

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

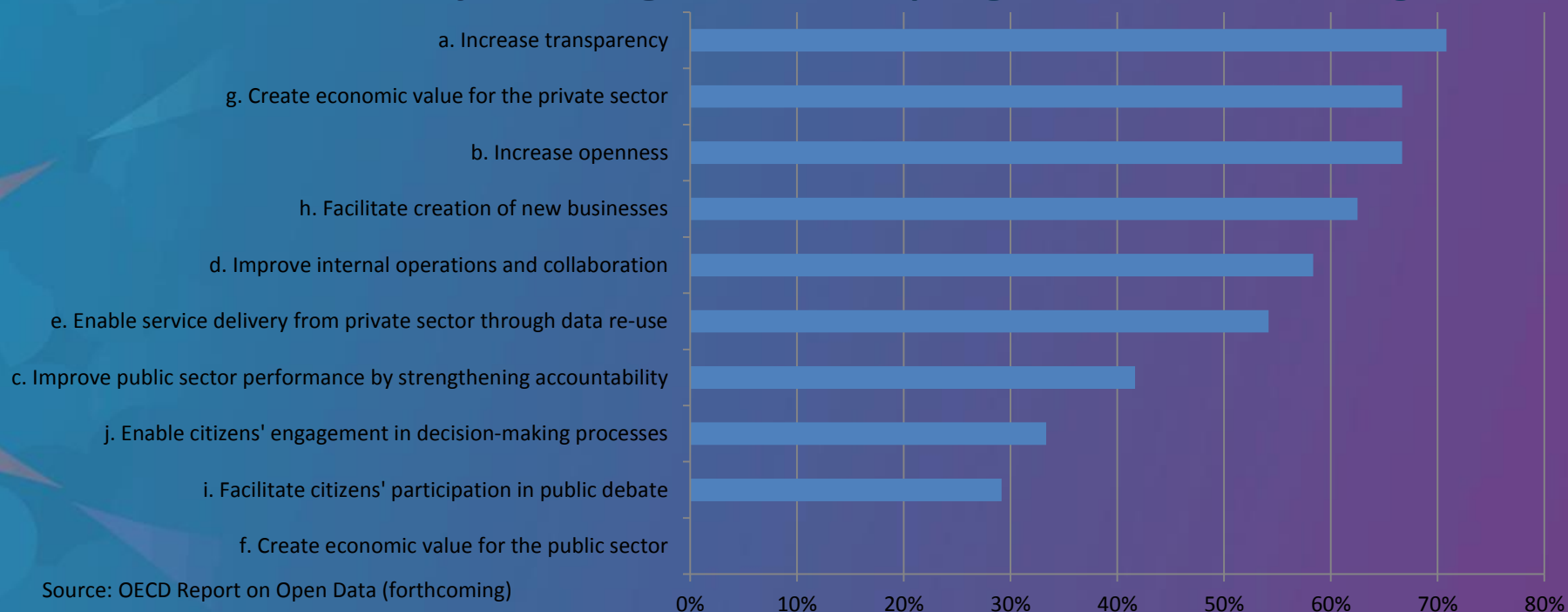
Data, information and knowledge fuel innovation

