The challenge of a public sector innovation agenda: a view from The Observatory of Public Sector Innovation

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Why public sector innovation?

- **Constrained resources**

- **More demand**

- **Greater expectations**

- **Demographic challenge**

- **Complex social issues**

The Observatory of Public Sector Innovation

OECD *Observatory of*
Public Sector Innovation

BETTER POLICIES FOR BETTER LIVES

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Highlights

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OECD Conference: Innovating the Public Sector: from Ideas to Impact

12-13 November 2014 Find the summary, presentations, videos and photographs from the Conference here.

Latest Blog Posts

Mexico's Challenge
by **Alejandra Lagunes**

Public innovation?
by **Jocelyne Bourgon**

An innovative public sector?
by **Hannah Kitchen**

Innovations

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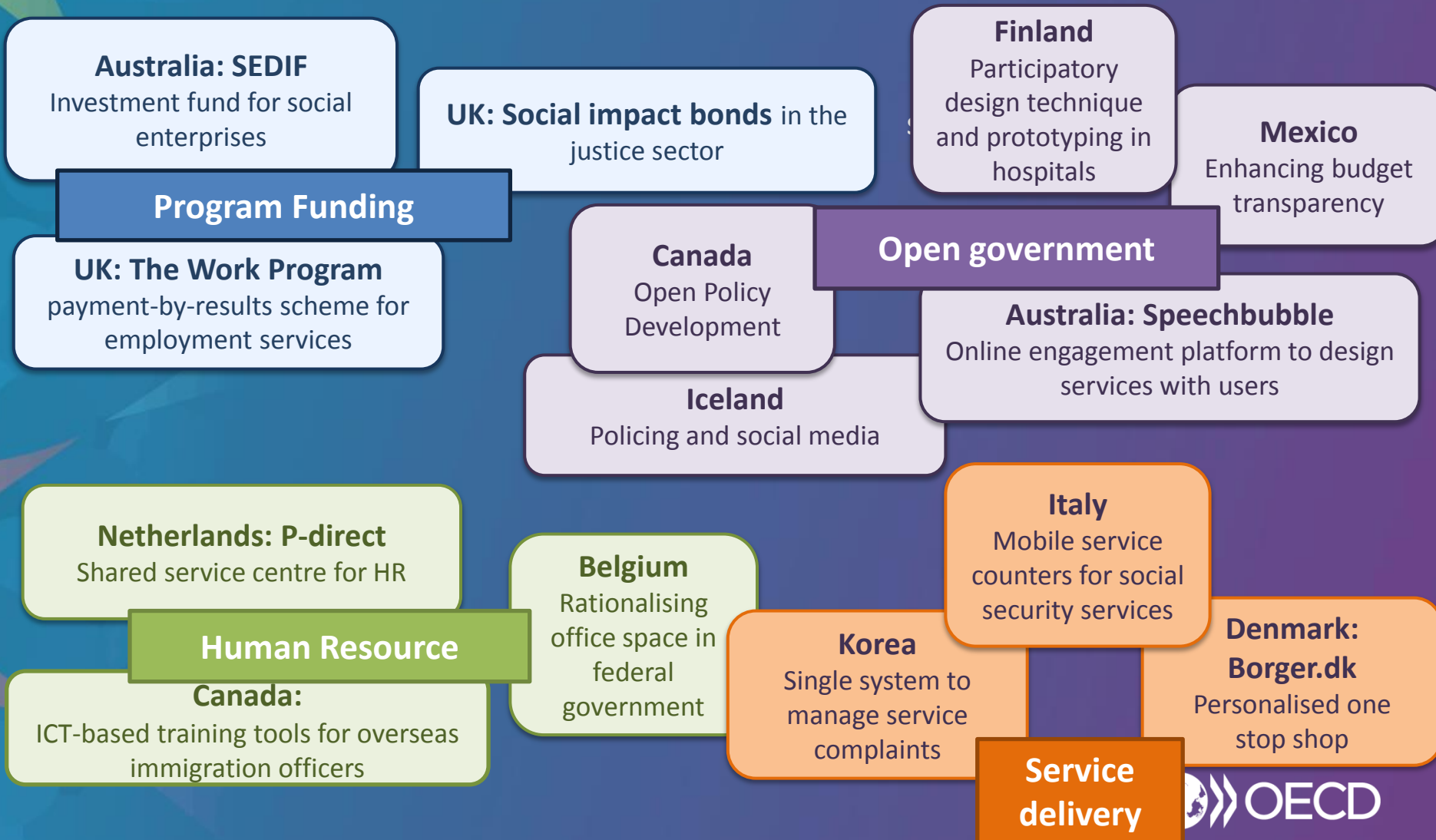
Library

