Public Innovations in the Future

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Preamble

- The capacity to harness intellectual and social capital and to convert it into novel and useful things has become the critical organizational requirement of the age.

- Organizations must frame tools, methods, and approaches that boost creativity and innovation, particularly in the public sector.

- Taking off the past, the future always starts today.

- The agenda for change is great: we need future solutions now.

Future Solutions Now

- Understanding Creativity and Innovation Basics
- Deriving Value from Business Models
- Embracing Design Thinking
- Kindling Innovative Intent in the Public Sector
- Driving Management Innovations
- Sparking Social Innovations
- Fueling Knowledge Behaviors

Understanding Creativity and Innovation Basics

- In tandem with innovation, which creates unexpected value, creativity is now recognized as central to organizational performance.

- Concisely, creativity is the mental and social process of generating ideas, concepts, and associations. Innovation is the successful outcome of creativity in the form of desirable and viable products, services, processes, methods of delivery, and, in the case of governments, policy. Innovation begins with creativity.

There is no doubt that creativity is the most important human resource of all. Without creativity, there would be no progress, and we would be forever repeating the same patterns.

—Edward de Bono

Understanding Creativity and Innovation Basics

- In the pursuit of productivity, efficiency, and control, managers frequently undermine creativity. There is a role for management in the creative process, but it is not to manage it; it is to manage for it.

- Creativity does not materialize exclusively in a person's head but in interaction within a social context. It flourishes in organizations that support open ideas; the rest stifle creativity with rules and provide no slack for change.

The key question isn't "What fosters creativity?" but it is why in God's name isn't everyone creative? Where was the human potential lost? How was it crippled? I think therefore a good question might be not why do people create? But why do people not create or innovate? We have got to abandon that sense of amazement in the face of creativity, as if it were a miracle if anybody created anything..

—Abraham Maslow

Understanding Creativity and Innovation Basics

- Minimum components of innovation systems include:
  - An *organizational culture* that values innovation, where there is encouragement for personnel to think differently, take calculated risks, and challenge the status quo.
  - The adequate *resourcing* of innovation in line with strategy.
  - A *systems approach* to management that understands innovation as one part of a wider context, appreciates interconnections, and can conduct systematic analyses of how a problem interacts with other problems, parts of the organization, projects, etc.
  - A *performance measurement* system that measures the innovative pulse of the organization; ensures monitoring and evaluation of inputs, activities, outputs, outcomes, and impacts; and feeds lessons back to the system.
  - The instigation of *incentives and rewards* for innovative individuals and teams.

Deriving Value from Business Models

- A business model is the core design—the logic—that enables an organization to capture, create, and deliver value to meet explicit or latent needs.

- Public sector organizations deal with the allocation, production, and delivery of basic public goods and services at the local, national, regional, or global level. Considerable complexity is added by the political context within which they operate, the heterogeneous nature of most of them, and the resulting slower rates of structural change.

You can't do today's job with yesterday's methods and be in business tomorrow.

—Anonymous

Deriving Value from Business Models

- In the public sector, the value of business models would lie in terms of their ability to help organizations articulate clearly what they will do and what they will not do.

- Business models can also gauge the consistency between an organization's strategic agenda and public needs, help match the latter to an organization's business processes, make obvious the financial implications of an organization's delivery chain, support diagnoses of the need for change and ways that might be achieved, and facilitate communication within an organization and both to and from it.

In the end, an organization is nothing more than the collective capacity of its people to create value.

—Lou Gerstner

Embracing Design Thinking

- In a world of continuous flux and information overload, some organizations use mindsets and protocols from the field of design to unlock opportunities. Design is more important when function is taken for granted and no longer helps stakeholders differentiate.

