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## **Perspectives on public sector reform: An innovation perspective**

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# 1 Introduction

Many people think the public sector is not innovative ([Borins, 2002](#)). Related to this, New Public Management propagandists argue that government organizations should be exposed to competition. Competition incentivizes employees to develop and implement new and creative ideas, which in the end improve services or even develop services ([Osborne & Gaebler, 1992](#)). However, not everyone agrees with this. Other scholars argue that innovation in the public sector is alive and lively (see for instance [Damanpour and Schneider, 2009](#); [Osborne and Brown 2013](#); [Walker, 2014](#)). They cite various examples. For instance, governments have introduced forms of electronic government, making use of internet and social media to improve the quality of public services. Furthermore, one stop shops (physical and on-line) have been erected, so that citizens can obtain various services at one location. This can improve citizen satisfaction and citizen-state interactions more generally ([Winner, 2002](#)). Such innovations are very visible. However, there are public innovations that are less visible and less appealing than electronic gadgets. In this chapter, we aim to provide a more all-encompassing innovation perspective, focusing especially on its relationship with public sector reform ([Pollitt and Bouckaert 2011](#), [Kickert, 1997b](#)).

As will be discussed more elaborately below, we define public sector innovation as “the introduction of new elements into a public service - in the form of new knowledge, a new organization and/or new management or processual skills - that represent discontinuity with the past” (based on [Brown and Osborne, 2005:4](#)). We focus on innovation, and give special attention to one approach to innovation: ‘social’ innovation. Social innovation is being embraced by many politicians and policy makers. For instance, President Obama has established a Social Innovation Fund. This fund combines public and private resources to grow promising community-based solutions that have evidence of results in any of three priority areas: economic opportunity, healthy futures, and youth development.<sup>1</sup> Social innovation is an inspiring but weakly conceptualized concept ([Mulgan, 2009](#)). It aims to develop long-lasting outcomes which addresses societal needs, such as youth employment, the ageing of the population and the regeneration of urban neighbourhoods and rural areas. This is done by fundamentally changing the relationships, positions and rules between the involved stakeholders, via a process of open participation and collaboration.

From a public sector reform perspective, social innovation seems to be an interesting approach. It is a particular perspective on how the public sector should be reformed. Reforms should be done via ‘social innovation’. First, social innovation implies that end users, such as

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<sup>1</sup> <http://www.whitehouse.gov/administration/eop/sicp/initiatives/social-innovation-fund>, accessed July 6, 2016

citizens, should be involved in the process on developing solutions. Hence, it is less 'top-down' than many other approaches proclaimed in a welfare state tradition ([Pierson, 2001](#)). According to the European Commission (2011:30), "social innovation mobilizes each citizen to become an active part of the innovation process". Second, it aims to fundamentally change the roles of various stakeholders in service delivery. For instance, in healthcare it can be the case that in previous situation citizens/patients were passive users of a service and the physician decided which nurse to hire, while as a result of social innovation citizens can make more active decisions and have a personal budget. They can choose which type of help, from which organization, they hire. As a result of such a reform, the relations between stakeholders change fundamentally.

Hence, it seems that innovations (and social innovations more in particular) are indeed taking place in and with public sector organizations, reforming the public sector and beyond. It is therefore important to deepen our understanding of this phenomenon. In this chapter, we will firstly analyse the background of innovation as relevant concept to study public sector reform (section 2). In section 3 we will especially look at the notion of 'social innovation', given its increasing importance for contemporary reform. In section 4 we will address a number of relevant drivers and barriers for innovation processes in the public sector. In the final section, we will draw conclusions and discuss future research opportunities when studying innovation in the public sector.