- 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

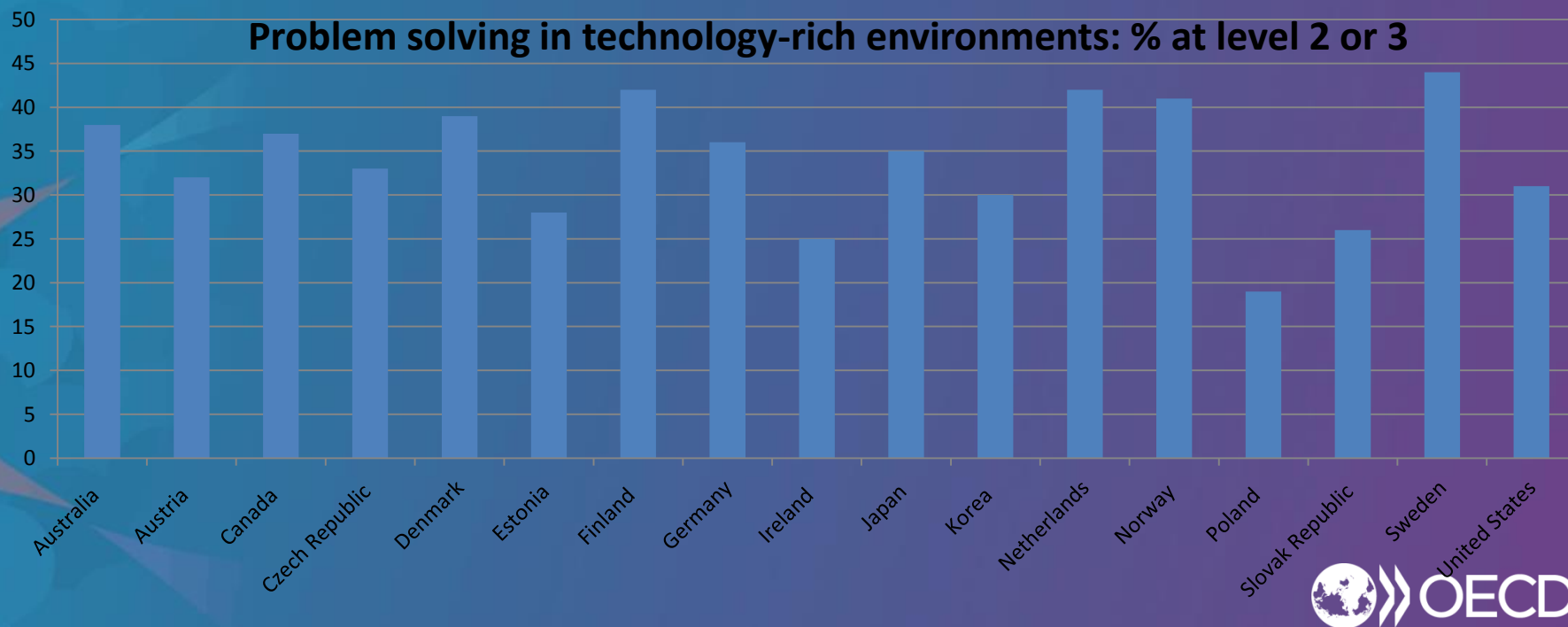
What are the main objectives in governments' open government data strategies?



Source: OECD Report on Open Data (forthcoming)

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

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).



Source: OECD Survey of Adult Skills (PIAAC) (2012)

Empowering the Workforce

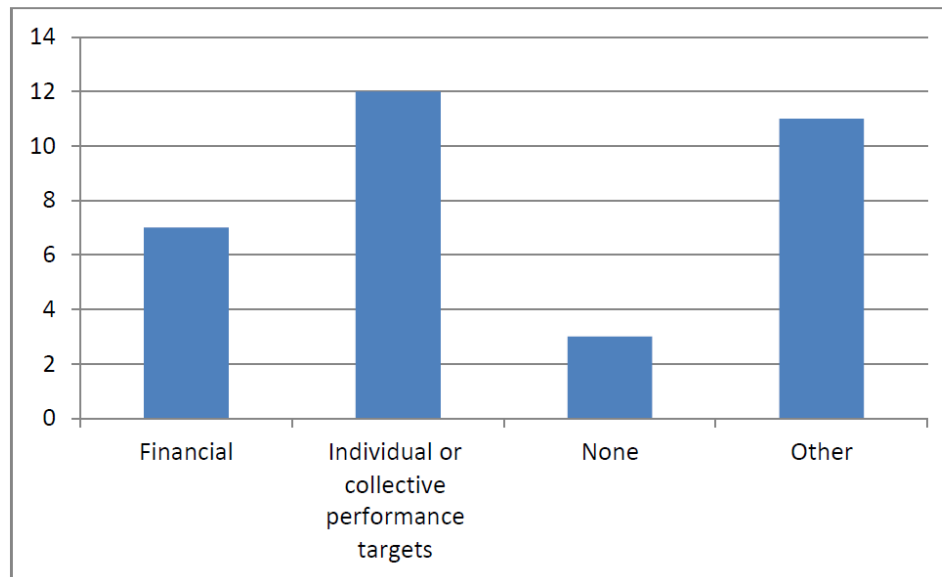
Putting the focus on individuals

- 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



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?



