

## Chapter 5. Introducing a new model for public sector innovation

*This chapter proposes an emergent model for understanding the determinants that affect innovation performance at the individual, organisational, and systemic levels. It explores each of the determinants at the system level and illustrates them using examples from different national governments.*

## A model for public sector innovation systems

This chapter provides an emergent model for understanding public sector innovation systems. This model has been developed from (and for) the Canadian context, but is intended to be relevant and applicable to other countries and their own contexts.

As noted in Chapter 3, most models of innovation systems have been developed for understanding private sector contexts. However, public sector innovation systems have different drivers, different risks and uncertainty appetites, and different constraints, and should not be assumed to operate in the same manner.

This review has worked to explore the underlying factors influencing the innovation performance of the Public Service of Canada (e.g. does it produce innovation at a sufficiently consistent and reliable rate to meet the context).

Building on the research undertaken, Chapter 4 highlighted four key understandings about the practice of innovation in the Public Service. These understandings highlight core dynamics of the very nature of innovation. This chapter proposes a model for examining the innovation system of the Public Service of Canada (and that of other countries), by building on these understandings and combining them with insights from other elements of the OECD's work with member countries.

### *What do these understandings suggest about the nature of innovation systems?*

The four understandings and the 28 findings on which they build help to articulate some core issues that affect the innovation system. Each of the understandings also helps to illustrate fundamental tensions between innovation-as-a-practice and business-as-usual. These tensions can then be used to consider the respective underlying drivers. Table 5.1 outlines these drivers.

**Table 5.1. Identifying the underlying drivers of innovation at a systems level**

Understandings about innovation	Realisations/Implications	What determines how the innovation system performs?
While increased attention has been paid to innovation, the Public Service's relationship with innovation is still unsure and there is uncertainty about the nature of this relationship (e.g. the role and place of innovation).	Because of the inherent ambiguity surrounding innovation as a concept, any additional confusion (relating to innovation as a thing, a practice, a process or a system), will result in it becoming a secondary priority behind other, better-understood priorities.	The extent of <b>clarity</b> about the role, importance and purpose of innovation, and about how innovation fits with everything else.
Innovation is happening across the Public Service, however it is often a by-product of other processes or of determination on the part of particular individuals, rather than the quality or merit of an idea, or the underlying need for innovation.	Because existing processes are biased towards the default/status quo, innovation will not be prioritised in decision making unless there are external drivers, or those involved go above and beyond normal processes.	Whether there is <b>parity</b> between innovation and the status quo in decision making, and whether innovation exists on an equal footing with the default settings.
While government is changing how it operates, there is a mismatch at present between what can be done inside and outside of government, risking a public service that becomes unsuited to its context.	Because existing systems and capabilities are biased towards current ways of doing things, they will not be suitable for attempting innovation without the input of additional learning, investment and time.	The extent of the system's <b>suitability</b> for innovation, and whether it is sufficient to undertake new ways of doing things.
The practice of innovation has developed significantly, however it often remains a marginal activity and is not viewed as part of core business or the ways that things are done.	Because the existing culture and behaviours relate to current ways of doing things, innovation will exist in tension with this conception of "normal", and will therefore encounter obstacles to integrating with core business.	Whether innovation forms part of the <b>normality</b> of the system, and the extent to which innovation feels part of the regular way of doing things.

There are thus four factors to consider about a system:

- **Clarity** – is there a clear signal being sent to system actors about innovation and how it fits with other priorities?
- **Parity** – does innovation have equal standing with other considerations when it comes to proposed courses of action?
- **Suitability** – are the capabilities, systems and infrastructure appropriate/sufficient for the available options?
- **Normality** – is innovation seen as integral, rather than as an occasionally accepted deviation from the norm?

Each of these drivers will be of relevance to different aspects of innovation (e.g. delivering on today, delivering for tomorrow, and ensuring innovation readiness).

### *The system level as one of three levels of innovation activity*

Before discussing these elements further, it is useful to consider how innovation can play out differently depending on the level of analysis used. Building on the discussion in Chapter 3, this section proposes that innovation can be looked at through three lenses:

- **The individual** – any individual can undertake or start something innovative. It may only really affect themselves or it might have wider ramifications. This individual lens helps to give insight into innovation at a practical level – e.g. what do people need to do/go through when undertaking innovation.
- **The organisational** – an organisation may have multiple innovative initiatives underway in response to multiple identified needs for innovative approaches. This

organisational lens helps to give insight into innovation at a process level – e.g. what is involved when orchestrating innovation across multiple people.

- **The system** – across the public sector there are interactions between multiple initiatives, contributions and issues from individuals and organisations, as well as intersections between other structures, knowledge, processes and fields of activity (e.g. the budgeting system). The system lens gives an insight into more than just specific initiatives or activity. It provides an opportunity to view things in aggregate, and to look at overall performance (i.e. just because there might be useful innovation occurring at an individual and organisational level, it does not mean innovation will be occurring as needed when viewed at the whole-of-system level).

While the aim of this review is to understand the system level, in reality this cannot be achieved without some regard to understanding innovation at the individual and organisational level. In addition, if the drivers identified at the system level are really reflective of the underlying nature of public sector innovation, then they should also be reflective of innovation at these other levels.

What, then, is known about innovation at the individual and organisational levels?

At the individual level, building on the work of Boxall and Purcell (2011), the OECD (2017a) identified a framework for public sector innovation consisting of:

- the ability to innovate
- the motivation to innovate
- the opportunity to innovate.

At the organisational level, the OECD (2017b) has identified a six-stage lifecycle for understanding the innovation process (building on previous contributions Australian Government 2010; Eggers and Singh, 2009; Murray et al., 2010):

- identifying problems
- generating ideas
- developing proposals
- implementing projects
- evaluating projects
- diffusing lessons.

Drawing on what has been learnt from the Canadian context and adapting this and other work (OECD, 2017a, 2017b), this review proposes a model for understanding the core determinants of innovation, including what they look like at the different levels (individual, organisational and system).

The framework identifies four determinants of innovation – four prerequisites for innovation (doing something significantly different to what is established practice) to take place.

- Reason – why is the innovation happening?
  - At the individual level, innovation relates to personal motivation – why someone wants or needs to innovate.
  - At an organisational (or collective effort) level, where there is more than one person, motivations will vary and are thus not usually enough to ensure everyone is working to the same end. Innovation will usually then be about responding to a problem.

