



Observatory of Public Sector Innovation

HR and Leadership strategies for building innovative public sector organisations

ALPHA VERSION: FOR DISCUSSION AND COMMENT

The Observatory of Public Sector Innovation collects and analyses examples and shared experiences of public sector innovation to provide practical advice to countries on how to make innovation work.

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An OECD public sector innovation lifecycle study on learning for innovation

Intent: The intent of this study is to increase visibility with the most common tactics that leadership and HR are using to build innovative organisations. This research is aimed to serve as practice advice highlighting successful implementation of various tactics and strategies.

Audience: It has been written for:

- Senior leaders who are looking to develop innovation capability within their organisations
- HR Professionals that are unsure how to help organisations build an innovative organisation
- Individual public servants seeking to innovate within their organisations.

Alpha Version – June 2018

This study is a logical follow-on from the April 2017 “[Core Skills for Public Sector Innovation.](#)” The research around innovation skills and capabilities is being undertaken by the OECD and funded under a European Commission Horizon 2020 grant.

This study, looking at identifying and highlighting the most successful leadership and HR tactics to build innovation organisations, has been drafted as an ‘[alpha](#)’ version of the intended product. This ‘early release’ has been undertaken with the aim of seeking input from the intended audience to ensure the final product will meet the needs of public servants and their organisations.

After feedback has been obtained and refinements made, an improved ‘beta’ version will be released, with the intent of seeking further advice and feedback. It is intended that a more definitive version will then be published after the finalisation of the other studies in this innovation lifecycle study series.

Further information about this work can be found on the [Observatory of Public Sector Innovation website.](#)

Executive Summary

For government to improve its innovation capability, it needs to increase the capabilities of civil servants to innovate. Innovation is already happening in the public sector, but is often limited to only certain circumstances and individuals. To help build innovation capabilities across the public sector, national governments are developing transformation plans, but these often take years to filter down to organisations and individuals. Without knowing when innovation will be needed, organisations need to be undertaking strategies and tactics that run parallel to national transformation plans to begin developing innovation capabilities within their organisation today.

Because the structure of most governments is often top-down and hierarchical, senior leaders, middle management leaders, front-line supervisors, and HR practitioners play a pivotal role in signalling and building innovation capabilities. This research is for them. OPSI has gathered and analysed information from leaders and innovators around the world to find patterns of successful innovation capability building that leaders and HR practitioners can implement with relative ease, cheaply and quickly, at least compared to large-scale transformations.

Building an innovative public sector is critical for government to stay relevant and continue providing value to citizens. It is a responsibility of all public servants, even in difficult political environments where individuals at every level may feel a lack of power and influence. This paper makes the case that if organisations are attempting to be more innovative, they should be concentrating on innovation capabilities. It also provides practical tactics and strategies for leaders and HR practitioners.

Finally, this paper will give practical public sector examples from across the world for many of the areas discussed. These examples include four in-depth case studies:

1. United State Veteran Affairs' Spark, Seed, Spread Programme
2. French Defense Ministry's Innovatoin Programme
3. Chile's Laboratorio de Gobierno success through collaboration with leadership
4. UK's Government Digital Services Digital, Data, and Technology skills framework

These cases are some of the most unique examples that OPSI uncovered during this research. By providing examples and context, leaders and HR practitioners should be able to combine the tactics and examples and determine if these options are relevant to their context.

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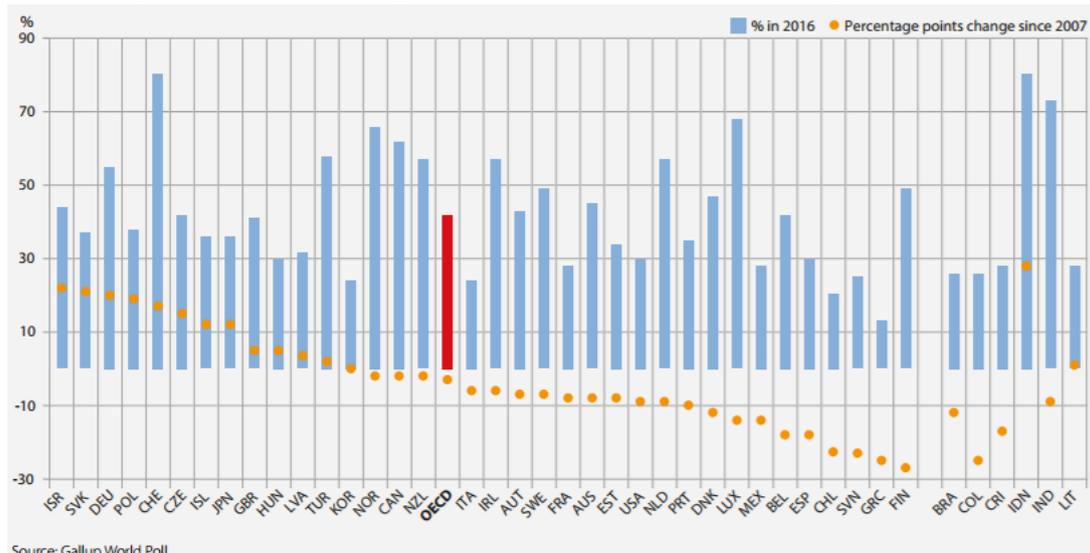
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1. Introduction

Today, many public sector leaders are struggling to embed innovation as a core competency within the government, public sector organisations, and civil servants. Public sector innovation is occurring, but is generally confined to responding to crises, organisational leadership that decides the projects and distribution of resources for a small portfolio of long-term projects deemed to be more risky or high profile, or is limited to individuals – those willing to who are willing to persevere with limited support, special individuals designed as “innovators.” This dynamic is logical in today’s risk-averse, hierarchical public sector, but there are hints of change across the world (OECD, 2018).

In a world with increasing complexity and interconnectedness, decreasing predictability, rapid changes due to technology, and evolving expectations of government’s role and value it creates to the people it serves, public sector structures still rooted in the past have struggled to stay relevant. In 2016, OECD reported a decline of people’s trust in government across OECD countries – 23 of the 35 country’s scores decreased. One of the core components of “trust” is the perceived value that government provides (OECD, 2017a).

Figure 1.1: Confidence in national government in 2016 and its change since 2007



Innovation is seen as a transformative strategy which can address the many challenges governments are facing today. OECD’s recent model for public sector innovation defines the challenges as:

Table 1.1: Public Sector Innovation Challenges¹

Challenge	Explanation
Changing Function	In an environment of change, governments must also change how they operate
Run to Stay in Place	In an evolving economy, governments have to change policy settings just in order to maintain the same outcomes
No Room for Spectators	In order to remain effective decision-makers, governments have to have experiential knowledge of innovation, they cannot wait for answers.
We Want More	Many politicians, citizens, and public servants want and expect things to change
Risk of Mismatch	A government that does not innovate is one that is at risk of always being behind, always reacting yet forever disappointing
Innovation as a Core Competency	The need for innovation can strike anywhere, therefore, everyone must be ready to play a part

Governments have started to recognise and invest in public sector innovation as a critical strategy that can address the challenges governments are facing:

- In Ireland’s Public Service 2020 Reform Plan, innovation is one of the four pillars (Irish Government, 2017).

¹ Presented at the April 2018 Public Governance Council at OECD.

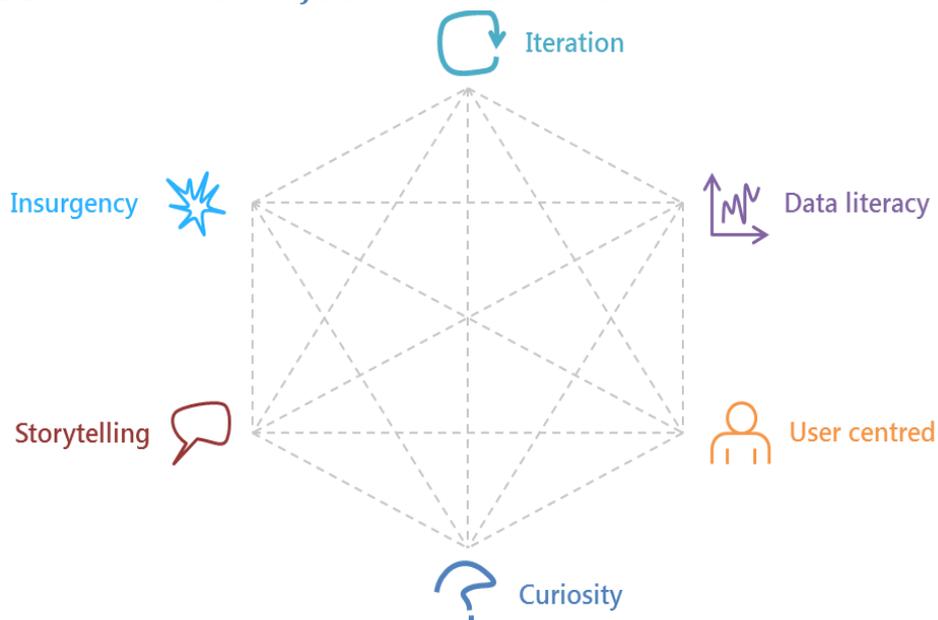
- Estonian public sector leadership competency framework now includes an “innovation booster” competency to encourage leaders to build innovative organisations (Estonian Government, 2017).
- France has developed a manifesto for public service innovation (French Government, 2017).
- The Canadian government recently developed a “Public Sector Innovation Declaration” (Canadian Government, 2017)
- The creation of National and organisational innovation labs has rapidly increased across OECD and non-OECD countries

Most of these efforts have been developed in the past few years and many other countries are discussing their own innovation strategies. While these efforts show a formal commitment to innovation from various levels of leadership, collectively, the public sector in most instances is limited in its innovation abilities and capacity. The focus on innovation has increased, but most innovation activities continue in the same pattern of top-down decisions, with pockets of innovators and limited participation from the broader civil service. If innovation is to become truly a core function of governments, the capacity of organisations, and therefore, civil servants, to innovate must improve.

Core Innovation Skills

The discussion on innovation capacity has advanced over the past decade, but most of the discussion was centred around the private sector. Innovation capacity and capabilities differ in a public sector context. In 2015, OPSI helped make that case with the release of [The Innovation Imperative in the Public Service: Setting an Agenda for Action](#). This foundation helped create OECD’s public sector innovation framework. In 2017, OPSI released its “[6 Core Skills of Public Sector Innovation](#)”

Figure 1.1: 6 Core Skill Areas of Public Sector Innovation



Alongside specific skills that enable public sector innovation, our research has identified that mind-set, attitudes and behaviours can be just as important as specific hard or soft skills in enabling innovation within the public sector. Beyond the focus of individual skills and capabilities many research participants and stakeholders have highlighted a number of other organisational factors that are also crucial for increasing levels of innovation in the public sector. In particular, having leadership capability, organisational culture and corporate functions/systems (finance, HR, IT, legal) that are enablers of innovation, not 'blockers'. While outside the scope of the skills model, these are important factors that need to be considered in operationalising/implementing the skills model and achieving higher levels of innovation in the public sector (OECD, 2017b).

For each of these six skills areas the model provides a matrix that deconstructs the skill area into four elements of practice against three levels of capability. This breaks down the skill areas into tangible components that relate to the real-world usage of innovation skills. For example, within the “iteration” skill area, it shows how to use that skill to manage innovation projects.

Additionally, the three levels of capability represent an evolution that officials can adopt in terms of their understanding and refinement of skills for public sector innovation.

- **Basic Awareness:** Able to utilise innovation skills and is about getting a general understanding of what each skill area is about and how it applies in a public sector context.
- **Emerging Capability:** Starts to use innovation skills. For each element of practice the model outlines how the skills can be applied in either an occasional fashion or in a “low intensity” manner that allows officials to experiment with using them in a safe and/or controlled fashion.
- **Regular Practitioner:** Can show how each element of practice can be adopted in a deeper and/or more systematic way. Adopting these (and related) practices in their day-to-day work will enable the vision of “officials becoming innovators” set out earlier in this paper.

To increase innovation capacity, public servants must have at least a basic awareness and understanding of the various innovation skills. Additionally, there needs to be a path for these skills to learned, developed, and mature.

