

Chapter 4. The lived experience of innovation

This chapter explores the “lived experience” of innovation in the Public Service of Canada. What does innovation mean, what does it look like, what does it involve, and what does it feel like in the context of the Public Service of Canada? The chapter outlines four major understandings of the current state of public sector innovation, and building on these, considers the implications for understanding what shapes and affects the performance of innovation from a systemic perspective.

It has been established that the Public Service of Canada has a history of both practising of innovation and looking at how to foster more innovation. What have the results of this been on the ground, however? What does the reality of trying to innovate or engaging with the innovation process look like in the Canadian civil service?

The operating environment of the Public Service

To appreciate innovation in the Canadian context, it is first advisable to appreciate the operating environment. Many of the elements of the Canadian context have been illustrated in Chapter 2 on the historical journey and the actors involved. However, it is also worth noting the size and scope of the public service, and what this means for efforts to embed engagement with innovation across its structures.

The current Clerk of the Public Service has summarised the operating environment as follows:

The Public Service is a complex entity. There are, at last count, more than 250 distinct organizations, everything from the massive Canada Revenue Agency, to small agencies with a dozen employees, and everything in between. We are a big institution, or family of institutions. We have over 600 distinct walk-in points of service in Canada, and over 170 missions abroad. Our payroll is over 50 billion dollars a year for over 400,000 people; 260,000 in core public service, and of course the RCMP and the military; with over 650 distinct classification bands. (Wernick, 2018)

The Public Service of Canada is sizeable, but divided between many different entities geographically distributed across a large country. The scope and range of its responsibilities are considerable. It sits within a federal system, with provinces and territories, which means that its work intersects with that of multiple other governments.

Innovation in this context, therefore is unlikely to be straightforward.

The challenges of measuring and quantifying innovation

An examination of the lived reality of innovation in the Public Service warrants a methodological note. While it is possible to ask people about their work environment and innovation (see Table 4.1), there are inherent limitations to doing so. Do all the participants have the same understanding of what innovation is and what it looks like? Do people have the same understanding of what it means to be encouraged to be innovative? The responses to these questions may differ significantly between people with significant experience in innovation and those who have not really engaged with the subject.

This is not to critique such surveys; rather it is an attempt to highlight the inherent difficulties in comparing experiences unless there is a common language and understanding of innovation. As highlighted by the complexities of innovation in Chapter 3, this is unlikely to exist in many (if any) jurisdictions. Therefore, the following section is premised on the notion that in order to understand innovation in a particular context, it is necessary to engage with people about their experience in that context. Otherwise, the ambiguity that accompanies innovation may result in respondents talking about different things, resulting in misleading conclusions.

Box 4.1. Selected Public Service employee annual survey results for the Public Service
Question 3. I am encouraged to be innovative or to take initiative in my work.

Survey year	Strongly agree (%)	Somewhat agree (%)	Neither agree nor disagree (%)	Somewhat disagree (%)	Strongly disagree (%)	Total responses
2017	31	35	14	11	8	129123
2014	27	36	16	12	9	18176

Question 4. I believe I would be supported if I proposed a new idea, even though it might not work.

Survey year	Strongly agree (%)	Somewhat agree (%)	Neither agree nor disagree (%)	Somewhat disagree (%)	Strongly disagree (%)	Don't know (%)	Total responses
2017	22	36	16	14	10	1	129149

Source: TBS (2017)

Summary of the lived experience of innovation

There is considerable activity taking place across the Public Service of Canada, supported by many passionate people trying to achieve better outcomes for Canadians. However, the overall picture of the public sector innovation system shows that it is still relatively fragmented, in that most actors are experiencing the same system in different ways. There is a lack of consistency in how innovation is understood as a concept, a process and an outcome. While there has been a notable rise in the sophistication and co-ordination of activity, this has yet to broadly penetrate the core operations of government. There are encouraging examples (see Box 4.2) that demonstrate the benefits that can be achieved with innovation; however, these remain more of an exception than the rule.

Box 4.2. Behaviour change and the Carrot Rewards App: A story of Canadian innovation

How do you incentivise positive behaviour change in a way that is demonstrable and measurable?

This was a key issue facing the Public Health Agency of Canada (PHAC), a government agency that works to empower Canadians to improve their health. Healthy living (e.g. reducing smoking, increasing physical activity and healthy eating) has been a persistent area of concern for the Canadian Government, and one where there has been a strong desire for measurable outcomes and impact at the population level.

This focus on results has helped foster a desire in the agency to test innovative ideas and partnerships models that might lead to better results. Health has the advantage of being an area where results are very tangible, as impacts make a real and noticeable difference to the lives of citizens. Innovation in this sector can therefore be seen to make a real difference.

However, as part of a federal system, PHAC does not have access to all the levers needed to influence change. It needs to work with other levels of government in order to be effective. Any innovation will thus usually involve some degree of partnership and collaboration.

The story of the Carrot Rewards app started with a simple question: could the power of loyalty points be harnessed for a positive societal outcome? Building on evidence from work initiated in the energy efficiency space - Air Miles for Social Change, which attempted to shift consumers towards more eco-friendly consumer behaviour by rewarding them with loyalty points. Would a similar approach in the public health sector get people to exercise more?

The initial work began with a randomised control trial across four specific sites (YMCA locations) to see whether rewarding people with loyalty points (nine out of ten Canadians belong to a loyalty programme of some kind) would lead to changed (increased) exercise behaviours. This pilot involved experimenting with different scenarios and incentive structures to see what worked. Like many innovative ventures, the initial results were very interesting, and provided some significant data, but revealed some potential issues with the model and the delivery. The idea clearly had potential, but needed to be carefully thought through, particularly with regard to how to structure the funding appropriately. This sparked thinking about outcomes-based funding.

Building on this thinking, PHAC initiated an open solicitation for a pay-for-performance model, whereby the agency would pay for outcomes achieved (e.g. awareness raised/behaviour changed). This deviated from the standard approach of using advertising for public health campaigns. For this exercise, PHAC collaborated with the Province of British Columbia (BC), whose health agency was interested in exploring new approaches, including mobile applications, and evaluating how they might be better used to engage with people.

Through a multi-stage process, PHAC and BC cooperated with a project proponent to explore the potential issues and work through the bureaucratic steps involved with introducing a different payment approach. Some of main issues involved matters such as data sharing, structuring payments in a suitable fashion, and ensuring that learning is enabled throughout the process, including an ability to halt the project if it did not work, and the ability to expand if it did.

Other partners (not-for-profit organisations) were also brought in as the proposal developed. A key part of the process was ensuring a high level of trust among all the parties involved, as this would create the confidence needed to discuss possible issues and work through potential hurdles. It was also important to have a clear sense of the shared objectives and governance arrangements, to facilitate the introduction of any additional partners.

The provider, Carrot Insights, developed a platform that allowed for a pay-for-performance model, so that partners could provide a set amount of funding. It was developed in an iterative way to enable the partners to learn what worked and what might not, and to test which approaches might be most cost-effective. The platform was designed to provide public sector agencies with rich insights into the population demographics of the app users, allowing them to target or assess the impacts on different population groups.

Over time, further provinces and other federal public sector agencies (e.g. Financial Consumer Agency, NRCan and Stats Canada) also used the app. The initial scope of the partnership umbrella – healthy living – was expanded to health and wellness, to allow for other relevant public good uses. Communication by PHAC was important in diffusing knowledge of the innovative project to others, and encouraging their involvement. Given that each of the partners was attempting to do something different, it was valuable for them to be able to collectively troubleshoot the potential issues and hurdles. This helped with the navigation of any procedural, bureaucratic or risk management issues.