- At the systemic level, where there are multiple organisational and individual actors with differing perspectives, there may be a convergence of interests around particular problems. However, more often there will be different priorities, different interests and different responsibilities, along with a high potential for confusion, competition or conflict. Thus, there needs to be clarity about innovation and how it relates to the current activities, processes and objectives of the public service.
- Possibility – is innovation an option and what range of options have been considered?
  - At the individual level, this is about opportunity. Does the opportunity exist for the individual to try something different?
  - At the organisational level, the presence of multiple people increases the range of options significantly. Effort therefore needs to be focused. Organisations can consider a range of options, but then need to develop and agree on specific proposals and specific courses of action.
  - At the systemic level, default settings will generally favour the status quo. Does innovation have parity with business-as-usual in the consideration of options? Is the risk of *not* innovating built into collective action?
- Capability – are current capacities sufficient for undertaking innovation?
  - At an individual level, this is about the ability to innovate – are the necessary skills, tools and resources available?
  - At an organisational level, ability is not enough; you need systems to co-ordinate the different resources and the capabilities of all those involved with innovation. This is a matter of project management, resourcing and maintaining a portfolio of differing projects.
  - At the systemic level, with multiple organisations and actors, capabilities refer to more than project management, or even a portfolio of projects. System capabilities will generally reflect what is done, rather than what might be done. Effort needs to be made to ensure the suitability of capabilities, systems and infrastructure to undertake new directions of activity.
- Experience – will the experience of innovation lead to innovation being attempted again?
  - At the individual level, experience is about learning – what does someone learn from undertaking innovation, and does it encourage or support him or her to undertake further innovation?
  - At the organisational level, lessons from multiple people and multiple perspectives need to be made explicit and integrated or aggregated in some form, particularly if they are to inform future innovation efforts. Experience in this context is about evaluation and the diffusion of lessons, including through the scaling up of chosen innovative initiatives.
  - At the systemic level, with multiple organisations and actors, learning reveals itself in the form normality takes – in what is integrated into day-to-day operations and is seen as expected, and in what is embedded and supported.

Table 5.2 outlines this proposed model.

**Table 5.2. Public sector innovation – determinants of innovation at the individual, organisational and system levels**

What level of analysis is the focus? Core determinants of innovation	Individual (individual effort)	Organisation (collective/shared effort)	System (intersection and aggregate of multiple efforts)
Reason for innovation: What is driving the intent to innovate?	Motivation to innovate (e.g. I need to or want to solve a problem / try something new; stand out from the crowd/differentiate myself from others; do it as part of my job/role/identity)	Problem identification/Ideas generated (e.g. we have to or want to fix policy or service delivery challenges; respond to crises or political priorities; meet stakeholder expectations; achieve/work towards a mission)	Clarity about innovation (e.g. it is clear that things need to change; innovation makes sense and is a priority; innovation is a responsibility)
Possibility of innovation: What affects the likelihood of innovation being attempted?	Opportunity to innovate (e.g. I can work on a project where innovation is appropriate or wanted; apply a new technique or approach in my work; try, or to be exposed to, something different)	Ideas generated/Proposals developed (e.g. we have identified options for how we might solve a problem in an innovative way; processes are open to doing things differently; approval exists for trying something differently where appropriate)	Parity of innovation (e.g. default settings can either be challenged, or are open to doing things differently; system-wide rules or processes do not unfairly bias against innovative proposals)
Capability for innovation: What is needed in order to carry out the attempt at innovation?	Ability to innovate (e.g. I have the tools, skills and resources to undertake the innovation)	Project implementation (e.g. we have what we need to undertake the project(s), including the relevant skills, systems, technologies and resources)	Suitability for innovation (e.g. the infrastructure, investment, and commitment exist to ensure that general systems are suitable for innovative endeavours, even when they may not have been anticipated)
Experience of innovation: What affects whether innovation continues?	Learning from innovation (e.g. I learn about how people and things react, what it's possible to achieve/impact, and whether that change is valued)	Evaluation/Lessons diffused (e.g. we know what effects occurred as a result of the innovation and have used this knowledge to inform other projects; this helps shape the organisation's culture and attitude about innovation)	Normality around innovation (e.g. innovation is not seen as an aberration, an oddity or a frolic, but rather as something that is integrated and built upon)

### Where the responsibility for, and locus of, innovation lies

This model suggests that where the focus of innovation is not at the system level (i.e. not at the level of intersecting activity and processes across multiple organisations, actors and structures), then it will fall to organisations. In other words, if the innovation system is not sufficiently developed and innovation is not guided at a systemic level, the locus of innovation activity will lie with organisations, which are unlikely to have the necessary whole-of-system perspective to ensure the right overall level, nature and impact of innovation. Where organisations lack sufficiently developed innovation processes, the responsibility (or rather, the burden) of innovation falls to individuals. Where this occurs, innovation will effectively be driven by and dependent upon the needs, beliefs, opportunities, abilities and lessons of individuals. This is a recipe for relying on luck or chance – for innovation as a sporadic and spontaneous activity driven by external events, rather than one that is systemic and systematic and driven by collective needs and goals.

Equally, if the overall system does not see innovation happening at the individual level, it is unlikely that the necessary insights will emerge to inform new approaches, new

organisational efforts or new system understandings. All three levels – individual, organisational and systemic – should be seen as important, and any system that relies too heavily on any one level is likely to encounter problems before long.

It should be acknowledged that this model is currently agnostic with regard to the other consideration of innovation responsibility: between the centre and the edge. Innovation will, and must, to some extent, occur and emerge from the edge – from where current ways of working are not meeting what is needed. However, the centre plays an important role in establishing the parameters by which others in the system can innovate, and the extent to which they feel empowered and connected to a wider, collective mission. The exact mix – centre vs. the edge – will likely be an ongoing dynamic one. Different actors will all have different roles to play, and the combination of what that could or should look like will vary between contexts. Each of the determinants will also have differing considerations and opportunities for the centre and other actors to contribute.

### A closer look at the four determinants

This section examines each of the four factors that affect innovation performance at a system level in further detail, and includes illustrative examples from different contexts.

#### *Determinant 1: Clarity*

*“The quality of being certain or definite.”<sup>2</sup>*

Innovation is unlikely to occur at the desired rate unless there is sufficient clarity about what is needed and how innovation fits in with other priorities. In the absence of this clarity, innovation will often be driven by individual motives, the needs of individual organisations and external events. While innovation under these circumstances may often be beneficial in a specific context (e.g. by introducing a different way of working or providing a new service), in a complex system with interconnected and collective needs, such innovation in its own is unlikely to provide what is needed (e.g. a holistic and connected view of the problem and an equally holistic and connected response).

Clarity should not be taken to mean that everyone is aware of everything that is occurring, or that everyone has absolute certainty about innovation. Rather, it means that the actors involved understand enough to know how innovation relates to them (and comprehend the overarching aims) to feel empowered to engage with its processes – just as they might with human resources, procurement or other core corporate functions. Neither does clarity equate to unanimity: there can still be disagreement and conflicting views over innovation.

Too much clarity is likely to be as detrimental as too little. Any system will need to ensure a balance between clarity and confusion. Table 5.3 shows what this balance might look like.

