

## **Introduction to the Special Issue on Innovations in Governance**

I was asked to be the editor of a special issue of The Innovation Journal to be devoted to innovations in public governance. Articles would contain innovative ideas for changes in the procedures, organization or laws pertaining to governance in democratic societies. The system of governance that we know represents an amalgam of many ideas, policies, procedures and organizational forms that has been developing over two or three millennia. It continues to evolve. Earlier inventions in governance included the divine right of kings, Magna Carta, political parties, constitutions, bills of rights, jurisdictions, the authority of a simple majority, plebiscite, referendum and ombudsman. There is room for many more major and unique changes to the way in which we are governed.

I had expected that many well known and learned commentators on public issues, including governance, would have many suggestions for such inventions that would change our society for the better. Such experts indicated an initial interest in the idea but eventually demurred. The business of critiquing government policies, programs and practices may be much easier and more rewarding than formulating new laws, structures and practices. We were, however, able to attract a number of significant authors who have looked at specific aspects of innovation in governance. The first author suggests that over the past thirty years political support for innovation has remained strong but the desired players no longer include citizens.

**Howard Doughty** reports on changes in approaches to innovation in the public service. Thirty years ago the province of Ontario sought to learn how it might improve productivity of the public service. The framers of the enquiry were concerned about the means whereby public input might be used to facilitate improved government policy and practice. They were of the opinion that public input and new relationships between governed and governors would be an essential aspect of creating innovations in public productivity. Today, it would seem that the calls for innovation in public management come largely from the political masters and are placed in the hands of bureaucrats and technocrats for creation and implementation. The idealism of the reformers of the 1970s appears to have gone. Doughty argues that the public is no less interested in government policy and practice, but governments now prefer to keep the advocates at arm's length.

**Gambhir Bhatta** reports that governments around the world have exhorted their departments to be more innovative in policy formulation, service development and delivery. Innovation, however, implies risk-taking and there are still gaps in the body of knowledge concerning risk-taking that practitioners continue to find vexing. Bhatta argues that while the notion of risk has been well discussed, its juxtaposition with innovation in public sector contexts needs further research. He proposes research on: how various concepts associated with risk play out as public sector organizations make decisions to innovate; and, the decision-making practices of these organizations and what motivates them to tolerate specified levels of risk.

Bhatta looks at the different dimensions in which risk and innovation take place, starting with the organization's ego network to ascertain its risk appetite, level of risk tolerance, and subsequent innovation output. Direct and indirect ties have a positive impact on innovation (i.e., the greater the direct and indirect ties the greater the degree of innovation). But "structural holes" exist that are disconnections between an organization's partners, resulting from gaps in

information flows between them. This impacts the process of innovation since the information gaps tend to have the effect of dissuading organizations to adopt innovative practices evident elsewhere. Bhatta warns that innovating organizations risk losing their legitimacy. Since they do not know whether they will set in motion a process leading to a loss of their own legitimacy, they face the challenge of maintaining their legitimacy while embarking on a course that threatens it.

Bhatta hypothesizes that a higher risk appetite derives from: managers pursuing a more aggressive strategy in meeting the organizational mandate, greater organisational access to relevant information, more stability in the organization's behaviour and culture, greater ministerial risk appetite, and more aggressive managerial style. On the other hand, factors limiting the appetite for risk include: greater fuzziness in an organizational mandate, greater intractability of the problem, and an older organization. A large chunk of what constitutes innovation centres around the generation and transmission of knowledge. Organizations which have had to generate new knowledge tend to take higher risks than those that have the luxury of merely moving incrementally along a particular road.

**Aulich** examines models of governance involved in different public-private mixes in the delivery of education, and explores how governance arrangements for each are typically treated in terms of relationships between partners, regulation and accountability. The term *private* is used to describe for-profit, not-for-profit, voluntary and other forms of provision independent of the public sector. His paper focuses on two issues. First, he argues that the funding has outgrown the initial aims of providing public subsidies or grants to private schools and, suggests that other forms of public-private partnership might offer a more appropriate structure of governance for the provision of education. Second, the paper examines the regulatory and accountability regimes associated with public funding. It concludes that there are major discrepancies between present accountability regimes in Australia for public funding of private schools and provisions in other countries.