This innovative venture has provided some significant results, and offers a different model for agencies looking to obtain real-time information about awareness, knowledge and behaviour with regard to different policy areas across a variety of demographics.

Key elements for the success of the project included the following:

- The original partners were aware of the changing context (e.g. mobile applications) and were searching for ways to respond to it.
- There was a keen sense of the problem, and thus a clear understanding of what progress might look like (e.g. results and impact with regards to awareness and behaviour).
- The participants possessed knowledge and familiarity with the relevant ecosystem of potential partners.
- The vision was both specific (healthy living) and expandable (health and wellness). This allowed the project to evolve, so that others could take advantage of what had been achieved without compromising the values and needs.
- The project created a high-trust environment, which resulted in a willingness to share lessons and assist others in navigating through the inevitable issues that arise from introducing a very different approach.
- The ability to run small test projects before committing more fully minimised the costs associated with the necessary learning and discovery.
- Effective communication and outreach about the work helped diffuse the lessons and prompted others to consider if or how it might be used in their work.

Source: Interviews.

The review arrived at four major **understandings** concerning the lived experience:

1. 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).
2. 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.
3. 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.
4. 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.

Therefore, while the Public Service of Canada is pursuing innovation, current innovation practice is not likely to occur in a sufficiently consistent and reliable fashion to meet its self-described ambitions. Some of this is likely a by-product of the relatively recent co-ordinated focus on innovation. Over time, some of these issues may resolve themselves, given the efforts already underway. Other issues may be resolved simply by drawing attention to them, and allowing and empowering people and teams to come up with their own solutions. Alternatively, some aspects are likely to require additional thinking, investment and action.

The rest of this chapter explores each of the four understandings in detail, and the implications for appreciating innovation from a systemic perspective. These four understandings build on 28 underlying findings that were collected and tested over the review period. Each of the preliminary findings is presented with accompanying “clarifying sentiments”, which are intended to represent something that anyone within the system could say to describe the system.

Understanding 1

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).

Box 4.3. Key Points

There was a general sense that it was unclear how innovation fits, and uncertainty about what it really means in the context of the Public Service of Canada. There was a degree of confusion about:

- To extent to which the Public Service of Canada is innovative, reflecting significant diversity in how innovation is currently experienced across the Public Service.
- What innovation really means for the Public Service (Does it refer to continuous improvement? Experimentation? A culture? A duty? A buzzword? A new idea? Sustained change?), and how it fits with past, present and future priorities and agendas.
- What innovation is actually occurring across, and with, the Public Service.
- Who is responsible, for what, and what roles should be played.

Innovation is an inherently ambiguous concept so some confusion should be expected (and even welcomed). The current lack of clarity about innovation and how it fits, however, is potentially holding back innovation performance. If innovation as a process is not really understood, then it is not likely to be used proficiently in the pursuit of better outcomes or to create opportunities for learning. The lack of clarity may also be limiting engagement on the part of system actors (“why would I get involved if I don’t understand it”), as well as creating friction for collaboration, as actors lack a sufficiently meaningful and shared understanding of what is needed/why things need to change.

Without clarity about the role of innovation and how it fits, it is unlikely that many actors will engage with the innovation process in a consistent or reliable fashion, with attention more likely to go to well understood, tangible and measurable agendas. In turn, this will limit the ability to develop innovation as a consistent and reliable capability that can be called upon when new approaches are needed to achieve different outcomes.

Box 4.4. Understanding 1: Exemplar quotes and relevant preliminary findings**Exemplar quotes from interviews**

- “I think that bureaucracy struggles from some fundamental questions about why we do innovation, what is the purpose?”
- “How would we describe what the government wants to accomplish in public service innovation?”
- “It’s interesting because I think we’ve been talking more about innovation during the last 18 months or so, more than we have, in some ways, in the last ten years.”
- “... we have a history of it. Making it more deliberate, I think, is where you sort of need to head, so it’s not so ad hoc.”
- “... the innovation narrative is very exciting and people want to do these things ... But we don’t have a good enough sense of what our key objectives are. At the policy level.”
- “I’m not sure that we should be innovative, or how innovative we should be.”
- “If innovation is a big framework that has complex parameters in it and complex formulation of it, it’s going to fail, I believe.”
- “We’re in the early days of the innovation story.”

<p>Preliminary finding 1: Whether the Public Service of Canada is innovative depends on who you ask.</p> <p>Clarifying sentiment: There are a lot of different views about how innovative the Canadian Public Service is.</p>	<p>Preliminary finding 2: There is not a widely shared conception of “innovation”</p> <p>Clarifying sentiment: I don’t think everyone is talking about the same thing when we talk about innovation.</p>
<p>Preliminary finding 3: The focus on public sector innovation is relatively recent, and takes place within a rich history.</p> <p>Clarifying sentiment: I don’t trust that the public service is really committed to innovation ... yet.</p>	<p>Preliminary finding 4: There is “narrative confusion” about the innovation agenda and its intersection with other agendas.</p> <p>Clarifying sentiment: I don’t think it is clear how innovation fits together with other agendas and priorities.</p>
<p>Preliminary finding 5: There is no overall picture of the innovation that is occurring.</p> <p>Clarifying sentiment: It can be difficult to know what’s going on in other areas or agencies.</p>	<p>Preliminary finding 6: The role played by the Central Innovation Hub is not widely understood or recognised.</p> <p>Clarifying sentiment: I don’t have a good idea of what the Central Innovation Hub does.</p>
<p>Preliminary finding 7: The roles played by other organisations with regards to innovation is not widely understood or recognised.</p> <p>Clarifying sentiment: The respective roles of different agencies in supporting or driving innovation is not clear.</p>	<p>Preliminary finding 8: There is no commonly understood view about what role individual public servants can or should play in the innovation process.</p> <p>Clarifying sentiment: I don’t think everyone knows how they are expected to contribute to innovation.</p>

Discussion of this understanding

Box 4.4 provides an overview of the key issues underpinning this understanding, building on the research, interviews and investigation conducted. The following discussion provides additional narrative about the issues in order to help provide sufficient context and background. The quotes provided are taken from interviews undertaken about innovation in the Public Service of Canada.

The starting point for the research undertaken for the review was to ask participants whether the Public Service of Canada was innovative. The varied answers helped demonstrate that there was no consensus on this topic, with opinions ranging from definitively not to decidedly yes. More often the responses highlighted the nuanced nature and experience of innovation.

“I would lean towards no, but they’re trying. I think people are slowly starting to come out of the old ways of working ... When you think innovation, Government of Canada isn’t the first word that comes to mind but I think we’re moving towards a place that could happen.”

“I would say I think there are definitely pockets of innovation and we should be proud of those, but on a whole, the way government operates, I think it’s pretty poor. Which makes me sad.”

“I think on the whole, I think yes. I think, as I say, there’s that potential. There’s a lot of things that just get managed on a status quo kind of basis, and there’s not always the motivation to always look for improvements.”

Such a range of views about whether or not the Public Service is innovative indicates either

- no agreement about what it is to be innovative, or
- significant diversity in the experience of innovation across the different parts of the public service.

However, further investigation throughout the review process suggested that both factors are at play.

For instance, there was also a considerable range of views around what innovation actually means. This is not surprising, given that innovation is an inherently ambiguous concept and what it means depends on its context. For instance, what is innovative in one agency may have been implemented long ago in another, what is truly innovative in the public service, may be seen as established practice in some parts of industry – or vice versa.

“To me, I think the beauty and the horror of the word is that it can, and in fact it probably should, mean something different to everybody depending on how they intend to use it.”