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<sup>2</sup> See <https://en.oxforddictionaries.com/definition/clarity>.

**Table 5.3. Finding a balance between too little and too much clarity**

Too little	Balance	Too much
System actors question why they should participate or engage with doing things differently (“that isn’t my job”).	Actors have a broad sense of what innovation means in the context of the system, how it fits, why it is needed, what their role and that of others is, and know what innovation looks like in practice.	A prescriptive certainty around innovation removes much of the ambiguity, tension, negotiation, and push/pull of innovation, and thus actually inhibits innovation (the asking of “what if?”).

Achieving such a balance can be difficult, particularly because at a whole-of-system level there is no single lever that can be pulled to provide clarity. Any clarity will result, if at all, from the intersection of multiple initiatives, events and experiences happening at the individual, organisational and system level. Many relevant system actors (e.g. partners and service providers) will not even be part of the Public Service. The overall clarity of the signal being sent to system actors about their role, the context for innovation and how innovation fits, will need to be continually assessed and recalibrated.

To further complicate things, there are also a number of potential risks or worries in striving to achieve a level of clarity about innovation. These include the following:

- Providing clarity can make unstated tensions explicit by rendering clear things that were previously unclear (e.g. by making visible potential conflict between incumbent interests and new ways of doing things – “why do you think things need to change when we think they are fine?”).
- In a formal system, clarity may be mistaken as being definitive (“this, and only this, is innovation”) rather than leaving space for a conception of innovation as contextual and nuanced to the setting at hand (“I know what innovation looks like when I see it”).
- Articulating the value of innovation and expressing an expectation for people to be innovative is not a tap that can simply be turned on and off. Asking for innovation means asking people to think differently. However, once people and organisations start seeing innovation as part of their role, power shifts away from centralised decision making. This represents a significant change in the culture of a bureaucratic system.
- Any clarity will emerge from a multi-directional conversation. Innovation will often occur at the “edge”, where different needs reveal limitations in how things are currently done. Clarity about how innovation actually works will often therefore be a bottom-up realisation. Clarity will involve top-down elements and messages from the centre that set the scene and the parameters for innovation, but will be combined with feedback from the edges about what is actually happening.

#### *What might “clarity” look like?*

Given these nuances, what does clarity actually mean in practice? Proposed elements around clarity include whether:

- actors understand what innovation means, either from talking about it, seeing it or experiencing it firsthand
- actors know why, when and how innovation is a priority, and can situate it in relation to other priorities
- actors know how (if) they can contribute to innovation and what role others play
- actors see how innovation fits with shared history and their own context.



### Actors understand what innovation means

There are a range of way that system actors may come to understand what innovation means for them, their context, and how it fits. Some of this may result from having the tools to engage in a conversation or ongoing dialogue about innovation and what it means in the public sector (see Box 5.1).

#### **Box 5.1. Clarity about innovation in Denmark**

In Denmark, there is a broad understanding of innovation, as measured by the InnovationBarometer, a national survey of public sector innovation.

This shared understanding of innovation is assisted by the following:

- Definitions are widely available, and have been shared through groups such as the Centre for Public Sector Innovation, MindLab and the Danish Design Centre
- Conceptions of innovation reflect different local versions, adapted to the needs and tasks at the different levels and in the different “subsectors”
- Two-thirds of Danish municipalities, regions or ministries have an innovation strategy or are in the process of developing one.

The InnovationBarometer survey also functions as a tool for connecting innovation. By providing some measures of innovation performance across agencies, the tool also serves as a prompt for organisations to discuss and consider their own relationship with innovation.

The wider environment also aids this shared understanding of public sector innovation by integrating learning about public sector innovation into the educational system at secondary and tertiary education level.

*Source:* Information provided by the Danish National Centre for Public Sector Innovation (COI).

Another way in which the actors might increase their understanding is by “seeing” innovation – having access to real-world examples that help really communicate what innovation might look like in their context. This might take place through platforms such as the OECD Observatory of Public Sector Innovation case study library. Other approaches include highlighting stories of innovation and putting them in context – not just what was done, but why and the people behind them. This approach has been taken by Australia with its Australian Public Service Innovation Snapshot. Alternatively, increased understanding might stem from seeing examples and cases in other sectors or domains.

Innovation is not just a conceptual issue. Innovation is also very experiential. At the individual level, it involves understanding one’s own relationship with uncertainty – with doing something where the results will be unknown. Given this, possibly the most helpful approach for actors to get to grips with innovation and what it means for them is to engage in the process, acquire experience and see what it can achieve. This can be supported through formal training, but involvement in actual innovation projects can provide significant value. For instance, public sector innovation labs can sometime serve as an important entry point for those unfamiliar with public sector innovation, and can provide a safe way of introducing and engaging with new ways of thinking and working.

### Actors understand innovation as one of many priorities and agendas

Even where innovation is a priority or part of the agenda, its importance or the moments when it is appropriate or sought may change (i.e. some things will likely be off-limits for innovation, or the risk appetite or tolerance for innovation in a space may shift abruptly).

For those actors involved, an explicit agenda or a call to action, such as a manifesto for public sector innovation, can help promote clarity around innovation (see Box 5.2).

#### **Box 5.2. French manifesto for public sector innovation**

“The current innovative momentum in the public sector must be dedicated to improving the life of citizens. These innovations are termed ‘human-centric’ or ‘user-centric’. They must grow out of an in-depth understanding of the needs and expectations of users, be they shop customers or users of a public service. This is one of today’s challenges: redefining the primacy of the individual in the digital age.”

The French manifesto outlines a series of values around public sector innovation. It also supports a high level of ambition for innovation.

The French government must tackle five challenges to take diffusion of innovation to a new level:

- develop and disseminate innovations of value to the greatest number of people
- encourage the innovative capacity of the five million French civil servants
- opening public sector to civic engagement
- make humans and computers work together
- transform the work format of the public sector.

*Source:* SGMAP (2017).

Helping actors understand the nuances of innovation and why, when and how it is wanted can be a difficult matter. Given the contextual nature of innovation, where and what is appropriate will change depending upon the circumstances, and individual and organisational judgement will play an instrumental role. Such judgement will be informed by learning, direct experience, and strategic and situational awareness. In turn, that learning and awareness will only occur if, or as, actors engage with innovation directly and develop a more sophisticated understanding about its practice.

### Actors understand the roles played in the innovation system

What are the differing roles played within the system? Which agencies are responsible for what? How does innovation relate to the work of different organisations, and what role are individuals expected to play?

There are many different roles that can be played. Given the early stages of most public sector innovation systems, it may be difficult to identify formal roles (e.g. Chief Innovation Officers, Design Leads or Behavioural Insights experts). Instead, it might be helpful to talk more broadly about the different ways in which people can relate to innovation (see Box 5.3).