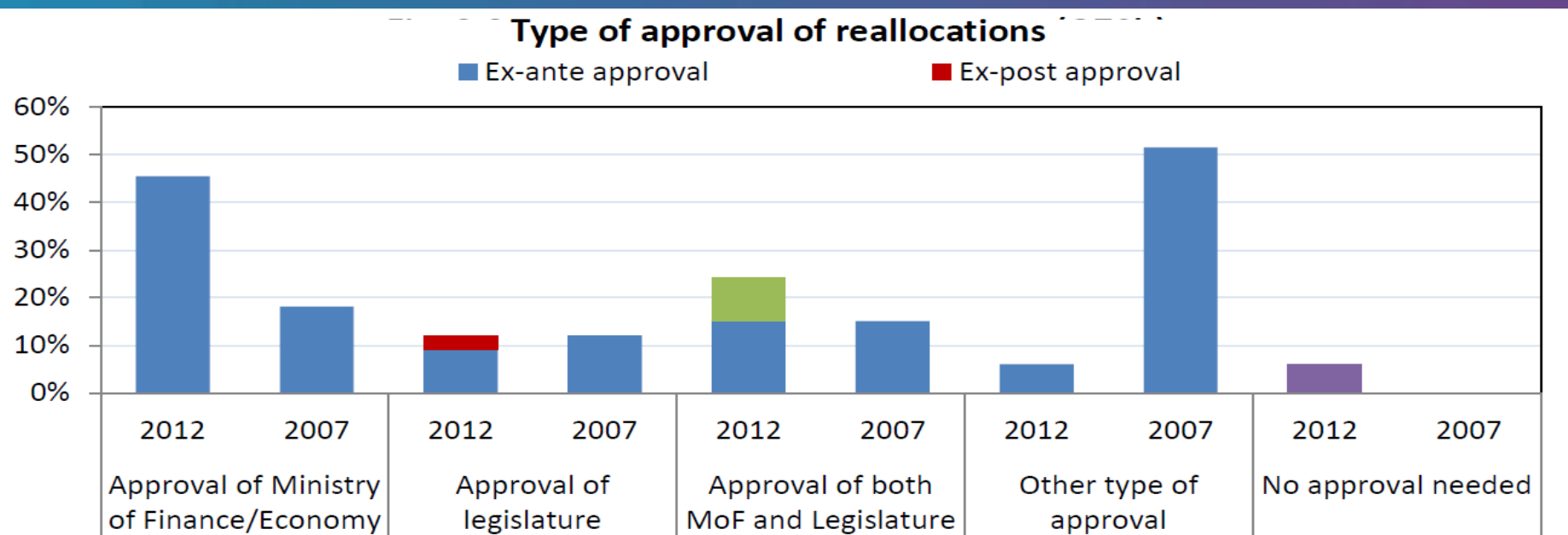
Adapting rules & processes

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)

Balancing accountability & impact

- 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.