However, this variance in how innovation is understood or talked about does suggest, at least in part, that innovation is not a well-established common practice. If it was, more commonality and consistency could be expected in the way innovation is described, as would be seen with any other well-understood or commonly practised activities. It also implies that there is no strongly established sense of how innovation “fits” – what place it should have in relation to other concepts and concerns.

One area where innovation does not yet comfortably fit is the history, traditions and stories that the Public Service tells itself. While innovation has long occurred within the Public

Service of Canada, the historical context of how the service has engaged with innovation is multi-layered. It has, for instance, included times where innovation was generally not seen as valued or worth the risk.

“So in that context, the public service became very risk-averse, incredibly conscious of the amount of scrutiny that they were facing, and very afraid of the sort of big public embarrassment from trying something new or from even continuing in the same vein as they had, and having some sort of a public mistake.”

This is not surprising. Any country will experience changing priorities, contexts and demands, as well as shifting views regarding what is considered important or deemed appropriate or necessary. This means, though, that innovation – a practice which involves going outside the norm, and thereby making oneself vulnerable – may not be fully engaged with as an idea by many, unless they feel reassured that it is actually wanted, and that this desire is sincere. Even when that sincerity is there, it may take time for people to feel confident that it is genuine, to unlearn the lessons of the past, and to accept that this time is different.

“... you’ve had now here in Canada at the federal level at least four Clerks of the Privy Council successively who have maintained a focus on public service renewal or transformation in one form or another. That has kind of provided a platform for public sector innovation to kind of take shape ...”

Another way in which innovation does not fit easily within the context of the Public Service of Canada is that it is not always clear what the place of innovation is, among all of the other pressing priorities, concerns and needs. How does the innovation agenda relate to, complement or conflict with other priorities?

“And then probably we need more coherence on the different agendas for innovation. So you’ve got the Blueprint 2020, there’s the Business Intelligence stuff, we have a conversation under way on a Digital Maturity Strategy, knowledge management ...”

This uncertainty is potentially troublesome given that innovation is inherently an ambiguous concept, being as it is about what has not been done before, whereas other agendas and priorities are likely to be more clearly articulated or better defined. The intersection and interplay of different agendas can become messy, and a focus on innovation (a fuzzy concept) is unlikely to compete with other strategic priorities if there is any narrative confusion about what is wanted. Innovation (unclear) is likely to come second to other (clearer) priorities.

This tension can be exacerbated as additional, related concepts are introduced, but before innovation has been fully understood. For those who are not yet across “innovation 101”, perhaps having had little exposure or opportunity to really make sense of it in their context, the addition of other new terms may further contribute to a state of confusion, ambiguity and uncertainty.

“I think adding this experimental layer to the innovation lens allows us to pursue the proper methodologies, to really know what works. That’s kind of the distinction and I think there’s a lot of confusion in the system right now because we’ve introduced this experimental language, experimentation language, that I think people feel like we’ve changed the guideposts as they were barely getting used to one guidepost, which is the innovation language.”

This is likely an unavoidable tension, and a natural consequence of some actors becoming more sophisticated and, accordingly, using more nuanced language and a greater range of methods. Nonetheless, it can add to the challenge of reaching a coherent sense of innovation.

One approach that can help people come to grips with innovation and what it means to them is to provide them with a sense of the different ways in which innovation is already taking place, thereby enabling them to obtain an idea of what it looks like, what it does and what it achieves. The ambiguity surrounding innovation can sometimes be diminished by “showing the thing”, by making it tangible and real. However, many people did not seem to have a clear sense of innovation processes that were already occurring, or familiarity with many of the innovations that had been introduced (successfully or otherwise). Difficulties with gaining an overall picture of current innovation can make it harder to put innovation into context, or obtain a clear sense of how it fits within an organisation, and identify its relationship with other agendas, priorities and concerns.

“So you’ve got again, 250,000 people. I think there’s actually more than 300 organizations in the government of Canada. So there’s a lot of, ‘Well, you’ve got this wonderful idea. Wait over here.’ Somebody else, ‘Oh, we’ve got this wonderful idea’ and so you end up with and people trying to do stuff but not being aware that it’s either been tried and didn’t work or it worked but you need this or just all the context around that.”

Identifying how innovation fits may also be difficult if the relevant roles and responsibilities are not clear. If there are clear functions, clear workflows, and clear points of contact around innovation, it will generally be easier for people to form a mental model of the innovation system, and identify how they relate to it and what it means for them (if anything). At present, however, there appears to be a lack of clarity about the role of each agency with regard to innovation and how they fit with each other. This was the case for the Impact and Innovation Unit, a team perceived as the centre of the system, and for the functions or parts played by many other organisations or innovation teams.

“I feel like they’ve [the Impact and Innovation Unit] been doing some work with different departments on some of their programs, but it still feels very disconnected. I’m not sure, it’s not entirely clear to me what the objectives are. Again, it’s totally possible it’s just a function of where I sit.”

“I think they’re [the Impact and Innovation Unit] good in that they exist and that they’re passionate and they have these ideas and they’ve had uptake on the ideas. So I like the challenge platform kind of stuff, and I think that was good and that wasn’t going to come from anywhere else. And kudos for coming up with that and getting it through.”

This unsureness reflects a broader uncertainty about the roles that individual public servants should or do play when it comes to public sector innovation. This is likely a natural consequence of the combination of the factors mentioned above – uncertainty about the current state of innovation in the public service, what the concept means, how it fits with the wider context of the public service, and the exact formal responsibilities of the different agencies – making it hard for individuals to get a clear sense of their role in the innovation system.

“I think we need to accept that not everyone is an innovator.”

“So, I would say that highly operational organization, it’s unrealistic to ask them to really focus too much on innovation because, you know what? They’re fighting fires all day long.”

“... it’s about getting everyone to understand their roles in that ecosystem. So making innovation everybody’s business.”

In summary, there is still significant ambiguity around innovation at the moment in the Public Service of Canada, and a lack of lived clarity about what the relationship with innovation should be for many public servants.

“I honestly think, I think I would wave a magic wand and say please allow people to see themselves as part of a system. Because I think, we only can control ourselves and yet we get overwhelmed by the system needs to change and something outside of me needs to change, and we don’t really think, turn that mirror back on ourselves to say, well what is the thing that I can do to influence this situation I am in right now.”

Implications of this understanding

Primary observation

Any public sector will have a range of priorities concerning what should be done or what should change at any one time. If, or where, there is competition or conflict between those priorities, it is likely that those that are best understood, promise clear results and that fit with the dominant narrative(s) and expectations will be prioritised, at the cost of those unable to meet these conditions. Innovation – by definition a process of doing what has not been done before and challenging the status quo – is ambiguous, offers inherently uncertain benefits, and often runs counter to aspects of the dominant narrative. All other things being equal, this tension means that innovation is often likely to be considered a secondary priority.

Primary effect

Innovation cannot be consistent or reliable in the absence of a clear understanding about why it needs to occur, or a clear signal about why it is important. Individuals and organisations may have their own reasons to innovate, but these reasons are unlikely to converge in the absence of a broader story about the why, what and who of innovation. Without this, innovation will likely be a fragmented activity, in tension with, and thus subordinate to, other priorities.

If there is no clear understanding, the resulting confusion regarding what should be done will result in one of the following:

- **Inaction** – why should anything be done if it is unclear why something should be done
- **Inappropriate action** – the confusion leads to a misunderstanding about what is actually needed or is appropriate
- **Appropriate action for the wrong reasons** – the action taken is serendipitous/accidental and thus not reliable or scalable.