Considering education as a merit good, because governments accept the collective advantages or *public interest* involved in its provision, governments need to outline more clearly what the merit or collective purposes of education are and how schools, both public and private, might best assist in achieving those purposes. The engagement of providers with government to establish these collective purposes or goals can be captured within a community partnership form of governance. Such partnerships can also assist in planning and executing systems of regulation that ensure that those collective purposes are being met. In any public-private mix, governance needs to be robust.

According to Aulich there is a pressing task to reconstruct regulatory and accountability regimes to make them more consistent with contemporary public sector management, and to enable greater congruence between alternative public and private providers. This partnership between different providers and government has the potential to inject welcomed diversity into the task of elaborating the collective purposes of education and to prompt the development of a regulatory regime to ensure that these purposes are implemented .

These three papers indicate that the issues of innovation in governance are far from resolved and in need of substantial resources, research and creativity in inventing new solutions to current problems of innovation in governance. It is clear that many organizations are struggling with questions of governance. Expecting each organization to invent and innovate in the ways it does business may be asking too much of many of them. It might be akin to

expecting each pharmaceutical chain to have its own laboratories to invent cures, rather than just retail the inventions of the major pharmaceutical research companies. Some organizations should do what they do best, and leave innovation to expert agencies. Unfortunately, however, we do not have research laboratories creating new social inventions. The following paragraphs outline some possibilities in this regard, but first let's look at the most inventive group in any social or business agency delivering services to the public. They have been called street level bureaucrats.

## **Street-level Innovation**

A great deal of innovation takes place in human services that is secretly created and implemented by staff who don't agree with the existing policies, programs and services. Social workers, health workers, teachers, public lawyers, counsellors, prison guards, bank tellers and others often change the rules, hide benefits from would-be recipients, deny the possibility of a person achieving a certain goal, etc. because they do not consider the client to be worthy of the service even though they may be eligible. They often invent new rules and obstacles. Similarly, they overlook certain restrictions to service for those clients that they think worthy.

In some cases, they become accomplices of their clients to get more benefits, or to challenge and undermine the organization. These practices are innovations, but are not the type that policy makers will acknowledge or praise. Since innovation is "good", they cannot recognize the true state of idiosyncratic innovative activities in an organization. Yet an inventory of such practices would reveal the weaknesses of existing programs and services and could lead to the development of improvements in programs. Too often an organization has a low regard for their clients and turns a blind eye to the innovations that street level bureaucrats make to foil the efforts of the clients.

The idea that "street-level bureaucrats" invent and innovate in policy and program delivery through their discretionary behaviour is well established (Lipsky, 1980). Sometimes their motivation stems from an unreasonable workload but it also derives from their desire to sabotage policy, maximise leisure, improve customer service, conform to norms of acceptable behaviour adopted by co-workers, or minimize perceived problems with the system itself. Generally speaking these front line workers can innovate in regulations and other aspects of the organization's service with impunity because they are seldom found out by the hierarchy. On the other hand, higher level officials experience much more visibility when they innovate and run serious risks, including demotion, humiliation and job loss.

Social inventions have a long history, and in some cases a bloody one. Many of the social mechanisms that we take for granted as valuable social inheritances were not well received when they were first created. Observation of policy and program inventors in the Canadian public service has lead me to conclude that innovators have a short life expectancy in government. Adoption of an innovation does not necessarily strengthen the status quo and may threaten established practices and organization. Inventors are born, not trained, and have an unusual combination of scientific interest and entrepreneurial drive. Their entrepreneurial orientation makes them frustrated with bureaucratic procedures and they often find innovative ways of getting things done. This, then, lays them open to the enemies of change who seek to undermine innovators by discovering irregularities in their management practices. Finance and accounting people (the most conservative and suspicious group in government) are happy to oblige the

enemies of innovation by searching for any *irregularities*. The idea of change often appeals more to the inventor's boss's boss than their immediate boss. Innovators often garner a following beyond the jurisdiction of their department because they have a certain disdain for the typical bureaucratic arrangements between organizations. They establish liaisons and partnerships with like-minded individuals based on common interests, goals and mutual support, ignoring the administrative arrangements that typically set jurisdictions to campaigning against each other. Innovators are not necessarily loyal fighters in such wars, and are typically not considered to be team players. Invention and innovation are not some *pretty little things* but may be seen as *tools of the devil* to undermine good governance.