**Box 5.3. Denmark's eight innovation archetypes**

- **Accelerator:** The accelerator may be an Innovation Intermediary or a Program Manager, who has an operational responsibility. They initiate projects and initiatives in their departments, and want to inspire and help employees to take the lead in finding new solutions. They often find it difficult to find time and resources.
- **Firebrand:** The passionate front-line worker who knows their field intimately, and burns to make it better for the citizens with whom they are in daily contact. They fight to implement their ideas and seek allies to make it happen, but often lack the time and management support, as there are operational priorities to meet.
- **Consultant:** Someone who works solely on innovation as a project manager, development or innovation consultant. They help colleagues, runs projects themselves and love to get others to think outside of the box. They often have a large network and works across all levels of the hierarchy. They can feel a bit alone with their innovation skills, in an environment where few others have them.
- **Team player:** Often works directly with citizens where they help make concrete changes for the benefit of citizens and businesses. They play more of a supporting role in relation to innovation, and participate most if asked by their manager. They do not see their role as innovation. Such people may find it difficult to see value in working with organisations that are very different from their own.
- **Missionary:** The Missionary seeks examples from across the country that they could use to promote innovation widely. The missionary talks a lot about innovation and seeks to inspire others with their initiatives. They do not have much practical experience with innovation, but have read a lot and are good at staying up to date and sharing their knowledge.
- **Strategists:** This might be a director who sets the strategic direction for their organisation, and decides which innovation projects should be launched. They see innovation as a necessary and exciting part of the work needed to develop the organisation.
- **Tourist:** The tourist is not directly involved in innovation work, but it seems exciting to them. They will attend network meetings and events and stay updated on LinkedIn. They are curious about what is happening in the field of innovation and would like to join in when something new and exciting happens. They have a hard time translating innovation back into their home organisation.

*Source:* Information provided by the Danish National Centre for Public Sector Innovation (COI), <http://coi.dk/fakta-og-cases/kender-du-innovationstypen>.

The roles should not be limited to those in the public service itself. There might be consideration of other system actors, what they can do and how they can contribute or participate. For instance, the OECD has also discussed the different roles that politicians can play with regards to public sector innovation (OECD, 2017c). Citizens, businesses and not-for-profits all have important things they can contribute, but not often a clear sense of how (or if) they can contribute. How can these potential partners, supporters and instigators be given clarity about what role they might play?

Actors can see how innovation fits with the shared history and context

Innovation will not make sense to people and actors if it does not fit with the history or the context. If there is a shift in position from not explicitly welcoming innovation to one where it is actively sought and prioritised, then it will take time for actors to believe it and to adjust their interaction accordingly.

One way to assist such a transition is to consider the narrative around innovation and how it helps people understand the shift in emphasis over time (see Box 5.4).

**Box 5.4. A changing narrative about the public sector in Denmark**

In 2009-10, the Danish innovation lab MindLab undertook a project called “MindBorger” (MindCitizen), which explored the relationship between citizens and the public sector. The narrative they developed portrayed a shift from the public sector as a father (the paternalistic welfare society), mother (all-embracing comforting welfare society) and merchant (welfare state steered by results and contracts) to the public sector (welfare society) as collaborator.

This narrative is now reflected at the municipal level, with a shift in focus from New Public Management models towards a focus on new public governance and the public sector as a collaborator. For instance the mid-size municipality of Skanderborg defines itself as a “municipality 3.0”. In general, the paradigm shift from new public management towards new public governance including hybrid forms of the two, is representative of the development of a main narrative for the public sector, with networks, collaboration and co-production fitting nicely together with the innovation agenda.

*Source:* Information provided by the Danish National Centre for Public Sector Innovation (COI), <http://coi.dk/fakta-og-cases/kender-du-innovationstypen>.

*Guiding questions for thinking about clarity*

One way to assess the level of clarity around innovation is to establish whether there are clear, practical and shared answers to the following questions:

- What signal is being sent about innovation?
- What story is being told about innovation?
- Is there sufficient clarity about innovation, its value, and what is expected, to ensure that it is a focus?

It should be noted that clarity does not equal consensus. Tension between competing interpretations and thinking is a core ingredient for innovation. However, there should at least be a shared understanding of the dominant narrative, so that it is possible for different parts of the system to interact without having to continually re-establish shared ground.

**Box 5.5. Prompting question to consider whether there is sufficient clarity about innovation within the system**

Do the system actors that are external to government (and therefore are least familiar with the inner workings and are likely to only hear a dominant narrative) have a clear sense of what the Public Service means by innovation, where it is seeking innovation, and how they can contribute?

## *Determinant 2: Parity*

*“The state or condition of being equal”<sup>3</sup>*

Unless innovation enjoys sufficient parity with business-as-usual, such that it is placed on an equal footing, it is unlikely to take place at a desired rate. In the absence of parity, innovation will occur primarily as a result of exceptional efforts on the part of individuals (“going above and beyond”) working to surmount the obstacles that arise, and organisations responding to external drivers for change or pursuing narrow agendas. While this will result in innovation, it is not a recipe for resolving complex system needs.

Parity should not be taken to mean that all ideas deserve equal treatment. Rather, it means that the status quo or default assumptions are never left unchallenged, and that in a fast-changing world ongoing reassessment of what is possible is essential.

Finding the right balance for parity may be difficult. It can range between continuing with business-as-usual, being able to ask questions and questioning everything all the time. Table 5.4 shows what that balance might look like.

**Table 5.4. Finding a balance between too little and too much parity**

Too little	Balance	Too much
System actors question why they should give any attention to new ideas (“that’s not how we do things”).	Business-as-usual options are not automatically deferred to, but nor is every idea seen as equally meritorious.	Every idea is considered to have equal merit, even where established practice is performing well, leaving decision making and prioritisation bogged down in process and debate.

Achieving parity for innovation at a system level will be complex, as there is no simple means to ensure that innovation is put on an equal footing with business-as-usual options. Attempting parity of innovation will challenge existing practices and processes, if only because it implies that existing practice is not good enough. In addition, there will often be areas where innovation might be legitimately considered high risk or worrisome, thus there will always be a case to argue that innovation should not apply.

There are also a number of potential risks or concerns in trying to ensure parity. These include:

- Alienating those who are trying to do a good job/protect what they think is important. There will also be individuals who may be invested in the status quo and view efforts to question it challenging or even offensive – “are you saying we haven’t been doing the right thing?”
- Opening the door to those who, for whatever reason, may be looking to weaken standards, subvert processes or reduce rigour, and who might use “innovation” as an excuse to do so. Not everyone will approach such an effort with good faith.
- Alerting the “immune system” to possible threats (“these people want an exception to the process, therefore they are doing something that is questionable and that needs to be watched/made harder/stopped”).