Reasoning

In formal systems, what is not understood or clear will generally come second to what is. For instance:

- If innovation is not understood, it is likely that it will not be prioritised.
- If innovation is understood but not seen as relevant (e.g. the status quo is seen as acceptable and/or there is no appreciation of the risks involved with inaction), it will be sidelined.
- If innovation is understood but does not fit with the context or lived experience, it will not be seen as meaningful, and/or will be resisted, seen as confusing, or judged as rhetoric/insincere language;
- If innovation does not fit with other more clearly articulated or understood agendas, it will come second to them.
- If innovation is not seen as part of someone's role, it will generally not be pursued.
- If innovation is not witnessed or seen in practice, it will be thought of as an abstract or intangible concept rather than something relevant or needed.

As noted previously, innovation is an inherently challenging activity. The difficulties involved can be exacerbated if organisations and individuals do not have clearly established responsibilities, roles or capabilities in regard to innovation. If there are no set responsibilities, it can be hard to know whom to contact for help, advice or support. If those with the responsibilities lack the requisite capabilities, they can become a bottleneck or worse. Informal networks thus become more important. However such networks can potentially add to rather than detract from the level of confusion, as each will likely have differing narratives to contribute, as opposed to a more consistent message.

None of this is to say that innovation will never happen under these circumstances; rather, it is more likely to remain ad hoc or sporadic and driven by individual and organisational concerns and needs rather than collective or overarching aims.

Understanding 2

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.

Box 4.5. Key points

While it is clear that innovation is taking place in the Public Service of Canada, the following factors are acting as filters for the innovation process:

- The implementation, interpretation or perceptions of regulations, rules or practices (whether an idea is allowed to be considered or given credence)
- Hierarchies and getting ideas to the relevant decision makers for consideration (whether an idea actually gets considered)
- Risk aversion (the lens through which an idea is considered)
- The need for people to go “above and beyond” in order to ensure new ideas receive consideration (the range of ideas that are possible for consideration).

While these factors are not necessarily unusual or unexpected, and will likely persist to some extent, they appear to be reducing unnecessarily the possibility for innovation. More often than not, the innovation process appears at present to be effectively governed by factors less to do with innovation (the merit, value or potential of an idea or proposal) and more to do with the ability of those behind the idea or proposal to overcome the relevant hurdles, filters or circumstances.

If innovation is primarily occurring as a by-product of other processes, then it is unlikely to be generated consistently or reliably, and is therefore not a dependable response to emergent or longstanding issues.

Box 4.6. Understanding 2: Exemplar quotes and relevant preliminary findings

Exemplar quotes from interviews

- “There are a lot more checks and balances for doing anything, which slows down progress, which could delay the potential for innovation.”
- “For the majority of people, it’s not an instinctive mindset yet. If anything, they applaud themselves on doing what they’re currently doing better. They’re rewarded for compliance, and they’re rewarded for efficiency gains. Their sense of self and their worth draws from the knowledge of what the processes and practices are, right.”
- “The only reason why we’ve gotten there is because we have top-level cover. Otherwise the system would have crushed us... It was top-level cover. And even there, sometimes, it’s almost impossible.”
- “If there’s no incentive and there is a possible downside of attempting innovation, you won’t do it. People tend to be/are willing to change the status quo if they don’t have to change.”
- “Departing from convention on how we work ... which parts of which organisations and legs and arms are doing, we can be quite consumed with that at times, to sometimes I think very little net benefit or value to the taxpayer on a

day to day basis in terms of accruing value. I think we need to let go of our current understanding of what the boundaries are and what the rules are.”

<p>Preliminary finding 9: There are many barriers and obstacles that confront the innovation process.</p> <p>Clarifying sentiment: I feel that there are a lot more hurdles with innovation than there should be.</p>	<p>Preliminary finding 10: One main barrier or obstacle is the hierarchy; particularly the “Clay Layer”/middle management.</p> <p>Clarifying sentiment: Middle management (the clay layer) is often a common problem with innovation.</p>
<p>Preliminary finding 11: The barriers to innovation are not absolute</p> <p>Clarifying sentiment: It can be hard to innovate, but innovation is happening despite the barriers that exist.</p>	<p>Preliminary finding 12: Innovation can feel like a fight, and one where winning does not feel like winning</p> <p>Clarifying sentiment: I see people who are trying to do new things have to go to great effort.</p>
<p>Preliminary finding 13: Risk Aversion is an endemic issue.</p> <p>Clarifying sentiment: Risk aversion is a core characteristic of the Canadian Public Service.</p>	<p>Preliminary finding 14: The notion of risk is beginning to be reframed and renegotiated, but it’s not there yet.</p> <p>Clarifying sentiment: I think the attitude towards risk is starting to change, but there’s a long way to go.</p>

Discussion of this understanding

Box 4.6 provides an overview of the key issues underpinning this understanding, building on the research, interviews and investigation conducted. The following discussion provides additional narrative about the issues in order to help provide sufficient context and background. The quotes provided are taken from interviews undertaken about innovation in the Public Service of Canada.

The research undertaken for this review reveals that while innovation is definitely taking place within the Public Service of Canada, many people felt that it was typically difficult or demanding to achieve.

Contributing to this state of affairs are very real hurdles that face those trying to do new things. These hurdles include formal rules and requirements.

“What has hindered innovation or made it more difficult, is the rules and regulations which apply to all government services, especially things like procurement.”

These rules and regulations can act, deliberately or unintentionally, as a limiting factor to the range of options that are open to consideration.

“We limit ourselves by the legislation that we’ve created. We limit ourselves by the policies that we’ve made and we believe that there’s valid and solid reasons for those policies we’ve created. But, we do not push that further and say, ‘Well, wait a minute. Maybe there’s a different way.’”

In many cases, however, the limits or hurdles may not be explicit or codified rules. Rather, it might be the interpretation of the rules, rather than the rules themselves, that constitute an obstacle to innovation – an issue shared by other countries (see OECD, 2017a, p. 32).

In some cases, the rules or issues behind the perceived barriers may not even exist, but still be taken as a fact. Alternatively, it may simply be conventional wisdom that constrains the range of the possible.

“But there’s a bit of a disconnect into what is possible and then what people sort of think is possible ... Sometimes the wisdom of the system is wrong.”

Another concern often raised during the research was that middle management acted as a filter or dampener for innovation.

“There’s a push from the top, there’s a push from the bottom, but that middle layer, which is sometimes called negatively the clay layer or whatever, it’s very difficult to get anything to happen because they’re the managers and they kind of control the employees, there’s a bit of stagnation I think that happens.”

However, this might be a case of correlation rather than causation. In any organisation, middle management will act as a filter, attempting to translate strategic intent from the top levels into practical action at the lower levels, and trying to synthesise and sift information from staff into meaningful intelligence that can be provided to leadership. This could reflect a natural structural issue rather than something particular to the quality or type of people in middle management. This would seem to be supported by the fact that this same issue (including similar language around “managerial clay”) occurs in other countries (see Australian Government, 2010, p. 42).

“I think a lot of time people blame middle management for the lack of change, but I feel like that’s just a cheap shot, that I don’t really know that that’s true.”

Risk aversion introduces another set of issues. In addition to the question of whether an innovation can be considered (Is it legal and could it potentially fit within existing frameworks and rules?), and whether it will be considered (Will it receive the attention of the appropriate decision makers?), the next potential concern is how it will be perceived as and when it is considered. The research findings emphasised risk aversion as a major issue in the Public Service of Canada, endemic to the operating environment.

“My sense is that there’s a lot of perceived risks; I’m sure there are some real risks as well, but there are a lot of perceived risks that aren’t necessarily as serious as I think people perceive them. There are opportunities that are just being missed because people are afraid to take them.”

While the conversation around risk was seen as beginning to change, it was still identified as an issue that could be very difficult to negotiate with or manage.

