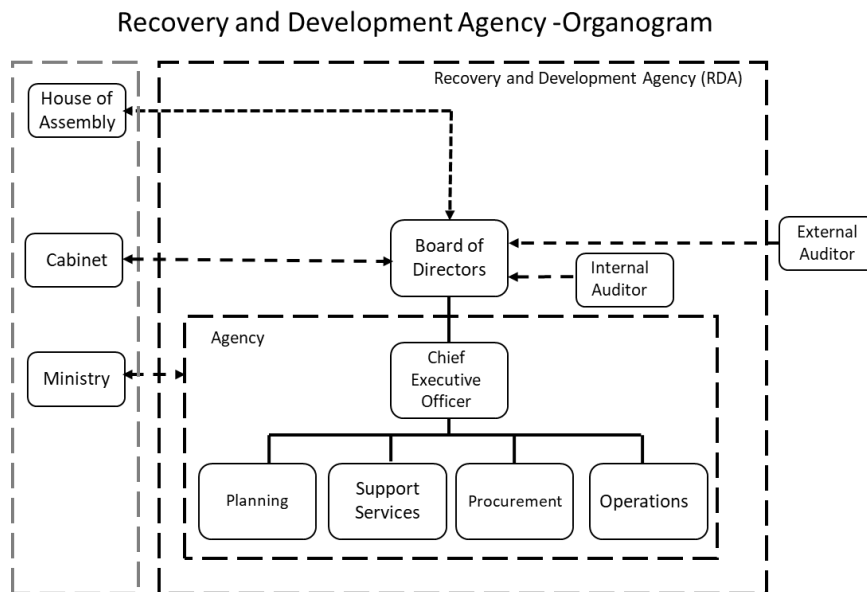
**Table 4.5: Role modification**

BVICS Process	Role in BVICS Model	RDA Process Adaptation	Role in RDA Model
Budget Work Plan	<ol style="list-style-type: none"> <li>1. Minister</li> <li>2. Ministry</li> <li>3. Permanent Secretary (PS)</li> </ol>	Implementation Schedule	<ol style="list-style-type: none"> <li>1. Cabinet</li> <li>2. RDA Board</li> <li>3. Chief Executive Officer (CEO)</li> </ol>
Programme SoR Process	<ol style="list-style-type: none"> <li>1. Minister</li> <li>2. Ministry</li> </ol>	Programme SoR Process	<ol style="list-style-type: none"> <li>1. Client Ministry</li> <li>2. RDA</li> </ol>
Options Process	<ol style="list-style-type: none"> <li>1. Cabinet</li> <li>2. Minister</li> <li>3. Ministry</li> </ol>	Options Process	<ol style="list-style-type: none"> <li>1. RDA Board</li> <li>2. Client Ministry</li> <li>3. RDA</li> </ol>
Business Case Process	<ol style="list-style-type: none"> <li>1. Cabinet</li> <li>2. Ministry</li> </ol>	Business Case Process	<ol style="list-style-type: none"> <li>1. RDA Board</li> <li>2. RDA</li> </ol>
Procurement Process	<ol style="list-style-type: none"> <li>1. Ministry of Finance</li> </ol>	Procurement Process	<ol style="list-style-type: none"> <li>1. RDA (procurement)</li> </ol>
Implementation and Handover	<ol style="list-style-type: none"> <li>1. Minister</li> <li>2. Ministry</li> </ol>	Implementation and Handover	<ol style="list-style-type: none"> <li>1. Client Ministry</li> <li>2. RDA</li> </ol>





**Figure 4.19: BVI Civil Service organogram**



**Figure 4.20: Recovery and development agency organogram**

The model adopted in the RDA is illustrated in Figure 4.20. Before the model was adopted, I asked the Cabinet to comment on the processes and their suitability. I presented the integrated flow diagram (Figure 4.21) to the Cabinet and a group of senior policy experts who were supporting them in the BVI recovery efforts. Although a different (though very closely linked) organization was applying the model in Figure 4.21, I summarized the comments received from

the Cabinet and its advisors and used them to examine broader comments on the potential usefulness of the model and its practicality for application in the BVICS.

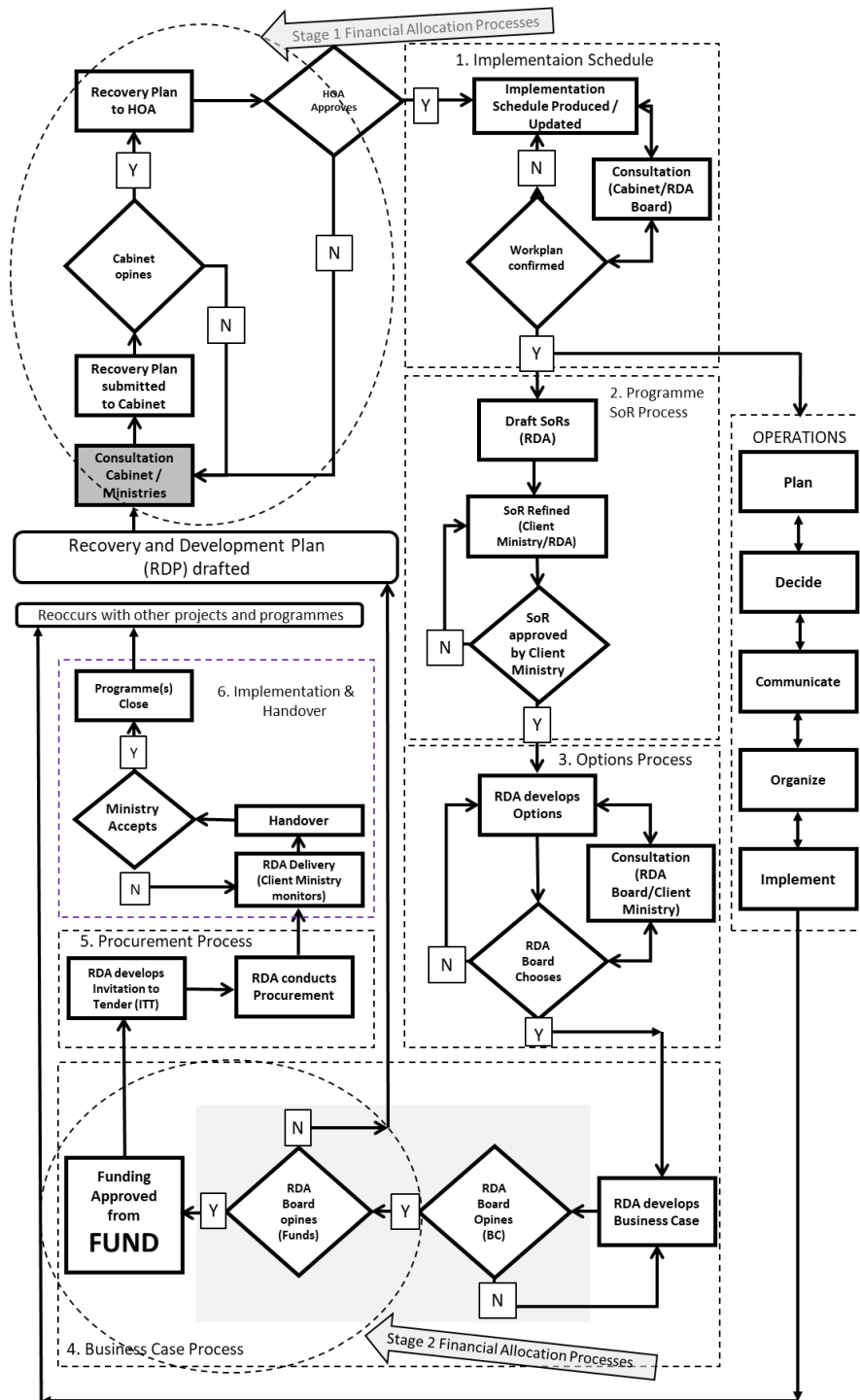


Figure 4.21: Adapted model design

## **CHAPTER FIVE: DISCUSSION OF FINDINGS AND REFLECTIONS**

### **5.0 Introduction**

In this section, I discuss the findings of my research in the context of the literature review, the implications that they have for practice in my workplace, and their application to action research as a methodology.

### **5.1 Discussion of results**

The various issues identified in the analysis of the qualitative data were political influence, failure to set priorities, unrealistic goals, ad hoc decision making, lack of fiscal discipline, and organizational mismatches. To address these problems, I produced a model to improve the way that the BVICS operates. I discuss the six tenets of the model below.

#### **5.1.1 Standardized and transparent methods for the development of solutions that meet the requirements of each ministry**

The first tenet proposed as one of the measures to address leadership issues in the BVICS relates to leadership practices and the way that leaders plan. Kets de Vries (2003) proposed that leaders can manipulate the agents within their systems to achieve a goal. The research indicates that BVICS leaders should be able to influence the individuals under their charge, but that they are disorganized and do not provide a strategic and consistent way to reach their goals. One issue, then, appears to be leadership's failure to influence in a manner that inspires confidence. Barnett *et al.* (1994), Miller (2002), and Hitt and Ireland (2002) suggested that there is a strong correlation between strategic leadership and innovative, forward-thinking, successful organizations. Planning processes will not be utilized effectively or efficiently if the organization does not have a mandate from leadership to pursue goals systematically. Based on the data, I concluded that planners and leaders work at cross-purposes in the organization because the processes appear detached from the actions that they are meant to support. The

proposed solution is to integrate the leadership cadre into a process that allows their role in planning to be natural.