Innovation Skills: From Theory to Practice

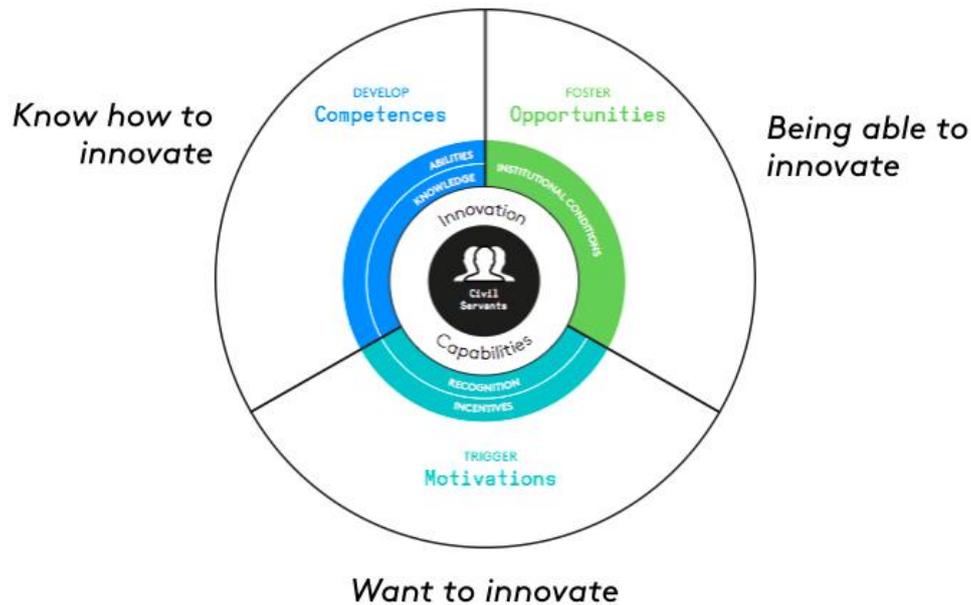
Since publishing the “6 Core Skills for Public Sector Innovation,” OECD has been validating the model through peer reviews and workshops². Gathering public sector innovators, leaders, and civil servants from OECD countries helped refine the model and ensure it reflect the public sector innovation context. The next logical step in this research is to shift from validating the model to exploring implementation strategies.

Because the model is “skill areas,” implementation requires contextualisation and flexibility. The practical skills within each area can be different depending on function, situation, problem space, and context. This challenge creates a dynamic where gaining first-hand experience is more critical for the evolution of a skill than traditional, formal classroom training.

² Source: <https://www.oecd.org/governance/observatory-public-sector-innovation/blog/page/exploringinnovationskillshowcanweputthemintouse.htm>

To properly assess implementation strategies for innovation capacity, OPSI uses the “AMO Model.” This model looks at an individual’s *ability* to perform a skill, *motivation* to put that skill into action, and *opportunity* to use and gain experience with the skill (OECD, 2017c).

Figure 1.2: Building Innovation Skill Capabilities – AMO Model



Looking at implementation through the AMO model, implementation is not just about training individuals on how to gain and strengthen these skills, but how to create an innovation environment and culture that allows everyone to engage, improve, and develop as innovators.

Organisational Leaders and HRM as catalyst for innovation

Changing a culture within a large, complex organisation is incredibly difficult (OECD, 1998), and therefore, driving an innovation culture from a government-wide level is even harder. In most of the literature written on cultural transformation and change management such as *Leading Change* (1996) by John Kotter and *Managing Transitions* (1991) by William Bridges, creating quick and early wins is a critical component.

If an innovation culture is going to take root in the civil service, it will need to be driven, supported, and reinforced across all levels of the civil service. Cultural transformations are extremely challenging and quick wins are difficult to find. These efforts require a long-term focus and outlook, and need strong change management plan, but even with all of these things, they are often unsuccessful. Overall, public sector transformation plans have a failure rate of 80% (Allas et. al, 2018).

Most public sector innovation culture transformations are in their infancy and they should be studied closely. Patterns will emerge among innovation transformation and innovation change

management plans that may require additional analysis to understand if current transformation and change management theories are effective in driving public sector innovation.

Public sector transformation is usually a top-down strategy exercise. By only focusing on large scale transformational change instead of a portfolio of large and small innovations, the organisation limits the actors directly involved in the change process and creates a dynamic where most of the organisation feels they are “being changed” rather than being a part of the change. Instead, OECD wants to broaden the conversation from central government leadership roles and top level leadership across organisations to positional and situational leaders at many levels across government that have influence on the implementation of a culture of innovation. Organisations should not wait for a centralised transformation plan to start their own efforts. Instead, organisations and sub-organisations should start building their own innovation capacity that can run parallel and bolster national level efforts.

While leaders are a critical component of driving a culture of innovation, Human Resources Management (HRM) is often overlooked as a critical partner to boost innovation capacity. Properly engaged and positioned, many of the traditional roles and responsibilities of HR organisations like recruiting, retention, and training can serve as a major catalyst for organisational talent management and skills development.

As many of these functions are core HRM functions, HRM is already well positioned to support innovation capacity building. However, most HRM professionals are not fluent in innovation. Therefore, HRM professionals will likely need to partner with more experienced innovation experts to adapt HRM’s traditional roles to needs in emergent areas that require more flexible ways of working, new job descriptions and skills, and less opaque career paths.

Achieving quick-wins for leadership and HR professionals in building innovation capabilities and capacity

Today, many public sector innovation transformations are being executed at the central government level. This highlights how governments are recognising the importance of innovation, but this is a long-term effort that can take years to filter down across the various public sector institutions and front-line civil servants. Citizens are demanding a more innovative public service today, not years from now, and many organisational leaders, middle managers, and civil servants are grappling with this issue. That is why OPSI has undertaken this research.

This research focuses on the two roles in the public sector – leaders and HRM practitioners. These individuals are well positioned and have the responsibility to start developing innovation capabilities and capacity immediately. OPSI, with support from the Public Employment and Management³ (PEM) team at OECD, has spent the past three years studying, observing, and working with leaders around the world tackling public sector innovation. Through those experiences, OPSI has identified a portfolio of strategies and tactics for leaders and HRM professionals that have been shown to be effective at improving innovation capacity within organisations, are easily implementable, and can be easily scaled up or down to be tested and implemented at different levels of an organisation.

³ For more information on PEM: <http://www.oecd.org/gov/pem/>

The report is separated into two sections – one for leaders and one for HRM practitioners. Each section explores various levers – tactics or strategies that should be within an individual or group’s ability to execute with minimal outside help or support – that have been shown to be effective. Public sector examples are used to illustrate many of the levers to highlight the real world applicability, including in-depth case studies which provide a deeper exploration of some of the most interesting examples. These case studies not only dive into the impact of the initiatives, but provide the context, implementation, and leadership decisions that can help improve the transparency of the innovation process, rather than only focusing on impact.

Public sector institutions often lack the clarity and understanding necessary for innovation to become a core competency. OPSI hopes to remove some of the mystery by helping leaders, civil servants, and HRM professionals to start interacting with innovation today. By looking at quick-wins, OPSI hopes to highlight low-risk, high-impact activities which can make an immediate impact for public sector organisations. This research can be used to help create space for innovative tactics and strategies and reduce some of the barriers to innovation facing leaders and civil servants today.

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2. Levers for leaders – How leaders can help build innovative organisations

The public sector is complex by its very nature. Organisations have attempted to evolve over time while also keeping traditional structures in place. This has resulted in large, complex organisations with multiple layers of middle management and leadership. Because of this reality, defining “leadership” in the public sector is extremely difficult and generally depends on the perspective of individuals. While some people may view a specific individual as a leader or a role as one of leadership, the individual or person in that role may only view themselves as a middle manager with limited authority and agency.

For this paper, a leader is defined as an individual that has some autonomy over resources (a combination of managing people/team, budget, and priorities). Traditionally, public sector leaders are a very narrow subset to those in charge of large budgets and people – including people in charge of multi-team sub-organisations and organisations. Instead, this paper takes a wider view that expands the pool of what is traditionally seen as a public sector leader. If we consider building innovation capacities as a change management initiative, middle managers are seen as major impediments if they are not properly engaged (Kotter, 1996). In the OECD report reviewing the Innovation System of Canada, middle management was viewed by some as a “clay layer” that would limit innovation initiatives (OECD 2018a forthcoming). Therefore, all layers of management, including middle management and even front-line supervisors, have a role in building innovation skills and capacities of individuals within an organisation.

Leadership (those with positional authority) of an organisation plays an important role in signalling what’s acceptable, what’s valued, and what’s needed. In a traditional bureaucratic setting, with defined responsibilities and clear lines of reporting, it may not have been appropriate for people in different parts of the organisation to discuss and contribute their ideas about how something should be done. In an organisation dealing with issues requiring new perspectives and insights, a different approach to idea generation is likely to be needed. (OECD, 2017b.)

As this definition of leadership is more inclusive, there is a wider range of levers available. Many of these levers can be scaled up or down depending on a leader’s influence and resources, but every leader of public servants within an organisation has a degree of influence and authority to lead, build and grow innovation capacity within their area.

The Levers

As stated in Chapter 1, the levers listed in this chapter are not comprehensive. Instead, the focus is on levers that can be executed with relative speed, ease, and limited cost. Using OPSI’s knowledge of public sector innovation, the OPSI case study library⁴, calls for innovations⁵, and interviews with public and private sector innovators from around the globe, the following seven levers have been identified as the most common levers available to leaders:

⁴ For a full view of the OPSI Case Study Library: [https://www.oecd.org/governance/observatory-public-sector-innovation/library/?hf=10&b=0&sl=opsi_lib&s=desc\(opsi_date\)](https://www.oecd.org/governance/observatory-public-sector-innovation/library/?hf=10&b=0&sl=opsi_lib&s=desc(opsi_date))

⁵ OPSI Call for Innovation example: <https://www.oecd.org/governance/observatory-public-sector-innovation/blog/page/excitingannouncementscallforinnovationsinnovationaward.htm>

Figure 2.1: Common Leadership Levers

Levers
Rotational Programme
Project Based Teams
Ideas Challenge Programme
Making Space for Emergent Ideas
Partnering with the Private Sector
Partner with Public Sector Organisations responsible for Capacity Building
Search, Scale, and Learn Best Practice

This chapter will briefly explore each of these levers, highlight interesting examples from around the world, and provide in-depth case studies into some specific examples to help leaders understand the context, process, leadership decisions, and impact of various capacity building activities and strategies.

Rotational Programmes

What is it?

Allowing and encouraging employees to work temporarily with another team or on another project is one of the most common strategies for employees to gain new experiences and build innovative skills. From the employee's perspective, this allows public servants to hone their skills in a new environment and project, build a stronger network, learn best practices, and potentially help them take the next step in his or her career.

How does it build innovation capacities?

Leaders are increasingly recognising the value of rotational programmes and have started to institutionalise them. Public institutions across the world have developed their own rotation programmes to add resources to high priority projects, break down silos, spread best practices and improve employee engagement. Additionally, some countries have developed a government-wide rotational programmes, such as GovConnect in the United States,⁶ where project managers and leaders across government can post opportunities, the skills he or she is looking for, the percentage of time requested, and the length of the project.

There is equal value for employees and institutions. Employees hone their skills, begin working across silos, spread best practices, and organisations are able to quickly add talent and needed skills to a project based on priorities and urgency. Rotational programmes are also one of easiest strategies to scale. Rotations have traditionally been a key tool for middle managers to provide the opportunity for employees to continue to learn and develop at low cost while traditional training budgets continue to be cut.

How to get started?

⁶ *History of GovConnect*, United States Office of Personnel Management, available at: <https://govconnect.18f.gov/history.html>.

Rotational programmes are easy to start but challenging to maintain. There are many ways to create a programme, but one of the most common is to promote the idea among employees while also encouraging managers to both accept temporary employees (a relatively easy task) and allow employees to leave on temporary assignments (a more difficult task). Oftentimes, a leader can model and reinforce the benefits through facilitating the first few assignments and allowing the employees and managers to become the evangelist of the programme. While most managers may be hesitant to lose staff, they will hopefully see the benefits when the employee returns with better connections, more ideas, and improved engagement.

What are the challenges?

While rotational programmes are helping individuals refine skills, work in new ways and in new environments, and break down silos, OPSI has observed that most rotational programmes are primarily being used as a way to gain access to a specific talent or skill that the team does not currently have. Because of this, public servants wanting to learn a skill or still at a beginner level may be excluded from many rotational opportunities. Since these are seen as temporary assignments, most managers do not want to dedicate the time to train someone and prefer individuals that already have at least intermediary skills and expertise.

Additionally, rotational programmes are difficult to maintain and need to be encouraged for both employees (so they know about the option) and managers (so they are willing to let employees temporarily take assignments elsewhere). Without constant stewardship of the programme, it can shift to a small group of individuals rather than an organisational strategy.