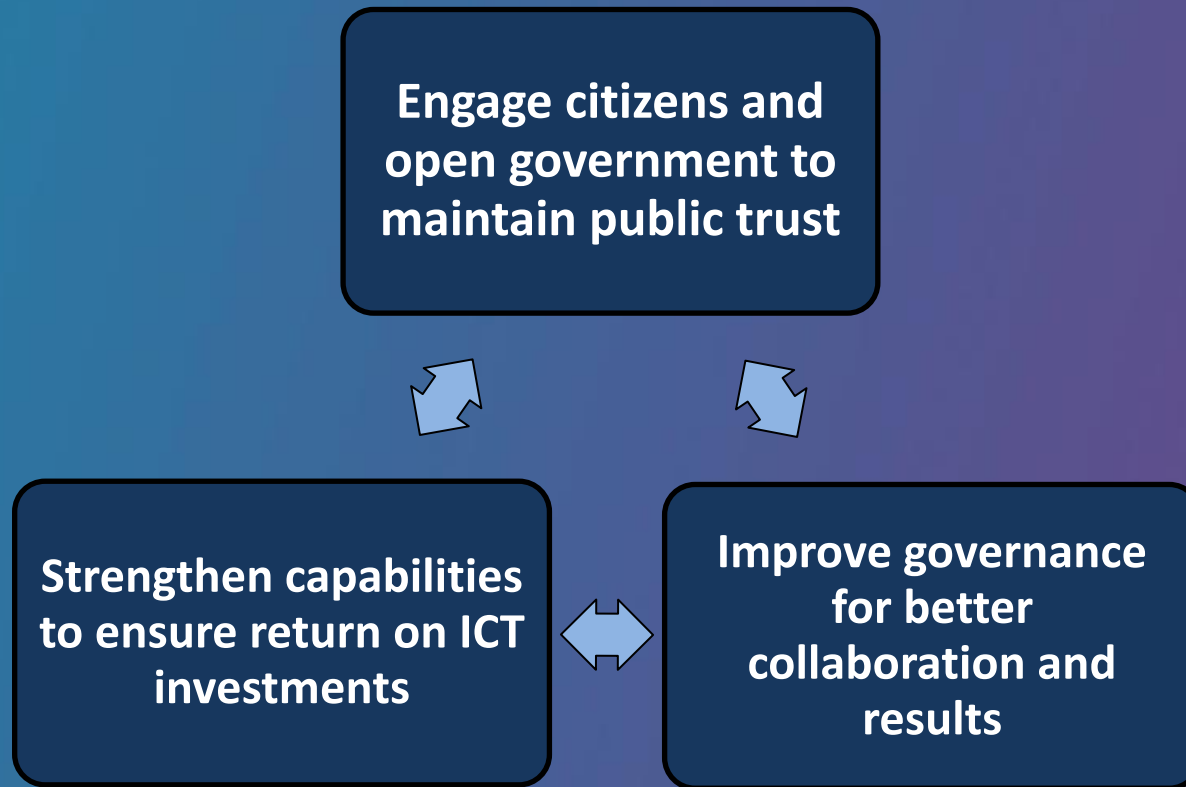


Note: Percentage of participating OECD countries (33 in 2012 and 33 in 2007).

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



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

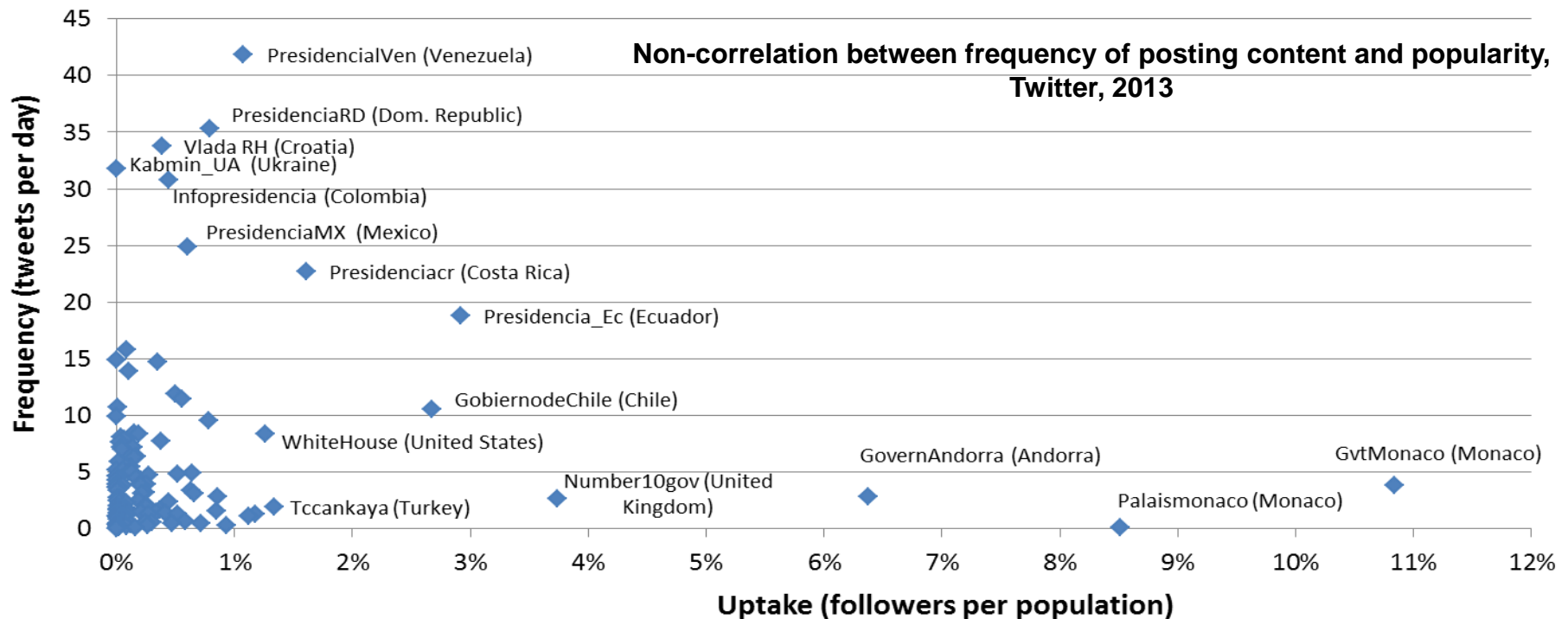
Setting up effective institutional arrangements supporting innovation

- 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.