## **2 Presentation of the theory and concepts**

### **2.1 Innovation as an object**

Definitions of innovation abound, each emphasizing different aspects of the concept. Schumpeter, who argued that innovation is the motor of economic change, was one of the first to describe various types of innovation. Innovation, according to him, is about *doing things differently*. An innovation is for instance introducing a new product with which citizens are not yet familiar, or of a new quality of a product. This description of innovation is quite aligned with the layman's view of an innovation. However, Schumpeter (1934) also sees as innovations 'opening up new markets' and adjusting the new organization of an industry, like creating a monopoly position or the breaking up of a monopoly position. Related to the work of Schumpeter, Rogers (2003:35) defines an innovation as "an idea, practice, or object perceived as new by an individual or other unit of adoption". Hence, Rogers also stresses the novelty

aspect of innovations. However, according to Rogers something does not have to be objectively 'new' but has to be *perceived* as new.

When studying innovation it is important to recognize the difference between innovation and the related concepts creativity and change. Creativity can be seen as an intellectual thought process of generating ideas that are new and potentially useful (Shalley et al., 2004). Creativity is the precursor of innovation. As [Amabile et al. \(1996:1154\)](#) noted: "All innovation begins with creative ideas. Successful implementation of new programs, new product introductions, or new services depends on a person or a team having a good idea-and developing that idea beyond its initial state." The distinction between innovation and change is to be found in the degree of radicalness (Brown and Osborne, 2005:4). Change is a general term, while innovation is a specific form of change, namely *discontinuous* change. Innovation it represents a qualitative break from the past. Hence, innovation deals with a specific type of change.

We follow Brown and Osborne (2005:4) and define public sector innovation as the introduction of new elements into a public service - in the form of new knowledge, a new organization and/or new management or processual skills - that represent discontinuity with the past. This definition highlights a) the novelty aspect (in line with both Schumpeter and Rogers), b) the discontinuity aspect (differentiating innovation from change) and c) shows that the elements should be really introduced before it constitutes an innovation (showing the difference between a creative idea and innovation).

The definition of public sector innovation is very broad. A number of scholars therefore classified innovations into various types (Schumpeter, 1942; Mulgan and Albury, 2005; Windrum, 2008). When these types are applied to the public sector, a classification can be proposed (based on Bekkers, Edelenbos and Steijn, 2011:15-16). This is shown in Table 1.

**Table 1 Classifying six types of public sector innovations**

Type of innovation	Description	Example
1. Product or service innovation	Focused on the creation of new public services or products	Creation of the youth work disability benefits
2. Technological innovation	Focused on the invention of new information and communication and other technologies.	Data mining techniques related to 'big data'
3. Process innovations	Focused on the development and re-design of the quality and efficiency of internal and external policy process, public service delivery and administrative processes	Development of 'one-stop shop' by a municipality, where citizens can get various services at one location
4. Organizational innovation	Focused on creating new organizational forms, the introduction of new management methods and techniques, and new working methods	Introducing teleworking in a public sector organization
5. Governance innovation	Focused on the development of new forms and processes of governance in order to address specific societal problems	The governance practice that attempts to enhance the self-regulating and self-organizing capacities of citizens
6. Conceptual innovation	Focused on the introduction of new concepts, frames of reference or even new paradigms that help to reframe the nature of problems and solutions.	The introduction of the paradigm that when looking at a person's work (dis)ability, insurance physicians no longer analyze what people cannot do, but instead analyze what they still <i>can</i> do, hence focusing on work ability potential instead of disability.

The classification serves as a helpful analytical tool to understand various types of innovations. However, we recognize that the boundaries are not clear-cut. Real-life innovations can have characteristics of various types. A public management reform can for instance aim to introduce teleworking in organizations, in order to improve efficiency (less office space needed) and attract younger workers (who are used to working on various locations and on a varying time schedule). From an innovation perspective, teleworking can be seen as an organizational and

technological innovation. However, it can be accompanied by a 'conceptual innovation': a paradigm shift of managers that employees don't need to be monitored directly to check whether they are doing their work.

## **2.2 Innovation as a local process**

Next to studying innovation as an *object*, we can also analyze innovation as a *process*. Indeed, Joseph Schumpeter (1942) described innovation as a process of creative destruction in which 'new combinations of existing resources' are achieved. In his view, innovation cannot be separated from entrepreneurship. They are two sides of the same coin. He defines entrepreneurship as 'Die Durchsetzung neuer Kombinationen': the will and ability to achieve new combinations that have to compete with established combinations.