Project Based Teams

What is it?

Most governments still rely on a workforce model built for a different era. In the face of increasingly complex and rapidly evolving challenges, policy makers have to work across silos, bring in new skills and capabilities, and adopt a more horizontal, fast-paced working style. Managers have to mobilise diverse skill sets rapidly to meet shorter project timelines. In parallel, digital transformation is calling for much flatter organisations, with significant numbers of jobs in the knowledge and service sector likely to be made obsolete in the coming decade due to machine-to-machine learning and IT. In the face of this new reality, OECD has identified a need for new leadership styles, working methods and innovation skills in the Public Sector (OECD 2018b).

Related to, but different than rotational programmes, workforces organised by project rather than function has been trending in the private sector and starting to gain traction in the public. The workforce is organised by projects and tasks based on the skills and experience needed in the task, the importance of the project, and the interests of the employees. This allows for an increasingly flexible and engaged workforce that can mobilise and react much faster than traditional organisations.

How does it build innovation capacities?

Employees that want to work in this model can get involved in a diverse set of projects, refine skills, be part of more diverse teams, and generally feel more empowered. In places where this is being tested, both managers and employees report high satisfaction with a project-based work model.

Additionally, employees are exposed to greater cognitive diversity. Instead of organising by function, employees across functions work together and therefore, learn new skills, techniques, and approaches that they potentially would not have learned staying within their function, which often can settle into a specific approach.

How to get started?

Many public sector leaders have already created project-based teams in some capacity. Generally, these temporary teams are called upon to support high priority projects. To help increase the usage of project-based teams, leaders can select a certain number of priorities which are of critical importance, define the functions needed, and ask employees to volunteer from those functions across the organisation. By shifting this to a voluntary initiative, leaders can better understand the interest for project based work both from employees and managers in the organisation. If there is enough interest, leaders can continue to identify additional projects.

What are the challenges?

For most public sector organisations that are creating project based teams for high priority projects, top-talent is taken from the defined functions needed for the project or the best talent is amassed regardless of function. In either case, “top-talent” is often arbitrarily defined as “employee that has delivered in a high-profile project previously.” This is often at the discretion of leadership and seen as a privilege rather than a new way of work.

Leaders should avoid this mind-set and seek to use this as an opportunity to build skills across the organisation. This means that leadership should avoid only using project-based work for high priority projects and look for other opportunities to apply this method.

Lastly, there could be a lack of interest in project based work due to a lack of career path. Since most functions within the public sector have fairly defined career paths, employees may not see the benefit of moving to a method of project based work.

Box 2.2: Free Agents Canada

Canada’s Free Agents (OECD, 2018b) is one of the earliest pilots to test out the feasibility (including market viability, efficiency savings, psychological stress on workers with short-term contracts and work, competency modelling and screen design) of a new type of project-based workforce. “Free Agents” are individuals who possess successful innovation and problem-solving attributes and wish to work in a project-based manner. They are able to choose their work and undertake project-based opportunities across the Public Service. They have the freedom to select work that matches their skills and interests, which allows them to make contributions that they find meaningful.

Originally developed and housed in Natural Resources Canada (NRCan), the programme hires the Free Agents without a specific role or function – a divergent approach from traditional public sector hiring. Since 2016, the programme has staffed 89 projects in 32 departments and is has now outgrown NRCan and has scaled to three departments through partnerships. Free Agents report improved mobility, higher job satisfaction, better opportunities to develop skills, and a higher likelihood of remaining in the public service. Managers report high satisfaction with their experience

hiring a Free Agent (91%) and the vast majority would hire a Free Agent again (85%).

Ideas Challenge Programme

What is it?

Challenge programmes are a method leaders can use to gather ideas and diverse set of potential solutions to problems beyond the traditional organisational hierarchy. The leader usually selects the constraints or parameters of the challenge (efficiency, customer service, etc.). The leader then launches the challenge to increase the participation of various internal and external audiences. This has been used to great success in private and public sector companies as an internal engagement activity as well as a way to bring customer ideas into the organisation.

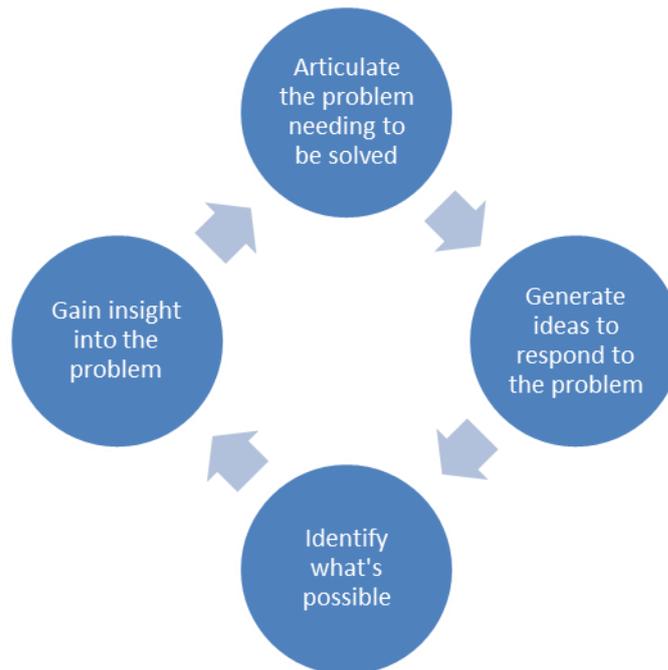
How does it build innovation capacities?

Idea generation is never usually the weakest aspect of the innovation process. The challenge is not in coming up with new ideas, but instead, how to figure out which of the many ideas are the best ones and worth spending the effort and resources to test and develop further.

By bringing employees into the process and empowering them to contribute solutions to a defined problem area, it allows leadership for improved insight into the problem and better articulates the problem in the future to further generate more ideas. Additionally, it allows employees to be engaged in the ideation phase of the innovation lifecycle and gain further insights and clarity as to how new ideas are filtered and chosen in the organisation.

Additionally, the organisation can choose to allow employees that come up with the solutions to also be a part of the implementation. This increases the employees' knowledge, skills, and experience with various innovation skills.

Figure 2.2: Idea Generation Lifecycle



How to get started?

In the public sector, challenge programmes primarily focus on generating new and different ideas across the organisation. These ideas are then collected through a variety of means ranging from low tech solutions (suggestion boxes or e-mails) to software that can not only collect the information, but allow other challenge participants to interact and iterate on the ideas. In some cases, ideas are public for employees to view and endorse to help “democratise the process” and see which ideas best resonate with employees and rise to the top. After the deadline for ideas has passed, there is a capture team that looks at the various ideas and uses a set of criteria that usually incorporate at least cost, feasibility, effort, time, and available resources.

Leadership will then take the trimmed list delivered by the capture team and determine the final ideas that will be executed. These ideas are usually pitched by both the capture team and the original creator of the ideas as a way to reward individuals or groups that submitted the best ideas. At this point, challenge programmes diverge into three categories for executing the ideas:

- The originator of the idea gets the time, money, and space away from his or her normal job to make the project a reality
- The capture team is responsible for all of the projects simultaneously
- Endorsed ideas are given to the part of the organisation where the primary function of the idea resides (technology ideas would be run by the IT organisation).

What are the challenges?

Each execution strategy has positives and negatives. People that generate ideas may not be best positioned or skilled to execute. Additionally, OPSI has anecdotally observed that obliging the idea generators the responsibility for executing them can actually discourage those individuals from freely speaking their mind – fearing any idea they share may end up their responsibility.

On the other hand, asking for people's ideas and not empowering them to act on the ideas can serve as a demotivation for the workforce. The best programmes create the flexibility to determine the best path forward that serves the individual and the organisation.

While it is critical to move beyond just generating ideas into execution, communication is a critical element in ensuring the workforce understands how decisions were made, reinforces the importance of the activity, recognises employees, and continue to develop the ability for idea generation within the organisation. For a successful challenge, employees need to see how they contributed, how they can improve and refine their ideas, and feel even if their ideas were not selected, that they were valuable.

Lastly, idea challenges may not be the best fit for every organisation. In 2016, OPSI released a lifecycle report on ideas which provided additional strategies for how to better generate, refine, and filter ideas in an organisation. (OECD "What's possible? Finding and filtering innovative ideas.", 2017?)

Box 2.1: India's Rail Vikas⁷

Indian Railways ran an ideation exercise in 2016 called Rail Vikas Shivir with the goal of encouraging transformative change, as opposed to incremental change. With over one million employees, this is one of the largest public sector challenge programmes ever run. India's Prime Minister, signalling strong support, created the broad design for the challenge, but the challenge was run by Railway management and was decentralized – encouraging employees to work together across silos to develop ideas. This dynamic created a centralised strategy with a decentralised execution that helped seamlessly blend accountability and autonomy, encouraging maximum participation. In the end, over 100,000 ideas were submitted.

For prizes, Indian Railways faced the same budgetary constraints as many challenge programmes. For this competition, the prize was a chance to 'Meet and Pitch' the idea to the Prime Minister. This novel incentive played in a significant role in attracting participants cutting across hierarchies and streams. The Prime Minister himself promoted the initiative at various forums and meetings lending criticality and mission-orientation. The Prime Minister's personal involvement helped the initiative to leverage his 'reformist reputation' and 'out-of-the box' credentials.

Once the idea challenge ended, the Prime Minister participated in the 3 day culminating event focusing on facilitating informal interactions and frank discussions with the winning teams on the organisational problems and proposed solutions. Following the event, leadership emphasised the need to execute the ideas in a timely manner. The guiding mantra was-INNOVATE-MOTIVATE-CULTIVATE to keep up the innovation momentum. The Railway department responded by setting up a Transformation cell to follow up on the implementation of the ideas.

Making Space for Emergent Ideas

What is it?

As discussed in Chapter 1, one of the core responsibilities of a positional leader is to make space for situational leaders that can lead and execute new and emergent ideas. Most public sector organisations are risk averse by nature (OECD, 2018a: 50), which is partially due to the fact that

⁷ Source: Kiran, B, Doctoral Student, Indian Institute of Management/Kashipur

governments must continuously provide services without gaps, and is exacerbated by the fact that in an age of increased media exposure, citizens have become increasingly demanding of the performance of the public sector (OECD, 2009). As such, most new skills, ideas, and solutions are slow to take hold within an organisation. This can be discouraging to public servants, especially as they may have new ideas and solutions with no agency to test or execute their hypothesis.

As new skills, ideas, and solutions (OECD 2018b: 71) emerge in the public sector, leaders need to make space (time and minimal resources) to explore, test, and iterate.

How does it build innovation capacities?

In the French Defence Ministry case study later in this chapter, “space” took the form of an actual dedicated physical space for civil servants to work through new ideas, but other leaders have attempted to replicate the “Google model” that allows for 10-20% of time to be dedicated to passion projects that could help the organisation that has resulted in some of Google’s most innovative products.

Regardless of how the “space” takes shape, one of the most critical aspects is that employees are allowed to do things differently in a safe environment that is judgement-free and provides permission to fail. By giving public servants the opportunity to fail, experiment, and test, they gain experience in prototyping and experimenting, feel they have greater agency, continue to learn and grow in areas that interest them. As that experience grows, the percentage of experiments that succeed should grow.

How to get started?

The French Defence Ministry case study later in this research is a great example for how to get started. By simply signalling to employees that there is a space for individuals and teams to work differently, test new ideas, and take more risks.

Physical space is usually the easiest path to get started as leaders can create a more innovative space with some of the necessary tools available within the space to work differently. But, leaders can also provide innovators with the time to remove themselves from the day to day and work on specific innovative projects, that can also be relatively easy with low cost.

What are the challenges?

If leaders create a small physical space, the management of the space can become an issue. The demand for innovative space is usually strong and who gets to use that space is an important consideration. In some organisations, it can only be used for certain projects and teams, while others try to leave it open. If the space becomes too scarce and frustrating to use, it may turn people away from testing new things.

Creating space for ideas has its own challenge. While the Google model is popular, studies have shown that many employees did not engage in the extra 10-20% time because it felt like giving 110-120% rather than actually making space for new ideas. The effectiveness of having time set aside for new ideas is still unclear (Mims, 2013).