“That risk aversion is scary. It’s scary because you can have the greatest ideas and the greatest plans and you can say, ‘You know, this is going to work,’ but if people don’t want to take that risk, even though it’s a calculated risk, this is not willy-nilly jumping out of an airplane with no parachute. They just will not, they will completely kibosh a project, an idea, whatever it is. I don’t know how you get past that.”

In combination, these different aspects can make it very difficult to ensure an idea actually receives consideration. Given that a fundamental factor affecting the potential impact of innovation is the breadth and range of possibilities feeding into the process (OECD, 2017b), these filters can be of potential concern. If possibilities are being *unnecessarily* filtered for reasons other than the merit or value of the idea, then the potential for innovation will be reduced.

Another potential concern is the extent to which people feel inclined to put forward their ideas or are prepared to fight for them. While the experience of innovation was by no means uniform, there was often an element of struggle involved, with people having to invest significant effort in the process.

“It’s a battle day to day fighting upstream and in my experience, the best innovators are not only great innovators, they’re very strong people being able to swim upstream day in and day out. It’s not easy.”

If the innovation process requires significant personal and emotional investment, it can also act as an unintentional filter. If innovation is seen to be something that is difficult and demanding, it will limit those who are prepared to become involved, or it will filter out those who have participated as they become worn out by the process.

“You can only fight so many times before you become quite tired.”

While some people are prepared to bear these costs (or may not even recognise them as costs), there appears to be a significant degree of arbitrariness in relation to which ideas receive consideration.

“I find there’s a lot of excitement at the top level and there’s a lot of excitement at the bottom level. The top level has the authority but doesn’t have the time and then the bottom level has the time but doesn’t have the authority to put into a project. It’s really up to that middle section to make or break a project. It’s luck of the draw of what kind of manager or director you get because they can either pass along the information from top down or bottom up, but if they’re not willing to then things aren’t going to happen.”

While innovation is always an uncertain process, this can be exacerbated if the range of possibilities that gets to be considered is also filtered by factors other than the merit of the idea, the potential of the proposal and the effort those involved contribute.

In summary, the innovation process in the context of the Public Service of Canada appears currently to be governed by a range of factors other than those most relevant to innovation.

“You can try innovative projects that end up getting you weighed down and mired in dealing with either criticisms or problems that arise from having tried to do things differently, fair or unfair. You hear conversations where people ask the question, ‘Why don’t we do things differently?’ This is why we don’t do things differently.”

Implications of this understanding

Primary observation

There is fundamentally an inherent tension between existing sets of processes and ways of working, and innovation. The former is about repeating (and possibly improving) established practices and therefore focuses attention on a reduced range of possibilities. The latter is about doing things in new and different ways, and therefore involves considering a wider or different range of options. All other things being equal, this tension makes innovation something that is difficult to do.

Primary effect

Innovation will not happen consistently or reliably if the following circumstances are present:

- The process is reliant on individuals or organisations trying to challenge and overcome default settings and risk aversion.
- Success or failure (perceived and real) feels arbitrary and is determined more by the circumstances of participants (e.g. who is their manager, who they know and what else is going on at the same time), than by the effort they exert, the merit of the idea or the intent they were trying to achieve.

Reasoning

Innovation involves novelty and attempting something new and possibly unexpected. This requires going up against the status quo and the default settings. By trying to achieve something different, it is trying to change what is.

Public sector organisations and systems are composed of structured sets of interactions. There are processes, precedents, protocols, traditions and expected ways of doing things. For example, if someone wants to access external expertise or capabilities, there is a range of options from which they can choose, such as hiring, buying or partnering. If someone wants to attempt something new, the first step will often be to consider whether it has been done before and then proceed from there.

Of course, innovations can and do happen, and no organisation or system is static and unchanging. However these changes are often in response to one of the following:

- External drivers or shocks
 - A crisis – an event or development that makes the status quo untenable and therefore requires a new or modified response
 - A political commitment – similar to a crisis, a political commitment can make the status quo untenable for the public sector, and therefore drive new responses or activity
 - External pressure – this takes the form of consensus and/or significant distress from external stakeholders that things need to change and is either consistent and/or high profile/in intensity.
- Internal pressures
 - Efficiency driven change – this results from becoming better at/optimising existing activity, such as business process improvement
 - Specific leadership or strategic/operational priorities that necessitate a change to how things are done
 - Individuals pursuing particular agendas.

In order for innovation to take place in circumstances other than these (i.e. occurring in an adaptive or proactive, rather than reactive, fashion), some other mechanism needs to be present that allows for consideration of different approaches, with regard to their merit as innovative proposals.

Understanding 3

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.

Box 4.7. Key points

Innovation often appears to happen in spite of the underlying capabilities and enabling systems within the Public Service, rather than being aided or accelerated by them. While innovation *is* taking place, and there is activity to better calibrate for innovation, there is a significant gap between what is currently possible within government and what is possible outside of government. As technological change continues, this gap will potentially grow.

The exact cause of this mismatch is not clear; however, it could be attributed to:

- Insufficient ability to prepare for emerging issues and technologies
- The implications of emerging issues and technologies not fitting with existing activity/focus areas or the associated mind-sets and models of operation
- Feedback from the operating environment not being sufficiently resonant to shift or alter existing investment and commitment
- Existing capabilities and enabling systems being sufficient in most cases, and able to be stretched if needed where not, thereby masking the need for the development of new capabilities.

There is a risk, therefore, that the Public Service will not be able to apply innovation as and when needed, and would first need to invest additional resources, learning and effort before being able to get the innovative responses it requires.

Box 4.8. Understanding 3: Exemplar quotes and relevant preliminary findings

Exemplar quotes from interviews

- “Our biggest weakness is systems. It’s our infrastructure, essentially. Old infrastructures. Whether it’s IT, or our human resources management model. They’re old, old models, and old systems.”
- “The system adopts and changes, but it takes time.”
- “The technology on the market is not necessarily what we’re using.”
- “I think the Canadian Public Service knows that it needs to be innovative. I’m not sure that it knows how to do that yet. I just think about my folks, in terms of, I’ve given them license to do things differently and I know, I can see a lot of hesitation.”
- “And so there’s this mismatch, I think, between what we expect people to do with the abilities and experience that they have.”
- “And I’m not sure how government will survive when outside of the government we’re moving so much faster.”

<p>Preliminary finding 15: The underlying systems of government are not calibrated for innovation.</p> <p>Clarifying sentiment: It feels like much of the basic machinery of government is in tension with innovation.</p>	<p>Preliminary finding 16: The systems of government have the ability to change, but not quickly.</p> <p>Clarifying sentiment: The Public Service of Canada is like a large ship – it takes time to turn.</p>
<p>Preliminary finding 17: Government is confronted by significant rates of technological change.</p> <p>Clarifying sentiment: I don't think we really understand the technology that is now available to us.</p>	<p>Preliminary finding 18: There is a focus on impact, but not necessarily a strong connection to those being impacted.</p> <p>Clarifying sentiment: I think we care strongly about impact but we don't often get to see that impact.</p>
<p>Preliminary finding 19: There are a number of "limiting factors" that are affecting the capability and capacity to innovate.</p> <p>Clarifying sentiment: I don't think we have the critical mass needed for widespread innovation.</p>	<p>Preliminary finding 20: The commitment necessary to match the expectations of innovation may not be there yet.</p> <p>Clarifying sentiment: I don't know that we're really doing what we need to if we're going to make the Public Service of Canada really innovative.</p>

Discussion of this understanding

Box 4.8 provides an overview of the key issues underpinning this understanding, building on the research, interviews and investigation conducted. The following discussion provides additional narrative about the issues in order to help provide sufficient context and background. The quotes provided are taken from interviews undertaken about innovation in the Public Service of Canada.