Two related themes are present in this context: *political influence* and *process*. Politicians must be part of the process, and the leader's roles, whether at the political or at the civil servant level, should be to make planning natural for it to be effective and consistent. The model seeks to do this by making the planning process dependent on leaders making decisions with information that allows them to play an active and meaningful role in planning. The influence of politics is factored into the model, which provides for the making of political decisions that are informed by carefully developed analysis of collected data, allowing politicians to validate decisions and modify them up (towards other political influences) or down (towards those responsible for enacting policy). When the information that informs decisions is readily accessible to organizational decision-makers, a robust planning ethos develops throughout the organization, and BVICS leaders at the political and top management levels become integral to the planning process.

If leaders are not performing their duties adequately in the suggested planning process, this can also be a concern, since it can stall the planned procedures. However, a major change to the previous processes is that BVICS leaders are now required to provide feedback on the stages of a plan's implementation. Providing feedback does not entail these leaders becoming distracted by the details of the processes underway, but it requires them to be informed by the technical staff at critical stages. The leader now has an opportunity to be a better change agent or transformer (Zaleznik, 1992). Further, how solutions are developed is now more transparent and inclusive.

### **5.1.2 Practical approach to determining and communicating priorities to all stakeholders**

The second tenant of the model addresses the need for consistency and clarity in the communication of priorities and goals to stakeholders. It is vital to ensure that leaders can influence effectively. The improvement suggestions for the new model emphasize establishing a workplan so that priorities are communicated to stakeholders clearly. The data showed that

there are challenges related to getting consistent, clear messaging to stakeholders throughout the organization, which undermines the leader's ability to influence stakeholders.

According to Pinnow (2011) and Song *et al.* (2013), employees need the leader to articulate targets and goals clearly. Hence, for the BVICS, goals and objectives must be clear and understandable. The suggested model does this in various forms. The first of these is through a workplan and statement of the required processes. Uniquely, the developed model addresses the level at which leaders interface with the details of an initiative and the technocrats. An explanation of requirements is communicated that sets out the goal of the initiative clearly. In the process of drafting the statement of requirements, both the leader who communicates the goal and the individuals who develop the solution are involved in the goal-setting process, which provides for a more thorough understanding of what the leader wants (or needs) and for the technical people assisting the leader in understanding directly what the leader requires. This process of growing together incentivises leaders to communicate effectively, and this research demonstrated that it increases the mutual understanding between the leader requesting a solution and the technocrats who develop it.

Literature supports the view that cohesiveness in a group has a positive correlation to performance (Soldan, 2010; Liu, Chen and Holley, 2017). The model promotes cohesiveness among all stakeholders in a complicated environment (Vainio, 2015). Through meaningful engagements at key points in the process, it seeks to identify the views of stakeholders and make incremental steps via decision gates towards a final and more complex decision through the process of incrementalism (Lindholm, 1959). Such consensus building is critical at political levels both internal and external to the BVICS; it maintains stakeholder buy-in because stakeholders become contributors in the development of a solution. The process also allows for the airing of all ideas without judgement. It, therefore, encourages leaders to understand what they would like to communicate, a process facilitated through open conversations about what they require, which gives the implementers (technical staff) a unique opportunity to understand the subtle components of the requirements that may not be immediately obvious.

### **5.1.3 Processes must incorporate informed decision-making by appropriate stakeholders at key decision points**

The third tenet, informed decision making, is related to section 5.1.2, which illustrated that the new model uses evidence-based information to inform decisions. An essential aspect of the model is the concept of *incrementalism* (Lindbloms, 2010), which refers to decisions made through small adjustments along a decision-making continuum. Considering the research of Das and Teng (1999), who argued that there are inherent dangers of cognitive bias in all decision-making, the model incorporates extensive but structured incremental decisions about steps that the appropriate stakeholders must take. The interactive process in the model utilizes inputs from stakeholders to provide data to decision-makers, which encourages the lead stakeholder to think clearly at the beginning of the process about the objective of a given initiative without worrying about the solution. The data suggested that this level of clarity about objectives was not embedded in the operations of the BVICS, where more attention was paid to the details of projects or initiatives than to what they were meant to achieve. Without a clear view of intended outcomes, it was difficult to optimize the processes for initiatives, programmes, or projects, which resulted in a proliferation of inappropriately specified initiatives.

The model developed in this research emphasizes creating specifications that are inclusive of all relevant stakeholders. The speed at which solutions are provided, then, becomes a function of the frequency of stakeholder engagement and the complexity of the problem. Technical staff in the BVICS should maintain the pace of their interactions about problems, plans, and solutions, or they run the risk of the problem specification process being frustrating and unproductive. Further, interactive engagement serves to balance any tendencies to move forward with a poorly developed specification because the transition to another phase is dependent on decisions from the leader (the lead stakeholder) and occurs only after an iterative process that leads to decisions based on relevant information. The implications for practice in the BVICS are that the BVICS will now allow solutions to be developed by experts while leaders maintain control over the intended outcome/objective.

#### **5.1.4 Decisions should be methodical and evidence-based**

The fourth tenet of the model is evidence-based decision making. Blanco and Matue (2015) suggested that human beings tend to see connections that do not exist while ignoring relevant information. The model attempts to implement processes that reduce this tendency through constant peer review and evidence-based decision-making. Peer review is important in this process since, according to Schon (2001) and Hutchinson *et al.* (2010), individuals tend to interpret new data based on their experience and training. Peer review creates an environment that challenges the credibility of assertions. The suggested process improvements follow the basic action learning (Hughes, 2010) process closely. It suggests ways of developing solutions that are methodical while it also meaningfully and continuously involves the main stakeholders. Present in the developed model, but absent from the BVICS before, is the incorporation of decision-makers who have enough relevant information to make appropriate decisions at crucial stages in a plan's development points. In the model, processes cannot proceed without the implementation of decisions.

The processes around these points of decision are designed so that the lead stakeholder can use the provided information to make informed decisions. Lead stakeholders may be able to make decisions without referencing the available data; however, doing so introduces the risk that they will choose a solution that is not based on the business plan or the data used to develop it. The integration of the business case and its data into a solution is an integral part of evidence-based decision making that incentivizes decision-makers to rely entirely on analytical thinking. Previously, there was often a divide between what the technocrats proposed based on their intimate knowledge of the facts and the preferences of policymakers, whose information was often circumstantial. This divide often resulted in policymakers moving plans in a preferred direction without adequate supporting data. The suggested improvements in the model developed in this study represent a noticeable departure from the BVICS'S status quo.

#### **5.1.5 Procedures should be practical and incentivize fiscal discipline**

The fifth tenet, fiscal discipline, is a requirement for public sector service delivery (Sharon et al., 2011). The results of the evaluation suggested that the new procedures create an incentive for

fiscal discipline. The increased information flow before committing to use capital appears to be a fundamental contributor to fiscal discipline. Previously in the BVICS, initiatives and projects were rushed to implementation without proper planning before the budgets for them were approved. The outcome was compromises that reduced the effective use of fiscal resources. The new model's emphasis on a post-budget planning process promotes decision-making based on information and evidence, and spending occurs only after research and planning. Ntoiti (2013) concluded that financial management challenges in the public sector are usually the result of poor practices, while Nkrumah-Young and Powell (2008) argued that ad-hoc political decisions too heavily influence financial management in the public sector. The model deliberately addresses these problems by focusing on collaborative solutions. Since the business plan is developed as the solution is developed, it is less likely that the ministry will make fiscal decisions prematurely.

#### **5.1.6 Development of a working environment with minimal ambiguity, trust, and clear lines of accountability and responsibility**

The sixth tenet of the model is linked closely to Groysberg and Slind's (2009) proposal that intentional, interactive discussions within organizations improve workplace structures, reduce risk aversion, and create a better decision-making environment. The model ensures that intentional and free conversation allows for the clear articulation of goals, objectives, and mandates. In the RDA structure, regular meetings, a flat managerial structure, and training sessions all provided an environment in which RDA members stayed informed about institutional matters. Within the BVICS, there are regular meetings as well. The most crucial difference between the proposed improvement and common practice in the BVICS is the implementation of the regular training sessions demonstrated in the RDA test case, which took the form of information sessions that familiarized the staff with procedures and information about the projects. Every change or anticipated change was communicated to the entire staff in an open setting, and all members were encouraged to comment and ask questions. Such is the model's expectation for the BVICS environment.



### **5.1.7 Summary**

The six tenets discussed in sections 5.1.1 to sections 5.1.6 form the basis of the solutions developed for the proposed model. These tenets are meant to open dialogue between the individuals who determine policy, those who are affected by the policies, and those who must develop, implement, and enforce policy initiatives. In the model, the technical staff empower leaders with the information they need to plan effectively. A good relationship between the leaders and the technical team is essential to ensuring that the leader (decision maker) has access to necessary information without having to distill that information themselves. Successfully using the model requires a clear understanding of the processes involved, the relevance of each step in the process, and the requirements at each step. Once implemented, the results suggested, the model should substantially improve the leadership and financial allocation operations of the BVICS.