*What might “parity” look like?*

What does parity mean in practice? Proposed elements around parity include whether:

- processes are open to challenge
- information and decision-making bottlenecks can be circumvented

<sup>3</sup> See <https://en.oxforddictionaries.com/definition/parity>.

- it is easy to find and build a coalition of the willing around shared issues
- different types of risk can be distinguished, and the difference between risk and uncertainty is appreciated.

#### Processes are open to challenge

One way to enable innovation to achieve greater parity with business-as-usual is to ensure that the default is not just accepted as a matter of fact. This can be achieved through processes or mechanisms that let alternatives options be raised (see Box 5.6).

#### **Box 5.6. Portugal's SIMPLEX programme**

The SIMPLEX programme was first launched in 2006, in the context of a strategy aimed at modernising public administration and involving all services both at central and local level. Ten years later, the initiative returned as SIMPLEX+. This collaborative and nationwide simplification programme launched by the Portuguese government to co-create new online public services, optimise existing ones and de-bureaucratise the relationship between public institutions and civil society, involved reviewing processes and practices, and covered all the domains where the state is actively present.

Since citizens and entrepreneurs were consulted and contributed to the design of the measures, and continued to do so during its implementation, SIMPLEX+ is a participatory, co-produced and transparent initiative. In addition to arranging nationwide hearings with stakeholders, both public and private, the SIMPLEX website acts as an open channel for communication and the submission of ideas, where data regarding the execution of the programme are regularly disclosed.

In some organisations these may be relatively informal (idea-sharing processes) or more structured (e.g. “Dragons’ Den”-type events where new ideas are competitively pitched and judges choose between them). Such processes can take many different forms. At a system level, the most pertinent aspect is whether new or different perspectives can be given serious consideration.

An alternate approach is to flip the defaults by introducing more active and deliberate mechanisms of challenge, whereby the existing option has to justify itself, rather than putting all of the responsibility on new options to prove themselves. A mechanism of challenge might mean that the existing option has to defend or justify itself as being the most appropriate thing, rather than having it assumed (see Box 5.7).

**Box 5.7. Example of a mechanism for giving innovation parity – “Never say no”**

*Report from the Singapore Committee on the Future Economy, Recommendation SC1.6: “Regulatory innovations (such as “no action letter” and sandboxes) to enable innovative and new business models:*

Regulatory agencies should adopt a “never say no” approach when dealing with a new business model, and be prepared to allow it to be piloted under conditions, even tight ones. This could mean setting up regulatory sandboxes, such that within certain parameters, new business models can make forays into the Singapore market. This can be complemented with “no action letters” issued by regulatory agencies, to assure disruptive players that they are within the law so long as they operate within prescribed parameters. To ensure a fair playing field, such measures should be time limited, after which a new set of regulations that take into account these new business models would be formulated accordingly.”

*Source: CFE (2017).*

**Bottlenecks can be circumvented**

Any hierarchical organisation will inevitably have bottlenecks where decisions or the flow of information is slowed down. This can have negative consequences on the ability to effectively challenge the status quo, as a limited supply (of decisions or information) will likely result in priority be given to the area where there is the most demand (e.g. the established ways of doing things). This might be dealt with through the use of open (online) forums (see Box 5.8) where information is open by default, making it easier to work around or eliminate blockages or bottlenecks. Clear delegation and efforts to ensure that system actors are empowered to make decisions up until the point that a wider perspective is absolutely necessary can also contribute to circumventing these problems.

**Box 5.8. United States: Project Open Data**

The White House leverages the code repository and social media platform GitHub to coordinate and collaborate with government officials and the public to continually innovate around implementation of the US Open Data Policy through Project Open Data.

Project Open Data comprises a collection of living policy guidance, code, tools and case studies to help government organisations implement the US Open Data Policy and Data.gov to unlock the potential of government data. The platform has evolved over time as a community resource to facilitate the broader adoption of open data practices in government. Through GitHub, anyone – government employees, contractors, developers or the general public – can view, contribute and communicate through threaded discussions. Resources and staff are dedicated to collaborating and communicating with users, reviewing feedback and revising policy based on feedback, as needed, and are empowered to make the decisions needed to execute this role.

In addition, bi-weekly meetings for interested government employees are held, both in person and electronically, on open data and governance topics to discuss formal policy updates, as well as to provide an opportunity for informal interaction and knowledge sharing.

There can be tension between circumventing bottlenecks and taking a more systemic approach, as one leads to decentralisation and empowerment, and the other suggests a more co-ordinated view.

#### Allies can be found

Sometimes the defaults will be entrenched, and existing ways of doing things will be deeply embedded, even if there might be more promising, though not yet tangible or fully realised, possibilities. Innovations will initially never be as good as the process in place, as the former is in the earliest stages of development, whereas the other has likely been invested in and refined over time.

One way to overcome this obstacle is for those who see the potential for a new way of doing things, or those who suffer most from the problem, to find allies that can help make the case for why the status quo is not sufficient, and why innovation needs to be considered.

At a system level, this will likely take place around informal channels, whether through communities of practice, networks or just the ability to connect with likeminded people across other parts of the system (see Box 5.9).

#### **Box 5.9. Finland's Change Makers Network**

The Change Makers Network is a loosely organised and self-directing team of experts from different ministries, with different backgrounds, education and expertise. What the participants share is a need and will to build up a working culture based on a “whole-of-government” mindset and a “crossing the silos” ways of working.

The network is also willing to test and adopt modern, explorative and digital ways of working. The participants are all volunteers and are not nominated to represent any particular point of view or ministry in the network. The network model differs dramatically from the traditional approach whereby a working group or committee is set up and participants are nominated to fulfil a particular set target.

The Change Makers Network is a bottom-up community or “movement”, which crosses boundaries of all kinds: administrative, professional, attitudinal and so on. It also strongly challenges traditional, hierarchical management practices, as well as old-fashioned human resource management practices. Management practices as well as administrative services should all be seen as enabling this renewal, rather than creating obstacles against change.

#### Risk and uncertainty can be navigated

Doing something different brings risk. Of course, doing routine things also involves risk, but those risks are already known, accepted to some degree and can be more easily navigated (or dismissed). This means that the potential risks linked to new approaches can take on oversized dimensions, whereas the risks of existing activities can fade into the background.

Helping system actors to put these different types of risk into perspective can to help shift default assumptions about the real level of risk. This can also be aided by helping actors to distinguish between risk (known possible consequences) and uncertainty (what might happen is unknown). It might also be necessary to ensure that individuals are aware of and



competent to navigate risk, but do not unnecessarily shoulder personal risks while attempting to undertake worthwhile efforts.

### *Guiding questions for thinking about parity*

Key questions to guide thinking about parity include:

- Are existing processes and practices inimical or open to doing things differently?
- Do those putting forward new ideas feel challenged to improve and develop their innovative proposals through their interaction with the relevant processes and practices, or do they feel exasperated, exhausted and worn down by them?
- Do those in middle management positions feel able, equipped, and empowered to engage with new ideas and innovative possibilities?
- Do the relevant processes and practices encourage a healthy engagement with risk? Do they generally encourage consideration of the risks of *not* innovating?

