It is held that there can be no meaningful public sector reform without public service renewal – no agenda for change and no progress without capacity development. And there can be no reform without the stewardship of strategic leaders. This means that there can be no transformation in today’s networked government without collaborative leadership. The fact that this capacity is found wanting in many parts of the Commonwealth presents dilemmas for governments in sustaining public service renewal and reform, with real development implications.

Public sector reform and capacity development

Many countries are taking steps to streamline government, strengthen institutions and modernise management. Open and accountable government is critical for realising people’s rights and delivering public services. Institutional capacity enables good governance in the form of competent leadership, strategic planning, resource management and efficient administration.

The gap between enacting public policy and implementing programmes is out of step with growing citizen expectations. The management challenges are daunting: focus on internal process and organisation rather than on citizens; untapped technologies to improve service quality and timeliness; fragmented and incoherent policy agendas; indifference to performance culture and accountability for results; and weak capacity in ministries and sub-national governments. New approaches are needed to bolster public sector interventions and to mitigate management challenges.

The World Bank1 (WB) acknowledges that not all problems can be solved. It has a new, more realistic approach to public sector management, which recognises that:

- Reform matters and is best seen as a problem-solving task
- Reform is difficult because knowledge is weak and political economy is spotty
- The development community has less knowledge than it thinks, but more than it uses
- WB is a distinctively strong player, spending US$4–5 billion a year on reform
- WB is committed to doing better, knowing better and integrating better
- Working with WB starts with defining the functional problem to be solved

One unknown in this new approach to reform concerns the role of public service leadership. The Overseas Development Institute2 confirms that progress depends upon leadership, policy, institutional foundations and international partnerships. Developing the capacity of government to administer, deliver and renew public services must be managed concurrently with reform.

The reform deficit is most pronounced in settings with weak institutional capacity. In many countries, capacity has eroded so that there are major human resource shortages in professional and technical occupations; limited budgets for recruitment and retention of qualified knowledge workers; talent migration towards stronger economies in other sectors and abroad; and inadequate leadership competencies to motivate and manage public service performance.

In developed countries, the workforce is aging, requiring attention to succession planning, working conditions, pension fund solvency, and health and social costs. In developing countries, the workforce is increasingly diverse, mobile and motivated by higher paying job opportunities in a global market. There are trade-offs between the security and continuity of long-term public service employment and the performance basis of short-term contract employment, particularly for executive cadres.

The changing dynamics require new strategies and flexible policies, practices, and terms and conditions to create an employment environment conducive to attracting, retaining and developing talent for the public service. The intent of reforms has been good, but the experience on the ground indicates shortcomings in support mechanisms. There are renewed efforts in the Commonwealth to network training institutes to replenish public service skill gaps. And cabinet secretaries and/or heads of public service are sharing and championing whole-of-government strategies for capacity development.
Networked government and stewardship of reform

The literature and award programmes confirm the importance of networks in innovation and reform. A New Synthesis\textsuperscript{2} consolidates research and thinking on the millennial shift towards ‘networked government’. Collaboration emerged as the preferred approach to reform, building upon trends in ‘joined-up government’, ‘whole-of-government’, and ‘horizontal management’. ‘Collaborative leadership’ now predominate in thought and practice over the ‘transformational leadership’ of the New Public Management era.

Governments cannot afford the politics of acting alone as commander and controller to solve complex, horizontal problems with vertical solutions. It has come to rely increasingly upon a vast array of non-governmental partners to govern by network. In this model, the role of government is transformed from direct service provider to generator of public value, with benefits – flexibility, speed, innovation, citizen focus. Governments must figure out how to manage networks to get the results citizens expect.

Public servants are responsible for searching high and low for efficiencies and innovations, collaborating and learning from every likely source. New ideas and synergies can come from anywhere – front-line operatives, middle management, top leaders, the private sector, not-for-profit organisations and academia. Core competencies need to shift from managerial skills to networking, facilitation and negotiation with partners and stakeholders arrayed horizontally in networks.

Innovation and learning are important in times of uncertainty. Innovation is front and centre again as a core element of the solution for countries struggling with low growth and austerity measures. The public policy starting point for reform is contextual. That context is now pervasively global and profoundly changing.

There is an increasing focus on stewardship in public sector reform to meet modern challenges. The difference for leaders goes beyond context or style. Stewardship is a function of leaders and their organisations. Stewards are catalysts of innovation who have leadership roles in mobilising time, talent and resources. They must navigate precariously between the dangers of inflexible public services while remaining true to public goals and good practice. This necessitates exercising discretion and teamwork.