research on innovation

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Innovations in the OPSI

Australia: SEDIF
Investment fund for social enterprises

UK: Social impact bonds in the justice sector

Finland
Participatory design technique and prototyping in hospitals

Mexico
Enhancing budget transparency

Program Funding

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

Canada
Open Policy Development

Open government

Australia: Speechbubble
Online engagement platform to design services with users

Iceland
Policing and social media

Netherlands: P-direct
Shared service centre for HR

Belgium
Rationalising office space in federal government

Italy
Mobile service counters for social security services

Denmark: Borger.dk
Personalised one stop shop

Human Resource

Canada:
ICT-based training tools for overseas immigration officers

Korea
Single system to manage service complaints

Service delivery

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Discuss, Collaborate, Co-create

The Observatory Community

- 162 innovations from 27 countries
- Policymakers, practitioners, experts
- The community is growing. Since June 2014:
  - ✓ 22 071 visits (sessions) since launch
  - ✓ 10 784 users
  - ✓ 86 500page views
  - ✓ 3.92 pages viewed per visit
  - ✓ Average session duration: 5 minutes
  - ✓ 53% returning visitors
  - ✓ 47% new visitors

■ Returning Visitor ■ New Visitor

47% 53%

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How can you use the Observatory?

1. Check in regularly to the Observatory online
2. Showcase your own experiences by submitting your innovation
3. Join online discussions
4. Create your own innovation community to co-create with others
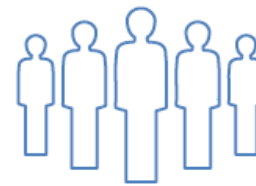
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OECD Public Sector Innovation Framework

**Ways of Working**

Rules and Processes

Knowledge

People

Individual

Organisation

Public
Administration

Society

Ways of Working

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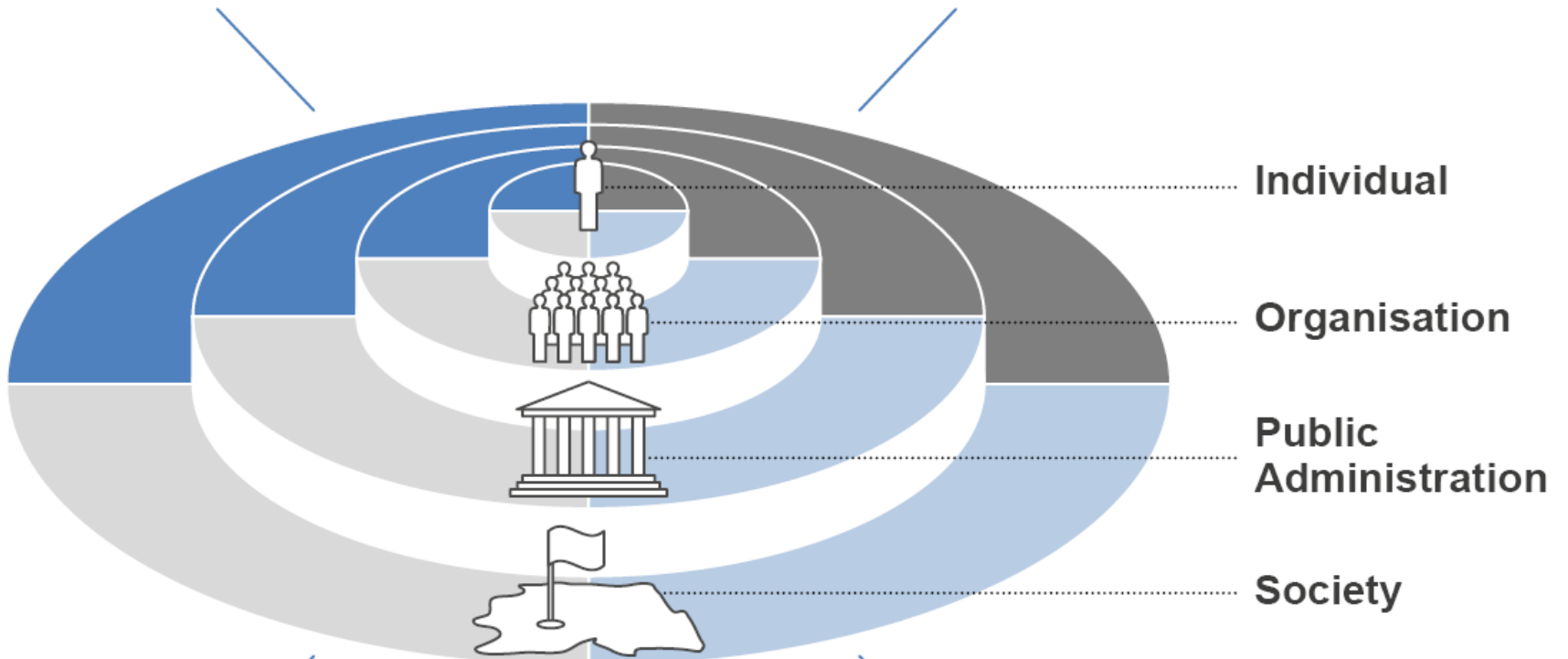
Reviewing organisational design

