Learning From Innovation in Public Sector Environments

Newsletter no. 5
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We are happy to share with you the **fifth newsletter** of the FP7 research project **LIPSE: Learning from Innovation in Public Sector Environments.** LIPSE is a EU-funded project advancing the research agenda on the drivers and barriers of successful social innovation in the public sector. With a budget of €2.5 Million—funded by the 7th Framework Programme of the European Union—it is one of the largest projects on social innovation in the public sector. The research is being conducted by EU researchers from 12 different universities in 11 countries. For more information on LIPSE, please visit our website www.lipse.org and follow us on **Facebook** and **Twitter** @eulipse.

Improving innovation in European municipalities: About two years into the LIPSE project, our research is now yielding interesting results. In March 2015, the LIPSE team published two research reports: "Mapping and Analysing the Recommendations of Ombudsmen, Audit Offices and Emerging Accountability Mechanisms" and "Risk Definition and Risk Governance in Social Innovation Processes: a Comparative Case Study across 4 EU-countries."

Analyzing Accountability Mechanisms. Too often we see excellent and interesting public sector innovation projects that are never able to grow to scale or endure beyond the initial years of funding. Motivated to understand why this happens so often, LIPSE researchers led by Geert Bouckaert and Wouter van Acker in KU Leuven analyzed learning, feedback and accountability mechanisms to see how these could be used to improve the sustainability of innovation. They analyzed the recommendations made by audit offices and ombudsmen and examined if and why these recommendations have or have not been taken by public organizations. Specifically, the authors investigated the influence of feedback loops, accountability mechanisms and learning processes (a model we call FAL) on the sustainability of the innovations for which public organizations had been awarded or recognized.

The researchers found that ombudsmen and Supreme Audit Institutions can contribute to a culture of innovation by pushing public organizations to strive for excellence, and by providing the necessary feedback information for public organizations to improve and innovate.

Based on the results of their research, the authors propose several policy recommendations for Ombudsmen's and Supreme Audit Institutions to improve the sustainability of social innovations:

1. Create a cooperative and transparent audit- or ombud-process.
2. Use exit meetings not only as a formal step, but as genuine, open dialogues.
3. Make the audit- and ombud criteria clear and transparent.
4. Make clear why the auditee has been chosen for an audit.
5. Enhance the expediency of recommendations by looking at the legal, administrative and political feasibility.
6. Be aware of the influence of media discussions about audit- and ombud-reports.
7. Be aware that combined media and parliamentary attention is functional.

Read more recommendations in our policy brief #3.

Source: Mike Baldwin (2005). www.cornered.com

Lessons on risk governance in social innovation.
If we are serious about promoting and supporting social innovation then a new approach to risk is required. So far, we see that many public service professionals generally have a poor understanding of what 'risk' means in relation to social innovation processes —and it is usually talked about in actuarial (i.e. risk must be minimized) or health & safety terms. We have also found that a 'blame game' culture still exists, where risk is avoided if possible because of the possible damage to individual professionals or Public Service Organizations (PSOs). Yet, without risk there is no innovation. Motivated by the need to improve approaches to risk in PSO's, a team of LIPSE researchers, led by Stephen Osborne, Tony Kinder and Sophie Flemig at the University of Edinburgh spent the last year preparing a multi-method comparative study, including Italy, the Netherlands, Slovakia and the UK, in which they provide empirical data on the connection between risk and social innovation. In the resulting research report (no. 4), they identify the current range of approaches to risk in innovation in public services across European countries, empirically identify and evaluate current approaches for

relevant stakeholders to engage in discussions about levels of risk for public service innovations and make recommendations regarding the formulation of relevant principles for effective risk governance in innovation in public services. Their findings show that small organizations are often at the forefront of social innovation, but they often have the least understanding of risk and its relationship to social innovation. They also had the least resources to devote to effective risk management. Moreover, PSOs need to balance their approach to risk (and its resource implications) against the complexity of the planned social innovation. Simple innovations may only require technical approaches but more complex ones will require sophisticated approaches to risk governance and to stakeholder engagement. Since many public services are now provided by multiple PSOs working together in service systems, policy makers need to facilitate a common approach to risk within the system that it is shared. Box 1 summarizes our policy recommendations. For more detail on our finding and recommendations about how to improve risk governance in social innovation processes, read our policy brief # 4.