Box 2.3: UK Data Science Academy⁸

In March 2017, the Office for National Statistics (ONS) officially launched the Data Science Campus (The Campus) to create a space for data scientists to embrace the innovative exploration of new data sources and techniques. The Campus was created with the vision of combining the academic rigor of university research environment with the agile, disruptive workspace of a technology start-up for ONS employees. The Campus projects last for around 6 months and are designed to foster innovation and experimenting with novel and unique ways of working for ONS and allowing data scientists the freedom and flexibility to explore cutting edge ideas outside the constraints of the statistical production timetable. Data scientists, previously a rarity at ONS, were recruited to lead the projects while collaborating with key stakeholders like policy-makers, academia, subject matter expertise, and others.

One of the most vital aspects of The Campus was creating a culture of innovation. Experimenting, testing, and failing were expected. The ability to explore the possible while also having the flexibility to change and reassess has been critical to its success. Thus far, 9 projects have been completed, with 5 more due to finish soon, and 11 more in the pipeline. The Campus is moving from being a testing ground to helping set and share best practices, improving collaboration between public sector, industry, and academia for data research and leading training and mentoring programmes across the public sector.

Partnering with the private sector

What is it?

There has been a lot written about partnering with the private sector over the previous decades. This paper did not explore or make any empirical findings of the various strategies countries, organisations, or sub-organisations engage with the private sector. Detailed exploration of acquisition best practices, the best engagement strategies, and the role of government and private industry is a complex and nuanced subject which is beyond the scope of this work. Nevertheless, the Observatory notes two key best practices around using the private sector to build innovation capacity within an organisation.

How does it build innovation capacities?

The first best practice is incorporating a learning component into any innovation project involving a public/private partnership. A common mistake is that organisations understand they do not have the skills necessary to execute an innovation project and hire a private sector organisation to help, but upon the delivery of the final product or service, the organisation does not have the skills or knowledge to continue to iterate, experiment, and improve the product or service in a similar capacity of the private sector organisation. Alternatively, public sector organisations should partner on every stage of the innovation process, working hand-in-hand with the private sector company to learn and grow the public sector organisation's skills and capabilities. Because these terms are usually not included or limited in scope in the contract language, this critical step is often an afterthought or seen as a "nice to have," and is a missed opportunity to build internal skills.

The other best practice that OECD has observed is partnering with private sector organisations specifically to build innovation skills in an organisation. For many public sector organisations, there is

⁸ Source: UK Data Science Academy submission to the OECD Call for Innovations crowdsourcing exercise, 31 August 2017

not a robust innovation training programme available for employees, but the amount of private sector organisations offering courses and training programmes on public sector innovation has grown rapidly in the past decade as public sector innovation has become more prominent. Training individual employees can be cost prohibitive as training budgets continue to stagnate or decline, but organisations have developed “train the trainer” models or a strong cohort of employees with certain expertise that can mentor others in the organisation through project based, experiential work. This can create a more formal strategy that still allows all employees to receive the benefits of private sector innovation capacity training while removing the challenge of paying for every employee to receive the training individually.

How to get started?

With most organisations lacking the necessary innovation capacity, it is common for organisations to fill gaps through private industry. While it is assumed that employees will learn some of these skills, techniques, and processes from the engagement with private industry, it rarely occurs. Instead, organisations should incorporate learning language into the project to ensure this learning happens. Without this learning being an explicit part of the project, it often does not occur.

For private sector innovation training programmes, organisations should use their network to discover where partnerships may already exist and which programmes have demonstrated positive results. Organisations do not need to reinvent the acquisition language, and sometimes can avoid a lengthy acquisition process by finding partners who have already established a relationship.

What are the challenges?

Adding new requirements to a contract usually means an increase in scope and therefore, time and cost. Additionally, practitioners are not always the best teachers or trainers and the employees that may be most adept to learn the new skills and ways of working may not be the ones on the project. All of this translates to increased costs and longer delivery time for the public sector organisation.

Leaders have to weigh the short term cost (time and money) with the long term return on investment that can occur by increasing internal skills. By having the basic skills and knowledge in-house, it improves the performance of employees through better skills, better project management for out-sourced projects, and a stronger balance and understanding for when is appropriate to out-source to private industry or do the project internally.

Partner with Public Sector Organisations responsible for Capacity Building

What is it?

Partnering with the private sector innovation training organisation or organisation specialising in innovative projects is not the only way for civil servants to obtain innovation skills. In many national and subnational governments, there are now innovation units whose primary goal is building innovation capacity in the public sector (e.g., innovation labs and units, inside-of-government consulting teams). These organisations are developing their own curriculum, training programmes, and advisory services. At the national level, OECD has worked with public sector innovation capacity builders in Argentina, Australia, Chile, Colombia, Denmark, France, UK, and the United States. Additionally, many public sector leadership training programs now include innovation training as well.

How does it build innovation capacities?

For most of these organisations, one of their primary functions is to lead training. Leaders can choose to attend or send employees to the innovation training. The innovation training is tailored to the public sector and can serve as an introduction or refinement of an individual's innovation skills. Similar to sending individuals to private sector training, this can build innovation capacity within an organisation by having individual civil servants become evangelists of innovation within their organisations (see the Chilean case-study).

Beyond sending civil servants to innovation training, many leaders are potentially missing a more strategic engagement with the public sector innovation capacity builders. These organisations are often willing to partner with other public sector organisations to build the skills of teams and help address specific problems. In this partnership, the organisations and teams are being trained and leading the innovation lifecycle, but they have the training, guidance, and support of the capacity building unit. Having experienced innovation experts helps guide the team and improves the chance of success while also giving the partner organisation new experiences and refined skills.

How to get started?

Partnering with public sector capacity builders is relatively simple. Most have a training catalogue of their offerings which often include training for employees and leadership. Signing up for the training is straightforward, but some capacity builders do charge a fee while others do not.

To partner with these capacity builders beyond the training, it is important for leaders to talk to the organisations to understand their offerings. Some do free mentoring while others have service offerings around innovation projects. It is going to depend on the organisation, but many have a variety of ways to partner beyond the initial training.

What are the challenges?

The biggest challenge with many of these public sector innovation capacity providers is the knowledge they exist. Often, the organisations are relatively small and therefore, do not market themselves well or make themselves well known. Therefore, widespread adoption and awareness of these groups is slow, especially looking at large, complex, decentralised national governments.

Because the groups are small, they also have low capacity for partnerships. Many of the organisations have a waiting-list of projects and organisations for which they can partner. Because hiring is challenge, it is difficult for these organisations to scale up quickly to meet demand, even if they are not well known.

Search, Scale, and Learn from Best Practices

What is it?

Even as public sector organisations grapple with embedding innovation as a core competency, innovators are already in their midst. Often, innovation is done in the shadows as the incentive structure does not encourage trying new things (and potentially failing). By its nature, innovation can happen anywhere at any time. And since innovation and best practices can occur anywhere in an organisation, leaders do not usually have the bandwidth or systems in place to systematically seek

out new best practices and ways of working and then scale and diffuse those practices across an organisation. Additionally, an error many leaders make is scaling the end result (better system, process, etc.) rather than taking the time to seek patterns in how innovations were developed. There is obvious value in scaling best practices, but by focusing on the end result, leaders miss a potentially more powerful best practice to spread.

How does it build innovation capacities?

By studying how innovation occurs within an organisation, it can encourage others to undertake innovative activities across the organisation. It can also reveal innovation blockers that leaders can remove, teach others how to drive change in a large organisation, and the skills and processes the organisation needs to adopt and replicate so innovation can more easily accessible to the rest of the organisation (OECD, 2017b).

“Positive deviance (PD) is founded on the premise that at least one person in a community, working with the same resources as everybody else, has already licked the problem that confounds others. This individual is an outlier in the statistical sense – an exception, someone whose outcome deviates in a positive way from the norm. In most cases this person does not know he or she is doing anything unusual. Yet once the unique solution is discovered and understood, it can be adopted by the wider community and transform many lives.” (Pascale, Sternin, and Sternin, 2016: 17)

How to get started?

As performance metrics for the organisation and sub-organisations are usually available within the organisation, leaders should approach them with more curiosity. Rather than just looking at what organisational measures the leader is responsible for, he or she should be looking for positive outliers and start asking why that might be the case and whether that are particular behaviours, processes, and approaches supporting it.

By asking questions and scanning performance metrics, it is an easy way to start identifying consistently positive performers and best practices that could be scaled across the organisation or embedded within a specific group.

Additionally, OPSI and other groups collect and share best practices from across the world. These groups are great resources to connect with other innovative leaders, best practices, and trends happening in the public sector around the world.

What are the challenges?

Depending on a leader to find and scale best practices limits the capacity of the organisation to find, scale, and diffuse practices. While this is a responsibility for leaders, it needs to be tasked to everyone across the organisation. Additionally, when best practices are identified, it can be challenging to change processes and behaviour. As with all change management, this process requires the attention of the leader to signal the new approach, reinforce the approach, and ensure it becomes the “new normal.”

Box 2.4: WeGov/Correios (Brazilian Regional Post Office)⁹

Brazilian Regional Post Office (Superintendência dos Correios em Santa Catarina - SE/SC | State Superintendence of Santa Catarina - SE/SC) was looking to build its innovation capacity and achieve better results through partnering with WeGov, a private company whose mission is to spread public sector innovation culture through training programmes and events. The Brazilian Regional Post Office engaged WeGov by sending members through the WeGov six months training programme, named HubGov, to receive experiential and classroom training in design and innovation, and applying that training to problems public servants are facing at work. Through the programme and honing of innovation skills, the Regional Post Office saw improved results in innovation culture and was able to create a better process to launch new products to users of the Post Office's services. The Regional Post Office also built "ConnECT", an innovation lab to scale up and improve projects and to operationalize ideas through projects.

Taking notice of the improved results, leaders of the National Post Office (ECT - Empresa Brasileira de Correios e Telégrafos) inquired as to how the Regional Post Office improved. Upon the discovery of the WeGov partnership, the National Post Office has begun scaling and spreading the best practices created at the Regional Post Office and increased the amount of participants in the training programme which led to the new practices. The National Post Office is now supporting employees' training and development at the National Office and Regional Post Offices by sending them to the WeGov training programme (HubGov) so as to continue to build momentum around innovation and improve results.

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⁹ Source: WeGov submission to the OECD Call for Innovations crowdsourcing exercise, 31 August 2017

3. Case Study #1: USA Veteran Affairs Department: Spark, Seed, Spread Programme

Introduction

This chapter is an in-depth review of the United States Department of Veteran Affairs Spark, Seed, Spread Programme. This programme combines levers that were discussed in the previous chapter: project based teams, ideas challenge programme, making space for emergent ideas, partnering with public sector organisations responsible for capacity building, and scaling best practices. Additionally, the programme has a dedicated budget and is growing across the organisation.

Summary

The Department of Veteran Affairs is one of the largest agencies in the US Government with over 300,000 employees. Once considered a leading innovator, employees in 2014 recorded some of the lowest scores in government around feeling that they have agency and are allowed to innovate. Even with the lack of agency and continuous scandals over the last decade, the VA civil service continued to score high in connection to mission and desire to succeed. With a highly engaged workforce passionate about the mission but lacking agency, the VA started to deploy programmes to spur employee-led innovation with limited success. Through an internal study, it was determined that it was not a lack of desire to innovate, but rather a lack of opportunity and ability.

The Spark, Seed, Spread programme within the Innovators Network of The Department of Veteran Affairs is a unique programme that explores developing an innovative culture through a challenge programme, employee recognition, and employing training (both classroom and experiential) to deliver increased mission value, drive long term culture change, and improve employee engagement and effectiveness.

The programme, which launched in 2015, partnered with 8 medical centres and had a budget of \$2.5 million USD which funded a programme manager, 8 innovation specialists, training the innovation specialists, 40 innovation project teams, and a 5 month accelerator training programme for those teams. As of 2018, the programme is in over 30 medical centres across the United States and has a budget of \$10 million USD that continues to fund innovation specialists and their continued learning at each medical centre as well as over 100 innovation projects per year. In addition, innovation specialists have helped train thousands of civil servants through various workshops on a variety of innovation topics.

While this programme is still in its infancy, the projects it funds and new approach are already showing improved mission delivery, increased sharing of best practices within the medical centres that are participating in the programme, and anecdotally is showing improved employee engagement and agency with people that are involved and have graduated from the programme.

Key Findings

- Employees did not lack ideas or the motivation to innovate, but the ability to navigate fragmented and difficult processes.
- To change employee mind sets and abilities, a combination of classroom and experiential training is required.

- Continued leadership engagement is not only key to kick-start initiatives, but to create a strong signal within the organisation that this is, and continues to be, important.
- As the programme continues to grow, the role of the innovation specialists will have a major influence on future success.
- The programme is still developing and even as it has grown, it has many inflection points in the near future that will determine its long term success and viability regarding growth, future investments, size, scale, and speed.