- **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

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What are 'Innovation Labs'?
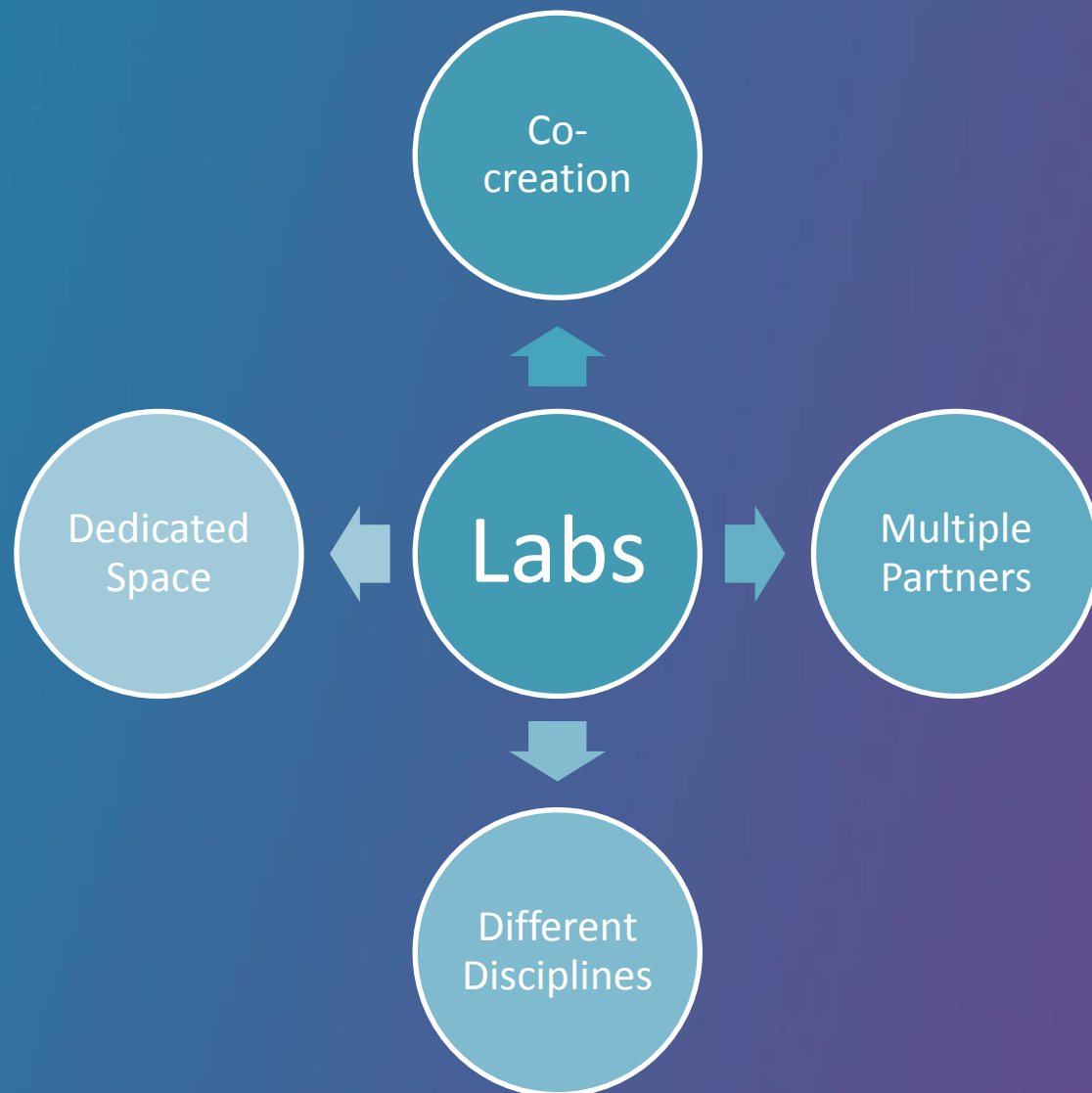
Where are the Labs?