## **Inventors, innovators, supervisors and managers**

Inventors typically exhibit the following characteristics: an understanding of the philosophy of their department's mission and of the need for their work in the context beyond the department; a casual disregard for jurisdictions within their division, branch, group, department and level of government; a sense of partnership with jurisdictions that is more professional than bought; tolerance for rejection that permits them to go from failure to failure to ultimate success; a joy in seeing the dynamics of their immediate boss scorning their work while their boss' boss likes it; belief in the first rule of child psychology (what you can't get from mom you can get from dad); love partnerships that give them two or more bosses to exploit; and belief in the second rule of child psychology (If you don't ask for permission, nobody can say no.).

It has already been suggested that change is increasingly welcomed by higher levels in the organization. This is because the higher the level, the greater the scope and the more the likelihood that the individual is an organization games player. This has been well described by Maccoby (1978), a psychoanalyst who studied a large number of managers in many organizations and concluded that there were four pure types in practice today: craftperson, jungle fighter, organization person and gamesplayer.

The craftperson tends to be quiet, sincere, modest and practical, with primary interest in the work itself, the problem to be solved, the challenge of doing something of high quality. He or she has a strong sense of self-worth based on knowledge, skill, discipline, self-reliance and values that are traditional and conservative. They see co-workers as well as supervisors in terms of whether they help or hinder in doing a craftperson-like job. Rather than engaging and trying to master the system with the cooperation of others who share their values, craftpersons tend to do their own thing and go along, sometimes reluctantly, toward goals they do not share, enjoying whatever opportunities they find for interesting work.

The jungle fighter's main interest is gaining and using power. This is a fairly rare type but not extinct. The jungle fighter tends to be highly competitive, sadistic and exploitive in relations with subordinates, and unable to be cooperative with strong peers in highly interdependent teams. The jungle fighter may be either a lion who dominates through superior ideas, courage and strength, or a fox, who operates through seduction, manipulation and betrayal.

The organization person's primary interest is in the good of the total organization, believing that their future is tied to that of the organization. At best, the organization person exhibits a concern for other people and emphasizes the human side of the organization. But the organization person is fearful and submissive, concerned with security even more than success.

Identifying with the organization, and seeking safety as part of the organization family, they are also overly sensitive to interpersonal undercurrents and may suffer severe anxiety about the security of their position. Most organization persons never rise above middle management positions.

The gamesperson is the emerging organization leader, a risk-taker whose main interest is the challenge and whose main goal in life is to be a winner. Viewing life and work as a game, they are fascinated by technique and new methods, and take delight in the tactics and strategies involved in the organization contest. The gamesperson tends to be interested in new developments, likeable, engaging and seems to be gregarious, but enjoys autonomy. Their attitudes are liberal but more pragmatic than idealistic, and they are not convinced social reformers. Gamespeople make the best bosses for innovators because of their love of new ideas, and their willingness to use them in or on the organization, thereby to expand their empire. On the other hand, the gamesplayer as manager is not an ideal manager in the eyes of a government bureaucracy as they are seen to be too risk-tolerant if not risk-attracted. Given the risks presented by and the risks for creative people in traditional organizations there is a need for laboratories to invent new solutions.

## **The Invention of Innovations**

The role of such centres is to create inventions and encourage their adoption. Hubs of invention are required in each *envelope* area of government and beyond. Because invention is an important key to the future, because inventors are suspect and often subject to suppression, and because their innovations cut across traditional departmental branch jurisdictions, there is a need for a research centre in the envelope area that is charged with the invention of innovations. Some departments (e.g., Agriculture) have research centres dedicated to making improvements for the use of citizens (farmers) but not to invent new methods of conducting the business of the department. A freestanding research institute not bound by jurisdictions or restrictive mandates cannot be absolutely certain of its eventual “products” but it is reasonable to assume that they will not fit nicely, neatly and compactly into existing program models and constraints. Indeed many of the ideas coming from such a lab might be very controversial. The first principal function of such a centre would be to create new inventions. Such inventions must be *jurisdiction free* and only assigned to a government at a later time when the full potential role of an invention becomes clear. The organizational structure for such a centre, therefore, should not be restricted by classical jurisdictions and mandates, but rather created as a nonprofit company under the Canada Companies Act, possibly with representation and funding from several sources and jurisdictions.