#### **Box 5.10. Prompting question to help consider whether there is parity between innovation and the status quo**

Is it easy to think of many significant innovations that have occurred as a result of their potential promise, rather than: (i) the people behind it going above and beyond, and putting in exceptional effort; (ii) the innovation being a response to a crisis or urgent matter where the usual rules were bent or did not apply; (iii) the innovation occurring due to political focus; or (iv) the innovation taking place under the radar, thus avoiding the usual oversight?

### ***Determinant 3: Suitability***

*“The quality of being right or appropriate for a particular person, purpose, or situation”*<sup>4</sup>

Unless the system has the requisite suitability for engaging with new ways of working, government will be unable to effectively innovate at a system level. In the absence of suitability (of technology, infrastructure, systems, and capability matched to the operating context), individuals and organisations will face a range of increased costs when innovating. These might include making investments to build or access the relevant capabilities, ensuring the necessary capacity is available, developing skills, learning about what works, and developing infrastructure. Such up-front costs will likely lead to innovation occurring as isolated projects/pockets with limited ability to scale or inform the operations of other parts of the system.

Suitability should not be understood as meaning readiness for any and all imagined possibilities. Rather, it means that there is an awareness of future horizons which informs investments and commitments.

Any system will need to find a balance in the level of suitability that is sufficient to the context. Table 5.5 outlines what this balance might look like.

<sup>4</sup> See <https://en.oxforddictionaries.com/definition/suitability>.

**Table 5.5. Finding a balance between too little and too much suitability**

Too little	Balance	Too much
The ability of government to engage with new issues and technologies is likely to be limited as it will not have the requisite understanding or experience, and this will hamper its relevance, appropriateness and effectiveness.	Emergent needs are identified, considered and monitored to track their implications, and system actors have clear senses of where and when to make investments and commitments so that they will fit their context.	System actors invest too much too early for initiatives that are still going to require significant development/are speculative, or have numerous systems still in development/being refined despite citizen expectations of stability/ consistency of service/experience (e.g. the “bleeding edge”).

Potential risks or issues in trying to achieve system suitability include:

- Government can easily be criticised for “waste” or inefficiency by investing in things that are emergent or “not ready”
- A pursuit of the new can sometimes lead to prematurely abandoning things that work well before they are actually ready, tested, and sufficiently reliable
- There is the potential to invest in things that turn out not to be able to deliver what was promised.

*What might “suitability” look like?*

What does suitability mean in practice? Proposed elements around suitability include:

- being able to learn from areas that match the external rate of change
- technologies and their implications are socialised in government
- new operational models are engaged with and tested and tried in government
- understanding changing expectations, and trends and signals that existing capabilities are insufficient.

Learning from those keeping pace

Are there areas of government effectively keeping pace with change happening outside of government? Are there areas of government that are managing to effectively engage with change and even helping to shape it? Or are there areas that have a healthy relationship with outside partners (potential or current) engaging in new thinking and developing new capabilities (see Box 5.11)? These areas of government might have valuable lessons that could be leveraged for other parts of government. Alternatively, these areas might be the result of previous investments, relationship building and nurturing of their context. Either way, there will likely be lessons for the wider system about what might be needed or appropriate.

**Box 5.11. The Open Innovation Team**

The Open Innovation Team (OIT) in the UK Cabinet Office was set up in August 2016 to help Whitehall departments generate analysis and ideas by deepening collaboration with academics. The team is supported by Research Councils UK and sponsored by four leading universities: Bath, Lancaster, Southampton & Warwick.

The team provides a variety of ways for policy colleagues across government to engage with academics from light-touch advice, through brokering collaboration agreements, to intensive support led by OIT. The OIT has also developed a new form of PhD placement, enabling doctoral students to spend between three and six months based in a government department working on public policy challenges relevant to their research interest.

Government officials benefit from better and easier access to academic research and the latest thinking, while universities and individual academics benefit from being able to illustrate direct public policy impacts of their work.

**Socialising technologies**

How are technologies and their implications socialised within the system? In other words, how do decision makers and others become aware of new capabilities or new possibilities that come with new technological developments? How do they know what the implications of these technologies might be, or how current operations might be affected?

Given the fast pace of change, and the reality that a lot of technological change will occur outside of (a particular) government, keeping abreast of new technology is not something that many decision makers can devote sufficient time or “headspace” to as part of their existing roles and responsibilities. Often, much of the socialisation of new technologies (e.g. social media) will occur outside of the workplace (e.g. through personal experience). This may work for some new technologies, but is unlikely to be sufficient or reliable for all. Explicit and deliberate mechanisms to socialise technologies may be needed. These mechanisms might take a range of forms, from awareness raising (e.g. see Box 5.12) to more “hands-on” activity.

**Box 5.12. Emerging Citizen Technology Office (ECTO) and Atlas**

The US General Service Administration launched ECTO to work with a network of partners from 300 federal, state, and local government entities – including all Cabinet-level departments, all branches of the armed services, and more than a dozen states – to help evaluate, test and implement IT modernisation initiatives with emerging technologies. Although individual technology focuses will change with time, current efforts include:

- Artificial Intelligence and Robotic Process Automation
- Blockchain and Distributed Ledger Technologies
- Social and Collaborative Technologies
- Virtual and Augmented Reality

ECTO hosts the US Emerging Citizen Technology Atlas, an open source and crowdsourced repository designed to capture ongoing emerging technology efforts, provide stakeholders with resources, and foster better collaboration between public services and US businesses.

*Source:* GSA (n.d.).

### Exploring new operational models

Changes in technologies and thinking are creating capacity for new business models and new ways of operating. Is there capacity within government to test new models, without disrupting existing operating models? Or is there capacity to create spaces or structures that allow for new models to be tested adjacent to or outside of the Public Service (see Box 5.13)?

**Box 5.13. The Future Policy Network**

The UK Future Policy Network (FPN) are a group of innovation teams in government who work on cross-cutting priority issues which require innovative thinking and future-facing solutions. Projects are principally commissioned on a quarterly basis by a Projects Commissioning Board including No. 10 officials (the Prime Minister's Office), the Cabinet Secretary and the Minister for the Cabinet Office.

The EDS Projects team (within the Economic and Domestic Affairs Secretariat in Cabinet Office) secretariats the Commissioning Board and acts as a central hub that brings together the teams in the network to provide a coordinated function on:

- Short policy or service design projects - by generating new insight and ideas
- Long-term, cross-cutting strategic analysis - by providing leadership and raising capability on future trends
- Latest thinking and knowledge about innovative policy-making - including championing new methodological approaches across government.