Such an innovation process does not take place in vacuum: it is locally embedded in a specific context, such as a specific country or policy sector with a specific state and governance tradition, a specific time, specific power relation and so forth ([Osborne and Brown, 2005](#); [Bekkers et al, 2011](#)). Castells calls these environments "innovation milieus" (Castells, 1996:3). It is important to recognize the influence of the specific environment in which innovation processes take place. Regarding public management reform, [Hansen \(2011\)](#) shows that the adoption of New Public Management reforms is heavily dependent on the context. It is for instance positively related to organizational size and negatively related to the extent managers have a classical bureaucratic rule orientation.

Based upon the importance of local embeddedness, some scholars argue that we should study innovation from an ecological perspective ([Greenhalgh et al. 2004](#); [Bason, 2010](#); [Osborne and Brown, 2011](#)). This ecological perspective emphasizes that innovations processes are shaped by the local, and thus dependent on institutionally embedded exchanges relevant actors. During these exchanges, actors learn from each other and share resources such as knowledge and staff. The advantage of such an ecological approach is that it makes it possible to take into context characteristics, such as a) the various governance traditions that are used in various countries, b) the role of politics and c) relevant policy sector and network characteristics.

In this way, this ecological perspective can be directly connected to studying public sector reform from a comparative perspective, taking into account state and governance traditions ([Loughlin & Peters, 1997](#)). For instance, [Kickert \(1997\)](#) argues that the 'managerial' approach to public administration as developed in among else the United States, the United Kingdom and New Zealand is ill-suited for the particular state and governance traditions in the Netherlands. Here, a 'public governance' approach might work better. Hence, from an

ecological perspective it can be understood why certain public management reforms are well-suited for some contexts, but not for others.

### **2.3 Diffusion and adoption of innovations**

When an innovation has been implemented (in a local environment), one organization or group of organizations can use it. However, public sector innovation does not stop here. The innovation literature also discusses the diffusion and adoption of innovations by other organizations. This can be considered as process which is only loosely coupled with the innovation process itself. That is why Damanpour and Schneider (2009) argue that in essence two types of processes can be identified: innovation *generating* activities and innovation *adopting* activities.

The diffusion of an innovation is defined as “a process in which an innovation is communicated through certain channels over time among the members of a social system” (Rogers 2003, p. 5). This is highly related to scaling up, which can be described as efforts to increase the use of innovations across other actors ([Simmons & Shiffman, 2007](#)). When innovation diffusion succeeds, various other ‘adopt’ the innovation. Innovation adoption is “the voluntary and/or coercive process through which an organization passes from first knowledge of an innovation, to forming an attitude towards the innovation, to a decision to adopt or reject, to implementation of the new idea, and to confirmation of this decision” (Rogers 2003, p. 20).

Although diffusion and adoption is a vivid theme in the business administration literature (see for instance Ghoshal and [Bartlett, 1988](#)), hardly any systematic attention has been paid to this critical aspect of innovation in the public sector ([Greenhalgh et al., 2004](#)). However, there are some studies focusing on the stages of adoption process ([Albury, 2005](#)). Here, one important concept is the ‘adopter categories’, as developed by Rogers (2003). Rogers developed a classification of social members of a social system on the basis of their innovativeness. Innovations are firstly adopted by the ‘innovators’, then by ‘early adopters’, then the ‘early majority’, then the ‘late majority’ and finally ‘the laggards’. Such categories are often used. However, following Greenhalgh (2004: 598) we must note that these “have been extensively misapplied as explanatory variables. There is little empirical support for these stereotypical and value-laden terms, which fail to acknowledge the adopter as an actor who interacts purposively and creatively with a complex innovation.”

