



–European Policy Brief–

Mapping and Analysing the Recommendations of Ombudsmen, Audit Offices and Emerging Accountability Mechanisms

**LIPSE: Learning from Innovation in
Public Sector Environments
(Work Package 3)**

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This policy brief presents the findings of the first work package (WP3) of the “*Learning from Innovation in Public Sector Environments*” (LIPSE) project. LIPSE is a research program under the European Commission’s 7th Framework Programme as a Small or Medium-Scale Focused Research Project (2013-2016). LIPSE focusses on studying social innovations in the public sector. Full reports can be downloaded via www.lipse.org.

1 Ombudsmen, Supreme Audit Institutions & Social Innovation

Work package three initially focused its research on two factors concerning social innovation. On the one hand, the focus lay on the role Ombudsmen and Supreme Audit Institutions play in social innovation through their policy recommendations. On the other hand, the creation of a database of good practices for innovations was central to the research activities. Based on this database much could be learned about the social innovation that currently occurs in the EU. In the description of work of the LIPSE project's work package 3, this framework was presented through the following research goals:

1. To make an inventory and analysis of databases on best EU practices for innovations
2. To analyze the recommendations made by audit offices and ombudsmen
3. To identify relevant drivers and barriers that explain if and why these recommendations have (or have not been) implemented
4. To make policy recommendations to improve the use of accountability information for public service innovation
5. To disseminate the research results and policy recommendations among the involved organizations, policy makers and the general public

The focus of this working package thus lay on two issues: on specific innovations in the public administrations, and on policy recommendations by Supreme Audit Institutions (SAIs) and Ombudsmen. The initial goal was to create an overview of social innovations in Europe, and to see if the recommendations made by SAIs and Ombudsmen had a role in fostering or obstructing them. In other words: were SAIs and Ombudsmen barriers or drivers for innovation? Or where they, perhaps, unimportant actors in this respect?

2 The role of Feedback, Accountability and Learning

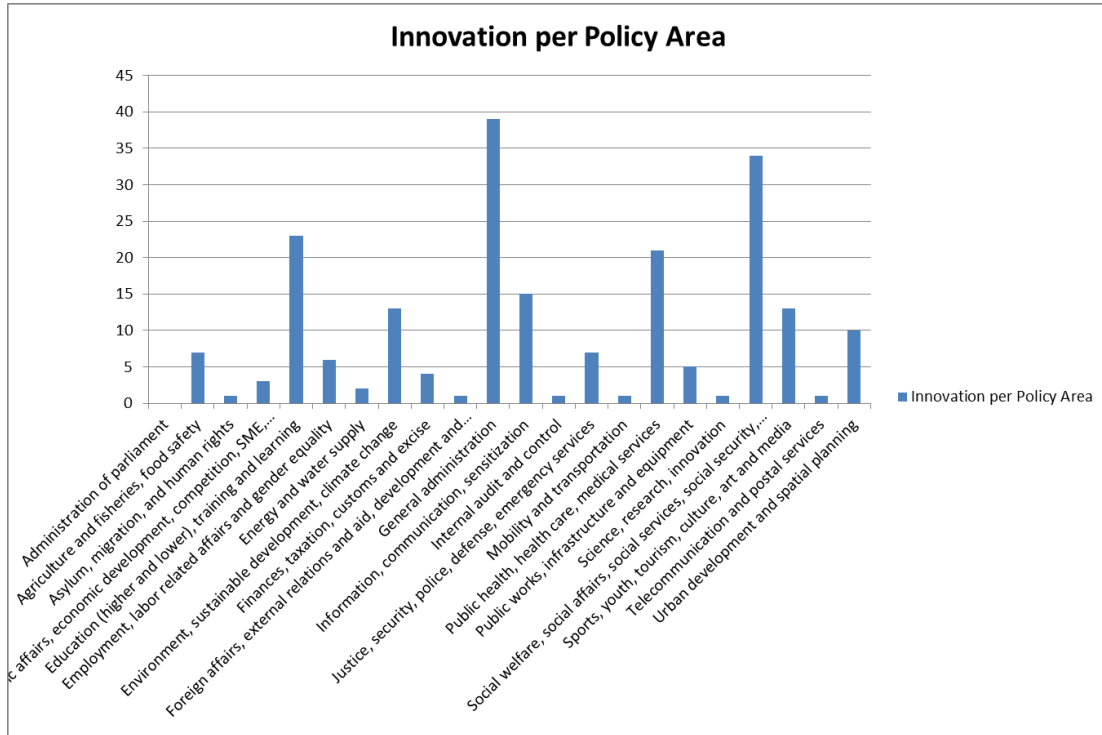
Both the specific innovations and the implementation of SAI or Ombudsman recommendations require one, basic thing: change. Change in public organizations is caused by multiple factors, not in the least by political agendas and regime changes. Internal reasons for change, on the other hand, are less obvious and less easy to grasp: feedback information, accountability mechanisms and learning processes. In short, feedback information provides an organization