The Future Policy Network has extensive experience in executing novel and innovative approaches. The network works with departments in applying different policy and design tools, including: behavioural insights and large scale trials; co-design and co-creation with people affected; collaborations with external experts and the academic community;

innovative financing approaches; new partnership models; rigorous testing to deliver evidence on “what works”; independent statistics and the latest data science techniques and approaches to impact measurement; and, horizon scanning and strategic futures.

Projects have included: running behavioural trials around reducing mental health service drop-out, using commercial insight to raise the efficiency of the childcare market, exploiting the government’s complaints data to spot live issues and trends, working with industry to trial new drone applications and developing analysis of future job automation.

The network also works with departments and public sector organisations to share knowledge about innovative policy techniques, drawing on the latest national and international practices.

### Keeping track of changing expectations

What mechanisms, if any, are there to provide for a system wide awareness of how expectations are changing, and what that signals about existing capabilities?

#### *Guiding questions for thinking about suitability*

Key questions to guide thinking about suitability include:

- Are the underlying systems of government seen as being calibrated for innovation?
- How are new technologies socialised and introduced into government?
- Is there a clear understanding of citizen expectations of government in an environment of high rates of external change and innovation?
- Does the commitment to and investment in innovation match the rhetoric about the need for innovation?

#### **Box 5.14. Prompting question to consider whether there is system suitability for innovation**

If the Public Service announces it is going to undertake a significant transformational technology project, is the immediate reaction one of immediate scepticism, questioning or eye-rolling, or one of consideration, enthusiasm or anticipation?

### *Determinant 4: Normality*

*“The condition of being normal; the state of being usual, typical, or expected”<sup>5</sup>*

If there is no sense of normality around innovation, it will remain a marginal activity that occurs in response to pressure, rather as a result of its potential. If innovation is not viewed as part of the day-to-day business, it will be perceived as an occasionally useful aberration, rather than something that everyone should act in alignment with in order to achieve better outcomes.

Normality should not be taken to mean that innovation is the only way of approaching issues, or that innovation should be the answer to problems. Rather, it implies that people should not see innovation as unusual or exceptional.

<sup>5</sup> See <https://en.oxforddictionaries.com/definition/normality>.

A balance will be needed that involves a healthy tension whereby innovation is seen as normal, but does not invite a state of continual reinvention or revolution. Table 5.6 examines this tension.

**Table 5.6. Finding a balance between too little and too much normality**

Too little	Balance	Too much
Innovation is seen as a frolic, as something that is not serious or <i>really</i> supported, and will be marginalised instead of integrated.	Innovation is seen as integral to achieving the best outcomes, and default behaviours are supportive of innovation.	Optimisation and efficiency may suffer as there is tension between the new and the existing. Stakeholders may disengage or become alienated, and change exhaustion may occur.

Creating normality around innovation is also potentially risky. Such a push may result in a culture clash, as core elements that are currently valued and appreciated come under question, and new expectations are put in place that may sit uncomfortably with previous ones.

*What might “normality” look like?*

What does normality mean in practice? Proposed elements around normality, include:

- identified behaviours to support innovation
- reinforcing the links between innovation and regular business
- socialising innovation
- upholding innovation.

Behaviours to support innovation

If innovation is to be seen as normal, then the behaviours surrounding it must reflect that. Identifying and demonstrating behaviours that are supportive of innovation (see Box 5.15) can be a key contribution to developing a culture where innovation is accepted and expected.

**Box 5.15. Innovation behaviours for the Australian Public Service**

Innovation is about people – whether it is about getting support for an idea, having people actually use or act on the idea, or thinking about what the idea does for other people. Because it is about people, it is largely tied to interacting with others, and the behaviours that are modelled. If leaders want to encourage innovation then they need to exhibit behaviours that will lead to innovative thinking and doing on the part of their employees. The following behaviours were identified by the Australian Public Service as being relevant to supporting innovation – either by leaders or by others.

For leaders – people wanting others to do something innovative:

- empower others – share where innovation is most needed
- invite in the outliers – demonstrate that diversity is valued
- say “Yes, and” not “No, because”
- don’t over-react – appreciate experimental error
- support innovators and share stories of success

For innovators – people seeking to do something innovative:

- ask questions – of others and of yourself
- try things – experiment a little (or a lot)

- (help) tell a story – who does this matter to and why?
- focus on the problem to be solved – don't get attached to “your” idea
- stick at it – believe in the power of persistence

*Source:* Roberts (15 February 2016).

Of course it will be the demonstration of those behaviours – seeing them acted out and reinforced and even rewarded – that really matters. Keen attention will be paid to how those who demonstrate the behaviours are treated – what happens to them will help other system actors decide whether to emulate their behaviours.

### Linking innovation with regular business

If innovation is never linked to priority projects or initiatives, it will never be seen as truly significant, or as something that needs to be truly integrated.

On the other hand, if innovation is only ever associated with top-down priority projects, it will never be seen as truly routine. Innovation will be viewed as a process used only for select projects, rather than a bottom-up approach or a process that others (including external actors and partners) can influence.

Mechanisms to connect innovation with regular business can play an important role in demonstrating that innovation is part of the new normal. This can be complemented by allowing space for smaller innovations, and by facilitating the sharing and socialising of smaller innovations, which also help demonstrate the regularity of innovation, and show that it is an entirely normal thing.

### Socialising innovation

Innovation can seem remote from the day-to-day job. Even if innovation is understood and there are tangible examples (“clarity”), it can still seem like a process undertaken only by other people or other areas. How can innovation be socialised at the system level, so that system actors get to see how it contributes to their work, rather than adds to it?

One way is through events and activities to help public servants, their organisations, and other system actors become familiar with innovation, to see it as part of the normal (even if not every day) routine of things (see Box 5.16).

#### **Box 5.16. Australian Innovation Month**

Innovation Month is an annual series of events and activities organised by the Australian Public Service, but open to other levels of government and partners. It provides an opportunity for participating agencies to have different types of conversations, and, importantly, to see and participate in innovation. During the month, the Institute of Public Administration Australia also announces the winners of the Public Sector Innovation Awards.

*Source:* Public Sector Innovation Toolkit, <https://innovation.govspace.gov.au>.

### Upholding innovation

Innovation in the public sector can invite criticism, and the tolerance for governments experimenting, and thereby sometimes failing, can be very low. This can create a culture where the Public Service is averse to trying new things for fear of being singled out if something goes wrong (or is represented as going wrong). The converse situation, where innovation goes well, may well be unremarked, but the cost of failure can be high.

However, innovation, and experimentation, involves doing things that have never been done before (in that context) and thus also involves a high level of uncertainty as to what will happen. “Failures” are a key part of the innovation process that help narrow down the field of uncertainty, thus getting closer to knowing what might work.