The diffusion and adoption of innovations can be linked to public management reform. Public management reforms – especially NPM - have spread across many organizations, sectors, countries and even continents (Pollitt & Bouckaert, 2011). Hence, its ‘scaling-up’



process has been quite 'successful'. However, it can also be seen that these reforms are adopted in various ways. Some countries, such as New Zealand, took over far more characteristics of NPM than others (such as Belgium or France). Furthermore, other countries were even less enthusiastic, and did not take over many of the NPM aspects (such as Germany). This can be related to the state and governance tradition in Germany that is strongly rooted in the 'Rechtstaat'.

### **3 Social innovation in the public sector**

Social innovation is maybe even a fuzzier concept than innovation. A main reason is that the literature on social innovation is dominated by 'grey literature', such as policy advisory reports, applied research memoranda and normative 'to-do' lists, while at the same time the empirical base is weak. The European Union (2010, based on Murray et al, 2010:3) states that social innovations are new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. Hence, social innovations are both good for society and enhance society's capacity to act. Harris and Albury (2009:16, see also Bason, 2010:96) argue that social innovation are innovations explicitly focused on the social and public good, addressing important societal challenges such as ageing, pollution or declining turnouts at elections. In general it could be argued that social innovation in the public sector refers to the following characteristics, which have a *normative* connotation:

1. Social innovation aims to produce *long lasting outcomes* that are *need-oriented*. This in contrast to the dominant thinking in many public organizations which are supply-driven, based on the implementation of laws and regulations. This adds to radicalness of the ideas that are being pursued. Socialinnovations try to meet the needs of society or specific groups in society in a long lasting way, given challenges with which societies are wrestling, like the ageing or youth unemployment. When discussing the outcomes that are being achieved, the emphasis is put on the creation of added public value, which goes beyond sheer economic value captured in values like efficiency and effectiveness. Public value also refers to political values like equity, liberty, and security and more democratic values like participation, transparency and accountability.
2. In order to develop and implement these need-driven innovations, it is import that end-users as well as other relevant stakeholders *participate in the development, implementation and*

*adoption of the innovations*. That is why social innovation is seen as the outcome of an open process of co-creation ([Chesbrough, 2003](#)). This often takes place in 'collaborative innovation networks' ([Gloor, 2005](#); [Bommert, 2010](#); [Sørensen and Torfing, 2011](#)). Relevant stakeholders bring in their knowledge, information, experiences and resources. In social innovation especially attention is paid to the co-creating role of citizens as being a relevant end-user ([Voorberg et al, 2015](#)). The radicalness of the social innovation concepts refers to breaking up the monopoly in producing new ideas and approaches that are 'good' for society.

3. Social innovation advocates also stress that the innovation should fundamentally change the relationships between relevant stakeholders. Social innovation tries to act as a '*game changer*', breaking through grown practices and path dependencies which very often challenge the privileged role of government. Again, also this element refers to the proclaimed radicalness of the change that innovation is said to be. Through social innovation, it is argued that the governance capacity of a society order to deal with new pressing challenges is enhanced, because the game is being changed (European Commission, 2011:33). An example is the emergence in several countries of local solar energy co-operations in which citizens share within a neighbourhood the solar energy that is produced, thereby bypassing the traditional energy company, which very often a state owned corporation that operates within a rather protected, non-competitive market. As a result new energy markets develop.
4. Given the importance that social innovation attaches to open process of collaboration, with stakeholders, especially citizens, government is forced to take up another role ([Von Hippel, 2007](#)). Instead of being the initiator of innovation processes in the public sector, *government should support and facilitate collaborative, bottom-up initiatives among citizens and other stakeholders*. As a result the role of government change towards new form of governance that can be defined as meta-governance ([Sørensen, 2006](#)).

Now that some normative characteristics of social innovation have defined, we can illustrate it with a real-life example which is related to public sector reform: Urban Gardens in Ørestad, Copenhagen<sup>2</sup>. The Urban Gardens are a result of a process where several interests collided and made space for a citizen initiative to make a garden where people could come and do some

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<sup>2</sup> <http://www.dac.dk/en/dac-cities/sustainable-cities/all-cases/green-city/copenhagen-urban-gardens-liven-up-oerestad/> accessed October 7, 2014

gardening or just enjoy the new green urban space on the benches. Stakeholders were among else the municipality, the local urban-environmental organizations and a citizen network. Government was supporting the initiative, but not leading it. As a result of this social innovation, a 'green lung of the city' has been developed. Furthermore, the relationships between the stakeholders have changed fundamentally. In this way, public spheres are being transformed.