- Design thinking revolves around three phases: inspiration, ideation, and implementation. During these phases, problems are framed, questions are asked, ideas are generated, and answers are obtained.
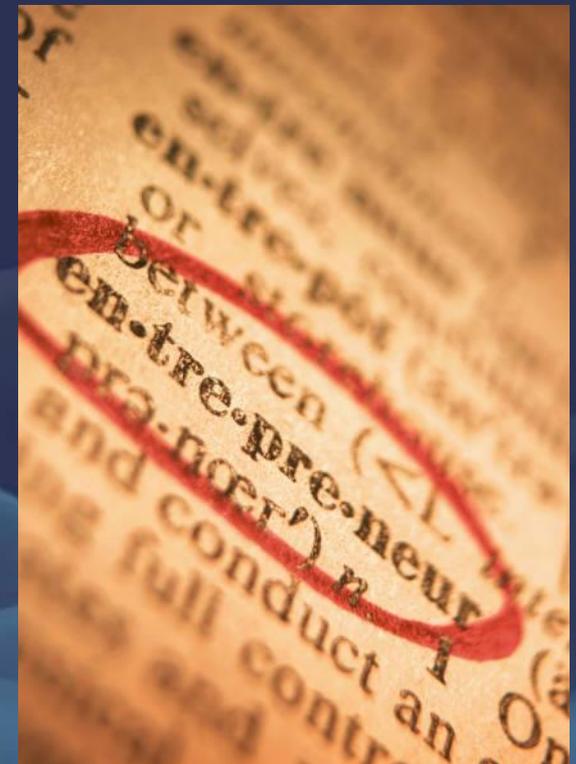
Kindling Innovative Intent in the Public Sector

- Private sector organizations live or die by innovation. They invest in organizational, technical, and social novelties, and reward for new or significantly improved products, services, processes, and methods of delivery. Toward this, they cultivate, replicate, partner, network, or procure to generate incremental, radical, or transformative improvements.

- In sharp contrast, too many public sector agencies merely hope for incremental improvement. "Business as usual—if possible, better" might be their motto.

The intuitive mind is a sacred gift and the rational mind is a faithful servant. We have created a society that honors the servant and has forgotten the gift.

—Albert Einstein

Kindling Innovative Intent in the Public Sector

- Born of the same mold, civil servants are also short of the discovery skills—e.g., observing, questioning, associating, networking, and experimenting—that distinguish innovators from administrators. The risks they identify are financial, project, and compliance risks, not the risk of missing an opportunity.

- Government agencies need to stop counting on people succeeding despite the odds and instead shift the odds. There are three inseparable and mutually reinforcing ways to take innovation in the public sector seriously: they pertain to values, resources, and processes.

Every act of creation is first of all an act of destruction.

—Pablo Picasso

Kindling Innovative Intent in the Public Sector

- A perspective on *values* admits that, barring the odd maverick, personnel will not innovate without license: an innovative culture needs pro-innovation governance and support from the top to make sure ideas take carriage.

- A perspective on *resources* agrees that, because a resource is something from which an organization gains profit, assigning precisely that will put innovation at the heart of strategy and equip it.

- A perspective on *processes* intuits that endowing an organization with management, operational, and supporting processes that improve knowledge brokering of ideas from generation to selection, implementation, and diffusion will serve the goal of innovation.

Driving Management Innovation

- Management has witnessed few breakthroughs over the last 100 years ago. It still entails:
    - Setting *goals* and *objectives* and laying out *plans*.
    - Amassing and allocating *resources*.
    - Identifying, developing, and assigning *talent*.
    - Motivating and aligning *effort*.
    - Coordinating and controlling *activities*.
    - Acquiring, accumulating, and applying *knowledge*.
    - Building and nurturing *relationships*.
    - Understanding, balancing, and meeting stakeholder *demands*.

It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so.

—Mark Twain

Driving Management Innovation

- Today, the conditions that defined the norm in the past are less likely to lead to successful prediction: resources have been redefined, networks thrive, options abound, opportunity reigns, people want to achieve, adaptation and foresight are a must, and speed is required.

- Management innovation is a marked departure from traditional principles, processes, and practices that govern daily managerial work. It is innovation that ultimately changes the practice of what managers do and how they do it. This distinguishes it from innovation in products, services, processes, and methods of delivery.

My interest is in the future because I am going to spend the rest of my life there.
—Charles Kettering

Driving Management Innovation

- Key steps to mainstreaming management innovation involve:
  - Galvanizing a questioning, problem-solving *culture*.
  - Committing to big *problems*.
  - Searching for new *principles*.
  - Seeking *analogies and exemplars* from different environments.
  - Building a capacity for low-risk *experimentation*.

Sparking Social Innovations

- The demand for good ideas, put into practice, that meet pressing unmet needs and improve people's lives is growing on a par with the agenda of the 21st century. In a shrinking world, social innovation at requisite institutional levels can do much to foster smart, sustainable globalization.