Insights

- Having the Executive Leadership sponsoring the project helped build a coalition of medical centres that wanted to be involved, but the developed of innovation elements in medical centres leadership rating has helped spur the growth of future partners.
- Innovation specialists were centrally funded for 2-years for each medical centre, but they have quickly become overloaded and the role has transformed into a team splitting the responsibilities (and funding) at each centre. This will be important to track as the role evolves because it could potentially help with sustainability - after the initial programme funding for innovation specialists end after 2 years and it is the responsibility of the individual medical centre – but, it could have a negative effect as innovation specialists take on responsibilities that could distract from them leading, mentoring, training, and developing an innovation culture..
- Programmes like Spark, Seed, Spread can never operate in a vacuum and should look for partners that are tied to organisational priorities. The programme struggled with diffusion due to its limited scale (20% of medical centres as of 2018), but it is beginning to partner with a best-practices Diffusion Centre which could help with sustainability and impact.
- It is too early to determine the change in culture and mind sets within an organisation. Many programmes from the first year are just finalising and more information is needed to determine if the new approach is limited to the specific funded project or becomes the new way in which people work.

Context

According to the most recent Census data from 2016, there are 18.5 million veterans in the United States¹⁰. Of the veteran population, 4 million have a service-connected disability with 1.3 million having a disability rating of 70 or higher (on a severity scale of 1-100) – signalling severe disability issues¹¹. The Department of Veteran Affairs’ (VA) mission is “To fulfil President Lincoln’s promise ‘To care for him who shall have borne the battle, and for his widow, and his orphan’ by serving and honouring the men and women who are American veterans.¹²” In 2016, approximately 9.7 million veterans – 48% of veterans in the United States – used at least one VA benefit or service. Of those, 44% utilized more than one service¹³. The expenditure for disability compensation reached almost \$50 billion in 2013 and total patient expenditures was close to \$60 billion¹⁴. To meet the demands of veterans all over the country, the VA has 170 medical centres, 1,063 outpatient facilities, more than 11,000 doctors, and a total workforce of 377,805 across the United States.

¹⁰ Source: <https://www.census.gov/newsroom/facts-for-features/2017/veterans-day.html>

¹¹ Source: https://www.va.gov/vetdata/docs/QuickFacts/VA_Utilization_Profile.PDF

¹² For more about VA’s missions: https://www.va.gov/about_va/mission.asp

¹³ Source: https://www.va.gov/vetdata/docs/QuickFacts/Utilization_quickfacts_FY2014.PDF

¹⁴ https://www.va.gov/vetdata/docs/QuickFacts/Expenditures_quickfacts.PDF

Established on July 21, 1930, the VA has a long history of innovation. The VA was doing cutting edge medical research pre and post-World War II. It helped develop breakthroughs in cardiovascular research, disease prevention, disability support, and even the nicotine patch¹⁵. Yet by 2014, it appeared that the organisational structure and fragmentation stifled innovators. In the 2014 Federal Employee Viewpoints Survey (FEVS), the VA ranked as the 6th lowest agency on the question “Creativity and Innovation are rewarded.” Only 32.6% of the 25,772 employees that responded selected “strongly agreed” or “agreed” – the agency’s lowest score since the survey started asking the question. Conversely, 38.8% of respondents selected “disagreed” or “strongly disagreed” – the highest number since inception¹⁶.

Beyond the low employee scores, the public was challenging VA on its ability to meet its mission. These challenges also had political fallout – including the resignation of Secretary Shinseki in 2014 and removal of Secretary Shulkin in 2018. Strong public, political scrutiny, scandals, and a high turnover of top level leadership created a low risk, high compliance environment with few feeling empowered to make changes in their day-to-day job.

While challenges piled up internally and externally, employees were still some of the most highly engaged in government and considered the mission of the agency extremely important. The VA needed to spur innovation and empower its workforce to think differently, employ modern problem solving strategies, and spread best practices. The VA already had an internal organisation focused on innovation, but it was not effective at developing innovators within the broader workforce.

Recent history of innovation initiatives in the VA

In 2009, the agency launched the VA Innovation Initiative (VAi2). The initiative started with a simple goal: to ensure the Department of Veteran Affairs would meet the challenges of evolving into a 21st century organisation by tapping into new sources of ideas across the VA workforce and innovators in the private sector. The programme focused on four key pillars:

- Employee Innovation Competitions
- Industry Innovation Competition
- Prize Innovation Contest
- Special Innovation Project

These contests and competitions were focused on elevating ideas from across the workforce and industry faster and more efficiently. The expected results of the programme were quality improvement, increased access, customer satisfaction, and lower costs. Over the first two years of the programme, the VAi2 received over 15,000 submissions from private industry and the VA workforce and the team had a portfolio of over 120 innovations.

In 2012, the programme was rebranded into the Veteran Affairs Innovation Center (VACI) (VA, 2012). Secretary Shinseki, during the launch event of the programme, stated, “If you don’t like

¹⁵ Source: <https://www.research.va.gov/about/history.cfm>

¹⁶ For more about VA’s employee viewpoint data: <https://www.opm.gov/fevs/reports/data-reports/data-reports/report-by-agency/2015/2015-agency-report-part-1.pdf>.

change, you will like irrelevance even less.” Even with these initiatives, innovation continued to be elusive for most of the workforce and many of the innovations within the portfolio were from industry. Internally, there was a focus on continuous process improvement and process efficiency through Lean Six-Sigma rather than creating and developing something novel.

In 2014, VACI piloted a programme using Human-Centred Design (HCD) methodology called “Toward a Veteran-Centred VA: Piloting Tools of Human-centred Design for American Vets.” This project tested the qualitative research phase of a design process to understand the “Veteran’s experience through the eyes of 40 Veterans.” When the project was finalised in July of 2014, it immediately caught the attention of the new senior leadership. The project raised major issues regarding the processes of the VA and highlighted how rarely it thought about the Veteran Experience when creating or improving the VA’s services. The use of ethnographic research, personas, journey maps, and placing the need of the Veteran at the centre were not only new approaches, but proved illuminating to then Secretary McDonald and his leadership team. The core findings were:

- 1) Veterans approach the VA with low expectations and preconceived notions
- 2) Poor service delivery feels like disrespect to Veterans
- 3) One bad experience will turn Veterans off [of VA services] for a long time
- 4) Veterans want follow through, follow up, and a personal touch
- 5) Veteran customer service needs are not unique.

In addition, the research found that “Veterans are generally grateful for and happy with the quality of VA services. However, it is the experience of trying to access those services — unanswered phone calls, long wait times, confusing websites, overwhelming written materials — which leave Veterans feeling frustrated and underserved.” This led to the following insights:

- 1) Veterans often feel overwhelmed, confused, and unable to navigate their VA services
- 2) The organisation needs to be smarter about when, how, and with what frequency it reaches out to and engages Veterans
- 3) There is a lot of good happening, and there is a need to play off of what’s working well.

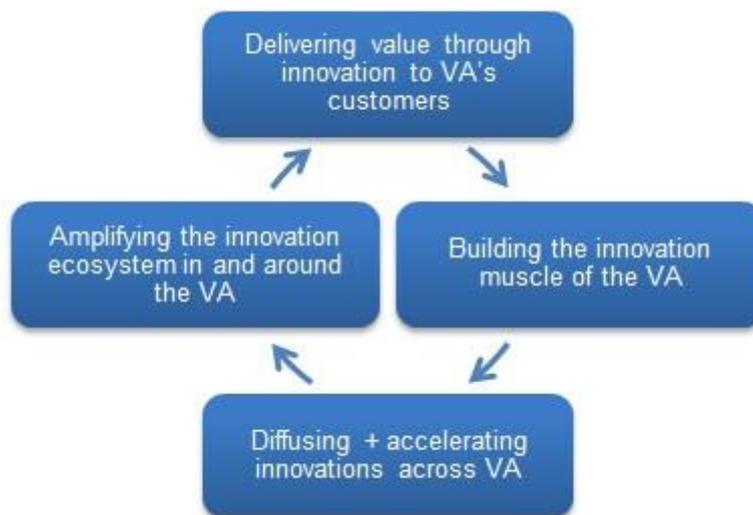
The project, combined with the work from VACI and the low innovation scores, helped leadership recognize that innovation was not just new ideas, but new skills that the workforce needed in order to improve the Veteran Experience. As Secretary McDonald stated, “We have no hope of improving the veteran experience unless we improve the employee experience. We must enable and empower employees to better care for veterans. Innovation is how we improve the way we improve veterans’ lives” (Veteran Affairs, 2014).

Initiating Change

After the human-centred design project, leadership wanted to spread entrepreneurship and HCD by designing a programme that would encourage innovative ideas from within the organisation, develop the workforce, and improve care for veterans. In response to this, the VACI team interviewed employees from medical facilities all over the country. In total, over 100 employees were interviewed at 8 medical centres. Some of the insights included: civil servants not feeling empowered; they viewed their role as part of a bureaucratic process; and their innovative and creative spirit was crushed under the weight of the large system.

The VACI team started to develop the programme using the new skills they were seeking to impart across the organisation – putting their employees first and co-designing the programme with them. In the fall of 2015, VACI and VA Executive Leaders launched the VA Innovators Network at 8 medical centres in Atlanta, Boston, Chillicothe, Gulf Coast, Portland, San Francisco, Sonny Montgomery in Jackson, and Zablocki in Milwaukee. The network launched by proposing a new way of working:

Figure 3.1: VA Innovators Network Way of Working



The Innovators Network also set out core principles (Veteran Affairs, 2017):

- **Our employees are the beating heart of the VA** — they know the challenges all too well, and are the best equipped to identify potential solutions.
- **Innovation is not just ideas.** It is the conversion of a new idea into impact, whether it be for employees or for our customers.
- **The solutions are in the field, not in the central office.**
- **Innovation is a skillset,** and we want VA employees to have the skills they need to develop professionally in their own careers and serve Veterans in the process.
- **Innovation is most effective when it is borne of diverse perspectives.** We create open forums for VA employees, Veterans, and other stakeholders to co-design solutions.
- **Innovation is most valuable when it is shared.** We are not solving problems for any one VA site — we are solving problems for an entire community. Our success is their success and we need to do a better job of celebrating innovation and sharing best practices across VA sites.
- **Test small, fail small, scale big.** Testing new ideas / products / processes on a small scale prevents the VA from committing resources on a large scale to things that don't work as well as they were designed to work.
- **We are Veteran-centred.** Solving problems effectively requires a relentless commitment to prioritizing the needs of Veterans over the needs of the agency.

The VA Innovators Network gave one full-time employee to each medical centre to help manage the programme and support an innovation culture within the medical centre. For each of the 8 medical centres participating, the Innovators Network provided central funding for 2 years for 1 full-time employee that the Innovation Network would develop into an Innovation Specialist. This strategy of a centralised fund that medical centres got to tap into for being a part of the programme helped increase early adoption and allowed the medical centres to experiment with the new way of working without feeling they were assuming a majority of the risk. These innovation specialists would also serve as the first round of transforming VA culture.

But there was a challenge to training innovation specialists and investees at scale – while the current VACI team did have the expertise in entrepreneurship and innovation, they did not have the expertise in HCD training nor the resources to deliver the training themselves. Leadership from VACI were introduced to the Office of Personnel Management (OPM) Innovation Lab. One of OPM Innovation Lab's focus areas was building capacity of human-centred design in government, and they were already teaching a 3-day training course on human-centred design for government employees. A partnership was formed for the OPM Innovation Lab to train the new innovation specialists.

To this day, innovation specialists continue to receive training from the Innovation Network and the OPM Innovation Lab. Every quarter, they are flown into DC to collaborate, refine their skills, and solve problems together. The specialists serve as mentors, logistics support, trainers, facilitators, and connectors for their medical centres. To date, innovation specialists have trained over 2,500 employees.

Inauguration of the Spark, Seed, Spread Programme

The Innovators Network developed an accelerator programme that launched in 2015 called Spark, Seed, Spread – a pathway for employees to innovate and co-design with veterans. This accelerator served as an ideas, training, and innovation programme. The programme had 3 tiers of funding:

- 'Spark' investments (\$10K or less) - Proof of Concept Projects: This level of funding helps you develop initial proof of concept 'prototypes' where there is a strong problem statement and potentially some preliminary evidence or strong theory of action.
- 'Seed' investments (\$50K or less) – Pilot projects: This level of funding helps further develop your proof of concept and test it out in the form of a pilot. For these projects, there is a moderate evidence base and funding is provided for replication grants designed to pilot, test, and validate effectiveness of your proof of concept innovation.
- 'Spread' investments (\$200K or less): Implementation and scaling projects: This level of funding helps you spread, diffuse, or scale your innovation projects to other clinics or sites at the VA. The evidence base for these projects is mature and they are deemed suitable for scaling because they have been vetted by the appropriate stakeholders and have been proven effective through pilot or replication studies.