- Mindlab, Denmark
- Office of Personnel Management, United States
- Policy Lab, United Kingdom
- La 27e Region, France
- Laboratorio para la Ciudad, Mexico
- Central Innovation Hub, Canada
- New labs emerging all the time...

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Different Models of Labs

Examples: Mindlab

MIND LAB

Mindlab, Denmark

Governance:
Central Government

Activities:
Human centred design across employment, education, business and growth, and government modernisation

Skills:
Interviewing, ethnography, prototyping

Impact:
Business case demonstrates 21:1 return on investment

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Examples: La 27e Region

La 27e Region, France

Governance:
Regional government
Activities:
Helps government to design new services; immerses civil servants in the service they are trying to understand
Skills:
Design, sociology, user-driven design, experimentation, prototyping
Impact:
Helped to design more than 20 social innovation pilots across 9 regional governments in France

Key Questions for Lab Building

- What are your objectives?
- What is the most appropriate governance model?
- What skills do you need?
- Where do you fit into the existing public sector context?
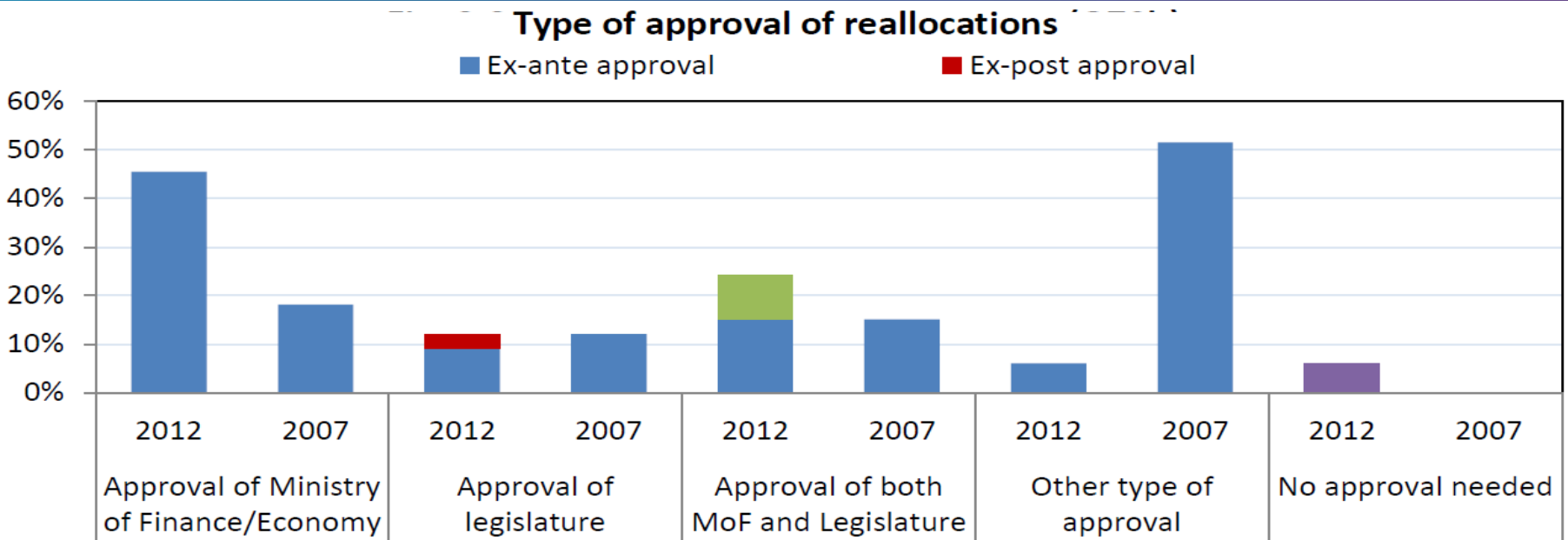- How will you demonstrate impact?