with the information on which it can base its decisions to innovate. Learning processes are the way in which this feedback information is processed, and transformed into innovative insights and ideas. Accountability, finally, constitutes a driving force for an organization to strive for excellence. These factors form the initial breeding ground in which the seeds, recommendations and new initiatives, can blossom into successful social innovation. These three factors are, in other words, a necessary condition for innovations and recommendations to be effective and successful. For this reason, in addition to focusing on the research goals as put in the description of work, this Work Package also focused on the role these three factors play in determining the success of social innovations in the long term. These three factors were coined as the 'FAL-model'. It was expected that innovations of organizations with higher scores in this FAL-model would have a greater probability of surviving the test of time.

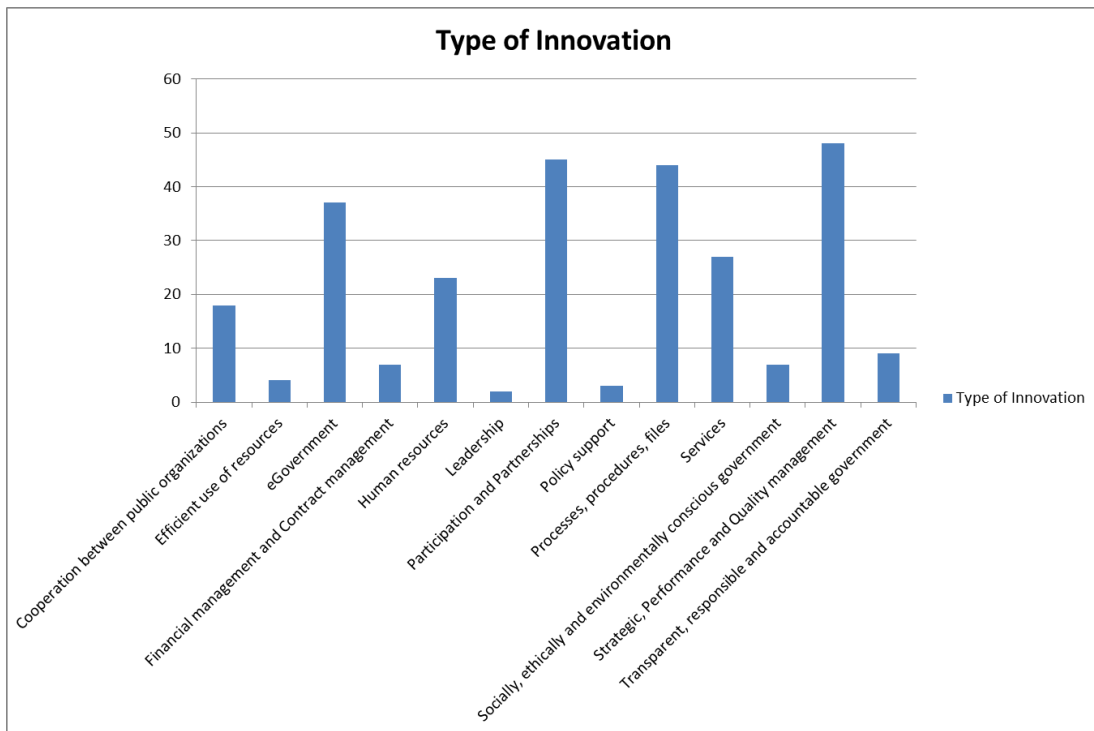
Focusing on the long term and investigating the factors influencing the survival of innovations is of great importance for academics and practitioners alike. First of all: limited research has been done on the development and change of innovations over time. Secondly, recommendations by SAIs and Ombudsman may contribute to the way an innovation develops and changes through time. One needs to look further than the initial recommendation and whether it has been adopted or not, in order to get closer to the drivers and barriers of *successful* and *sustainable* social innovation. Thirdly, the public sector itself has a vested interest in not just innovating, but also in doing so sustainably. Innovations which are initiated and terminated shortly afterwards are potentially spending resources ineffectively.

3 Database of Social Innovations

Work Package 3 focused its research on six EU member states: Belgium, France, the Netherlands, Slovakia, Romania, and the United Kingdom. For these six countries, an inventory was made of national public sector innovation awards, as well as the winners from these six countries of international awards over the last twelve years. Gaining access to the case-information of the winners became one of the largest obstacles of this research. Some awards had databases that were not accessible. Others had lost their data, requiring the partner of this Work Package to reconstruct these datasets. Nonetheless, it was possible to create an overview of social innovations across these six countries. This overview was divided into two categories: policy area and innovation type. The inventories can be visualized with the following graphs.