- Until we expand the reach of markets so that more people can reap rewards, or at least make a living, from applying their entrepreneurial mindsets to social problems, many will continue to expect that governments or charities should subsidize and fill deficits.

Opportunities are usually disguised as hard work, so most people don't recognize them.
—Ann Landers

Sparking Social Innovations

- For sure, the motives, critical resource requirements, patterns of growth, descriptors of success, as well as the patterns, drivers, and inhibitors that define horizons for decision making and ultimately condition social innovation are not those that move corporate innovation.

- Nevertheless, much as corporate innovation, social innovation can only thrive if it meets a need. What is more, the stages of social innovation also involve (i) generating ideas; (ii) designing, developing, prototyping, and piloting ideas; (iii) assessing, then scaling up and diffusing the best ideas; and (iv) learning and evolving.

We are what we repeatedly do. Excellence, then, is not an act, but a habit.

—Aristotle

Sparking Social Innovations

- Ready entry points for action toward social innovation include:
  - *Leadership and structures* suited to innovation.
  - *Finance* focused on innovation.
  - Public *policy frameworks* that encourage innovation.
  - Dedicated social innovation *accelerators*.
  - National and cross-national *innovation pools*.
  - *Research* to enhance learning.
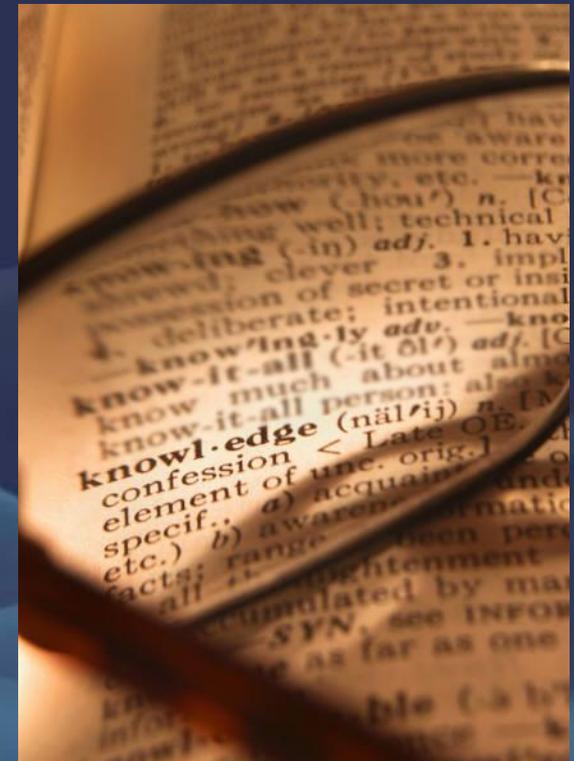
Fueling Knowledge Behaviors

- The relationship between motives, means, and opportunities explains much human behavior, including creativity and innovation. But, the three variables are neither linear not multiplicative: a bottleneck—or constraining factor—in any one of them will determine what occurs.

- Motives, means, and opportunities should not be addressed independently but in a dynamic and coordinated manner. Investigations about these variables can help organizations determine better where to invest resources.

Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.

—Paul Hawken

Fueling Knowledge Behaviors

- When organizations make a dedicated effort at boosting creativity and innovation, endeavors generally target job design, performance appraisal, compensation and rewards, managerial styles, information and communication technologies, and training as important predictors of motivation.

- Organizations should recruit personnel who already display knowledge behaviors: considering the person–environment fit to ensure congruence values and goals is the easiest way to facilitate creativity and innovation.

Fueling Knowledge Behaviors

- A high-end inventory of desirable knowledge behaviors—that together would advance creativity and innovation—might read as follows:

  - *Ask*—checking first to see what already exists; questioning accepted wisdom.

  - *Learn*—contextualizing learning to make it real; connecting and taking opportunities to learn; reviewing lessons as one goes and applying learning.

  - *Share*—conveying personal details, roles, and skills; imparting experience, evidence, and feedback; communicating achievements, outcomes, and pride.

If you don't do it excellently, don't do it at all. Because if it's not excellent it won't be profitable or fun, and if you're not in business for fun or profit, what the hell are you doing here?

—Robert Townsend

Further Reading

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