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Rules and 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)

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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.

Type of approval of reallocations

■ Ex-ante approval   ■ Ex-post approval

	2012	2007	2012	2007	2012	2007	2012	2007	2012	2007
	Approval of Ministry of Finance/Economy		Approval of legislature		Approval of both MoF and Legislature		Other type of approval		No approval needed	

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.

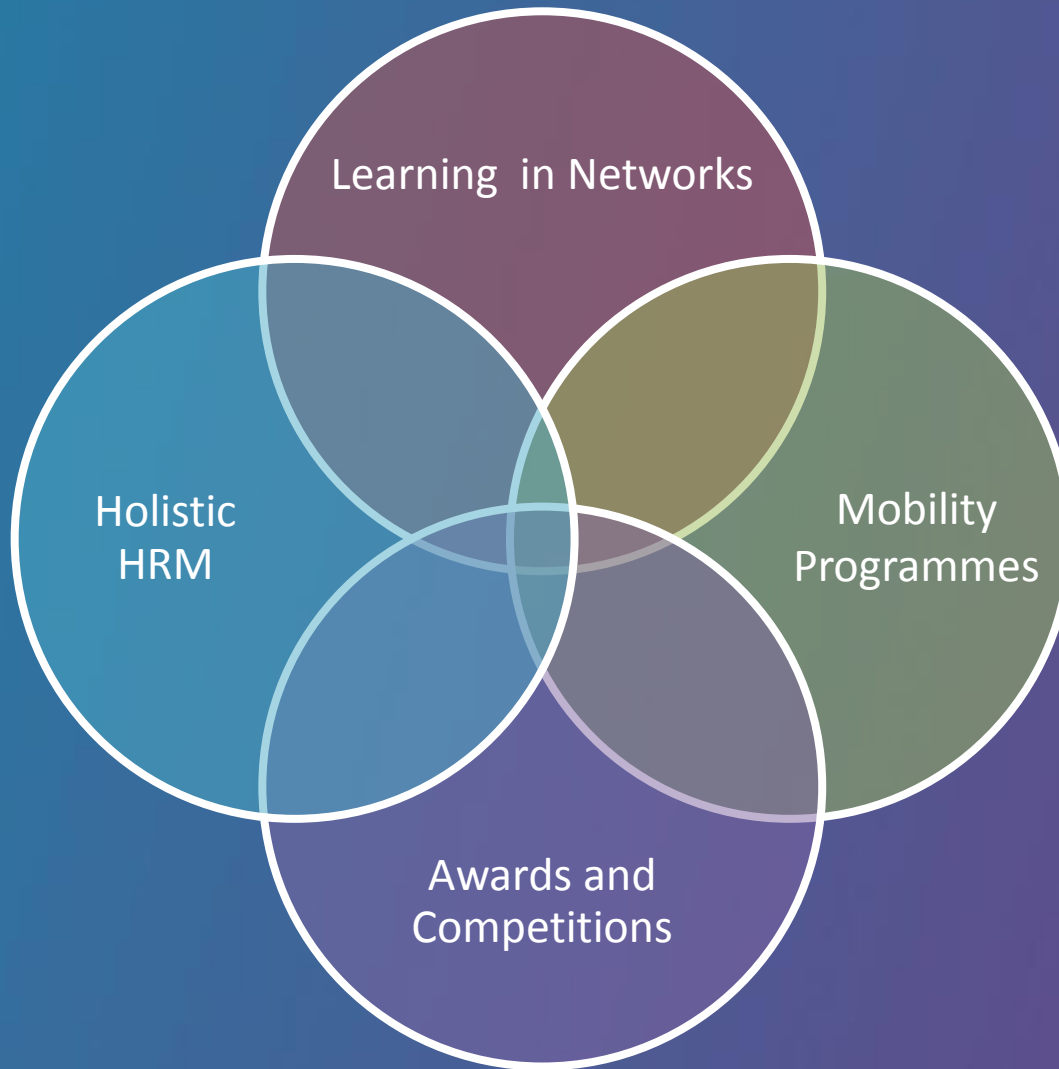Source: 2012 OECD Budget Practices and Procedures Survey