Some social inventions are the result of happy *accidents* such as the original formation of the service club simply as a dinner or luncheon association for a few business and professional men who were new to a large city. It was started by one man who invited others to join him once in a while for a meal. Very quickly it became an international phenomenon and took on wonderful roles in the development of people and communities. On the other hand, years of policy reviews, program enhancements, budget changes, etc. have done little or nothing to create better ways of overcoming many social problems. For those that are urgent or seemingly intractable there is a need to create centres of invention with a good deal of autonomy from

traditional operating programs.

The attempt to invent new solutions to age-old problems of society includes a number of predictable stages. As I outlined in *Social Inventions* (2002: 16-18), it includes the following twelve stages.

**Concept Study:** This initial stage comprises a review of the problem or opportunity area and the attempted interventions to date. The review includes a study of the theoretical and research literature, a study of the requirements of the situation, and assessment of earlier attempts to intervene and the jurisdictional and institutional barriers to achievement of the goals. The concept study results in preliminary specifications for the desired outcomes, identifying the factors required to achieve the outcomes, and designing the broad strategies to achieve these goals.

**Exploratory Development:** This is the preparation of initial program strategies, organization scope, methods and materials, and an examination of them to evaluate the feasibility of the proposed initiatives. This stage may involve a reformulation of the concept study, but in any case, will result in more detailed specifications and cost figures.

**Prototype Development:** This stage comprises the negotiation for organizational design, and the preparation of detailed program strategies, methods, materials, evaluation system, and the training of staff to conduct them. Cost, time and resource estimates are made.

**Pilot Study:** In this stage, the new prototype is tested. Allowance is made for sufficient acquaintance with the problem and the prototype to permit necessary reformulation, including the specification of logical alternatives.

**Advanced Development:** This stage is the redevelopment or further development of the entire program including the strategies, organization, methods, materials, staff training and evaluation system.

**Program Experimentation:** This stage involves a formally structured, systematic, experimental effort to test alternative program elements, or the value of the program with different groups or under different circumstances. This stage may involve repeated testing of all or selected components of the program.

**Program Formalization:** The program development process is essentially a sequence of trial-revision interactions with modifications after each test to approximate the consequences being sought. The cyclical nature of the process means that each stage to this point may have been repeated several times. The preparation of the program into a formal model which can be used elsewhere with predictable results must take place at the optimum time considering results of evaluation and urgency of need for the program.

**Field Test:** Once a satisfactory program model has been prepared, it is then tested under ordinary operating conditions but in an appropriate organization context.

**Operational Systems Development:** The systems are prepared for those who will implement the program, as well as for the administrative support personnel and the monitoring agency.

**Demonstration Project:** This is the first major attempt to foster adoption of the new program.

**Dissemination:** Publicity, seminars, conference presentations, publication of books and other documents are necessary to get policy makers, administrators, and academic, professional and administrative groups to support widespread adoption of the product.

**Installation:** The consulting services and staff training are provided so that the program

will be satisfactorily adopted.

The last three steps suggest that a function of such a centre would be to actively promote the adoption and adaptation of the inventions that it has created. In so-doing it must be mindful of the typical processes of the adoption of new methods. These are described below.

## Adoption of Innovations

Rogers and Shoemaker (1971) had determined that the following features of an innovation affect the speed with which it is implemented: **relative advantage** in which an innovation is superior to the idea or method that it supersedes; **compatibility** of an innovation fits with existing values and past experiences of the adopter; **complexity** of an innovation, rendering it relatively difficult to understand and to use; **divisibility** of an innovation so it may be tried on a limited basis; and, **communicability**, by which the results of an innovation may be diffused to others. Considering the risk-aversion of many administrators, the innovator is well advised to be able to present innovations in such a way as to meet the “roadblocks”.