This graph shows us that four policy areas clearly stand out in terms of the number of innovative practices that have been awarded over the last decade: education, general administration, public health and social affairs.



Much like the first graph four types of innovations stand out: eGovernment, citizen participation and partnerships, processes and quality management. It should be noted however that some of

the awards focused specifically on eGovernment-initiatives, which inflated the number of observations.

Future research should focus on creating a more comprehensive database on European innovations, including all EU-member states and other European countries. The database, which was constructed after an immense effort in obtaining the necessary materials, can be further developed to make an assessment of innovation throughout Europe. This research focused on six EU member states, and a further in-depth analysis of the case sheets will take a lot more extra work, especially if all 28 member states are taken into account.

4 Feedback, Accountability and Learning in Awarded Organizations

This Work Package further investigated the influence of feedback loops, accountability mechanisms and learning processes (FAL) on the sustainability of the innovations for which public organizations were awarded or recognized. These organizations were investigated via a survey, in which they were asked about the history of the innovation, the current status of the innovation, and over 50 questions regarding feedback, accountability and learning in their organization. The answers the respondents gave to these questions on feedback, accountability and learning lead to a score on all three dimensions. This score was used to rank the organizations, and investigate the relation with the (non-)survival of their awarded innovation. A total of 245 responses were received. They are further specified in the table below.

There are many challenges connected to this type of research and investigating innovations that no longer exist at this point in time. It requires a thorough search of what still exists as evidence. Developing a survey instrument across different countries, policy fields and levels of government is another scientific challenge. Research based on qualitative interviews, necessary to study innovations in-depth, is challenging when these innovations happened in the past. People soon forget the details about an innovation, even though it was initiated only a couple of years before. This seriously hampered the response rate, especially from organizations whose innovations had disappeared. Personnel turnover, a lack of institutional memory, together with blaming and shaming that goes hand in hand with ('failing') public innovations, restrain people from cooperation, even under the condition of anonymity. The same goes for the cooperation of Ombudsmen and SAIs, together with their auditees.

Country	Sample	Response	Response rate
Belgium	97	76 (30.9 %)	78.4 %
France	470	83 (33.7 %)	17.7 %
Netherlands	34	23 (9.3 %)	67.6 %
Romania	53	31 (12.6 %)	58.8 %
Slovakia	28	16 (6.5 %)	57.1 %
United Kingdom	163	16 (6.5 %)	9.8 %
Total	845	245 (100 %)	29.0 %

Through analyzing the responses, it appears that innovations that were still operational after being awarded originated in organizations that are characterized, on average, by a higher score on feedback, accountability and learning. The entrenched FAL-model in these organizations means that innovations are correctly evaluated, information from accountability mechanism is used to the organization’s full advantage and the information from feedback and accountability mechanisms leads to true learning processes.

Innovations, which had ceased to exist, seemed to have a lower FAL-score on average, even though they had been awarded or had been mentioned as best practices. It is theorized that the lack of an entrenched FAL-model in these organizations causes innovations to be improperly evaluated. Moreover, information from accountability mechanism is probably not accurately used and/or the information from feedback and accountability mechanisms does not lead to true learning processes.

Future research should find out if the same is true for organizations who were *not* awarded for an innovation.

In order to create sustainable social innovations, innovative public sector organizations should focus on:

Learning processes

1. ...creating a culture of adversarial debate and openness for constructive criticism.

Learning can take place when current mindsets clash with new information, refuting earlier held positions. Adversarial debates are a crucial platform for such information to start changing minds.

2. ...encouraging experimentation and alternative ways of getting work done.

Innovations entails, by definition, changes and doing things differently.

Experimentation, as controversial as it may be in the public sector, is a great way to test ideas and new methods, before going all in.

3. ...not penalizing responsible staff members if a creative attempt to solve a problem fails.

By the very nature of experimentation, initiatives might fail. If the chances of being penalized when an experiment fails are substantial, people will be less likely to look for innovative ways to solve difficult problems.

Accountability mechanisms

4. ...employees who feel responsible for the performance of the organization.

Employees with a sense of responsibility are part of an internal accountability system.

5. ...a culture of transparency about results towards external stakeholders.

Transparency is an essential requirement for accountability. Since accountability supports innovation, transparency supports innovation too.

Feedback loops

6. ...staff members who express their concerns, ideas and suggestions about the functioning of the organization.