Although in the social innovation literature many examples can be given of social innovation, systematic empirical evidence is weak, which can partly be explained by the normative connotation that the concept has. It is very often seen as a 'magic concept' that used to stimulate and justify governmental and societal reforms (Pollitt & Hupe, 2011).

## **4 Drivers and barriers of public sector innovation**

The previous section provided a background on innovation in the public sector, and social innovation in particular. If we want to apply an innovation perspective on the reform of the public sector, the next step is to assess what are relevant drivers and barriers – in terms of influential factors – of innovations. In other words: What influences whether citizens and governments will embark on the 'innovation journey' (Van de Ven, 1999)? Three types of factors can be distinguished that can be located at different levels:

- a. Environmental factors
- b. Organizational factors
- c. Individual factors

To scope the research we must acknowledge that we had to choose from a wide variety of potential drivers and barriers which could influence public sector innovation (for a more elaborate overview, see Bason, 2010; Osborne & Brown, 2010; Bekkers et al., 2013).

Furthermore, we note that many influential factors are *related*. For instance, effective leadership in an organization can influence creativity of public employees ([Amabile et al., 1996](#)).

### **4.1 Drivers and barriers related to the innovation environment**

Public organizations do not operate in a vacuum. They are working in environments with can be seen as are reservoir of possible (dis)incentives for innovation. Hence, characteristics of the environments can influence the content, course and consequences of innovation processes. In the literature, it can be found that the following four aspects of the innovation environment can be important:

### *Political and media pressure*

First, innovation can be triggered by media and political pressures. Politicians have particular agendas (often influenced by the media) they want to execute and this may require public organizations to innovate. Furthermore, incidents widely broadcast on media (think of for instance patient mortality in hospitals) can spur innovations. Hence, although high media and political attention can stimulate innovation, at the same time it can also stymie it, as failures are often highly publicized (management in a fishbowl, see [Borins, 2002](#)).

### *Economic, demographic and technological changes*

Second, and related to the first point, innovation can be stimulated by economic, social, demographic and technological change to which governments have to respond ([Osborne and Brown, 2005](#)). Regarding economic changes, mounting social security and healthcare costs can stimulate innovation, such as novel policies for work disability (European Commission, 2013; Tummers, Bekkers and Steijn, 2009). On demographic changes, the contemporary problem of ageing comes to mind. This stimulated Dutch central government to decentralize care, which means responsibilities will be shifted to municipalities, healthcare organizations and citizens. Technological changes can for instance stimulate platforms initiated by governments to crowdsource public sector innovations or open source programming platforms like 'Gifithub' in the United States ([Mergel, 2014](#)).

### *Competition*

Third, competition can stimulate innovations in public organizations. Although some argue that competition is absent in public organizations (cf. [Bason, 2002](#)), this is not fully the case. For instance, there is increased competition between regions and cities in terms of being an attractive place to work, live or be a tourist. The technological centre of Palo Alto (with Stanford) competes with New York (with New York University) as a place to study, work, live and innovate. This highlights the importance of the presence of so-called 'regional innovation systems' ([Asheim and Gertler, 2005](#)). Public organizations, private organizations and citizens work together to make their location the most attractive place. This sparks innovations, such as new collaborations between universities and private organizations to develop new traineeships for students. Next to this, there is also competition between individual public organisations. One of the reasons is that the increased importance of transparency and high quality service stimulated public organizations and their professional associations to develop benchmarking

and other performance management systems. In many cases, this stimulated product and service innovations ([Folz, 2004](#)).