## **5.2 Reflexivity Analysis**

### **5.2.1 Introduction**

Reflexivity requires the researcher to examine the effect that he/she may have on the outcome of a research process (Rong, Li and Xie, 2019). In this section, I will reflect on the insider research conducted for this study and the implications that I expect this research to have for management practice in the BVICS. There has been some growth at the BVICS resulting from the research process, but some questions remain unanswered.

### **5.2.2 Reflections on Insider Research**

The BVICS has established standards for leadership and the allocation of financial resources that focus on centralized control of processes and an autocratic decision-making structure. These two factors (centralized processes and autocratic decision making) usually result in noticeable delays in the progression of ideas and initiatives. Decisions often rest with one individual, who may be prepared to take on the responsibility of making a swift decision, or, in other cases, may conservatively make very safe decisions or delay making decisions at all. Research has demonstrated that there is a tendency in public sector organizations for employees to share the responsibility for making significant decisions (Ana-Maria, 2013). The

financial allocations made in the BVICS were also often mismatched to the organization's requirements. The combination of these two problems has left the BVICS with many unfinished operational and strategic goals and unspent balances for funds that are underutilized, making its public sector investments less optimal than they should be.

The workplace problem in this thesis, not a new one for the BVICS, constitutes an infinitely complex and multifaceted problem, described by Churchman (1967) and Landry (1995), in their studies of non-clinical contexts, as a wicked problem. Typically the symptom of other issues, a wicked problem is one that has no definitive formulation. It is confusing, multifaceted, and not well understood. Since I was encountering a wicked problem, I needed to understand the identified issues contextually and develop solutions suited to the BVICS environment. In other words, this research project had to be pragmatic, with both practical relevance and methodological rigour (Anderson *et al.*, 2001). I began with the understanding that would I need to create an environment in which the combination of the suggested measures would be more beneficial than the sum of the benefits of each measure. Such a combined gain from solutions often occurs in complex adaptive systems (Stacy and Mowles2016) like the BVICS.

While realizing that leadership is critical to a well-run institution (Goleman, 2002; Zlate, 2004), I was also aware that the correct blend of procedures, activities, and incentives within the institution could result in improvements to its operations. It was evident that the performance of the research cell (RDA) was noticeably better than that of the BVICS. As an insider applying the theory of complex adaptive systems and complex responsive processes (Stacey and Mowles, 2016), and intelligent complex adaptive systems (or ICAS; Bennet and Bennet, 2003), I witnessed the positive effects that an improved system can have on a chaotic environment. As a member of the team, it was a challenge at times not to get too excited when I saw successes, which could affect the objectivity of my research. When there were setbacks, it was difficult not to be discouraged, not only as a researcher but also as an employee. I was functioning in the workplace both as a researcher and as someone with workplace-related tasks, so I was aware of the impacts that setbacks could have on the research.

One challenge I faced was in observing how colleagues approached the development of solutions to specific problems in the workplace without the benefit that the rigour of my doctoral studies required of me, at their disposal. In these instances, it was usually incumbent upon me to convince my co-workers of the need first to seek an objective understanding of the problem and only then to be open to solutions. In several instances, I had the clear impression that answers were predetermined and not based on an objective, open-minded approach to the problem. The solutions, instead, appeared to be based on my colleagues' past experiences. Consequently, the implementation of pre-packaged solutions sometimes comprised their efforts. They were disadvantageous to the institution because using them eliminated solutions that may have produced better results. My exhortations for rigour were only partly successful, but assuming a minimized emotional attachment to the situations as they developed assisted me in understanding what would work best in the BVICS environment and how best to develop the most effective solutions for the BVICS'S chaotic system (Stacey and Mowles, 2016).

An insider has the benefit of bringing pre-knowledge to the field (Locke *et al.*, 2013; Miyazaki & Taylor, 2008) that provides immediate insight into why some practices exist. However, an insider must also navigate participants' biases. At the outset of this research process, I found that the biases of my colleagues impeded our conversations. Towards the end of the research, however, I discovered that their biases were useful since they allowed me to gain insight into matters that I had previously ignored. This emotional detachment also helped me to mediate debates in which I had once been a participant. Throughout the research, a heightened sense of awareness of my own biases provided me with a renewed sensitivity to my prejudices that allowed for my un-learning and relearning as I developed new knowledge (Huff, 1999; Huff and Huff, 2001). As I progressed through the research, I also recognized that many of my views did not align with those of my colleagues, which caused a retrospective inquiry into my ontological positions.

### **5.2.3 Building a professional identity as a scholarly practitioner**

Carton and Ungureanu (2017) proposed that scholar-practitioners span the divide between academia and practice. In my case, I am no longer merely a manager applying templates

adapted from my previous academic training or experiences. Instead, I now systemically utilize academic curiosity, practical experience, and query in my daily managerial practice. My approach now as a manager is markedly different from what it was before I began this DBA research.

Previously, I often made assumptions not based in fact, approached problems with those assumptions, and maintained an emotional attachment to the ideas that I developed. As I progressed through the research, I became more methodical in my approach to workplace issues, was more open to many ideas, was less prone to promote my solutions to problems, and was more accepting of the merits of the suggestions made by others. As a result, I became more knowledgeable about the issues that the BVICS faced, from both academic and practical points of view. I began to question my surroundings, my assumptions, and my colleagues' assertions. I became more curious about why things happen the way that they do in the BVICS, the motives behind the traditional behaviours of my colleagues, and the BVICS's various standard operating procedures.

Working as a positivist researcher has sensitised me to the argument that it is impractical to approach social systems and civil service organizations as complex adaptive systems with the view that ultimate truths and social reality are external and fixed. This was significant to this study because it provided a good perspective of the natural bias' that I have had in doing this research; that I believe that there is a singular reality that can be discovered, even though the multiplicity and interdependency of the variables present in the environment affect the ability to identify this *reality*. I thus had to recognize that, it would be prohibitively difficult or impossible for me to discover and account for whatever these *truths* are. Hence in order to conduct this research credibly it was important for me to apply the concepts of bounded rationality, satisficing and social constructivism.

There are too many variables in practice. However, after applying the principles of bounded rationality, I now appreciate the merits of constructivism for understanding social environments and developing practical solutions in management and social research. Although I have a natural positivist bias, I also understand that an organization described as I did in this research as a complex adaptive system with complex responsive processes, is a socially

constructed instrument, and that its behaviours and norms are as a result of the innate idiosyncrasies, expectations, behaviours and social construction of its agents (Gioia, 2003).

Applying a methodological approach to formulating solutions increased my self-awareness. All the issues in my workplace must now be approached methodically. It is no longer sufficient merely to manage or lead absent scholarly inquiry and discovery. Much of the academic work cannot be applied to my workplace practically, but variations of their findings can. The Intelligent Complex Adaptive System (Bennet and Bennet, 2003) supports selectivity, optimum complexity, permeable boundaries, knowledge centricity, flow, and multidimensionality. The model developed in this research applied these principles to generate better conditions for leadership. Previously, the BVICS attempted to adopt leadership templates from other organizations to use within the BVICS.

In my role now, I have insight that I would not have had before this research. In the workplace, I have developed a more substantial curiosity and observance of detail; I now seek to link the actions of my colleagues and the BVICS to academic knowledge (Carton and Ungureanu, 2017) as I attempt to teach and mentor those around me. Herbert (2010) proposed that scholar-practitioners find themselves on a journey of curiosity as they seek to understand the environment around them. Indeed, my desire to match academic research with my workplace experience has raised new questions about why the BVICS has stabilized into its current state of equilibrium and what may be necessary to move it to another, more desirable state of balance.

Carton and Ungureanu (2017) proposed that scholar-practitioners have three attributes that distinguish them from traditional researchers and practitioners: first, they are both academics and traditional practitioners; second, due to their need to negotiate divergent requirements, they often have to develop a hybrid professional identity and repertoire of knowledge, skills, and approaches; and third, they span the divide between the academic world and managerial practice. I have found myself doing those three things during my research and expect that they will continue.

#### **5.2.4 Implications for management practice in the BVICS**

The implications of this research on the management practices at the BVICS will depend on the extent to which the ministries, departments, and agencies adopt the developed approaches. The model promotes the intentional involvement of all stakeholders, resulting in higher transparency and accountability than currently exists in the BVICS. Further, the proposed system of participatory management in the BVICS's budget cycle should reduce the authoritarian management style that has been normal in the BVICS. Increasing the level of meaningful involvement by a wide range of individuals at key points in the processes of managing its budget is a not foreign concept to the BVICS, but this research suggests that it should be done in a new way. In the past, multiple stakeholders focused on consensus building. The approach proposed in this study, by contrast, requires that stakeholder needs are the key inputs and focus, not agreement on the solutions to multiple needs. The search to meet an outcome requirement requires that the various stakeholders share their requirements and opinions. In the ensuing discussions, each stakeholder gains a greater appreciation of the entire problem. This approach promotes a higher level of understanding of the spectrum of stakeholder concerns. The expectation is that if the BVICS adopts the proposed processes, its policymakers will have more success building national consensus around their projects. Planning will also take a more prominent and natural role in the day-to-day management of the BVICS.