Through their application process, the Spark, Seed, Spread programme attempted to set a tone of operating in a different manner. Any employee was eligible to apply, but it did require a recommendation letter from the employee's boss that showed the boss understood the time implications (employees could dedicate 10-25% of their time to their project) and support for the project itself. The Spark, Seed, Spread team attempted to define the problem space for the

application and those priorities were aligned with the VA priorities, but the team was open to any ideas that would improve care of veterans, especially at the lower funded levels. Lastly, they were looking for truly innovative ideas. Ideas that were more focused on processes improvement were sent to other teams in the VA specialising in those areas to ensure the ideas were not lost (Veteran Affairs, 2015).

Table 3.1: Project Selection Criteria for Fiscal Year 2016 Projects

The proposed project must be:	Explanation
Truly Innovative	Innovation is the conversion of a NEW idea into impact. NOTE: Process improvement/Lean projects will be redirected to the Systems Redesign Coordinator of the applicant's site. Have you done the research to determine that your proposal is unique/groundbreaking? What have you done?
Able to deliver value	How does your innovation project deliver value in some or all of the areas below? Clinical Value: Expressed as an improvement in health (ex: overall management of chronic disease within a panel, such as A1c <8%). Operational Value: Expressed as a measure of increased efficiency or productivity (ex: time to appointment, number of patients seen). Financial Value: Expressed as a reduction or avoidance of a hard dollar cost, or return of investment. Customer Value: Expressed as an increase in convenience or reduction in cost to Veterans (ex: access or receipt of timely visit, self-reported quality of life). Societal Value: Expressed as a broad good to society. May or may not be financial (ex: Does this help inform broader healthcare challenges for Veterans and non-Veterans?)
Feasible to implement	Is this project feasible to implement at the VA? Can the award money be spent/obligated within FY17? Are the purchases allowed? Does the project integrate well with existing systems, such as existing organizations, infrastructure, technology systems, processes, and policies?
Important to VA	Is this project addressing system-level challenges? (i.e. is this project helping more than 1 domain and more than 1 site?) Is this project of strategic importance to VA (ex: is it tied to improving the employee experience, improving the Veteran experience?)
Portable/ Scalable	Can this innovation be easily implemented or diffused at other sites or other locations within your facility?
Supported by Stakeholders	Does the applicant have passion for this work? Does the applicant have local support for this innovation project from both potential users and leaders? For Seed and Spread grants, has this gained leadership and champion support at the local level (or national level)?
Measurable	How will you measure the success of your innovation? What datasets already exist that can be used to measure the desired outcomes? If new data needs to be collected, what is the data and why is it important to collect? At what frequency will you collect / observe this data?

Beyond the table above, the process also included an exploration of the problem space – allowing employees to spend time ensuring they were solving the correctly defined problem. This idea was new in the VA and many participants felt an increased agency through the process. They were able to blend their natural curiosity with tools to help increase their understand of the problems they were trying to solve, rather than the typical “find and fix” process which focused on an emphasis of quickly developed solutions over understanding the problem (Veteran Affairs 2017b).

The funding for the first round was 6 projects per site (48 total) at a mix across the three levels with a budget of \$2.5 million. In order for project teams to receive the funding, they had to submit an application, but they also had to go through pitch competitions at their local medical centres and to the VA Innovator’s Network and VA senior leaders in Washington DC. Teams worked with innovation specialists to refine their application and pitch.

Moving from ideas to implementation

Forty projects were selected for Fiscal Year 2016. The teams selected went through a 5 month accelerator programme that included all “Seed” and “Spread” teams being flown into Washington D.C. (“Spark” teams were able to attend virtually) for the kick-off and training from the VA Innovators Network team as well as additional onsite and online training from both the OPM Innovation Lab and VACI. These trainings taught the basics of entrepreneurship, business models, human-centred design and explored subjects like journey mapping, experimentation, co-designing, and feedback.

For many participants, the Spark, Seed, Spread programme was the first time individuals and teams were empowered to tackle their passion projects. Going into the programme, participants felt their skills were under-utilised, that they encountered fixable problems but had no authority to solve them, and that they were disconnected from the larger VA community of which others were facing the same challenges. The programme not only gave employees agency and budget, but a support structure, network of like-minded individuals, and a new problem solving approaches.

Additionally, participants were mostly doctors, nurses, and medical specialists and therefore, were limited in their interactions with the larger VA bureaucracy. While teams had budgets to help their ideas come to life, most had no experience in acquisition, IT approvals processes, and connecting to the broader community inside and outside the VA that were critical stakeholders. In the first round of Spark, Seed, Spread, most teams actually struggled to spend the money allocated to their teams due to a combination of the short timeframe to spend the funds and the lack of experience and knowledge of the acquisition process. The same challenge presented itself for projects with IT solutions. The IT approval process within the VA was incongruent to short-term projects and small experiments – causing delays in project execution.

Even with those challenges, many projects were still able to be implemented and showed strong value. During the second and third iterations of the Spark, Seed, Spread programme, many of the projects that received funding were previously funded projects that were asking for increased funding to mature and scale their work. Because of their participation in the programme and the Innovator’s Network reach, many participants found partners in other medical centres with relative ease, a previous barrier to scaling best practices.

Projects at the “Spread” level are now facing a new challenge – finding a more permanent funding source. Since the programme was created to test and scale, it was never meant as a permanent funding solution for best practices. Because of this, when a “Spread” project proves of value to the VA, the project team still has the responsibility of working with leadership to sell the idea as a permanent solution which needs long-term funding – not an easy ask with an already stretched budget - any funding for “new” projects require finding cost savings or funding cuts elsewhere.

The role of the Innovation Specialist

Project teams were not alone in their journey. Any medical centre that was part of the Innovator’s Network received 2-year funding from the Innovator’s Network for a full time, on-site innovation specialist. These specialists were tasked with helping individuals and teams interested in the Spark, Seed, Spread programme from pitch through execution, building an innovation culture within their own medical centres, lead on-site and virtual innovation training, and serve as a connection within the Innovation Network to better connect and coordinate among the participating medical centres.

Instead of going through a lengthy external hiring process for the innovation specialist position, medical centres opted instead to reassign current employees. Hiring times at medical centres averaged months and could take up to a year – a potential waste some of the funding given to the medical centre for an innovation specialist. The Innovation Network provided some basic guidance for medical centres to select their specialists including being a connector, willing to learn, and positive attitude, but overall, medical centres were able to select their own specialist. This resulted in a wide variety of backgrounds including communications, nurse practitioners, professional trainers, process improvement specialists, and administration/management. Few innovation specialists had a background in innovation.

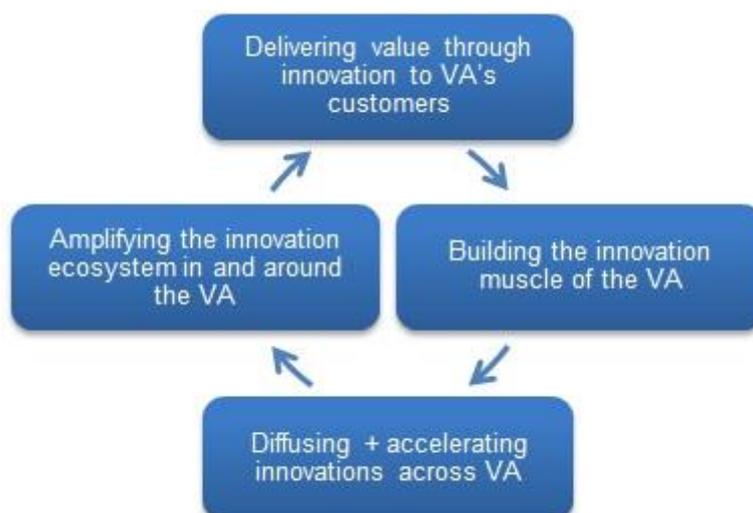
Because of the variety of backgrounds and lack of innovation experience, the role of the innovation specialist has been varied at each medical centre. All the specialists are serving as a coordinating role supporting Spark, Seed, Spread teams with project management, IT processes, acquisition, and coordination with other parts of the medical centre. Other roles such as being an ambassador for innovation, training others on the basics of HCD, and supporting teams throughout the innovation lifecycle is dependent on variables such as previous experience with innovation, years as an innovation specialist, and other duties assigned to the specialist beyond innovation.

As innovation specialists gain greater experience in the field, their duties and scope of responsibilities expand. In some medical centres, the innovation specialist was already well versed in the subject and was able to immediately support innovation projects. In other medical centres, it has been a 2-3 year journey as specialists begin to shift from a coordinating role to increasing their delivery of training and innovation support.

Impacts

Measuring the impact of a programme this young is difficult, but it should be assessed based on the 4 goals of the initiative:

Table 3.3: VA Innovators Network Way of Working



Delivering value through innovation to VA's customers

While many of the projects are multi-year and in their early stages, the programme has funded over 200 initiatives that all have a VA service delivery or patient care component. In just the first round of projects, the programme helped:

- Improve access to care through a new Technology-Based Eye Care Services which provided an appointment to 98% of veterans that requested it within 14 days of the desired date, with 25% receiving same day treatment
- Accelerated the transfer of medical records by 400-700% to care providers in the community, fostering better communications between the VA and community partners
- Improving access to mental healthcare by applying design thinking to increase collaboration and co-design between veterans and the VA
- Developed new feedback loops for veterans to provide more timely feedback

Many other innovations such as buybacks for unused opioids and improving cardiac rehabilitation availability and affordability have seen strong results at the Spark and Seed levels and are shifting into the Spread phase. Overall, programmes have returned a return-on-investment of successful projects of \$831,000 in FY16. This figure only includes 2 of the 40 original projects, and should continue to grow as more projects start to be implemented and their value realised.

Building the innovation muscle of the VA

The programme has trained over 2,500 VA employees with about half of those having gone through the accelerator programme of Spark, Seed, Spread. Therefore, a little over 1,000 people have gone through the 5 month intensive programme and many others have gone through either online classes or individual training sessions from the innovation specialists. With over 300,000 employees, this is less than 1% of the workforce. While that number may seem small, the programme has expanded from 8 medical centres to 33 in just three years with medical centres having to volunteer and apply to be part of the programme. This 400% increase means that the programme now has a presence in almost 20% of the medical centres and should continue to see the numbers of people trained increase. Having more seasoned innovation specialists should serve as an additional catalyst as they get more comfortable leading these trainings within their medical centres.

However, it should be recognised that the programme has not yet started assessing the long-term impact of the way employees do work and solve problems at the medical centres they have innovation specialists – including those that have gone through training. Innovation Specialists and investment recipients both stated that more people are inquiring about innovation, but this an ad-hoc approach rather than. People are attending the trainings and using these tools for their specific Spark, Seed, Spread projects, but it is unclear if they continue to carry this methodology back to their day-to-day work.

The programme also does not have enough penetration to affect the Employee Viewpoint Survey score yet. Anecdotally, the programme has received positive feedback from participants – including the increased feeling of agency, improved job satisfaction, and empowered to take risks and try new things.

One area that the team is seeing success with building innovation “muscles” is with the innovation specialists. They are showing curiosity for innovation in health care that could improve the VA.

Specifically, 6 innovators took the initiative to explore 3D printing and build up their expertise to see how it could help the VA. That group is now a key internal advisory in exploring an emerging technology that could help transform services for Veterans.

The programme is also being recognised externally. In 2017, the VA Innovators Network was recognised as a FedHealth IT Innovation Award Winner. The award was recognition of the programming improving the training, skills and culture of the VA as well as improving services and care of Veterans (DigitalGov 2017).

Diffusing + Accelerating innovation across the VA

In the Lessons Learned section, diffusion will be discussed in greater detail, but overall, the programme is still on a small scale (33 medical centres) compared to the overall organisation. Diffusion is occurring within the Innovators Network and within the programme. Because of the network that has developed within participating medical centres, project teams are finding it easier to highlight their projects and find partners at other medical centres to spread best practices. Most projects that have scaled from “Spark to Seed” or “Seed to Spread” have been due to partnerships with other participating medical centres being aware, interested, and following projects at other medical centres. Of course, limiting participants to the 20% of medical centres participating naturally limits the scale of diffusion and acceleration, but this is to be expected as expansion of the program needs to be nurtured.