### *Networks*

Fourth, the embeddedness of a public sector organization in a specific environment can be an important factor that stimulates innovation. Literature on network management (e.g. Koppenjan and Klijn, 2004) shows that the recognition of *mutual dependency* within networks is vital. Recognition of interdependency implies that the involved actors are able and willing to explore whether they can support each other instead of compete with each other, thereby enhancing collaboration (Van Buuren and Lohrbach, 2009). Moreover, interdependency recognition supports the sharing of resources, capacities and capabilities across boundaries, thereby go beyond the involved legal mandates and jurisdictions which very often seem to stifle innovation (Kelman, 2008).

## **4.2 Drivers and barriers related to the characteristics of the involved public organizations**

Innovation in the public sector normally requires the active involvement of public sector organization in terms of their willingness and ability to get engaged. What factors, related to the characteristics of these organizations, influence their innovation capacity? Here, we discuss three important organizational factors.

### *Slack*

It is firstly important to consider the capacities of an organization (e.g. people, money, time, competences, information, knowledge, political support and contacts) in terms of '*slack*' that can be devoted to support innovation activities (Hartley, 2005). [Walker \(2006\)](#) argues that the larger an organization is, the more '*slack*' this organization has, because it has more opportunities for the cross-fertilization of ideas as well as a larger variety of relevant skills that can be exploited. Besides size, other slack factors often discussed are organizational wealth and capacity (e.g. Bhatti *et al.* 2011) and the presence of talented employees in the organization (e.g. Maranto and Wolf, 2012). On the other hand, we also fully acknowledge that scarcity can stimulate innovation, as the many reforms instilled by austerity measures illustrate ([Kickert, 2011](#)).

### *Administrative culture: client orientation and risk-taking*

The dominant *administrative culture* of the involved organization is a second potential driver or barrier for innovation. This is firstly related to the client and learning orientation within the organization. Research has shown that an organization with a culture of strong client orientation will give high priority to continuously finding ways to provide superior client value. In doing so these organizations want to be engaged in meeting customers in order to learn from them (Han, et al., 1998). Such organizations are more involved in innovation generating process to develop new service products, services and processes. Next to this, they are also more easily convinced of adopting innovations that have been developed elsewhere, thereby conversing new knowledge ([Salge and Vera, 2012](#)). Related to the observations regarding client orientations is that the degree of risk aversion within an administrative culture ([Voorberg et al., 2015](#)). A learning culture implies 'trial and error', 'bricolage' and experimentation' as necessary condition for exploring new ideas and ways of working (Parna and Von Tunzelmann 2007). However, in the public sector there seems to be a negative attitude towards risk and risk-taking ([Osborne and Brown, 2011](#)). Bureaucratic and political cultures are perceived as risk-avoiding, due to the emphasis that is put on accountability and the related 'blame games' (who is responsible and should be blamed?) that are related to this issue ([Albury, 2005](#)).

### *Leadership: transformational and boundary spanning*

A third important organizational factor is the type of *leadership* that is present in the organization. The literature very often points at the importance of having leaders that have a vision and are 'credible' and who are willing to take risks and who can really transform an organization ([Gabris et al. 2001](#)). Such leaders have 'transformational' leadership styles (Bass, 1999). [Borins \(2002\)](#) shows that the people who drive innovations (as innovation champions) very often act as informal leaders. In doing so they proactively try to solve problems before they become crises, by taking opposition seriously and attempting to deal with it forthrightly through persuasion or accommodation, rather than through power politics. Such leaders develop a clear vision of an innovation and constantly analyse innovation to see if it is working. Furthermore, they are not risk-averse and acknowledge that innovation is by definition a risky endeavour ([Brown and Osborne, 2013](#)).

However, we must note that the ability to effectively use such kinds of leadership is partly dependent on the age of the organization. It seems to disappear when organizations mature, as the main preoccupation becomes making it operate like a machine (Bernier and

Hafsi, 2007). As a result innovation is stifled in bureaucratic rigidities, while the innovations that are being pursued have a more incremental nature.