The evaluations of the model suggested that the result in the BVICS will be a more natural and integrated planning focused methodology than is currently applied in the BVICS. The proposed processes promote stakeholder comfort as well by engaging them meaningfully in the planning process. Such engagement is important to maintaining continuous peer review in the BVI context, which translates to more buy-in and accountability to the BVICS's stakeholders. The process improvements suggested in the model require that business cases become a standard part of the planning and implementation process as the BVICS conceptualizes and develops initiatives for implementation, makes decisions on them, and estimates the costs to implement them. The processes proposed in the model require consultation in the critical stages of a plan's implementation, beginning when the objectives

and requirements of the initiative are determined and ending with the choice of the specific solution. By integrating stakeholder consultation into the process, this evaluation suggests, there will be improved leadership and financial allocation practices. The result will be increased support within the BVICS and from the public that promotes buy-in by a broader spectrum of stakeholders. The improved national consensus would further enable the effectiveness and efficiency with which operational and capital mandates and initiatives are implemented.

#### **5.2.5 Summary**

As an insider, my challenges in maintaining the credibility of the research were significant. In actively addressing those challenges, I was able to grow as a scholar-practitioner in addition to solving the research problem. This research is expected to improve managerial practices, including my own, in the BVICS.

## CHAPTER 6: CONCLUSIONS AND FUTURE IMPLICATIONS

### 6.0 Introduction

This chapter examines this research's attempt to answer the question; *"How to develop a more effective and efficient system of allocating resources by producing well-managed budgets that meet the strategic objectives of efficiency, effectiveness, timeliness, and expenditure management in the BVICS."* By conducting insider research to improve leadership and financial allocation practices in the BVICS, I hoped to benefit the organization with new insights into how to improve its planning and goal setting. The action unit and action research were the cornerstones of this research project.

### 6.1 Implications for action research

This study validates action research as a practical and rigorous methodology for solving ambiguous and poorly specified problems (Schon, 2001) in the workplace. In studies of this type, researchers must take care to avoid making premature assumptions and injecting prejudices into the research. The action set protects researchers against unfounded assumptions that would undermine the inquiry. Continuing work in action research should continue to promote scholarly interventions in the workplace. To develop the discipline of action research, it is the responsibility of action researchers to continue conducting rigorous studies utilizing the methods of traditional analysis while searching for meaning in practical work. Wherever there is a desire or mandate to improve an organization's situation, the action unit should be viewed as a viable problem-solving option.

### 6.2 Study Limitations

There were some identifiable limitations to this research effort. First, only a select group of the population of the BVICS participated in this study. The discussions deliberately focused on leadership and financial allocation, and the participants interviewed were chosen based on their connection to these subjects and their demonstrated objectivity and maturity. It is



possible that by this purposeful sampling (Creswell, 2013), that all the relevant issues that relate to the leadership and financial allocation practices of the BVICs were not identified or examined. Some of these may have had a material effect on the results of this study.

Time was the second limitation of this research. A more extended study period would have allowed for a more in-depth analysis of a broader cross-section of issues that may have had a direct bearing on the leadership and financial allocation concerns related to this study. During the action unit discussions, several matters were identified that would improve the leadership and financial allocation practices of the BVICS even further if they were addressed. For example, the HOA had several leadership and decision-making practices with a direct bearing on the efficacy of the measures developed in this research. The HOA, however, was outside of the boundaries of the research exercise, and it would have required a more extended research period to collect the data needed to identify systemic issues that had a bearing on this study. Observations of the RDA's operation were only conducted over a few months, and RDA employees were not representative of the cross-section of employees in the BVICS; they were recruited based on a narrower range of skill sets than is found in the BVICS. Further, the narrow task-oriented focus of the RDA suggests that operations in the RDA may not precisely represent what occurs in the BVICS.

Third, it is possible that during the literature review, I could have unintentionally overlooked some considerations that might have influenced the results. Allowing the literature review to guide my inquiry and limit the creativity of my investigation was another limitation of this study (Easterby-Smith, 2012).

### **6.3 Future Research**

I identified two related areas for future research in the BVICS that resulted from questions raised in this study. Both suggestions relate to the HOA, which has legislative authority over the BVI, approves the budget, and sets the national and ministerial priorities. The HOA makes decisions and carries the responsibilities for these decisions but does not do the analysis for the decisions it makes. How these analyses influenced the HOA's decisions warrants further examination. Two areas that could benefit from further research are as follows. First, the

decision-making processes within the HOA would benefit from an improved alignment with the needs of the BVICS. It was unclear during this study, what the salient processes were that developed the decisions made by the HOA. The majority government determines these decisions based on processes that are beyond the reach of the HOA and that often conflict with the advice given by BVICS advisors. There are established procedures within the HOA, but many of the processes followed, as demonstrated in this research, are ad-hoc. HOA procedures have a direct bearing on the decisions of the ministries, departments, and agencies. Improvements to the HOA decision-making processes are needed to gain the full benefit of the suggestions proposed in this study.

Second, it remains unclear how the HOA identifies, ranks, and sets the priorities for the BVICS. A weak priority-setting framework creates difficulties in the development of the work plan if priorities are not sufficiently articulated. During discussions in and outside of the action unit, how the HOA sets priorities was noted as a risk factor. Understanding the political dynamics of the HOA and developing a mechanism to ensure that the ranking of priorities for the BVI public is reflective of the needs of the territory is essential. The political dynamics and complexities of the HOA environment suggest that a carefully designed study would be appropriate for understanding the situation in the HOA and developing a suitable mechanism for setting reasonable priorities promptly.

#### **6.4 Conclusion**

This study addressed a demand for an effective leadership system to achieve budgetary goals and compliance with policies and procedures, budget approval, control, dissemination, and the monitoring and reporting system in the BVICS. The research began with a literature review of leadership, organizational systems, strategy, financial management, and decision making.

The current impediments to an efficiently and effectively executed budget system for the BVICS were investigated in this study. The data were gathered using a series of semi-structured interviews and questionnaires, analysed by myself and the action unit. Several concerns were

identified regarding leadership, how decisions are made, financial management, and an organizational culture that was not conducive to robust public sector performance.

By attempting to design individual processes that would complement each other, provide clarity of goals in a culture of openness and learning, in addition to segmenting big decisions into smaller manageable steps, the research attempts to deliver improvements to the current budgetary practices of the BVICS. The existing processes were modified to include a series of steps in the budget process that relied on broad stakeholder consultation, the clear articulation of goals and key decision points that allowed the process to move on to each successive step with heightened levels of clarity. Eventually, following this approach, a final decision could be made on the initiatives to invest in that would support a strategic goal, and that had extensive stakeholder support. The new processes developed by the research incorporated the following suggestions.

1. evidence-based, standardized, and transparent methods for the development of solutions;
2. a practical approach to determining and communicating priorities to stakeholders;
3. processes that incorporate informed decision-making at the appropriate time by the relevant stakeholders at crucial decision points;
4. systematic and evidence-based decision-making;
5. standard operating procedures in the organization that are practical and designed to encourage fiscal discipline and efficient resource management; and
6. eliminating ambiguity in the workplace by engaging in actions that promote trust and by drawing clear lines of accountability and responsibility.

After simulations, questionnaires, and interviews that analysed the developed model and an implementation of the model in practice, it appears that the proposed solution has resulted in noticeable improvements over the current budgetary practices of the BVICS.

This research supports the proposal that there is merit in detailed stakeholder engagement and planning after primary budgets have been allocated. This ethos of engagement appears to

develop stakeholder involvement, allow government initiatives to be more applicable to the needs of the people, and result in solutions that benefit from a high level of transparency not only in the processes that developed the solution but also in the thinking involved in developing those solutions. This research integrated core ideas from organizational system theory, conceptualizations of complex adaptive systems and complex responsive processes (Stacey and Mowles, 2016), decision-making theory (Lindbolm, 2010; Vainio, 2015; Blanco and Matute, 2015), and leadership theory (Cameron, 2015 and Bernerth et al., 2016). Applying these frameworks supported the conclusions of Smith and Bempah (2017) that excellent public sector finance and management require strategic planning and a holistic approach. The holistic approach should articulate contextual issues (SOR in the model), depend on the disposition of the managerial team, and result in an organizational system that promotes performance through a procedure that encompasses discipline and a results-oriented approach yet feels natural. These factors must integrate with a financial management system that is credible, transparent, has a clear link to policy, is predictable, has effective reporting requirements, is comprehensive, and includes functional control mechanisms.

From a practical standpoint, the research illustrated that it is more productive to spend time articulating a problem before attempting to find a solution. Secondly, it showed that extensive stakeholder involvement in the development and execution of initiatives improves transparency and promotes buy-in, thus noticeably enhancing their performance. Further, segmenting a complex problem into discrete, less complicated subproblems and using an incremental process promotes workable solutions.

This research can now be presented for a rollout in the BVICS through a modification to the budget process. The rollout will begin with the head of the BVICS, formal discussions with the Ministry of Finance, the Minister Finance and eventually the ministerial and Cabinet levels before application. The model has already been demonstrated to many civil servants and acknowledged (by survey in Action Cycle 3) as an improvement over current budgetary procedures. Thus, once I can facilitate further stakeholder engagement, its adoption is dependant solely on the timing and interest of policymakers.