Innovation in the public sector will never be accepted as normal if this characteristic is not understood, appreciated or even defended when necessary. Innovation must be upheld as something that is needed even if it does not always work. Therefore, a key test for any public sector interested in innovation is what happens when innovative processes receive pushback and are critiqued, even though they have been attempted with rigour, regard to appropriateness and done with care.

### *Guiding questions for thinking about normality*

Key questions to guide thinking about normality include:

- Is there a set of identified and demonstrated behaviours for supporting innovation?
- Is innovation (and the associated breaking with convention/questioning of current practices) valued in regards to career progression?
- What happens when there is public criticism of something that is seen (mistakenly or otherwise) as being innovative? Is the default response defensive or openness?

#### **Box 5.17. Prompting question to consider whether there is normality around innovation**

Is it usual in job interviews for candidates to be asked about or considered in reference to their experience with innovative projects, their innovation skills or their project management in situations of novelty and uncertainty?

### A reinforcing cycle

Each determinant will influence the others; however, the strongest relationship will be clarity>parity>suitability>normality>clarity.

- Clarity – lack of understanding of innovation, its importance and the areas where it matters will prevent innovative processes from enjoying parity with business-as-usual. Alternately, if there is a clear sense of why innovation matters, then it is much more likely that it will be given equal attention in decision making.
- Parity – if innovation is not placed on an equal footing with default operations, and occurs only because of exceptional individual efforts or occasional external drivers, it is unlikely that the need to change underlying capabilities, systems and infrastructure will be understood, and innovation will remain an occasional activity. In contrast, if innovation is always given consideration in decision making, then investments are likely to better reflect new possibilities.



- Suitability – if underlying systems are not suitable for innovation, and innovative processes therefore takes more time, effort and learning to be accomplished, innovation is unlikely to become integrated into core business and perceived as normal practice. On the other hand, if underlying systems are suitable for innovation, it will feel more normal to undertake innovation, as there will be less of a learning cost.
- Normality – if innovation is not integrated into core practice it will remain a marginal activity; there will not be a lot of clarity around how innovation fits, including what it is, why it is important or to whom it matters. However, if innovation is integrated into core practices, then it is likely that there will be a much greater understanding of innovation, what it means, and why it is important.

This interdependency between the different determinants means that the overall performance of the system will be limited by the weakest factor. System issues will likely converge around the driver that receives the least support.

### **An innovation system is about more than just producing innovation**

The model proposed above is concerned with the basic performance of an innovation system – does it produce innovation in a reliable and consistent fashion that matches the need or appetite for innovation? This could be considered “Level 1”, or the baseline of what might be expected or needed from a public sector innovation system.

Yet in a democratic system, this is not sufficient. There must also be regard to whether the right sorts of innovation are occurring – not just that the innovation that occurs solves immediate problems, but that the innovation also addresses or reflects higher order concerns.

Table 5.7 proposes a somewhat speculative maturity model. This is an examination of what different levels of sophistication for an innovation system might look like, in an attempt to reflect that the concern with an innovation is not just about whether innovation (even good innovation) is occurring. If level 1 is the baseline, level 2 could be considered as reflecting a system where innovation is integrated, where there is deliberate reflection on what innovation is wanted for, whether it is appropriate, sustainable, and accepted. Level 3 could be considered as reflecting a system where innovation is deeply embedded and is informed by societal values, and where disruptive shocks actually strengthen the system rather than weaken it.

This maturity model is not sufficiently developed or tested for the purposes of considering the innovation performance of the Public Service of Canada. Rather, it is included here purely as a prompt for reflection as the practice of innovation develops, to help aid the consideration of broader concerns. It should be considered as a starting point for discussion, rather than a prescription, as there is still much to be learnt.

Without such reflection, there is a risk that any innovation system will become unstuck or undone. A system could, for instance, allow for the promulgation of highly effective innovation that contravenes some societal aspirations and values, and thereby damages the government’s social licence for innovation.

At the same time, innovation will shape and change values and ambitions, and thus what is expected of government. There will be no one answer to what a mature system should look like.

The maturity model will be further refined and developed as public sector innovation systems become better understood, and more is learnt about how the practice of public sector innovation can (and potentially) should evolve.

**Table 5.7. Public sector innovation – Determinants of innovation at differing levels of system maturity**

	Innovation System Level 1:	Innovation System Level 2:	Innovation System Level 3:
Level of analysis Core determinants of innovation	a) Is the system functional? b) Is innovation happening? c) Is the wider innovation context being reacted to? d) Is innovation tolerated?	a) Is there reflection/learning about the system? b) Is the innovation that is happening, the innovation that is wanted? c) Is the wider innovation context being proactively engaged with? d) Is innovation accepted?	a) Is there realisation about/insight into the nature of the system? b) Is the innovation that is happening, the innovation that ideally should be happening? c) Is the wider innovation context being actively shaped? d) Is innovation embraced?
Reason for: What is driving the intent to innovate?	<b>Clarity about innovation</b> Is there a clear sense of why innovation is needed, what it's for, and who is responsible/can play a part?	<b>Aspiration for innovation</b> Is innovation not only needed, but wanted in order to achieve goals and objectives beyond the current priorities?	<b>Vision of innovation</b> Is innovation not only wanted, but seen as central in order to realise a vision of what could be?
Possibility of: What affects the likelihood of innovation being attempted?	<b>Parity of innovation</b> Are processes and default settings open to unexpected innovative proposals and possibilities?	<b>Legitimacy of innovation</b> Are processes and default settings not only open to allowing innovation, but put priority on those that have a social licence and contribute towards the legitimacy of innovation and government?	<b>Values informing innovation</b> Are processes and default settings not only attuned to the legitimacy of innovation, but reflective of core societal values, and aware of how innovation intersects, interacts and informs them?
Capability for: What is needed in order to carry out the attempt at innovation?	<b>Suitability for innovation</b> Are underlying technologies, infrastructure, operating models and investments aligned with the global range of the possible, and suitable for whatever might be attempted?	<b>Sustainability of innovation</b> Are the underlying technologies, infrastructure, operating models and investments not only aligned to the range of the possible, but they actually help sustain the ongoing capability for innovation?	<b>Anti-fragility of innovation<sup>1</sup></b> Are the underlying technologies, infrastructure, operating models and investments not only contributing to the sustainability of the innovation system, but also contributing to a system that will be improved by further disruption when it occurs?
Experience of: What affects whether innovation continues?	<b>Normality around innovation</b> Is innovation seen as part of the day-to-day of how things are done and responded to accordingly?	<b>Assimilation of innovation</b> Is innovation seen not just as normal, but accepted and assimilated as an integral part of how things operate?	<b>Modality of innovation</b> Is innovation not only integrated, but different modes of innovation and thinking are appreciated, encouraged and used regularly, so that learning and unlearning can take place in different ways, and the new dominant paradigms are open to challenge?

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