Box 1. Seven policy recommendations for improving risk governance during social innovation

1) Take into account smaller organisations when drafting policy.

2) Encourage risk culture as a learning culture and avoid the 'blame game'.

3) Invite a wider discourse on risk, including public service users and communities.

4) Provide enough flexibility in policy to accommodate a diverse provider group.

5) Be aware of clarity and consistency across governmental regulations.

6) Base evaluation *outcomes* rather than (numerical) *outputs* in funding calls and regulations.

7) Explore the possibility of a risk governance council.

Birmingham, UK. March 30, 2015. The LIPSE team had a strong presence at this year's annual conference of the International Research Society for Public Management (IRSPM). Lars Tummers and Mila Gascó, among others, co-chaired a panel on "managing people, change and innovation." Stephen Osborne and Richard Walker also chaired a panel on "innovation and change in public services". The following are only some of the papers that the LIPSE team presented. Let us know if you'd like to request access to any of them: **The diffusion and adoption of public sector innovations: a meta-review of the literature** by Hanna DeVries, Victor Bekkers and Lars Tummers. **Policy**

NEW lipse BLOG: *"Not an Oxymoron"* is our new blog on social and public innovation: https://lipseblog.wordpress.com/

Read our latest blog posts! Click on the title to go directly to the entry. Most entries are written by LIPSE researchers, but once in a while we will invite guests bloggers, like Flemish Ombudsman Bart Weekers.

- Innovating government communication with citizens: the role of Ombudsmen a guest entry by Bart Weekers (Flemish Ombudsman)
- The Dark Side of Co-creation? by LIPSE researchers Prof. Lars Tummers, Prof. Victor Bekkers and William Voorberg
- A network approach to public sector innovation capacity by Roskilde University researcher Lykke M. Ricard
- Innovation environments and innovation capacity in the public sector by Prof. Jenny Lewis from Melbourne University in Australia

learning in co-creation processes: an international comparison by William Voorberg. **Networks, networking and public sector innovation capacity** by Lykke M. Ricard and Jenny Lewis. **Strategic orientation in public services delivery: the missing link in effective public services delivery?** by Maria Cucciniello, Greta Nasi, and Stephen Osborne. **Determinants and barriers of adoption, diffusion and up-scaling of ICT-driven social** innovation in the public sector by Maria Cucciniello, Greta Nasi, Valentina Mele, Giovanni Valotti, Raffaele Bazurli. **Leadership, innovation and networks: the relationship between innovation perceptions and networking behavior** by Joris van der Voet, Tamyko Ysa, Mila Gascó, and Adrià Albareda.

NEW publications by LIPSE researchers: Lykke M. Ricard and Jenny M. Lewis have a chapter in the Commonwealth Governance Handbook 2014/15: Innovation capacity in the public sector: A framework for comparative analysis.

LIPSE research on networks of innovation in Copenhagen picked up by the Danish press! Lykke Ricard was interviewed twice by a Danish newspaper on the innovation networks she uncovered in Copenhagen illustrating the frequency of communication between municipality and external organizations. She also published an article for "Den Offentlige", a public sector newspaper. This one was re-tweeted by the municipality and Lykke was invited to talk at a workshop with policy makers interested in improving innovation. Contact us for more information on innovation in Copenhagen.