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## APPENDIX I

### Preamble

1. Have you read the *Participant Information Form* accompanying this Questionnaire?  
Yes  No
  
2. Have you agreed to participate by indicating so on the Participant Consent Form ?  
  
Yes  No

Please note: in order to proceed you must have ticked YES to both questions above. In the event that you have not ticked YES to both these questions, then please return the uncompleted questionnaire and Participant Consent Form filled out and signed to indicate that you do not wish to participate.

Please answer the questions as candidly and accurately as you can, providing clear evidence or thoughtful and rich narratives wherever possible to support your opinions/views.

---

### Section A

***This section gathers basic information on the individual populating the questionnaire***

1. Tenure in the Civil Service
    1.  $\leq 5$  years
    2.  $5 < \text{years} \leq 10$
    3.  $10 < \text{years} \leq 15$
    4.  $15 < \text{years} \leq 20$
    5.  $20 < \text{years} \leq 25$
    6. Years  $>25$
  
  2. Employed in
    1. Ministry
    2. Department
  
  3. Area of Focus in Management
    1. Administration
    2. Finance
    3. Technical
-

4. Level within the Organization (check one)
- 1. Lower management role (Grades 1 to 11)
  - 2. Middle Management (Grades 12 to 17)
  - 3. Upper Management (Grades 18 to 21)
  - 4. Ministerial
- 

**Section B**

*This section focuses on the leadership culture of the organization.*

**Question 1:**

Generally how do you rate the environment within your organization in relation to the working culture that is fostered by leadership to promote high productivity ?

Excellent     Good     Average     Below Average     Poor

Please provide a reason(s) for your view

[Click here to enter text.](#)

**Question 2:**

In your opinion, are the required resources provided for team members to excel in their required job requirements? YES     NO

Please give reason(s) to support your answer

[Click here to enter text.](#)

**Question 3:**

Is the culture in your organization one that allows team members to be successful, or to excel in their jobs ? YES     NO

Please state why you have this view

[Click here to enter text.](#)

---

**Question 4:**

Is there an environment of trust and mutual respect in the organization ?

YES       NO

Why do you say so? Please explain

[Click here to enter text.](#)

**Question 5:**

Are new methods, techniques and knowledge transferred to employees on a regular basis.

YES       NO

If YES, please indicate how it is done, if NO please explain why you have this view?

[Click here to enter text.](#)

**Question 6:**

Is feedback on performance provided to team members in a timely, thoughtful and productive manner?

YES       NO

If YES, please indicate how it is done, if NO please explain why you have this view

[Click here to enter text.](#)

**Question 7:**

Do leaders provide an atmosphere where team members feel comfortable to challenge them and give feedback on policies, actions and decisions?

YES       NO

Please explain

[Click here to enter text.](#)

---

**Question 8:**

Does your organization regularly in-cooperate or implement suggestions from team members?

YES  NO

If YES, please indicate who are the individuals that provide the feedback and how often this occurs; if NO please explain why you have this view

[Click here to enter text.](#)

1. If the answer to the above is YES, are contributions publicly acknowledged and appreciated by the organization ?

YES  NO

Please explain

[Click here to enter text.](#)

**Question 9:**

Do employees play an active role in the decision making process of the organization?

Yes  No

1. Please explain why you have this opinion

[Click here to enter text.](#)

2. Do you think that employees should have an active role to play in the decision making process of your organization? Yes  No

3. Why do you think so ?

[Click here to enter text.](#)

4. Why do you think that this is or is not important?

[Click here to enter text.](#)

**Question 10:**

---

In your opinion, does the leadership cadre in your organization contribute meaningfully to a well run organization (do they add sufficient value to justify their position in the organization) ?

Yes  NO

Please give reason(s) to explain why you hold this view

[Click here to enter text.](#)

---

### **Section C**

***This section focuses on the institutional leadership practices of your organization***

#### **Question 11:**

Are the goals of the organization and its leaders clearly articulated?

Yes  No

1. How are goals articulated presently?

[Click here to enter text.](#)

2. When does this happen

[Click here to enter text.](#)

3. Where does it happen?

[Click here to enter text.](#)

4. Who articulates these goals?

[Click here to enter text.](#)

#### **Question 12:**

In your opinion, does your organization prioritize its goals well? Yes  No

1. What methods does your organization use to prioritize its goals?

[Click here to enter text.](#)

2. Do you think that these are adequate? Why? (List reasons)

[Click here to enter text.](#)

---

**Question 13:**

Do you think that the your Department /Ministry  (tick one) is led in the most effective manner possible?    YES             NO

1. In your opinion what are the major issues preventing (or promoting) the effective leadership of your organization today

[Click here to enter text.](#)

**Question 14:**

In your opinion, are the managerial (not leadership) practices of the organization fit for purpose (that is are they appropriate for the organization for perform at optimal capacity) ?

YES             NO

Please give reasons for your answer

[Click here to enter text.](#)

**Question 15:**

Please describe briefly how decisions are made at the leadership levels in your organization

[Click here to enter text.](#)

**Question 16:**

Do you have any comments you would like to make on what you see as current leadership issues within the BVI Civil Service. Please elaborate.

[Click here to enter text.](#)

---

**Thank you for your participation**

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**Next Steps**

1. Please return the questionnaire as soon as you have completed it to Mr. Neil Smith, in hard copy or electronically to the mailing or email address below.
  2. In the event that there are any queries on the use of the data from this questionnaire please contact Mr. Neil Smith through any one of the means below.
    1. *Telephone: (284) 541 8721*
    2. *Mailing Address:  
P.O. Box 473, East End, Tortola, British Virgin Islands, VG1120*
    3. *Email Address:  
neil.smith@online.liverpool.ac.uk*
-

## APPENDIX II

### Preamble

- ✓ Have you read the *Participant Information Form* accompanying this Questionnaire?  
Yes  No
  
- ✓ Have you agreed to participate by indicating so on the Participant Consent Form ?  
Yes  No

Please note: in order to proceed you must have ticked YES to both questions above. In the event that you have not ticked YES to both these questions, then please return the uncompleted questionnaire and Participant Consent Form filled out and signed to indicate that you do not wish to participate.

Please answer the questions as candidly and accurately as you can, providing clear evidence or thoughtful and rich narratives wherever possible to support your opinions/views.

---

### Section A

*This section gathers basic information on the individual populating the questionnaire*

1. Tenure in the Civil Service
    - a.  $\leq 5$  years
    - b.  $5 < \text{years} \leq 10$
    - c.  $10 < \text{years} \leq 15$
    - d.  $15 < \text{years} \leq 20$
    - e.  $20 < \text{years} \leq 25$
    - f. Years  $>25$
  
  2. Level within the Organization (check one)
    - a. Lower management role (Grades 1 to 11)
    - b. Middle Management (Grades 12 to 17)
    - c. Upper Management (Grades 18 to 21)
    - d. Ministerial
-



## Section B

This section focuses on the manner in which budgets are developed in your organization.

### Question 1

Is a needs assessments of the financial requirements of your organization done on a regular basis?

Yes  No

If Yes, how is this done, if No, why do you think it is not done

[Click here to enter text.](#)

### Question 2

In the event that a financial needs assessment is done in your organization, do you think that the manner in which it is done is appropriate?

Yes  No

Please explain why you hold this view

[Click here to enter text.](#)

### Question 3

When the financial needs assessment is done (as asked above), are the priorities clearly determined/defined?

Yes  No

How is this done?

[Click here to enter text.](#)

### Question 4:

Do you think that the manner in which these priorities are set is appropriate?

---

Yes  No

Please explain why you hold this view

[Click here to enter text.](#)

**Question 5:**

Do budget procedures exist and are defined clearly in your organization?

?

Yes  No

If yes, please summarize the budget procedures below?

[Click here to enter text.](#)

**Question 6**

Does the current budget design and flow of funding serve your organizational needs effectively?

YES  NO

Please give reasons for your answer

[Click here to enter text.](#)

**Question 7:**

What procedures does your organization use to apply for funding in your organization

[Click here to enter text.](#)

Are the procedures explained above effective?

Yes  No

---

Please give reason(s) for your answer

[Click here to enter text.](#)

### Question 8

What procedures are used in your organization to forecast expenditure?

[Click here to enter text.](#)

Are the procedures to forecast expenditures effective?

Yes  No

Please give reasons for your answer

[Click here to enter text.](#)

### Question 9

How do you manage variances in your budget (i.e., your actual expenditures versus for budgeted expenditures).

[Click here to enter text.](#)

### Question 10:

Is the budget linked to an organizational strategic plan or vision ?

YES  NO

If the answer is yes, are the mechanism through which this is done appropriate

YES  NO

Please explain

[Click here to enter text.](#)

---

**Section C**

***This section focuses on the financial management practices of your organization***

**Question 11:**

In your opinion, are financial management decisions made in a consistent and methodical manner within your organization

Yes  No

Please Explain

[Click here to enter text.](#)

**Question 12:**

Do you think that the methods used are an appropriate way to make these decisions?

Yes  No

Please explain why you think so

[Click here to enter text.](#)

If the answer is NO, please state briefly what you think would be more appropriate

[Click here to enter text.](#)

**Question 13:**

Do you think that the responsibility and authority for making financial decisions are clear in the structure of your organization?