A number of researchers have identified the processes of adoption of innovations by social organizations. Rogers (1983) for example has determined that the usual stages of adoption of innovations are: **knowledge**, wherein a new idea or process is presented so that an individual or organization can develop an understanding of what it is and how it functions; **persuasion** wherein the proponents of the innovation present evidence and arguments in support of the innovation with the result being that the individual or organization forms a favourable or unfavourable attitude toward adopting the new concept or program. **Decision** occurs when an individual or organization engages in activities that lead to a choice to undertake, or not undertake, the new service; **implementation** occurs when an individual or organization actually uses the new method; and finally, **confirmation** occurs when an individual or organization seeks to verify, validate, and evaluate the operation of the innovation. This final step may lead to the reinforcement of the adoption decision or it may lead to rejection of the earlier decision. This process takes considerable time and suggests that the invention centre must devote resources to championing the use of its novel products.

Generally, organizations are not actively seeking new methods to adopt and therefore it is necessary to actively promote the adoption of new methods with them. Backer, Liberman and Kuchnell (1986) offered six generalizations about effective dissemination for adoption of innovations:

1. Interpersonal contact is almost always an essential component of the adoption process. Particularly important is contact with credible professional peers who offer testimonials about the effectiveness or promise of the innovation.
2. Potential adopters need outside consultation on the adoption process and especially on the psychological and administrative ramifications of the changes that adoption will involve. Technical assistance on the process of change itself (overcoming psychological resistance and dealing with unintended side effects of the innovation) is very important.
3. Organizational support for the innovation is essential. This includes support from the top of the organization as well as key people in the administrative or decision making chain.

4. Persistent championship for the innovation by one or more of the adopting agency staff is also important.
5. Adaptability of the innovation to the current procedures of the organization. Where incorporating the innovation requires substantial organizational change, adoption is unlikely. Where the innovation can be flexible enough to fit with established agency practices, adoption is more likely.
6. Availability of credible evidence of success for the innovative program. Projects with a strong track record of success, either as part of the development plan or in subsequent field trials and demonstration projects, are more likely to be adopted.

Someone once said that it is easier to change the curriculum than to get agreement to move a graveyard. Similarly, it is often very difficult to get approval to introduce innovations into any program or service. Rogers and Becker and their colleagues have provided important information for those who would promote the adoption of innovations.

## **Conclusion**

The elements of governance of any organization embrace the formulation of a mandate, mission, operating philosophy, budget, fund raising, organization structure, negotiations with other agencies and with staff, program and service development, board composition, powers, rights and responsibilities. Each of these has been the subject of several inventions, and all represent innovations as they are adopted or changed in organizations. A micro-managed agency may be exhorted to be innovative, but is not truly given the freedom to be so - except as the *street level bureaucrats* may effectively sabotage, adjust, or enhance the program and services through their own unannounced innovations. Plumptre hints at the loneliness of some smaller organizations as they strive to get their governance issues into balance and on the run. Bhatta points out that the degree of risk-freedom and appetite greatly affect the innovativeness of an organization.

Governance is a subject that is critically important for all organizations regardless of size. Larger organizations often have the resources to conduct their own analyses of factors contributing to or detracting from and make changes while operating within the protection of a well-funded and traditional agency. Others, on the other hand, must make governance changes on the move.

It may be unreasonable to ask organizations to be innovative in the same way that it might be to ask physicians to be innovative in the use of various drugs in the treatment of illnesses. Practitioners typically lack the enormous resources required to create new treatments, as well as the safeguards when experiments go terribly wrong. There is a need for research labs that can conceive, invent and experimentally apply different mechanisms - whether they be policies, programs, structures, services, to determine their effectiveness in resolving problems that have historically represented serious challenges to society and its continuing development. These research centres must also actively market their inventions.

## **Stu Conger**

Stuart Conger's book on Social Inventions ([www.innovation.cc](http://www.innovation.cc) under Books) was written when he was the chairman and executive director of Saskatchewan NewStart Inc. which was owned

by the federal ministry of regional economic development and the provincial department of education. NewStart was a laboratory to invent new methods of counselling and training adults. Later Stu was a director general in what is now Human Resources Development Canada where he oversaw the creation of new methods of career development and occupational analysis. He is the founder of the National Consultation on Career Development and a past president of the Canadian Counselling Association. He served as executive director of the Canadian Career Development Foundation and oversaw a \$16-million project to create new methods of career development for youth. He is retired and lives in Kanata, Canada. He may be reached at [stu.conger@sympatico.ca](mailto:stu.conger@sympatico.ca)

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