People

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Putting the focus on individuals

Ability
I can do it
- Skills (hard and soft)
- Knowledge

Opportunity
I am allowed to do it
- Work design
- Organisation

Motivation
I want to do it
- Intrinsic
- Extrinsic

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HRM Practices Supporting Innovation

Will new leadership needs require new leadership competencies?

Specialist / Method Competence

Social Communications Competence

Transfor-mational Leadership
Shaping thinking patterns & inspiring staff

Ethical Leadership
Promoting & setting the example for value orientation

Activity & Implementation Competence

Personal Competence

Healthy Leadership
Shaping working conditions & promoting engagement, empowerment, resilience

Authentic Leadership
Displaying & inspiring loyalty and integrity

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.

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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

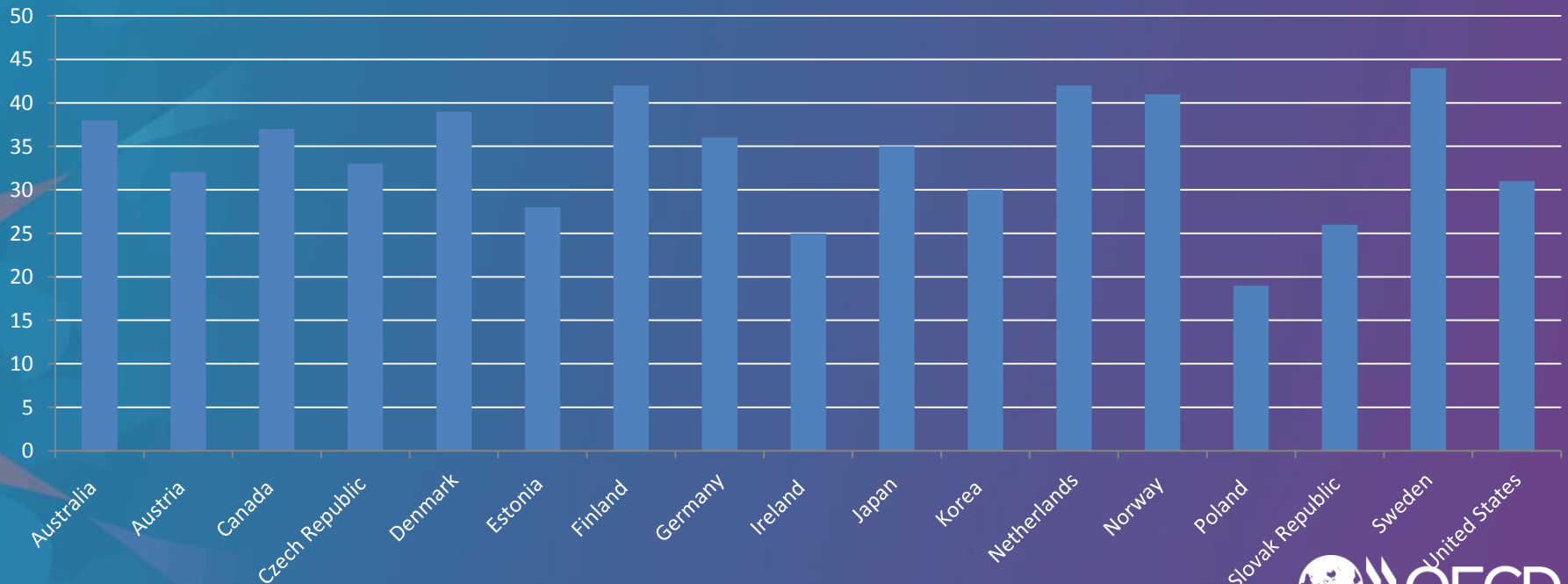**What are the main objectives in governments' open government data strategies?**
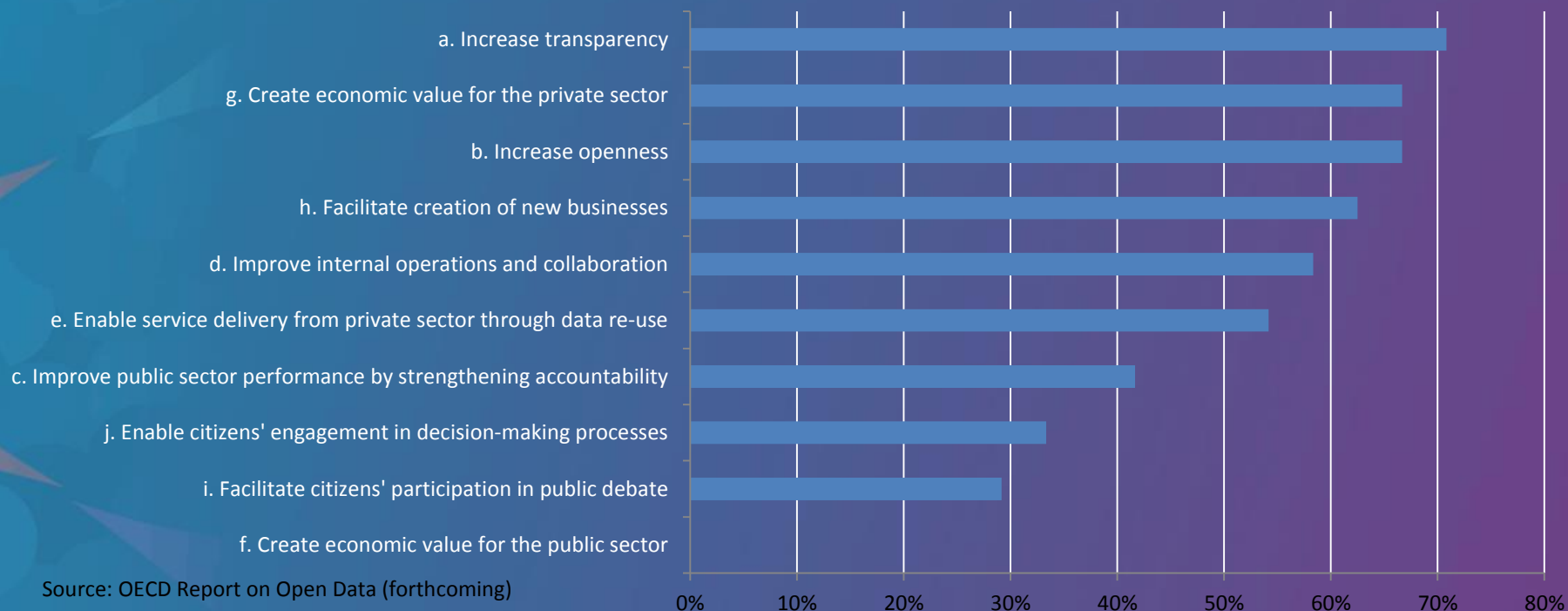
Source: OECD Report on Open Data (forthcoming)

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).

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

Thank you

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

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