Yes  No

If the answer is yes, are these organizational responsibilities and authorities adhered to?

Yes  No

---

Please Explain

[Click here to enter text.](#)

#### Question 14

If there any factors that has not been explored above that are worth mentioning and either impedes or promotes the effectiveness of budgeting and financial management in your organization, please feel free to note below.

[Click here to enter text.](#)

---

**Thank you for your participation**

#### Next Steps

- ✓ Please return the questionnaire as soon as you have completed it to Mr. Neil Smith, in hard copy or electronically to the mailing or email address below.
  - ✓ In the event that there are any queries on the use of the data from this questionnaire please contact Mr. Neil Smith through any one of the means below.
    - *Telephone: (284) 541 8721*
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*P.O. Box 473, East End, Tortola, British Virgin Islands, VG1120*
    - *Email Address:*  
*neil.smith@online.liverpool.ac.uk*
-

### APPENDIX III

Meeting	Discussion Point	Conclusions	Model Component Developed
Meeting 1&2: Oct 2018	Are there enough mechanisms to communicate goals and expectations in the BVICS	Thought that current systems provided for this; but there was a lot of micro- management by ministers. Perhaps if there was more involvement by stakeholders this would not be necessary	Processes require constant engagement with stakeholders  Decision points for ministers to allow process to proceed. (after appropriate work has been done and information is properly synthesised)
Meeting 3&4: Oct 2018 Nov 2018	Why are goals not communicated clearly	The civil servant wonders what they should be doing. They need to have clear channels to receive information that relate to the matters in which they are involved.  Confusion on what the goals are.  Objectives are not clearly articulated	Workplan  Statement of Requirements
Meeting 5: Nov 2018	Decisions are sometimes difficult to get. How can we make these decisions easier to make	The processes should have discrete decision points that build up to a major decision. Break down into smaller discrete decisions that keep everyone involved	Discrete decision-making stages. (Plan: Decide: Communicate: Organize: Implement)  Clear process steps
Meeting 6: Nov 2018	What role should planning play in the production of the budget	Action unit members confirm that planning was important but that perhaps seemed too onerous. The planning process therefore needed to be more natural and inclusive of relevant stakeholders.  Do detailed planning after a schedule for implementation of work (workplan) is completed	Detailed post budget (after budget) planning
Meeting 7: Nov 2018	How is the Minister able to have the information required to make “proper” decisions	Concurrence between what the minister was saying and what was being done by civil servants was of paramount importance. Constant but appropriate engagement between the minister and technocrats is necessary to do so	Information sharing at key decision points.  Decisions at various stages of model
Meeting 8: Nov 2018	How do we articulate priorities for the coming year	There must be a workplan that is linked to the HOA budget priorities that established what and how these priorities will be achieved in the coming year. If there was not at least a basic idea of what the objectives were, all would be lost. These priorities must come from the members of the House of Assembly. This is the purview of the HOA, the BVICS cannot set these priorities. Once these are clear the BVICS can communicate them and build out workplans.	Workplan

**Appendix IV – Completed Model QuestionnaireVersion 2.3**

Meeting	Discussion Point	Conclusions	Model Component Developed
		Workplan must be simple but informative. Too much detail will not be useful, and no one will use it.	
Meeting 9: Dec 2018	How do we determine how to develop solutions to solve specific problems	Too many times there was not clear views on what the objectives of solutions were. Too much uncertainty on what was the overall objective. Various stakeholders paid too much attention to what the solution would look like as opposed to the specifying what the solution should seek to achieve. Stakeholders must clearly articulate what is to be achieved; the solution will be develop once this is clear. Various solutions should be available for discussion once appropriate work is done.	Statement of Requirement Process  Options Process
Meeting 10: Dec 2018	Business cases are often required as proper evidence to finance projects. Would this be useful in the BVICS context as a requirement in the development of solutions	In most cases the thinking behind the solutions were not clear. Solutions are developed and there was no clear road map or defensible rationale for why a particular solution was chosen. There are many problems with giving stakeholders the credible evidence to support the decisions that were being made Cabinet members who were not involved in the processes were not given enough information to determine whether they were making a good decision or not. Perhaps resulted in lack of trust ? A business case is important. It sets out the arguments that demonstrate why a solution is being developed	Business Case process
Meeting 11& 12: Dec 2018 Jan 2019	What improvements should be made to the current procurement process to make it more objective	Too much interference in the procurement process. This is a political reality. Politicians always want to control who gets contracts because it normally would be in their best interest to do so. Lots of discussion on this. Agreed to adopt international best practice to maintain the credibility of the system.	isolated procurement process  financial process
Meeting: 13: Jan 2019	How can we improve the ability of stakeholder buy-in in projects	While a project is being implemented it is important that the lead stakeholder (ministry, department or agency) can supervise the work and query what is going on. The Cabinet will need to be appraised of what is going on, and the minister in addition to having regular reports should be aware of any issues that can develop	Regular touch points for lead minister; each stage requires ministerial/cabinet consultation and approval
Meeting 14: Feb 2019	What should the key components of finishing a project be	The client ministry needs to be able to compare the original requirement with what is achieved and the product to determine if there is agreement with what the SoR specified and what the initiative has delivered.	Implementation and handover process

## APPENDIX IV

### *Pre-conditions*

- Ensure location is quiet and notepad and pen/pencil available for taking notes
  - Read through the participant information sheet with the participant; clarify questions
  - Begin the interview following the format below
- 

### Section A

*This section gathers basic information on the individual populating the questionnaire*

2. Tenure in the Civil Service

- a.  $\leq 5$  years
- b.  $5 < \text{years} \leq 10$
- c.  $10 < \text{years} \leq 15$
- d.  $15 < \text{years} \leq 20$
- e.  $20 < \text{years} \leq 25$
- f. Years  $>25$

3. Level within the Organization (check one)

- a. Lower management role (Grades 1 to 11)
- b. Middle Management (Grades 12 to 17)
- c. Upper Management (Grades 18 to 21)
- d. Ministerial



Section B - Information

Introduction

□ (Read introduction to participant)

The illustrated flow diagram is a proposal for new procedures surrounding the leadership and financial allocation processes that are intended to be incorporated back into the BVI Civil Service. The problems that are being specifically targeted based on investigation and analysis are listed below.

1. Political Influence interferes with evidenced requirements and the processes are not always suited for the efficient incorporation of stakeholder requirements
2. Priorities are usually stated at the ministerial level, but no consistency in messaging, clarity and procedure in communicating these priorities.
3. Clear strategic goals and definitive decisions on the order of priorities are ambiguous or seem unrealistic.
4. Decisions on budget tend to be ad-hoc
5. Spending plan is generally not adhered to once distributed