Additionally as the programme matures, the team is evolving their approach to diffusion based on the characteristics of the different centres. Medical centres are not all the same, and some projects are more focused on solving problems for rural or urban centres.

Lastly, many of the medical centres are using the ideas generated through the Spark, Seed, Spread programme to fund additional projects. A handful of leaders in various medical centres have taken Spark and Seed level projects that were not chosen by the programme and funded them internally within their medical centres.

Amplifying the innovation ecosystem

Lastly, “amplifying the innovation ecosystem” has thus far been successful. The programme has grown from 8 original medical centres to 33 – which is 20% of the total medical centres. Through 3 iterations, it has shown strong growth. This growth will need to be nurtured and watched closely to ensure the programme does not grow faster than the value it can deliver. Additionally, for the programme’s 2018 budget, the leadership team made up of senior executives of the medical centres voted to renew the programme’s budget. The vote was in the affirmative for the programme, showing both leadership’s commitment and the value they see in continuing the programme.

Lessons Learned and Future Risks

The Spark, Seed, Spread programme continues to evolve and grow. Over their three years, themes have emerged that have both helped and hindered their adoption.

Leadership Engagement

Having leadership launch and fund the programme in 2015 was a huge catalyst for getting medical centres to become early adopters. Additionally, at the pitch competitions in 2016-2018, the Undersecretary or Secretary of the VA has not only been present, but an active participant. This has

sent a strong signal across the agency that it is a priority for leadership and an opportunity for VA employees to be recognised at the highest level – an impactful motivation for employees to be engaged with the programme.

While leadership engagement was critical to getting the programme off the ground, there is also risk when tying a programme to politics - which tend to be unpredictable. With changing political environments and elections, programmes like Spark, Seed, Spread could be seen a project that is expendable until they can more concretely define their value.

Balancing Scale vs. Depth

One of the largest challenges facing the Innovators Network is the pressure to balance breaking ground at new medical centres and ensuring the current portfolio of medical centres continues to make progress and evolve. With only 20% market penetration of the medical centres, there is a lot of room for the programme to run, but the pressure to on-board new centres may be at the cost of not having an internal operational assessment to analyse necessary improvements.

Additionally, if the Innovators Network continues to add 5% of medical centres a year, they will soon be introducing new medical centres while supporting some centres that are in year 5 or more. The needs of medical centres in their first year will be different than the original medical centres. This same issue is present for the innovation specialists as well. Individuals in their first year as an Innovation Specialists have different training and support needs than individuals that are in their fourth year.

Currently, the delivery model of serving each medical centre and innovation specialist in the same capacity will require further analysis. For a young innovation programme, the importance of balancing political pressure, internal capacity, and proving value can be extremely tricky where missteps could setback programmes like this that are showing high potential.

Diffusion and Context

In general, diffusing is one of the most challenging parts of the innovation cycle, and the same for Spark, Seed, Spread – especially when they are only formally engaged with 20% of the medical centres. To help, the Innovators Network has found a partner in another VA initiative – Diffusion of Excellence. Connecting to other high level initiatives like the Diffusion of Excellence helps grow the Innovator's Network, highlight their work, increase the speed of diffusion, and uses partnerships strategically so that the responsibility is not solely with the Innovator's Network.

The programme has also evolved in its own diffusion strategy. First, by just serving as a nexus for innovation projects within a network, they are helping medical centres be more connected with innovations that may be relevant to them. For instance, rural and urban centres might have different problems and different needs. Helping find the right contextual innovations that will work for medical centres is a strong value-add the programme can provide to further their value.

Evolution of the Innovation Specialists and their future

As stated in the case, the role of the innovation specialist has continued to evolve, especially as innovation specialist gain more experience in the role. Currently for most innovation specialist, it would be more apt to call them “bureaucracy busters” than specialist in innovation. Most specialists are helping guide grantees through the VA bureaucracy in regards to acquisition, finance, IT, and

coordinating across (and outside) the medical centres. This is a crucial role and the Innovator's Network has adjusted quarterly training to now include "bureaucracy busting" training so the specialists are better positioned to help the grantees in the future.

This is a critical role as most grantees have no experience dealing with these areas or with such a large bureaucracy. Spending the grant money efficiently and effectively and partnering with various organisations like IT are critical to most projects, and therefore, the programme's success. Grantees referred to working within the larger bureaucracy (mainly IT and acquisition) as the most frustrating part of their experience and most innovation specialists are becoming more fluent in these areas to help in the future.

This presents a unique opportunity for the programme. Innovation specialists are developing new best practices within a variety of medical centres that could be catalysed and diffused to make the VA run more efficiently and effectively. If the Innovator's Network can capture these best practices and spread these practices, it could serve as an unintended positive spill-over for the programme.

With that said, it can also present a risk to the future of the innovation specialists. If best practices are catalysed into "the normal way of working," then there is no need for the "bureaucracy buster." Innovation specialists will need to continue to grow their skillsets in leading, teaching, and mentoring innovation within their medical centres to maximize long term value.

Additionally, the idea of a single innovation specialist within each centre has proven unrealistic. As innovation projects have grown, especially with many projects lasting greater than 1 year, the specialists have been spread too thin and instead, centres are using the funding to partially fund a team of innovation specialists. This could serve as a catalyst for innovation with a greater number of people with innovation skills and available to coach and mentor others, but it needs to be closely watched as employees shift from full-time to part-time regarding innovation. Anytime employees have split duties, there is always a risk of prioritisation issues.

Lastly, the programme also needs to develop a plan as the 2-year funding for the innovation specialists expire for the first set of medical centres. Currently, no medical centre has "dropped" their innovation specialist. Instead, innovation specialists are being assigned additional duties within the medical centres. This could be a case of medical centres being under-staffed, other priorities, not seeing enough value from dedicated innovation specialists, or a host of other reasons. This case study did not have the time to dive into this subject further. Combining these two issues, this is a critical issue for the programme to watch – the innovation specialists are the lifeblood that handle much of the day-to-day activities in supporting the funded programmes and growing the innovation skills of their centres by doing additional mentoring and training.

Finding a short and long term balance within a "right now" service delivery culture

Like many public sector organisations, the VA is primarily focused on the present, and while they dedicate some time to long-term planning, it is not a top priority. By design, Spark, Seed, Spread is a long-term investment. It is making many educated bets on projects that could potentially have massive long-term impact. At the same time, most of the impacts are not immediate and with all innovation projects, there are going to be learning experiences that prove a hypothesis wrong.

Conclusion

Overall, the Innovation Network and the Spark, Seed, Spread programme is an innovative way to combine a mentor, training, and challenge programme. It engages all levels of the organisation and receives a sizeable investment that is structured in a way that invites a fairly decentralized organisation to participate. The programme is currently going through an internal audit to help ensure it is providing the appropriate Return on Investment and so they can continue to improve.

With all projects (but especially new, novel projects) there are always defined risks, but also a high level of undefined and unknown risks. Even in its infancy, the Spark, Seed, Spread programme has shown clear value to citizens, employee engagement, building a new culture, building new skills, and changing the speed at which best practices are spread across a large, complex, and decentralized agency. It is a programme that other leaders could model within their organisation to allow innovative ideas and projects to be tested and implemented while also helping an organisation build its capacity rather than the traditional classroom training model or the centralised innovation team model.

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4. Case Study #2 - French Defense Ministry Innovation Programme

Introduction

This chapter is an in-depth review of the French Defense Ministry Innovation Programme. This programme primarily uses an ideas challenge, training, and making space for emergent ideas. Through the programme, the ministry is able to respond to the new challenges of today and support ideas from across the organisation in a very traditional, hierarchical organisation.

Summary

The Secrétariat général pour l'administration ("SGA"), which is the Secretariat of the Ministry of Defence, has a team dedicated to two principal goals: the digital transformation of administrative structure, and the implementation of innovation within this field. With this ambition, in 2016-2017 this Digital Transformation team launched an Idea Challenge ("Défi d'idées") to discover and implement innovative ideas. The team initially spent two months cultivating a network of "digital ambassadors" across all departments of the SGA, approximately 20 in total, who came up with over 100 potential ideas, with particular attention paid to digital services that address the needs of end-users. These ideas were then filtered by the top managers of the SGA and were eventually whittled down to nine ideas.

On March 21, 2017, with the help of SGMAP (the inter-ministerial innovation initiative of the French government), they held a day-long idea challenge, in which 70 volunteers from across the Ministry, of varying levels of seniority and military/civilian status, formed teams for each idea and participated in developing and pitching the ideas. Three teams won, and received support to be incubated, along with a fourth team that won a "coup de Coeur" prize for being the favourite of the digital transformation team.

These four projects were then incubated the following three months, receiving technical support and given a work space and the authorisation to leave their regular work to concentrate on this project for one day every two weeks. In the end, several projects were presented to the highest levels of French government and Ministry of Defence, and these four projects will actually be implemented by the SGA. Examples of successful projects include *Quid Juris* which aims to build a knowledge database and a collaborative digital service for legal inquiries posed to staff lawyers, and *Mon Conseil Formation* which assists Ministry employees in determining which trainings to take, in a *tripadvisor.com* type of format.

As a result of the successful implementation of the idea challenge, there will be successive seasons of the same project, further inculcating a culture of innovation in the SGA.

SGA staff participants, who had previously little experience with innovating, now feel, to quote a participant, "bitten by the bug of innovation" and are more inclined to innovate in their work, speak up more courageously to promote their personal innovative ideas, and participate in future idea challenges.

The participants of the challenge, nicknamed *intrapreneurs* by the Digital Transformation team due to their entrepreneurial approach while remaining inside the SGA, have returned to their posts and will continue to promote innovation from their various positions. In this manner, SGA successfully developed staff with innovative spirit that remains internal to the organisation, which avoids treating innovation as a “bright, shiny object” that exists outside the norm of day-to-day work.

Nevertheless, intrapreneurs explained that it is difficult to find time for these innovations in light of their daily work required by their managers. In this context, increasing innovation is not a question of creativity, but a question of change and of culture. In spite of this, that the process is now engaged, with the commitment of the Minister of Armed Forces, who announced in March 2017 the creation of an Agency for Innovation, within the Ministry of Defence.

Context

The SGA Digital Transformation team’s goal was to focus on the interests of the end-user. As a structure of public sector, the SGA is unusual in that the end-user is typically an internal staff member – besides youth outreach and communicating with veterans, the SGA does not communicate regularly with the public. As such, the projects were focused on simplifying and streamlining contact within the organisation (“reducing the number of clicks”), and digitalising when possible and appropriate. The Digital Transformation team, led by Laure Dassonville, under Nathalie Leclerc’ supervision, acted on this goal by experimenting with new and different ways of understanding digital services, putting into action several fundamental principles of innovation: co-creation, user-centred design, the right to experiment/fail, internalising (and thus normalising) innovation via intrapreneurs, and the nurturing incubation of ideas from brainstorming to beta products.

The Digital Transformation team, known in French as the Direction de Project Transformation Numérique or DPTN, had an initial development phase of 6 months before being officially rolled out in June 2017. The team is currently five employees, with the anticipated recruitment of two new employees by September 2018.

The debut of the Digital Transformation team’s projects started in December 2016, with the creation of the “réseau des innovateurs”, the trans-departmental network of innovation ambassadors within the SGA. The Digital Transformation team sought out at least one representative from each of the departments within SGA (including HR, Finances, Legal, Ministerial Real Estate, Guidance Services, Purchase, e, and IT). The team further sought out staff from other key players, such as Procurement, and Information Systems, as well as representatives from the offices of the Army and the Chief of Defence. In total, this network has between 20-27 people, who continue to meet up once a month.

In January 2017, they were tasked to brainstorm about new digital services and uses to benefit users. These network members were put in collective work situations to co-design. Given free rein to propose ideas, they came up with over a hundred idea proposals during a 2-3 week period. Then, in a workshop, they used a ranking system to suss out in a meritocratic manner the ideas that have the greatest value added. In order to rank, they voted by according 4 to 5 points to the hundreds of ideas. The criterion was to assign points based on what would add the most value to the community, from their point of view.

The Digital Transformation team presented these ideas to 45 deputy directors from top management, who also participated in an additional prioritising of the ideas. This second filter was an essential step, as all ideas must eventually pass through department heads in order to actually be implemented. As happened to *Quid Juris* (explained below), the approval of department heads can make or break the implementation (and even incubation) of a project idea. Eventually, the team settled on 9 projects to work on. The digital use cases were diverse – concerning big data, access to legal aid, research engines, etc.

