The Innovation Imperative: How to sustain an Innovative Public Sector?

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Why public sector innovation?

• Constrained resources
• More demand
• Greater expectations
• Demographic challenge
• Complex social issues

_Innovating the Public Sector: From Ideas to Impact_, 12-13 November 2014
OECD Public Sector Innovation Framework

- Generating & Sharing Knowledge & Ideas
- Empowering the Workforce
- Adapting Rules and Process
- Reviewing Organisational Design
- Society
- Public Sector
- Organisation
- Individual
Data, information and knowledge fuel innovation

• Share information to spread ideas and practices, maintain pressure for performance, and to develop new cross-cutting solutions (OGD and Big Data)
• Leverage new ways to gathering data (e.g. Challenge.gov)
• Bridge internal (performance) and external (user) information needs (e.g. Student Update Facebook & Twitter accounts)
• Integrate new data into existing processes and learning from it to adapt to changing environments.
Spreading Open Government Data

- **Economic value**: Growth & competitiveness in the wider economy; fostering innovation, efficiency & effectiveness in government services
- **Social value**: Citizens’ self-empowerment, social participation & engagement
- **Public governance value**: Accountability, transparency, responsiveness & democratic control

**What are the main objectives in governments’ open government data strategies?**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Increase transparency</td>
<td>80%</td>
</tr>
<tr>
<td>g. Create economic value for the private sector</td>
<td>70%</td>
</tr>
<tr>
<td>b. Increase openness</td>
<td>60%</td>
</tr>
<tr>
<td>h. Facilitate creation of new businesses</td>
<td>50%</td>
</tr>
<tr>
<td>d. Improve internal operations and collaboration</td>
<td>40%</td>
</tr>
<tr>
<td>e. Enable service delivery from private sector through data re-use</td>
<td>30%</td>
</tr>
<tr>
<td>c. Improve public sector performance by strengthening accountability</td>
<td>20%</td>
</tr>
<tr>
<td>j. Enable citizens’ engagement in decision-making processes</td>
<td>10%</td>
</tr>
<tr>
<td>i. Facilitate citizens’ participation in public debate</td>
<td>0%</td>
</tr>
<tr>
<td>f. Create economic value for the public sector</td>
<td></td>
</tr>
</tbody>
</table>

Source: OECD Report on Open Data (forthcoming)
Individuals need to upgrade their skills in order to innovate, collect and analyse evidence, understand human behaviour, work in networks, and develop creative solutions. Specialist skills are no longer confined to niche positions (e.g. technological literacy, communication and analytical skills).

But do countries have the right skills to turn information into knowledge?

**Problem solving in technology-rich environments: % at level 2 or 3**

Source: OECD Survey of Adult Skills (PIAAC) (2012)
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Empowering the Workforce
Putting the focus on individuals

• Civil servants are the ultimate agents of change
  • Identify factors that motivate people to innovate (financial vs extrinsic rewards)
  • Organisational culture (relationship with hierarchies, teamwork, tolerance to failure) can play a role
• Support from leadership is crucial to build consensus and lower barriers to innovation (e.g. Reykjavik metropolitan police)
Incentivizing staff and building a culture of innovation

- Innovations come from staff at all levels
- Individual employees innovate within an organisational culture which may support and/or hinder innovation.
- Incentives should reward success, but also support risk-taking.

**Incentives to promote co-ordination across government**

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>7</td>
</tr>
<tr>
<td>Individual or collective targets</td>
<td>12</td>
</tr>
<tr>
<td>None</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
</tbody>
</table>

*Note: 22 country responses*

*Source: OECD Survey of Centres of Government 2013*
“I will be happy to give you innovative thinking. What are the guidelines?”
Will new leadership needs require new leadership competencies?

- **Specialist / Method Competence**
- **Activity & Implementation Competence**
- **Social Communications Competence**
- **Ethical Leadership**
  - Promoting & setting the example for value orientation
- **Healthy Leadership**
  - Shaping working conditions & promoting engagement, empowerment, resilience
- **Personal Competence**
- **Transformational Leadership**
  - Shaping thinking patterns & inspiring staff
- **Authentic Leadership**
  - Displaying & inspiring loyalty and integrity
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Adapting rules & processes
Processes and procedures should help, not hinder

• Rules and processes may have unintended effect that limit organisations’ capacity to innovate
  • Government officials’ misunderstanding of rules may lead to unnecessary risk aversion; altering regulations can change incentives & ability to innovate.
  • Removing limits is not always enough; limits can be self-imposed.
• New, more flexible norms and guidance
  • Simplification efforts should be accompanied by new approaches to assessing and managing risk and performance.
  • Increasing flexibility needs to be balanced by public service values and a robust integrity framework.
• Innovative problem solving approaches
  • Focus on outcomes and adapt existing processes
  • Rely on collaboration, pilot testing, experimental design and prototyping (e.g. NemID, Cardboard hospital)
Budget rigidities can limit flexibility and horizontal collaboration.
Fiscal consolidation measures can reduce capacity to innovate.
Many horizontal solutions lack resources or funding mechanisms.
Performance budgeting is an imperfect solution.