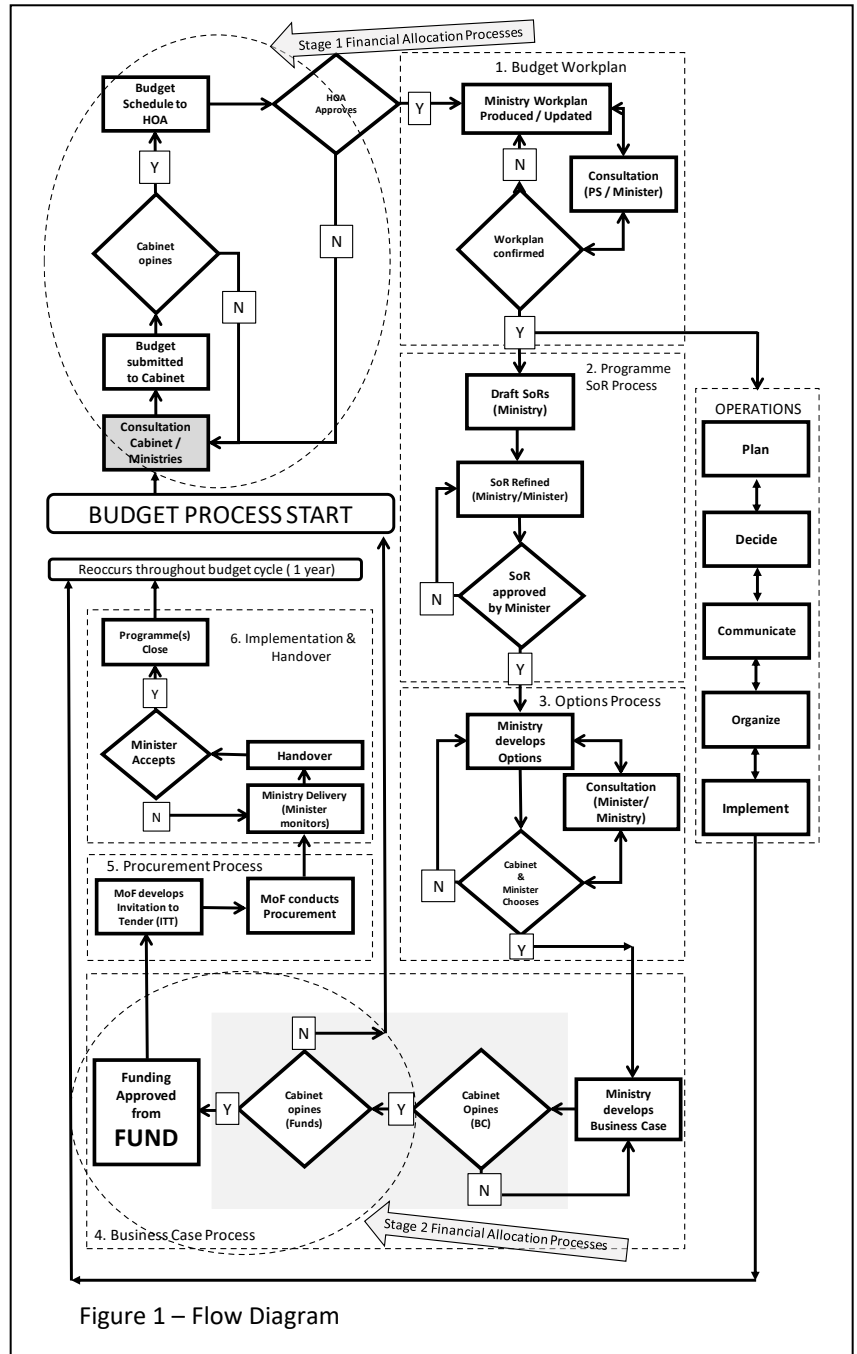


Figure 1 – Flow Diagram

Two sets of questionnaires in addition to discussions in small groups were used as the tools to collect data. The data collected formed the basis for analysis that focused on developing a leadership strategy and effective financial resource allocation system in the British Virgin Islands Civil Service (BVICS). The results from that exercise highlighted deficiencies in; Financial Management, Organization and Organizational systems, Leadership (specifically in Communication and Planning) and Decision making. Using the data and analysis of that data, new processes represented by the flow diagram in Figure 1 were developed. The focus of these processes is on procedures that occur after programmes have been approved in the budget by the House of Assembly

*In pursuit of its recovery and development effort, the Government of the Virgin Islands adopted the procedures in the model illustrated on the previous page as the basis for its operations. You are free to use your experience with the Recovery and Development Agency to assist with your evaluation.*

These processes were developed as suggestions to directly improve on the current practices in the BVI Civil Service that relate directly to leadership processes and financial allocation methods. These suggested improvements do not attempt address the leadership capabilities of the individuals in the BVI Civil Service itself and relate only to mechanisms through which leadership and financial allocation is currently done.

Note:

*Please peruse the annotated illustrations at the end of this questionnaire for more detail and clarity on what each section of the flow diagram shown in Figure 1 is intended to achieve.*

---

### **Purpose of the Interview**

*(Read purpose of interview. Answers to be provided in Section B)*

In view of the process design illustrated above and the problems targeted in the table, do you think that;

1. these processes address the issues that I have identified below, and
2. further, could you provide an explanation for your answer? The explanation is required to understand and extract a rich response and in-depth understanding of your answer.

## Section C - Questions

---

### Questions

(Begin question segment)

1. Do you think that the procedures indicated by the flow diagram shown demonstrates standardized transparent methods for evidenced development of solutions for the requirements of each ministry?

Yes No

Please explain the reason for your answer (below)

Click or tap here to enter text.

2. If the processes outlined in the flow diagram are applied in the BVI Civil Service, do they provide a practical approach to determining and communicating priorities to all stakeholders?

Yes No

Please explain the reason for your answer (below)

Click or tap here to enter text.

3. Do the processes incorporate informed decision making by appropriate stakeholders at key decision points?

Yes No

Please explain the reason for your answer (below)

Click or tap here to enter text.

4. Do the processes provide for decisions that are methodical and evidence based?

Yes No

Please explain the reason for your answer (below)

Click or tap here to enter text.

5. Are the procedures illustrated practical and incentivize fiscal discipline and efficient resource management?

Yes No

Please explain the reason your answer (below)

Click or tap here to enter text.

6. Do the processes create a working environment with minimal ambiguity, trust, and clear lines of accountability and responsibility?

Yes No

Please explain the reason your answer

Click or tap here to enter text.

7. If there are any further comments that you would like to make on the model shown, please indicate so.

Click or tap here to enter text.

---

## Wrap Up

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(ask the interviewee if they have any general questions or questions on process)

(Thank the interviewee)

## Next Steps

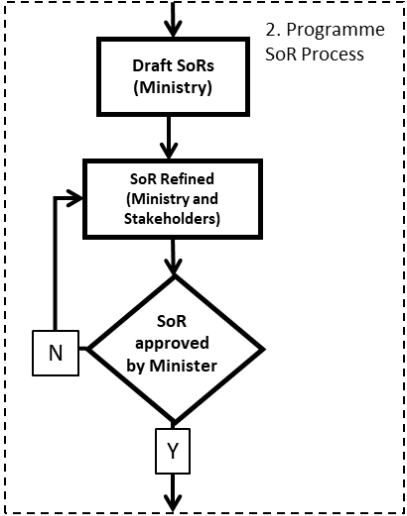
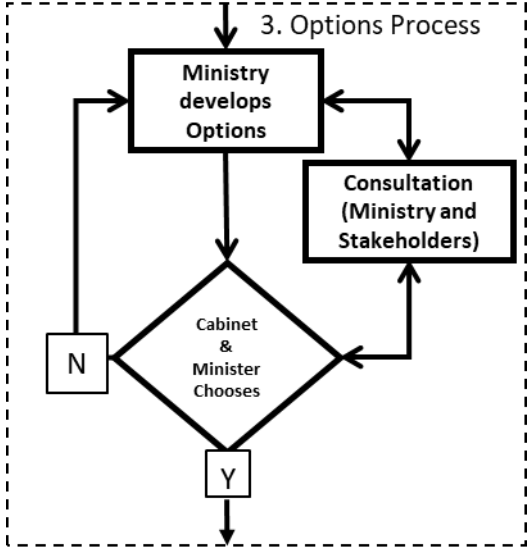
- ✓ Please return the questionnaire as soon as you have completed it to Mr. Neil Smith, in hard copy or electronically to the mailing or email address below.
- ✓ In the event that there are any queries on the use of the data from this questionnaire please contact Mr. Neil Smith through any one of the means below.
  - *Telephone: (284) 541 8721*
  - *Mailing Address:*  
*P.O. Box 473, East End, Tortola, British Virgin Islands, VG1120*
  - *Email Address:*  
[neil.smith@online.liverpool.ac.uk](mailto:neil.smith@online.liverpool.ac.uk)