The research identified a sentiment that while innovation could and did take place in government, the institution was not designed or calibrated for innovation.

“Our systems are very, I don't know what the right word is, but our systems don't seem to be well designed, our structures don't seem to be well designed to support change, it seems.”

“Down to the actual makeup of government, it's not set up for innovation.”

This dissonance in the underlying systems is perhaps related more to the implementation of innovation, rather than efforts to identify whether innovation is needed or to propose innovative ideas. The identification of a problem does not ensure that a solution will be implemented.

“The Public Service of Canada has a lot of very smart people [...] And they very often identify what is wrong and even suggest exactly what needs to be done to fix it. The problems seem to be in actually implementing the fix.”

If this is the case, it suggests that an important limiting factor for innovation is the ability to undertake innovation, rather than the ability to conceive of innovative possibilities. Ideas and the case for innovation might be present, but the ability to realise them may not be available. For instance, regulation does not appear to lend itself well to a more innovative and agile approach.

“Because there is a full understanding that with the speed that we go to regulate, it takes two to five years to put a regulation in place, and there are good reasons why we have to want to go slowly. It has a huge impact on the people and the economy. But also the economy and the sectors are going so far ahead”

The gap between what is known to be necessary and the ability to carry it out can sometimes be too great to overcome.

Another potential cause of this underlying dissonance is that the government does not prepare sufficiently to face potential issues, and is thus unprepared when it comes to acting on them. Innovation might fit better with government systems if the groundwork was laid in preparation.

“If I had to characterize the policy making process in Canada, as it’s described by officials and by scholars, is that it’s short-term, focused on firefighting, heavily driven by media and managing media responses to potential government failures. As a result, we don’t do long-term planning, we’re not sufficiently preparing for emerging issues, and that there’s often a lack of data and evidence to informed decision making.”

All this suggests that there are some underlying tensions between how government works and its ability to carry out, implement and conduct innovation.

This is not to say that government systems are not adjusting or responding to this misalignment. Many developments currently underway are aiming or helping to address this challenge. Action is occurring at the system, agency and individual levels. The underlying systems do have the ability to change, and that ability is being put to use.

“but there’s still a lot of change movements within departments and across departments, so the system is constantly adjusting itself.”

However, there are questions about whether this adjustment is sufficient to meet the magnitude of the changes potentially required of government. There is an underlying concern that government is failing to get to grips with the technological shifts in society and the associated changes in how things can and therefore should work.

“... we’re thinking of tomorrow with the technology we have today. We’re not thinking of tomorrow with the technology of tomorrow. So we always seem to be playing catch up because everything is so expensive because you’re government”

“... the pace of change in government does not align with the pace of change going on out there and so even as I talk about these things and think about the new stuff we’re trying, the world is evolving really, really rapidly in ways that people cannot predict and whether it’s AI or robotics or the big data on the AI and the algorithms. The stuff that we’re dealing with here, even the way we approach disruption and transformation even at the most cutting edge, at the most accelerated ways, I think there is a general concern that even our most ambitious thinkers are far behind what’s the pace of change that is going on outside of government.”

“Things that are changing quickly, and things that have emerged over the last decade or two, we haven’t been able to respond. We haven’t been able to respond in incremental ways. And we haven’t been able to respond in transformational ways.”

Why might this potential disparity between what is happening outside of government and what is capable of being done within government exist? A possible explanation lies in

whether or how that disparity is actually recognised, and whether that recognition informs the investments, infrastructure and capabilities of government.

“I think the biggest challenge, to my mind, in terms of an overarching, more innovative approach in the government of Canada is having the tools and capacity to actually measure how effective or efficient our programs or policies are.”

A growing focus on outcomes and impacts was observed. This may provide a stronger sense of what is working (and what is not), and thus help identify relevant gaps in capability and any other key needs.

“Much more focus on outcomes as opposed to compliance to process. That has been, for the public service, that shift of perspective is really, really important. It then liberates you to think about, ‘Well, there are other ways. This is what we’re trying to achieve.’”

However, there still appear to be weaknesses in the feedback loops regarding whether or how innovation is making a difference in the Public Service, and therefore whether the underlying systems and capabilities are sufficient to cope with the challenges involved. Without a strong awareness of and connection to the outside environment, the Public Service’s ability to know whether its processes are really working and whether change is needed will be limited.

“I think it’s starting that relationship with Canadians and citizens, where we don’t know where to start because we haven’t done it.”

“But I think most people are willing to feed into those processes. Sometimes they feel over-consulted, and I think that feeling of over-consultation would be because they see a lack of action following the past consultations.”

These weaknesses may be holding back the system from aligning effectively with outside rates of change, and building the capabilities needed to innovate effectively and sufficiently close this gap.

Other concerns regarding the capability of the Public Service to innovate relate to the availability (or not) of the necessary skills, capabilities and capacities to undertake widespread innovation.

“There are a lot of enthusiastic public servants who’ve learned about these new tools. Might have been exposed to them through training or through Twitter. On the off, off chance in their work outside of government. But we have a pretty short bench. We don’t have a lot of people that have experienced the use of these new tools. Or implementing or designing.”

Even where people may be keen to try new things and have approval and opportunities to innovate, they may not necessarily have the elements they need to ensure success. It is one thing to want to innovate; it is another to be able to develop and apply new ideas in fields outside current areas of activity. Any such disconnect poses a potential risk to support for innovation. If innovative projects are proposed and agreed to but are not successful or are seen to falter, it may harm future backing for innovative initiatives (“maybe innovation isn’t the way to go”). Even worse, it may send a signal that innovation should not be attempted (“it might fail!”), instead of the message that innovation might be even more necessary (“government is not keeping up!”).

“There are capacity challenges within the system to use new tools, processes, approaches, how we do data analysis or random control trials or the data analytics

or integrate really rigorous program evaluation into decision making so that there're huge capacity issues. There are lots of political risks if some of these things go off the rails or don't do well whether they get shut down, we need demonstrable successes early before the inevitable mistakes occur."

There is also a potential mismatch between the signals being sent and the commitments being made. While there is an increasingly stronger signal that innovation is needed and wanted, this is not yet fully reflected in the way government is working and investing, and thus in its actual capability to undertake innovation.

"So I think where the government of Canada Public Service has been encouraged to be innovative, it's clear from the Prime Minister, it's clear from the Clerk. The tools that we have at our disposal don't necessarily currently allow for that, in terms of reporting, in terms of internal processes, in terms of constraints from the Treasury Board, in particular. Now, we're working with them on that, but I wouldn't say we've completely found a happy place."

"So, no. Neither are we equipping our staff with the new tools and technologies that they need, nor do we fully yet, as a public service. I think we have a sense of what's coming, but I don't know that we've fully anticipated all the ways in which we, as a public service, will need to design policies for our citizens, that will enable Canada to be prepared for the fourth industrial revolution.

But we're not ignorant to it, either. And I think probably, compared to other countries, we're not in a terrible space in terms of knowledge and awareness. Execution is a different story."

In summary, there is a mismatch between the underlying capabilities and enabling systems within government, and those outside of it. The current capability to perform innovation does not match the capabilities that might be needed to realise the scope of opportunities available for innovation. Thus, there is a risk that government is not currently suited to the environment in which it is operating, or able to take advantage of the innovative options potentially available to it. This mismatch is conceivably growing as the technology and capabilities available outside of government continue to develop rapidly.

Implications of this understanding

Primary observation

Innovation often involves doing what has not been done before, whether it is new to world or new to context. The capabilities required for any individual innovation are thus going to be somewhat speculative.