In line with recommendation 1, there needs to be a platform where the adversarial debates can actually influence the people who make strategic decisions.

7. ...staff members' feedback information which has a significant impact on the strategic decisions made by the organization.

Once such a platform is created, decision makers should take this feedback information into account when making strategic decisions.

8. ...customers' feedback information, which has a significant impact on the strategic decisions made by the organization.

Besides civil servants, both ombudsmen and customers (through ombudsmen or independently) have a lot to say about a public organization's functioning. Such critiques should be embraced as learning opportunities for every organization. Often both ombudsmen and customers/citizens know what they're talking about, and may bring in fresh ideas.

9. ...the reports and recommendations from ombudsmen institutions, which also have a significant impact on the strategic decisions made by the organization.

These factors will not completely predict the (un)sustainability of an innovation. They are, however *insufficient* but *necessary* components of a larger causal explanation. One of the other components is the set of recommendations by Ombudsmen and SAIs. They influence the way the FAL-model operates within public organizations by providing feedback, accountability and learning opportunities themselves. After investigating the influence of FAL on the sustainability of innovations, the research team continued investigating the influence of the recommendations of Ombudsmen and SAIs on the sustainability of innovations.

5 Feedback, Accountability and Learning in Awarded Organizations

Through a literature review on the impact of Ombud- and Audit-reports, several factors were found, which have been found to influence the adoption of the policy recommendations made by Ombudsmen and SAIs. These factors focused broadly on the process of an audit or investigation, the reputation of the Ombudsman and SAI, as well as the criteria used during the audits and investigations. An interview protocol was formed to reflect all these potentially influential factors. These protocols became the backbone of over 70 interviews that were conducted with auditors and auditees in Belgium, France, the Netherlands, Slovakia, Romania and the United Kingdom. Processes (e.g. (in)formality and amount of communication) and perceptions (e.g. Perception of the SAI or Ombudsman as watchdog or advisor) surrounding these audits turned out to explain, for a great part, how the auditees deal with the recommendations coming from these sources. Ombudsmen's and SAIs' recommendations, therefore, turned out to have a real impact on the FAL-model in these organizations and the way in which social innovations can develop in time.

In conclusion, Feedback, Accountability and Learning are certainly necessary, but insufficient in explaining the sustainability of social innovations. Ombudsmen and Supreme Audit Institutions may also 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. Obviously, a broader context of legalism and a shift to an open, democratic society also affect the way in which Ombudsmen and SAIs influence a culture of innovation. Examples are the French Ombudsman's and SAIs' legally binding recommendations, as well as the societal and political developments in Slovakia and Romania in after 1990.

Summarized in seven policy recommendations Ombudsmen's and SAIs' audit activities should, in order to retain social innovations:

1. ...create a cooperative and transparent audit- or ombud-process.

This will enhance the quality of the recommendations and the communication between the auditor/ombudsman and the organization under scrutiny.

2. ...use exit meetings not only as a formal step, but as genuine, open dialogues.

When exit meetings form a true open dialogue, there will be an optimal learning opportunity for the organization under scrutiny, and only then can closed feedback loops foster innovation.

3. ...make the audit- and ombud criteria clear and transparent.

The Ombud- and Audit organization has a framework from which it looks at an organization in search for improvements. When these criteria are known to the organization under scrutiny, the recommendations will be better understood and have greater impact.

4. ...make clear why the auditee has been chosen for an audit.

When an organization under scrutiny knows why it has been selected for an audit or investigation, the process is more cooperative and transparent.

5. ...enhance the expediency of recommendations by looking at the legal, administrative and political feasibility.

Recommendations which have been formulated in the light of their feasibility will have a greater impact on the organizations under scrutiny and their innovations.

6. ...be aware of the influence of media discussions about audit- and ombud-reports.

The content and way to communicate with a broader public should get high attention.

7. ...be aware that combined media and parliamentary attention is functional.

The analysis in this Work Package shows that parliamentary and media attention foster the implementation of recommendations when this attention happens simultaneously.

8 Project identity

Project Name

Learning from Innovation in Public Sector Environments (LIPSE)

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Consortium

- Bocconi University (Italy)
- Catholic University Leuven (Belgium)
- Ecole Nationale d'Administration (France)
- Erasmus University Rotterdam (The Netherlands)
- ESADE (Spain)
- Hertie School of Governance (Germany)
- Matej Bel University (Slovakia)
- National School of Political Studies and Public Administration (Romania)
- Radboud University Nijmegen (The Netherlands)
- Tallinn University of Technology (Estonia)
- The University of Edinburgh (The United Kingdom)
- University Roskilde (Denmark)

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Website

www.lipse.org

For More Information about work package 3

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