Next to the importance of transformational-like leadership styles (often focused on processes *inside* the organization), studies show that 'linking leadership' is important (Bekkers et al., 2011). Linking leader span boundaries: they build relationships, connections and dependences *across organizations*. They involve other stakeholders, such as non-profit organizations, citizens and other actors to become active participants in an innovation process, in order to promote the living quality in a neighbourhood. Linking leaders bring together people, ideas and resources and thereby develop knowledge, expertise, information and perspectives of weakly or non-involved actors (Voets and De Rynck, 2008). Moreover, linking leadership also refers to connecting the political realm to the innovation project. This can increase the legitimacy of the project and mobilize the necessary resources, like the acquisition of new or the protection of already allocated budgets (Considine et al., 2009).

#### **4.3 Drivers and barriers related to the involved individuals: citizens and employees**

People are a very important force in the development and adoption of innovations. We should therefore look at the third and last level of innovation processes: the individual level. Two types of actors are often important in relation to innovation in the public sector: governmental actors (policy makers, public professionals) on the one hand and citizens on the other. We will address four important factors that relate to the involvement of both these actors for stimulating innovation.

##### *Performance expectancy*

To implement an innovation, someone (or a group) should gain the support of other people who must invest time and energy during the process in order to potentially develop an innovation. A first important factor here relates to the *expected performance* that people have of the participation, also given the limited number of time they have and the transaction costs that are involved (Berman, 1997). This 'performance expectancy' has been shown to indeed influence behaviour very strongly (Venkatesh et al., 2003).

When looking at citizens, we see that they are often cynical about the degree in which they think that governments are actually prepared to address the needs and wishes that citizens bring forward (Berman, 1997). When it is made very clear why participation in the innovation process generates outcomes that are in the interest of citizens, then they are more willing to participate (Alford, 2009). These outcomes do not by definition have to refer to the self-interest

of citizens, they can also refer to intrinsic motivations and rewards that refer to social values that motivate people. For instance, Schudson (1998) argues that citizens, who in general have a passive attitude, are actually willing to mobilize themselves in order to participate if vital interests are being threatened.

When looking at policy makers and professionals, the performance expectancy is highly related to the meaningless dimension of 'policy alienation'. Policy alienation can be broadly described as a feeling of psychological disconnection from a new policy (or here: an innovation) (Tummers, Bekkers and Steijn, 2009). It consists of two main dimensions, powerlessness and meaninglessness. Here, powerlessness relates to the feeling that you are unable to influence an innovation while meaninglessness focuses on the lack of added value of innovations. High meaninglessness occurs when public service employees feel that an innovation is not beneficial for their clients (client meaninglessness) or for society at large (societal meaninglessness). Hence, high meaninglessness (on both a client and societal level) can indicate that policy makers or professionals do not feel that the expected performance of an innovation is high as it is not benefiting their clients or society at large. It has indeed been shown that the meaninglessness dimension of policy alienation is highly relevant in explaining why public professionals resist innovations, for instance in mental healthcare (Tummers, 2011) or law enforcement (Loyens, 2014).

#### *Effort expectancy*

A second factor on the individual level relates to the effort needed to participate. This is known as the *effort expectancy* (Venkatesh et al., 2003). Policy makers, professionals and citizens need information, knowledge, skills and competences to participate. This is also dependent of the complexity of the innovation and the outcomes that are being pursued (Bovaird and Löffler, 2011). From the side of citizens, a possible solution is offered by internet and social media driven facilities like crowd sourcing, open data and open idea banks that help to link dispersed people and ideas in an easy way, so that knowledge can be accessed and shared beyond boundaries (Bekkers, 2004; Mulgan, 2009). From the side of policy makers and professionals, it can be valuable when organizations are more compatible with innovations (and social innovation particularly). This can refer to an infrastructure so that policy makers and professionals can easily communicate with citizens (for instance to check new ideas via a citizen panel).