Innovation often involves doing what has not been done before, whether this action is entirely new or just new to the context in question. The capabilities required for any individual innovation are thus going to be somewhat speculative.

However, the capabilities valued in any system are going to be those that are known or prioritised. Technology, infrastructure and operating models will all tend to reflect current operations, or business-as-usual, which delivers known results. The activities of any system will focus on the purpose for which it was designed. Without feedback from its operating environment that existing capabilities are insufficient or are under-performing, existing system strengths are likely to remain entrenched, preventing investment or commitment in

more innovative (and uncertain) options. All other things being equal, a system will be suitable for what it does, rather than what it could potentially do, making innovation harder.

Primary effect

Innovation will not happen consistently or reliably if the following circumstances are present:

- The underlying capabilities, technologies, infrastructure, and operating models are not suited to what is required/or what might soon be needed.
- Investment and commitment are primarily geared towards existing activities and operating models, with insufficient development of new options.

Reasoning

Any system such as the public sector, or any connected series of parts that work towards a common purpose, will develop and invest in capabilities to undertake what is encouraged, what is reinforced by its interactions with its environment (e.g. an education system will invest in schools, teaching standards, curricula and testing). If feedback consistently reaffirms that things are working, then the system is unlikely to change. If feedback emphasises that things are not working, then the system is more likely to be open to new ways of working, to encouraging investment in new or different capabilities, and to being open to new partnerships or collaboration that might provide the needed access to relevant capabilities.

The longer a system is not suited to its context, the greater the likelihood that there will be significant divergence between what is available and what is needed in terms of the capabilities to undertake the relevant innovation effectively. Individual innovation initiatives may still be possible, but the ability to tap into a broader wave of innovation or disruptive technology will be hampered. For example, just because a project uses artificial intelligence/machine learning, it does not necessarily entail a wider capability to consider and explore the potential of AI more broadly, which could then be drawn on to inform projects in different areas.

In short, innovation will still occur within a system even when the system is not calibrated for that purpose or lacks some of the necessary capabilities. However, innovation under those circumstances will likely exist in pockets around people and organisations with the necessary drive to obtain access to or stretch existing capabilities. Where this happens, innovation will be dependent upon capabilities likely not found in other parts of the system. These other parts of the system will also be unlikely to share the same motivation or need to innovate, which will prevent the impact of the innovation from spreading.

Understanding 4

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.

Box 4.9. Key points

While innovation is taking place in the Public Service, it is not yet widely integrated as a practice or as an expected part of how things work or how things are done. It generally occurs in pockets that, while beneficial, have not yet led to widespread change or transformation. This both generates and is caused by a situation where:

- default settings favour business-as-usual activity
- being an “innovator” is seen as a separate identity, rather than an attribute that anyone can manifest
- leaders may not know how to best enable innovation and may not be adequately empowered or informed to contribute constructively
- behaviours that potentially compete with those better suited to innovation are reinforced
- people may find it difficult to articulate and negotiate the balance between “innovation is welcomed and sought” and “not all innovation is equal”.

As innovation happens mostly in pockets, this limits the potential impact of any individual innovation. Innovation as a practice is seen as limited in its impact and is therefore naturally viewed as something marginal. This marginalisation means that innovation happens mostly in pockets... and the cycle repeats itself. In such a setting, innovation as both a process and as a practice will continue to happen by exception, rather than as a familiar, trusted and practiced activity that can be drawn on to achieve better outcomes.

Box 4.10. Understanding 4: Exemplar quotes and relevant preliminary findings**Exemplar quotes from interviews**

- “I think there’s pockets of innovation”
- “I think it’s appreciated, but again, when decisions need to be made in terms of, ‘Do we continue to work on this? Or do we do our core business?’ We got to do our core business.”
- “Bringing new ways of working in is easy. Having them implemented and used by the employees is the hard part.”
- “It’s like, no, things have context and place and power relations. They’re not as simple as you parachute the innovator in and they’ll fix everything.”
- “I still think that the discussion and the discourse on innovation is in a bubble, so I don’t think it’s as pervasive as it needs to be. I don’t think it’s as well understood as it needs to be.”
- “So I think innovation by example is a good approach. Stop talking about it and just show us how you’re doing it. And again, I think it’s if we can do a better job or just a job at showing that innovation is just a way of being, it’s not something that scientists do in a corner, but anyone can innovate. Like, show us.”
- “So I think we’re getting there, but it takes time ... to reinforce it, as this is a normal part, this has always been a normal part of our culture, but that now, we

<p>have new ways of doing it that we didn't have before. And so how do we help people with that, as well?"</p>	
<p>Preliminary finding 21: There are a lot of pockets of innovation.</p> <p>Clarifying sentiment: It seems like innovation is only happening in small pockets.</p>	<p>Preliminary finding 22: Innovation is often something that is done "side-of-desk".</p> <p>Clarifying sentiment: Innovation is not very well integrated with our day-to-day work.</p>
<p>Preliminary finding 23: The innovation community is not well integrated into the broader Public Service of Canada.</p> <p>Clarifying sentiment: I think there's a bit of an innovation "bubble" which can be a bit cliquy.</p>	<p>Preliminary finding 24: Senior leadership's relationship with innovation is patchy.</p> <p>Clarifying sentiment: I think leadership is inconsistent when it comes to innovation.</p>
<p>Preliminary finding 25: The behaviours appropriate and necessary for innovation to thrive are still being developed.</p> <p>Clarifying sentiment: I don't think that we, as individuals, always know how to act in a way that supports innovation</p>	<p>Preliminary finding 26: The appropriate balance between innovation and other needs is not clear.</p> <p>Clarifying sentiment: I don't think there's a clear notion of how much innovation would be too little or too much.</p>
<p>Preliminary finding 27: There's energy and optimism about the journey ahead.</p> <p>Clarifying sentiment: I think we're heading in the right direction, even if we don't have all of the answers.</p>	<p>Preliminary finding 28: There is a considerable diversity of views about what needs to happen next.</p> <p>Clarifying sentiment: There's no consensus on what should be done to improve innovation in the Public Service of Canada.</p>

Discussion of this understanding

Box 4.10 provides an overview of the key issues underpinning this understanding, building on the research, interviews and investigation conducted. The following discussion provides additional narrative about the issues in order to help provide sufficient context and background. The quotes provided are taken from interviews undertaken about innovation in the Public Service of Canada.

The research undertaken for this review demonstrated that much of the innovation seen occurring in the Public Service of Canada happens in "pockets", or small, discrete, unconnected areas of activity.

"I can think of all kinds of great examples of innovative things that are happening in pockets."

These individual pockets – these specific areas of activity and projects – can be important in their own right, and may well make a difference with regard to their specific context and the specific issues they are dealing with. However, these pockets remain, generally, just pockets.

"We have good examples of trying new things, but we don't have good examples of these new things yielding an impact that's either incremental or transformational."

“I think there are pockets of innovation in the Canadian Public Service that have been working very hard for the past number of years to try and drive innovation deeper into it. I think there are structural changes, partially as results of these pockets and pockets are always people. It’s not like this organization that’s innovative. It’s the people that are moving around.”

The issue of innovation activity remaining in pockets rather than spreading or having further influence is likely associated with its lack of integration into day-to-day work. Innovation might be demanded or requested, but that does not mean it is viewed as part of doing the job. Rather, it is often seen as something to be done in addition to the job.

“What I can say is that a lot of times being innovative means doing something that’s not part of your daily job, not part of your core duties, and we’re constantly being asked to do more with less, but when push comes to shove, because there tends to be an aversion to risk, if there’s a choice between doing your business as usual versus doing something new and risky, it tends to go back to do what you’re supposed to be doing.”