Note: Percentage of participating OECD countries (33 in 2012 and 33 in 2007).
In this graph, "Other type of approval" in 2012 is recognised only when neither MoF nor legislature is required to approve.
Source: 2012 OECD Budget Practices and Procedures Survey
Using ICT as a platform for collaboration: OECD Recommendation on Digital Government Strategies

Engage citizens and open government to maintain public trust

Strengthen capabilities to ensure return on ICT investments

Improve governance for better collaboration and results

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Reviewing Organisational Design
Reviewing organisational designs

• Complexity of problems requires:
  • Rethinking organisational boundaries to draw expertise from a broad range of actors
  • Introducing new ways of working to address problem solving; encourage collaborative working
  • Introducing flexibility in staffing system and new leadership responsibilities cutting across policy domains
  • Involving private sector and civil society to co-design solutions
Setting up effective institutional arrangements supporting innovation

- Institutional arrangements, such as agency mandate and level of autonomy, can impact innovation capacity.
- Collaboration and coordination frameworks might be needed to manage interactions.
- Accountability for delivery may require specific consideration.
Opening boundaries to foster co-delivery & engagement

- Citizen engagement is not just about presence. Governments need to develop a value proposition in terms of the access, relevance, openness, and follow-through of their engagement efforts.
- Engagement efforts will differ by proximity to the citizen (level of government), by channel (electronic, phone, face-to-face), by potential policy impact, and by whether the consequences for the individual are direct or diffuse.

Note: The chart plots frequency of messaging and uptake by the population for 133 Twitter accounts of top state institutions across the world. Source: Author’s calculations based on Twiplomacy, 2013.
OECD Public Sector Innovation Framework

The Observatory of Public Sector Innovation (OPSI)
Featured innovation

Mexico, Financial Inclusion Project

Mexico’s Financial Inclusion Project partners with local gas stations, telecommunications offices and community-owned stores to provide banking and social welfare payments in remote rural areas with no existing banking infrastructure.

The Observatory of Public Sector Innovation brings together actors from across the public sector and beyond, to share their ideas and experiences of how the public sector is innovating to support better outcomes for citizens.

» more about OPSI

Innovations
search by country, sector, results…

Library
research on innovation

Submit
an innovation

Collaborate
with others

Submit an innovation

B. Organisation

B.1 Country  Select from drop down menu

B.2 Level of government
   - Central government
   - Regional / State government
   - Local government

B.3 Select Sector
   - General public services
   - Defence
   - Public order and safety
   - Economic affairs
   - Environmental protection
   - Housing and community amenities
   - Health
   - Recreation, culture and religion
   - Education
   - Social protection

B.4 Size of organisation  Select from drop down menu

Search Innovations

Please enter what you are looking for...

Filter innovations

Countries

Level of government

Sector

Year of launch

Type of Innovation

Stage of Innovation

Partners

Results

103 innovations in the database

Select up to three innovations to compare

Health care in bars and restaurants

Finland | Service innovation

Based on the research commissioned by the Finnish Government, this map shows that...
New Way of Working

Efficiency

- 30% reduction in office space saves federal government 6 million Euros each year. Since 2009 we gave up more office space and are therefore saving even more than 6 million Euros a year.
- A 55% reduction in the use of paper for printing.
- An 88% reduction in the number of printers: from 450 to 50.
- A 60% reduction in office furniture expenditure.
- A 22% reduction of paper-based archives and documents.

Service quality

Responsiveness:
People with a disability can consult online their own case file. The entire process from the demand until our decision is digitalised.

Other:
The FPS was pronounced to be the best payer of the Belgian federal administration.

Other improvements

- Improved employee satisfaction:
  - Young graduates opt more for our organisation within the federal administration; from 15% in 2005 to 24% in 2009.
Innovations in the OPSI

**Australia: SEDIF**
Investment fund for social enterprises

**UK: The Work Program**
Payment-by-results scheme for employment services

**UK: Social impact bonds** in the justice sector

**Canada**
Open Policy Development

**Iceland**
Policing and social media

**Finland**
Participatory design technique and prototyping in hospitals

**Mexico**
Enhancing budget transparency

**Australia: Speechbubble**
Online engagement platform to design services with users

**Canada: P-direct**
Shared service centre for HR

**Canada**
ICT-based training tools for overseas immigration officers

**Belgium**
Rationalising office space in federal government

**Ireland**
Policing and social media

**Korea**
Single system to manage service complaints

**Italy**
Mobile service counters for social security services

**Service delivery**

**Denmark: Borger.dk**
Personalised one stop shop

**Program Funding**

**Open government**

**Human Resource**

**Netherlands: P-direct**
Shared service centre for HR

**Netherlands**
Policing and social media

**Open government**
Thank you

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