The Treasury Board of Canada has institutionalised stewardship in the management accountability framework\textsuperscript{4} as one of ten leadership competencies for chief executives.

Reform: Coupling sound theory and good practice

Sylvester Obong’o (sylvester.obongo@uon.edu.au) works in public service transformation in Kenya’s Ministry of Devolution and Planning, and is doing doctoral research at the University of Newcastle (Australia) on the role of leadership in public sector reform. He is an example of new-generation African public servants who are championing reform by coupling sound theory and good practice. He offered the following reflections on reform from research in progress.

Critical study of reform shows that developed countries with strong and stable bureaucracies set out in the initial stages to reform those bureaucracies. They focused on developing suitable structures and then sought to reform management by looking at managers’ performance. They realised that structure alone does not deliver results. In most cases, these two processes occurred simultaneously and often overlapped.

The first phase of reforms focused on public sector institutions and structures, while the second phase focused on public service, which encompasses the products or services produced by the public sector. With the advent of the New Public Management, public services were co-produced and co-delivered increasingly with private sector and civil society organisations. Given its non-linear nature, reform became an iterative process of developing more efficient structures while improving service performance.

Governance was a key ingredient overlooked in these early reforms. Developing countries followed the developed country model of dealing with organisational structure, systems and process, while hoping service delivery would improve. Reforms first and foremost needed to alter relationships among politicians and public servants.

Tending to the political-administrative interface enabled new structures to function as envisaged. Failure to manage these relationships led to patronage appointments and corruption in new institutions.

In view of the daunting challenges across the public sector, reform initiatives retreated to small sectoral approaches with minimal impact. Slicing reforms this way diluted the original idea and created new problems. Rather than a solution, it paved the way for commissionsing academic research to prove specific ideas and cases as part of a ‘seek and thou shalt find’ approach to public sector reform.

In the case of developing countries, three phases of reform are suggested: 1) moderate the political-public service relationship to mitigate political influence over public sector management; 2) introduce innovative structures to deliver better services; and 3) develop systems and processes to continuously improve service delivery. Implementation can take place concurrently, but the distinct objectives of each phase must be respected.
The performance expectation is that departmental control regimes – assets, money, people, services – are integrated and made effective and that the underlying principles are clear to staff. Stewardship is seen as a critical decision-making factor that assures public resources are managed with prudence and probity.

**Strategic leadership development**

Good leaders are needed at all levels of government and management. Politicians and public servants alike are the champions of change who shape government of the future. Public organisations that are led with foresight embrace innovation and manage risk as antidotes to shortcomings in continuity and capacity. The environment is so uncertain that steering the reform process without competent leadership at the helm is almost unthinkable.

The onus is on public leaders to find ways to increase the capacity to manage, change and improve public service delivery. The pressure to enhance productivity and performance prompts governments to embark upon ambitious reform programmes. The process is complex and requires specialised knowledge and strategic skills to sustain change.

Senior public servants are well educated, with many having post-graduate degrees. What is less clear is whether they are getting the right training. It is generally assumed that the business case for leadership development has been made. The Association of Professional Executives of the Public Service of Canada, for example, advocates training, networking, mentoring and partnering strategies to increase capacity. However, resource constraints and unpredictable budgets still inhibit proper investment in public service competencies.

In less stable settings, policies and plans must be reviewed constantly to respond to change and complexity. This requires resilient leadership to steer public programs and service delivery. Training, while essential, is insufficient for developing this capacity. A range of applied learning interventions is needed to reinforce leadership competencies. National authorities and external sponsors also need to agree upon yards for measuring outcomes over time.

It is estimated that more than one million public servants in the Commonwealth need some form of leadership development. At the same time, the international community is uncertain about the role of leadership in its calculus of technical assistance, claiming that public service behaviour cannot be predicted. The United Kingdom shies away from supporting leadership development, while Australia and Canada still support culturally sensitive initiatives. The business case demonstrating value for money and impact remains to be made before the development community invests.

Research is needed to post markers that help make the case for developing the high calibre of strategic leaders required in member countries. It is not clear whether public service managers are getting the right leadership training for the job at hand. Turning individual competence into organisational capacity requires institutional change. Practitioners and academics are invited to join the discussion about how leadership can be developed and harnessed to leverage public sector reform.

**Endnotes**


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