Upcoming events: Keep an eye out for the following events, where you can meet some of the LIPSE partners and find out more about their current research on public and social innovation:
- **June 8, the Netherlands:** IIAS study group on "co-production of public services", led by among else Taco Brandsen.
- **August 26, Toulouse, France:** EGPA Annual conference. Study group on Public Administration, Technology and Innovation, led by among else Rainer Kattel and Erkki Karo. The theme of this year is "innovation in public management" and is a LIPSE sponsored call for papers.
- **October 15, Budapest, Hungary:** Conference on Public service innovation and the delivery of effective public services, hosted by the National University of Public Service, co-organized by Stephen Osborne and with a special LIPSE-hosted panel on risk governance.

Progress update on the LIPSE research agenda

The LIPSE team's is organized in seven work packages: 1. The innovation capacity of public sector environments, 2. Co-creation and citizen involvement in social innovation, 3. Mapping and analyzing the recommendations of ombudsmen, audit offices and others, 4. Risk-definition and risk governance in social innovation processes, 5. Adoption, diffusion and up-scaling of ICT driven innovations, 6. Public sector innovation indicators, and 7. Future trends and scenarios. For more information on all work packages, visit http://lipse.org/work-packages.

WP 1: Innovation environments and innovation capacity.
WP1 has delivered the research report and the policy brief with recommendations. We are currently in the stage of further research providing an important advance in linking innovation environments to innovation capacity in the public sector (specifically in municipalities), and disseminating our findings via publications and conference presentations that includes discussions with researchers, practitioners and students. For more information, contact Lykke M. Ricard (lykker@ruc.dk).

WP 2: Co-creation and co-production during social innovation: Based on the cross-sectoral and cross-country comparative case study analysis and the focus group findings we developed a final report and a policy brief. They can be downloaded via www.LIPSE.org. The WP2 team continues to disseminate our findings via publications, conference presentations, discussions with practitioners (including the LIPSE social innovation game) and social media. For more information, contact Lars Tummers (tummers@fsw.eur.nl).

WP 3: Mapping and analyzing the recommendations of ombudsmen & audit offices: Work package three is currently expanding on their first research findings. In depth interviews are conducted for several innovations which have won awards in the past, but are no longer operational. At the same time they are working on extending their current dataset of good practices to cover all of Europe. Finally, their findings for the initial research is currently being rewritten to be published as working papers. For more information, contact Wouter van Acker (Wouter.VanAcker@ggs.kuleuven.be).

WP 4: Risk-definition and risk governance in social innovation processes. Work package 4 has come to an end, and the research report and policy brief about risk governance in innovation processes can now be downloaded from our website. The team is now busy organizing workshops based on the findings. For more information contact Sophie Flemig (Sophie.Flemig@ed.ac.uk).

WP 5: Determinants and barriers of ICT-driven social innovations. Work package 5 has just concluded. It included a systematic literature review and an empirical comparative analysis across 6 EU countries. The latter encompassed the use of both qualitative and quantitative methods. The results of these were triangulated to elaborate the research report and the policy brief, which will be released in June 2015. Further dissemination activities to spread evidence-based knowledge relevant for policy-makers, practitioners and scholars will follow. For more information, contact Greta Nasi (greta.nasi@unibocconi.it).

WP6: Public sector innovation indicators: In WP6 analysis of three cases studies - operative information system, city planning registry and the city real-estate registry - is on the way to describe public sector innovation measurement. In parallel, TUT will conduct a meta-analysis of the results of WP 1-5, which will be used in the analysis of WP6 and the dissemination activities starting this summer with WP7. For more information, contact Rainer Kattel (rainer.kattel@ttu.ee).

For more information on the LIPSE project, please visit www.lipse.org and subscribe to our mailing list, or send us an email at lipse@hertie-school.org. You can also follow us on Facebook and Twitter @eulipse to receive the most up-to-date information on public sector innovation research and upcoming events. You can unsubscribe from this mailing list anytime by sending a blank e-mail with the subject line UNSUSCRIBE to lipse@hertie-school.org.