The Observatory of Public Sector Innovation (OPSI)

Featured innovation

1 2 3

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...



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an innovation



Collaborate

with others



Submit an innovation

select language English



B. Organisation

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B.1 Country

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

The help list is taken from the Classification of the Functions of Government (COFOG) developed by the OECD. OECD (2011), « [Classification of the Functions of Government \(COFOG\)](#) », in *Government at a Glance 2011*, OECD Publishing.

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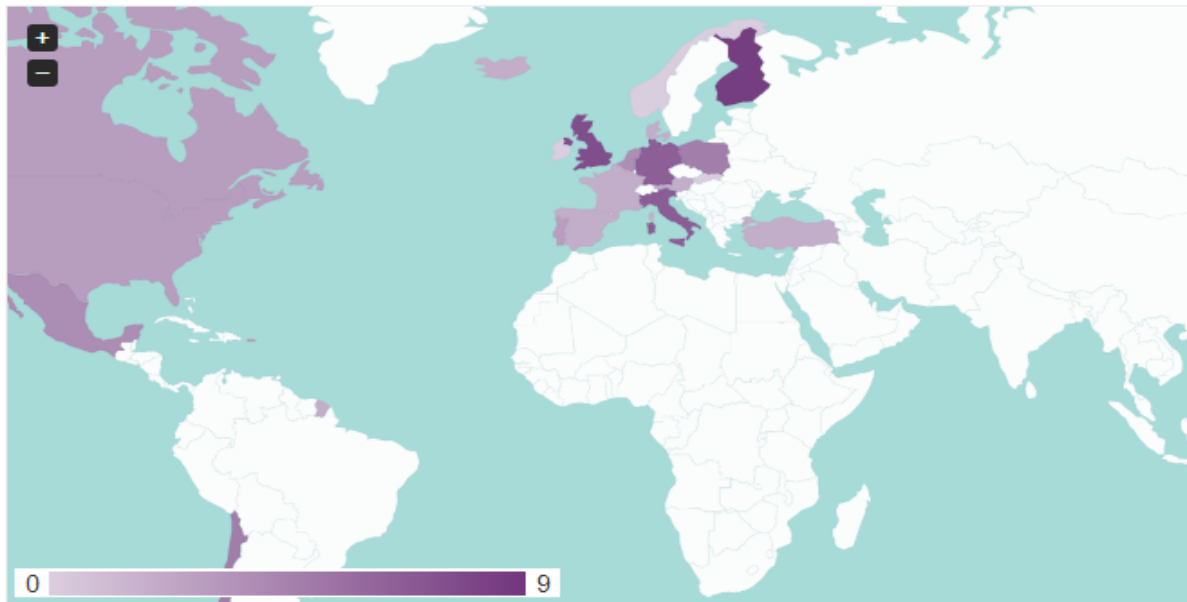


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New Way of Working



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

An innovation provided by

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Organisation: Federal Public Service (FPS) Social Security

Country: Belgium

Level of government: Central government

Sector: Social protection

Type: Organisation innovation

Launched in: 2008

Overall development time: 3 years

Innovations in the OPSI

Australia: SEDIF
Investment fund for social enterprises

Program Funding

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

UK: Social impact bonds in the justice sector

Finland
Participatory design technique and prototyping in hospitals

Mexico
Enhancing budget transparency

Open government

Canada
Open Policy Development

Australia: Speechbubble
Online engagement platform to design services with users

Iceland
Policing and social media

Netherlands: P-direct
Shared service centre for HR

Human Resource

Canada:
ICT-based training tools for overseas immigration officers

Belgium
Rationalising office space in federal government

Italy
Mobile service counters for social security services

Korea
Single system to manage service complaints

Denmark: Borger.dk
Personalised one stop shop

Service delivery

Thank you

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<http://www.oecd.org/governance/observatory-public-sector-innovation>