### *Prior experience*

Lastly, prior experience can be important. Research shows that citizens and public organizations who already participate make use of the extra opportunities that are offered to get involved even further ([Bekkers, 2004](#); [Holmes and Smart, 2009](#)). Although prior experience can be beneficial for innovations, when it leads to institutionalization it can also have various downsides. This issue especially arises when citizens and professionals erect organizations to represent them. Internal goals and personal motives may then replace the original representation goals. In this way, goal displacement may take place, where the goals of the intermediary organizations (which should be means to voice the concerns of their supporters) become the ultimate goals. Such developments can also occur with local policy makers or public professionals. For instance, it has been found that influence of professional associations does not by definition heighten the support of the professionals themselves as everyday professionals are different and disconnected from the elite representing them in their associations ([Tummers, 2011](#)).

## **5 Conclusion**

This chapter analysed public sector reform from the perspective of (social) innovation. It defined innovations in the public sector, both as an object and a locally embedded process, and analysed the upcoming notion of social innovation. Furthermore, the chapter shows ten potentially important environmental, organizational and individual factors which can stimulate or hinder innovations. These are shown below.

**Table 2 Potential drivers and barriers for public sector innovation**

<b>Dimension</b>	<b>Driver/barrier</b>	<b>Expected influence on public sector innovation</b>
<b>Environmental level</b>	1. Political and media pressure	+
	2. Economic, demographic and technological changes	+
	3. Competition	+
	4. Networks	+
<b>Organizational level</b>	1. Slack (money, time, people) available	+ (or -, as austerity can also simulate innovation)
	2. Administrative culture: client orientation and risk-taking	+
	3. Leadership: transformational and boundary spanning	+
<b>Individual level</b>	1. Performance expectancy	+
	2. Effort expectancy	+
	3. Prior experience	+

We argue that innovation studies help in understanding public management reforms as it specializes in studying a specific type of reform, namely a reform that represents a qualitative break which past, thereby introducing fundamental discontinuity. However, public innovation studies suffer from the fact that innovation itself is a fuzzy, multi-interpretable and normative concept. On the one hand, this ‘magic concept’ (Pollitt and Hupe, 2011) of social innovation inspires public organizations and citizens to take up the reform challenge. For instance, framing something as a ‘social innovation’ might generate a lot less resistance than framing something as a ‘reform’ or a ‘change’. On the other hand, its multi-interpretable character and normative connotation can also blur our understanding about what is really happening. One might even say that public sector innovation studies are suffering from this. One of the challenges of public innovation studies is to unravel the assumptions behind public innovation movements as well as to critically reflect on the outcomes of these processes. Social innovation is an example of the power of these reform movements that are popular among policy makers, politicians and other

opinion leaders. Simultaneously it can be argued that public innovation studies represent a body of knowledge that can be used, as it is increasingly being rooted in empirical research and can be used to describe, analyse, evaluate and explain the process and outcomes of public sector innovation.

In this chapter we have discussed factors that could stimulate or hinder public sector innovations. However, we must note that the potential of this body of knowledge could be improved, if we were also able to take into account innovations that were not perceived as successful. A handicap when studying reform from an innovation studies perspective is that the cases that are selected suffer from a 'pro innovation bias' (Rogers, 2003). Innovation scholars predominantly focus on those practices that have proved to be an innovation. Failed innovations are hardly taken into account, also because they are harder to find. Hence, there seems to be an understudied 'graveyard of innovations' (Cleff, 2008). Interestingly, when looking at the related concepts of reform and change, the opposite seems to be true. Change literature often starts with noting that "70% of change efforts fail" (see for instance Beer and Nohria, 2000:14). Reform in the public sector is often viewed with suspicion, especially under the label of "New Public Management" (see for instance Pollitt and Talbot, 2004; Kickert, 1997a). Hence, combining the study of innovation with literature from change management and reform could be a welcome addition for both sides.

## **Note**

This chapter is partly based on the LIPSE working paper no: 1, Social innovation in the public sector: an integrative framework. LIPSE (Learning from Innovation in Public Sector Environments) is a research program under the European Commission's 7th Framework Programme as a Small or Medium-Scale Focused Research Project (2011–2014). The project focuses on studying social innovations in the public sector ([www.lipse.org](http://www.lipse.org)).

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