Even in cases where innovation is framed as an express objective of the job, the default settings and expectations can be stronger, and may actually enforce a focus on continuing as before.

“I would say that a lot of times, while there might be interest in finding ways to do things differently, there’s also a lot of pressure to keep doing things the way we’ve always done them or for change to happen on the margins.”

For some, innovation remains something disconnected to their everyday work, to their sense of normality. It is not integrated into what they do or who they are.

“But, innovation falls to the margins because it’s not a core function, and there’s a lot of confusion, and confusion is even a strong word, it’s like complete... what’s a word that’s like, it’s non... no one even knows it exists. You know, it’s just like completely on the margins of anybody’s core business.”

Similarly, those undertaking innovation are also often perceived as not really being integrated with the broader Public Service of Canada. A number of factors contribute to this difference or separation, including structural ones. Sometimes innovation is perceived as a process only undertaken by certain people.

“I think you need to incorporate innovation in the day to day. I think often because we want to give it a focus or give it an importance, we carve it off as a separate role, but if you don’t engage who’s actually delivering the service or who’s actually doing the work, you can’t sustain the change or you can’t build that culture of change.”

Sometimes, those who “do” innovation may unintentionally reinforce this gap between those seen to be involved with innovation and those who are not. Innovation – the act of doing things differently – can sometimes act to emphasise and exacerbate difference rather than contribute to cohesion and a shared mission.

“I think there’s a policy innovation bubble in Ottawa at the federal level. I think we talk a lot amongst ourselves and there’s an echo chamber. I don’t know. I don’t think that’s the intent. I think people have very good intentions, but it can be self-reinforcing and it can be limiting and not really inclusive, particularly to the vast majority of public servants who need to be engaged in the process.”

The extent to which innovation is integrated into the day-to-day business of the Public Service is an issue that also carries over into leadership. Leaders can themselves be the difference between whether innovation is seen as normal, or whether it remains something marginal, to be done “side-of-desk”. In the absence of a clear signal from leaders demonstrating their openness to innovation, default settings and an associated assumption that innovation is not really wanted is likely to dominate.

“The DGs [Directors-General] may have been very well open to innovative ideas but, if they’re not signalling it, there’s an assumption from the staff that senior management isn’t willing to accept responsible risk-taking, or to encourage innovation.”

Due to these default expectations, senior leaders within current hierarchical structures often play an outsized role in the innovation process, whether they mean to or not. However leadership, as currently practised, may not always recognise this, or enable leaders to act on it.

“Whereas I have all confidence in my senior management, the trickle down of information is minimal at best. They just don’t have time. They don’t know what to report to me. They’re still struggling with understanding it, so I experience these huge disconnects and it’s a feeling of yes, I know how to be innovative. I would like to adopt a practice. I want to encourage particular things that should be done, but bump up against... the need to have that approved, and in order for it to be approved, it has to be understood.”

In a changing operating environment, new behaviours might need to be normalised. Innovation requires openness to doing things differently – to thinking differently. It involves being vulnerable (e.g. “What if my idea is rejected? What if I admit I don’t know something”). It also involves respecting others when they make themselves vulnerable by participating in the innovation process. Innovation requires different behaviours to those typical for many bureaucratic professional organisations.

However, such an adjustment in behaviours may take time – and not just for those in leadership positions. It is apparent that appropriate behaviours that enable innovation in the Public Service are still in development.

“And then we realized that around innovation, people were really adopting the language of innovation, but maybe not as much the doing, which was quite interesting. In some cases, they knew what the buzz words were.”

This development of appropriate behaviours may be impeded in cases where previously valued or emphasised behaviours are effectively in conflict or competition with those that are supportive of innovation. Often, the environment and culture still work to reinforce the dominant paradigms and ways of working, with innovation viewed as something that is at the edge or foreign.

“I mean, we’re all trained in secrecy, to be honest. That’s what you get taught a lot as you grow up in the system. And so getting that out, and getting people to kind of be more open about things they may be working on, or co-development of ideas and proposals for people... It’s gonna take a while. We’ll have them in pockets, but we’re not on any broad level. I think it’s gonna take a while.”

These behaviours can do as much harm to the innovation process as anything else. Irrespective of whether innovation is emphasised, allowed or encouraged, or the relevant

resources and commitments are available, it is behaviour that will often determine whether innovation is successful or welcomed.

“So all of this kind of stuff, the habits that get formed were as harmful essentially to innovation, as much as a barrier as anything written on paper, and because they were kind of more amorphous, it’s actually harder to deal with, like at least the rule, the rule I have a really torturous process to change it, heaven help you if it’s legislative, whatever, but usually at least there’s a way you know how to do it, right? That stuff is harder because it’s harder to put a finger on it.”

This tension might be due in part to the absence of a strong or sophisticated understanding of when innovation is needed or of how to balance innovation with other expectations. Even if innovation does become part of the norm, there will still be times when innovation is not appropriate or not needed or wanted. Just because innovation is sought, it does not mean that *all* innovation is welcome, or that all innovation is equal. There needs to be a balance of some sort.

“Why is the Government of Canada not more innovative? It’s certainly a massive ship. You don’t turn it on a dime, and think that is for good reason. There are certain areas where I’m not sure it’s in our best interest or Canadians’ best interest to attempt to be highly innovative.”

“... if you want to engrain innovation as a way of being, you need to appreciate some of the forces that are working against it that will try to marginalize it, because it’s a little abstract, it’s confusing, and, yeah, people like doing what they’re doing, so don’t change what we’re doing, right?”

Finding and maintaining the appropriate balance is likely to be challenging. The overall need for innovation is clearly high, but an ever-changing context makes knowing when innovation is actually appropriate more difficult. The risk is that the default settings, behaviours, expectations and culture will ensure that innovation remains a marginal activity.

“I think there’s a much greater awareness now of the importance of innovation. ... I think the risk is we have just enough innovation going on that deputies can happily write a report to the Clerk every year about how they’re being innovative, and maybe delude themselves into thinking that they have an innovative ecosystem.”

On the other hand, as more people are exposed to innovation and its outcomes, and become more familiar with the practice of innovation and what it is for, innovation is likely to start to inform and become part of the overall culture of the Public Service. As it becomes normalised, it will become part of the new normal.

“A lot of these components I think, is moving us up that maturity curve that I think for those folks that have been out there in their little pockets working hard and driving against convention a little bit ... I think that we now are starting to see, okay, there is a collective willingness and understanding that this is important across the government scheme.”

For the moment, however, innovation is still a marginal activity, most of the time that intersects with core work on only a limited basis. It is not yet integrated into standard behaviours or day-to-day expectations.

“So, we’re always going to have a bubbling need to be able to convert people into folks that believe in innovation and so on. But, I think, I wanted to pass more on the

message that if people can embrace innovation, there's less of a need of a machine in the back that's pushing it."

Implications of this understanding

Primary observation

Innovation is about difference, about deviating from the status quo. However, norms, processes, systems and culture are generally about replicating certain ways of doing things, certain ways of acting and certain ways of interacting. Unless innovation is somehow considered normal and legitimate, and systems and people have the opportunity to become familiar with it, it is likely to remain in conflict with or to contrast with people's expectations. This will stop innovation from being seen as normal, and thereby prevent people and systems from becoming familiar with it. All other things being equal, this tension means that innovation will generally remain marginal rather than integral.

Primary effect

Innovation will not happen consistently or reliably if it is seen as an aberration or as something unusual that is required only occasionally.

Reasoning

As with any capability, innovation takes practice before those involved learn enough to become good at it. As with any behaviour, innovation will not be reinforced unless it is recognised, encouraged or expected. As with any process, innovation will not become efficient if it is only undertaken very occasionally.

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