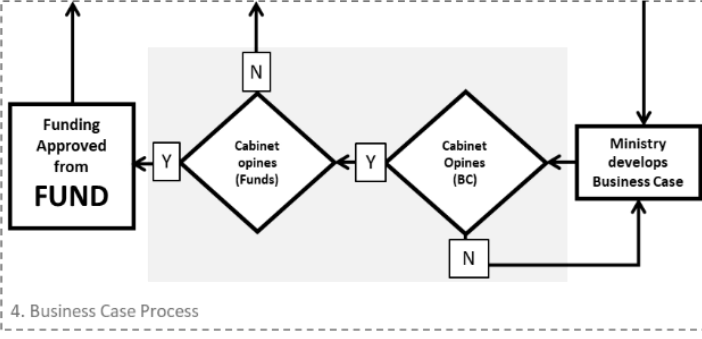
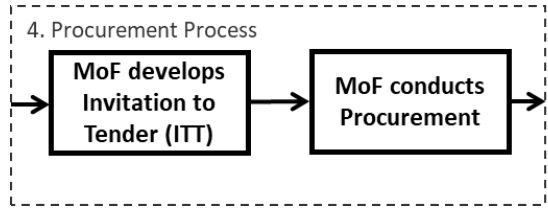
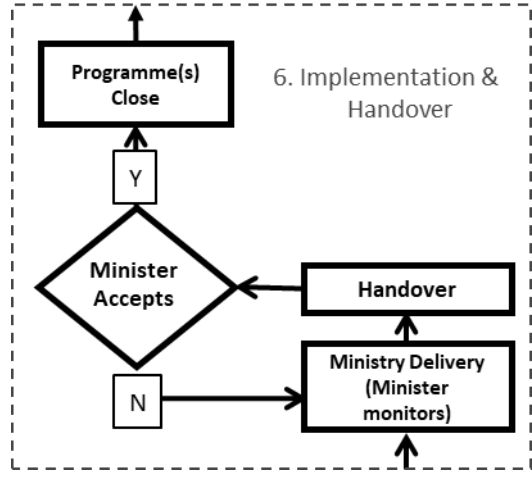
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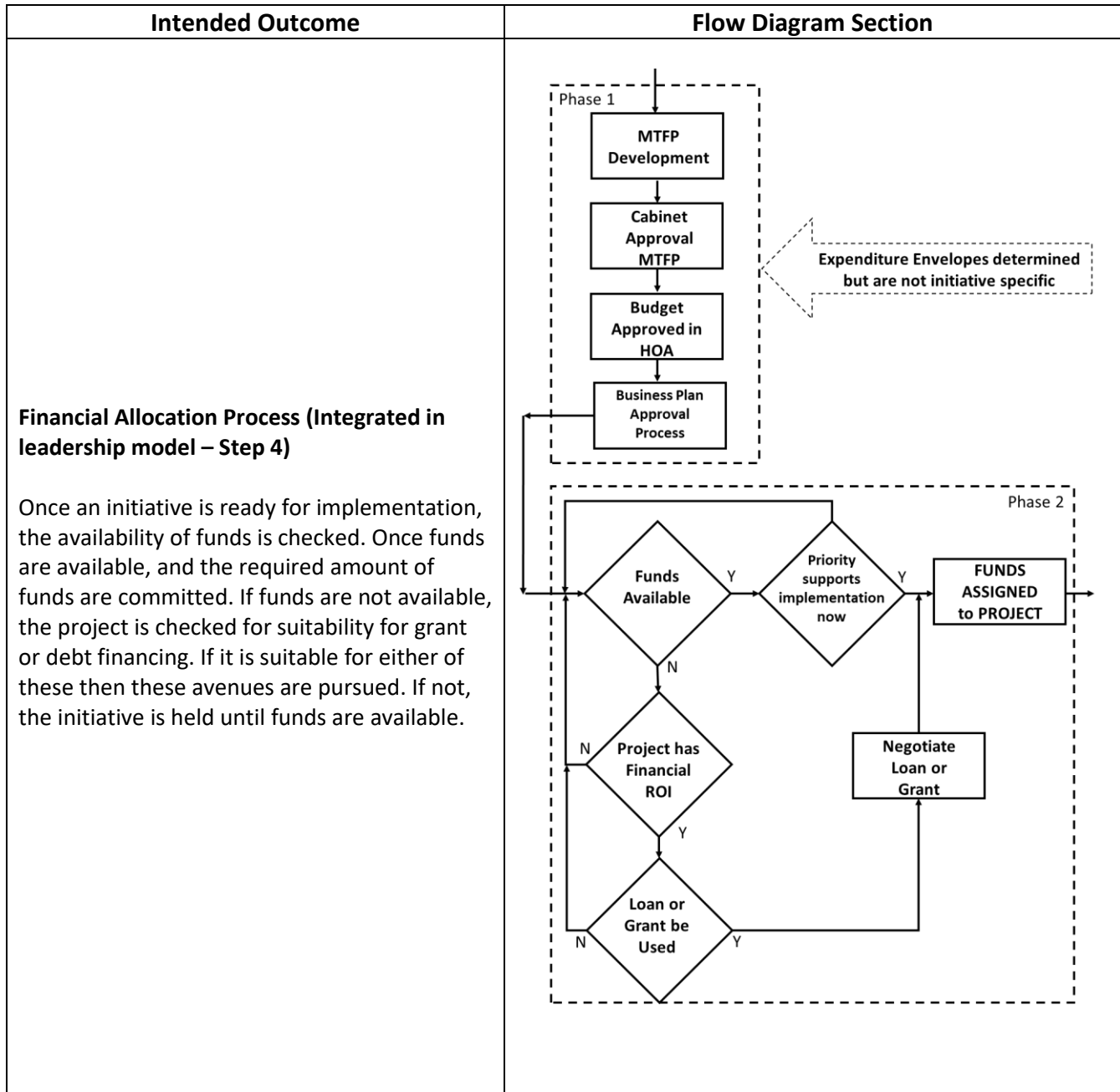
**Thank you for your participation**

**Appendix (completed model questionnaire) - Annotated Flow Diagram**

Intended Outcome	Flow Diagram Section
<p><b>Operations</b>                      All operational decisions go through a clear process. The minister is responsible for making decisions and communicating those decisions, while various parts of the BVICS is responsible for planning, organizing and implementing</p>	<pre>                     graph TD                         subgraph OPERATIONS                             Plan[Plan] &lt;--&gt; Decide[Decide]                             Decide &lt;--&gt; Communicate[Communicate]                             Communicate &lt;--&gt; Organize[Organize]                             Organize &lt;--&gt; Implement[Implement]                         end                     </pre>
<p><b>Budget Workplan</b>                      Create a workplan that clearly states what the overall objectives for a budget cycle is. The Minister and the Permanent Secretary must be involved in the process, although specific support staff may be doing the work. In this process they set the priorities on scheduling for the initiatives assigned to their ministry (department or agency) in the budget approved by the House of Assembly for the coming budget year.</p>	<pre>                     graph TD                         subgraph Budget_Workplan [Budget Workplan]                             MW[Ministry Workplan Produced / Updated]                             C[Consultation (PS / Minister)]                             W[Workplan confirmed]                             N{N}                             Y{Y}                             MW --&gt; C                             C --&gt; W                             W --&gt; N                             W --&gt; Y                             N --&gt; MW                             Y --&gt; End(( ))                         end                     </pre>

Intended Outcome	Flow Diagram Section
<p><b>Statement of Requirement</b></p> <p>A statement of requirement will outline the objectives of each initiative that will be pursued. This allows the lead stakeholders (Minister, Cabinet and others) to have a clear articulation of what is to be achieved. This is intended to minimize ambiguity and make it clear what the objectives are that are to be met. It is extremely important that stakeholders external to the BVICS (such as the public and some groups with interests in the matter) are included in this process.</p>	 <pre> graph TD     Start(( )) --&gt; Draft[Draft SoRs (Ministry)]     Draft --&gt; Refined[SoR Refined (Ministry and Stakeholders)]     Refined --&gt; Approved{SoR approved by Minister}     Approved -- N --&gt; Refined     Approved -- Y --&gt; End(( ))   </pre>
<p><b>Choosing an Option</b></p> <p>Provide the opportunity for the options to be considered in a formal consultative way. The lead stakeholder (Minister) decides on the option that will be chosen based on the technical merits of the various options that are presented. In this process stakeholders external to the BVICS are also expected to take part in the process</p>	 <pre> graph TD     Start(( )) --&gt; Develop[Ministry develops Options]     Develop --&gt; Consult[Consultation (Ministry and Stakeholders)]     Consult --&gt; Chooses{Cabinet &amp; Minister Chooses}     Chooses -- N --&gt; Develop     Chooses -- Y --&gt; End(( ))   </pre>

Intended Outcome	Flow Diagram Section
<p><b>Funding the Chosen Option</b>  Once a complete business is done on the chosen option this is presented to Cabinet for a decision to proceed to implementation. This allows Cabinet to have the information required to make a fully informed decision on the option that is placed before them.</p>	 <p>4. Business Case Process</p>
<p><b>Procurement</b>  An independent procurement process that is based on approved processes</p>	 <p>4. Procurement Process</p>
<p><b>Close-out</b>  Once the initiative is completed the lead stakeholder is given the opportunity to examine whether the initiative has met the requirements stated in the Statement of Requirement.</p>	 <p>6. Implementation &amp; Handover</p>





## APPENDIX V

*Question 1 : Generally how do you rate the environment within your organization in relation to the working culture that is fostered by leadership to promote high productivity*

Respondent	Response		Coding		
	(Excellent/Good/ Average/Below Average/Poor)	Reasons	1 <sup>st</sup> Order	2 <sup>nd</sup> Order	2 <sup>nd</sup> Order Aggregate
1	Good	The environment and the leaders promote leadership and allows persons to take on such roles that will help them to grow.	leadership and growth is promoted	teamwork	organizational system
2	Good	The PS involves us in decision making, includes our views in the formulating of plans to achieve objectives and execute projects	inclusion in decision making	teamwork	decisions
3	Excellent	The Ministry and the Minister have been supportive and have provided the necessary space to fully explore and develop policies which will not only codify, but modernise the operations within and the services rendered to the public within the context of natural resource management.	support and flexibility given by leaders to modernize	teamwork	decisions
4	Average	there are too many under/non performers resulting in overperformers having to pull the slack	inconsistent expectations, talent, work distribution	teamwork	decisions
5	Average	the ministry has witnessed three leadership changes within the past year and a half. With these changes, management styles, goals , priority areas and expectations have shifted at varying degrees. These in addition to the flood, hurricanes Irma and Maria and human resources issues have impacted the organization working environment as it related to the strategic direction. Therefore, the priority of the ministry has shifted to the recovery process. Nevertheless, the goal of each leader is to promote high productivity of the team members	leaders promote high productivity	teamwork	decisions
6	Below Average	Currently too much focus appears to be given to administrative processes, without the required emphasis on creativity to solve existing problems. As a result, problems continue to go unresolved, and with new problems arising, this creates an environment in which “emergencies” are prevalent and putting out fires has taken the place of strategic long-term planning.	environment not results oriented	process	leadership (planning)
7	Average	Unfortunately, the over-performers balance the non-performers	inconsistent expectations, talent and work distribution	teamwork	decisions
8	Average	Some leaders within the organization of the Civil Service tried to promote high productivity. Others seem to be complacent in their positions and not show interest in the country progression	inconsistent leadership standards applied	social norms	organization (culture)
9	Average	I rate the environment as average. This is so because there is great room for improvement as it relates to leaders fostering team work and connections among staff	leaders not promoting teamwork enough	teamwork	decisions
10	Average	Communication is an issue which has a negative impact on the working culture and in some instances interferes with productivity.	inadequate communication	inconsistency of messaging practice	leadership(communication)
11	Good	The Ministry has adopted an “open-door” policy as well as an environment where there is continuous dialogue and engagement on all matters.	continuous dialogue across all levels	inconsistency (or consistency) of messaging practice	leadership(communication)
12	Good	The emphasis tends to be on high productivity more than anything else. i.e.. getting things done within a reasonable timeframe.	results oriented	process	leadership (planning)