Image 4.1: Exploration Meeting



On March 21, 2017, the team invited 70 people – members of the military, administrators, and commissioners of different professional ranks – to explore the 9 ideas and pick which one they wanted to work on. These individuals were self-selected volunteers who had heard about the idea challenge. During the course of the day, a 10th idea was proposed by the participants, and added to the mix : a SGA civil inspector presented her idea of a carpooling system between defence sites.

Participants were free to choose which topic they wanted to work on – but if certain topics did not have enough interest, the Digital Transformation team nudged participants towards those proposals. The 70 participants formed 10 teams, and spent the day shaping the ideas and brainstorming their implementation, and at the end of the day presented their work in a 3-minute pitch. Three ideas won, with a fourth idea also receiving support from the Digital Transformation staff. The teams that won were given special attention to develop their ideas, including a private workspace, design support from the external consultancy “La Javaness” – an incubator for start-ups, and the permission to concentrate 10% of their workload on these projects over the 3-month incubation period. The teams then worked from April to June 2017 developing the ideas, meeting up once every 2 weeks.

The winning ideas were *Quid Juris*, which builds a digital collaborative service and a knowledge database which tackled the redundant and labour-intensive legal question services of SGA, *I-Guane* which has the goal of developing a digital service offering a single point of access for the creation and tracking of a budget for the whole financial channel of the Defence Ministry, and *Mon Conseil Formation* which provides substantive guidance around the available formations offered within the Ministry. The 4th project that was also incubated was SCOPE, which aims to provide an uniform access for support services to users, simplifying the multiple available information systems.

Teams had to adapt their projects to the needs of their department heads. For example, in the early stages of creation, the *Quid Juris* team had to fundamentally adapt their project. Their initial idea was crafted around the perceived problem of too many different mechanisms to contact SGA legal advisors, and that there should be a platform that coalesces all of these forms into one point of entry, for the sake of streamlining and simplification. Within 48 hours of starting the incubation, the *Quid Juris* presented a mock-up of their program to the head of the legal division, dubbed the “sponsor” of the project (so-called sponsor because it would only be implemented under her supervision). The sponsor asked for a modification in order to maintain numerous points of contact, so as to preserve accessibility. Thus, *Quid Juris* immediately re-configured their project with a knowledge database and collaborative digital service, to address the problem that legal staff repeatedly received the same kinds of inquiries – but did not have the means to share previous answers provided by other staff attorneys. Tackling this redundancy enables the staff attorneys to simplify their workload and focus on non-repetitive tasks.

To encourage creative thinking, the location of the bi-monthly meetings changed each time at various SGA workspaces, including several public labs, a French military academy, and the Javaness office headquarters. The teams reported that getting out of their regular office helped them think more dynamically and provided a change of setting. Although the teams were no longer competing in a technical sense, the nature of working in close proximity enabled the groups to compare their progress and appreciate the approaches of the other teams. This also helped foster a positive spirit of conviviality and encouraged a culture of innovation.

One of the early meetings occurred in the workspace of “La Javaness”, the external design consultant. While still in the ideation phase, Javaness designers presented a card game to the intrapreneurs that provoked design thinking for their products. By asking probing questions like, “Does your product need an AI chatbot?”, the participants were exposed to new ideas that helped sharpen their final product. The ideation phase is crucial in letting the best potential ideas float to the top, before those ideas are condensed and refined in the 2nd phase, in which participants defined what their project would be. The fact that the project gave participants such time and space to stay in the ideation phase longer is a generally a strong indicator for better, more thoughtful results.

In June 2017, the four teams presented their final prototypes to key stakeholders: Jean-Paul Bodin, the Secretary General for Administration, and Laure de la Bretèche, Secretary General for the Modernisation of Public Policy (the French agency in charge of innovation). The presentation also allowed for an innovator outside of the Idea Challenge to participate (project “DATAFIN 360°”, which is a big data project for financial data). Two other teams, which did not win on March 21st, also participated in the exhibition. These two teams, though they did not receive support from the Digital Transformation team (no structure, no permission to leave work, nor service-provider support,) nevertheless pursued working on their projects independently (*SPIDIE*, which aims to simplify and digitise the declarations for classified installations, in the environmental sector, and *FORM IDEAL*, which is an software for MOOCs).

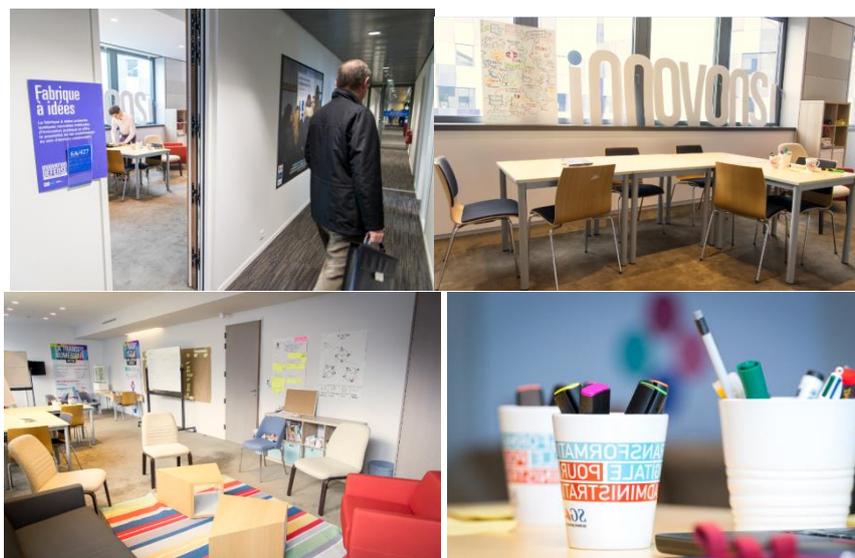
Image 4.2: Presentations of the four teams



Since then, the seven idea challenge projects continue to be refined and developed, with the eventual goal of implementation. During the Public Innovation week of the Ministry of the Armed Forces in November 2017, all the projects were exposed in the “Innovation Campus” and two projects, *Spidie* and *Mon Conseil Formation*, were presented to the Minister of Armed Forces Florence Parley, as well as to French Prime Minister Edouard Philippe.

The Idea Factory (Fabrique à l'idées)

Image 4.3: Defence Ministry Idea's Lab



Separate from the Idea Challenge, one key initiative to encourage a sustained culture of innovation within SGA is the creation of a workspace dedicated to innovation, called the “Fabrique à Idées” (Idea Factory, in English.)

The Idea Factory was designed for the Defence Innovation Event 2017 at the Ministry of the Armed Forces in November 2017, in the context of Public Innovation Week. During this event, the Idea Factory was visited by the Minister of Armed Forces and the Prime Minister. The Digital Transformation team then adopted the concept and situated it within the large Defence Ministry complex, called Hexagone Balard. Open for experimentation since March 2017, it is a room that is structured to optimise meetings for the purpose of innovation, where staff can go experience a “Design thinking” exercise. It enables them to concretely live out a new work method, in a short period of time. It is complete with flip charts and post-its, furniture forming a circle, a table (containing a model of the Hexagone building) dedicated to prototyping, design books, and a rule against the use of PowerPoint. The objective is to create a warm and egalitarian environment, where SGA staff can come a “live” the experience of innovation instead of being told about it second-hand. By establishing a room dedicated to innovation, SGA staff has a safe space to explore ideas and think creatively without fear of intolerance.

It is a flexible place open to all agents and managers of the SGA, and also shared with the Army staff, every other week. Experimenting the co-working can lead to quick iterations of a project, from a few days to a few weeks. Any staff member can contact the Digital Transformation team to reserve the space.

The Idea Factory also invites actors from the civilian world to share their experience: public innovation laboratories, relations with users, managerial innovation, application of digital technologies to the administrative and support professions, the profession of designer, and service design within the state, in a short format and in a small group. In a co-creation setting, guided by the Digital Transformation team, these sessions allow the SGA managers to become familiar with new ways of managing a project and a team.

The Digital Transformation team organizes regular acculturation sessions to give SGA employees the keys to this method with the tools to apply, to put the users and the beneficiaries at the heart of the reflections, in order to achieve a suitable product or service.

In March 2017, Florence Parly, Minister of Defence, announced the creation of an Agency for Innovation. In this manner, she wants to intensify the development of innovation across the ministry. Her ambitious vision contains transversal objectives, covering all the fields in the ministry: armed forces, armament programs, administrative and support structures. This ministerial agency will be led by the Directorate General of Armaments (DGA), which will provide its knowledge in advanced technologies, including artificial intelligence, big data, and Internet of Things. This agency will have specific people and tools, such as an Innovation Defence Lab, to which The “Fabrique à Idées” is already connected, a logical extension for day-to-day innovation in SGA.

Design Thinking According to the SGA

Adorning the wall of the Idea Factory is a large poster that describes the SGA’s implementation of Design Thinking. Due to the 1994 *loi Toubon* law against the use of English, the SGA cannot simply describe “Design Thinking”, but must create a French version of it, which they call “Pensez Design.” The following PDF of that poster highlights the unique qualities and assets of SGA’s approach innovation: the ability to assemble a diverse team of innovators, the advantage of the Idea Factory workspace, and the progression of steps from stock-taking to ideation to prototyping that can be incubated in the Idea Factory.

Image 4.4: Innovation Design Process

PENSEZ DESIGN

Libérez
votre créativité :
Imaginez !
Dessinez !
Fabriquez !

LA PENSÉE DESIGN c'est une culture, une approche, qui place l'expérience bénéficiaire au cœur de la conception d'un produit, d'un service ou d'un espace. Cette méthode s'adresse à toute personne souhaitant développer un projet innovant.

1/ UNE ÉQUIPE D'INNOVATEURS

2/ UN ESPACE PHYSIQUE DÉDIÉ À L'INNOVATION

Un lieu fonctionnel et convivial, favorisant la créativité individuelle et collective, consacré à l'échange et au partage.

- ➔ Espace de travail collaboratif
- ➔ Bibliothèque
- ➔ Coin discussion
- ➔ Table de maquettage...

3/ DES ÉTAPES PROGRESSIVES

COMPRENDRE

Rechercher, s'inspirer

EXPLORER

Idéation

MATÉRIALISER

Prototyper, itérer

MINISTÈRE
DES ARMÉES

Insights

- After successfully completing this process, both intrapreneurs and the Digital Transformation team were in consensus that innovation must be lived to be accepted, and cannot simply be explained in order to be adopted. It is by its very nature experiential. This will be harnessed via the “Fabrique à Idées”, the dedicated “Idea Factory” office space within the SGA, and connected to the Innovation Defence Lab, included in the future Agency of Innovation of the Ministry of Defence.
- The militaristic work environment may have direct and indirect effects on cultivating an innovation culture – it simultaneously promotes innovation in the world of war where government must always be on the cutting edge, and yet it also decelerates innovation due to the rigid top-down hierarchical structure of a military ministry.
- There was a steep initial learning curve, especially concerning the basic elements of Design Thinking. This may be a reflection on the French government and its particular national and cultural adaptation with innovation. Teams were requested to “pitcher” (a *franglais* version of the English word “pitch”) their ideas and did not understand the word. They struggled to understand new concepts, such as minimum viable product, ideation, and “cadre d’usage” (anticipated uses).
- There was a disconnect between what they anticipated innovation to be (such as a discrete, physical object) and what it was in reality – an application or program that was less intuitive to demonstrate to superiors. Participants struggled with the show-ability of their product prototypes but they all succeeded to have something to show on time. Going forward, this is a new challenge to grow in scale and in operational IT services

Lessons Learned and Risks

- The fact that the intrapreneur teams were diverse was an asset to the challenge, as it permitted the teams to explore different types of end-users according to the varied needs of different commissioners/military/civilian staff. This diversity is generally not normal within national civil servant projects, which shows the unique value added of the Digital Transformation team’s approach – as diversity leads to better outcomes, more ideas, better well-rounded, and creating strong end-products. La Javaness, the external design support, attested that they understood better how to assist the team, thanks to the presence of non-expert members of the teams who served intermediaries. These team members played the role of an external pair of eyes on the project that tested product useability, and served as the go-between that helped explain the product in more layman’s terms. So much of innovation and design thinking consists of rarefied vocabulary that makes understanding innovation obtuse to those who could otherwise be receptive..
- One drawback of the team-based approach is a need of defined teammate and sponsorship. One participating team in the Idea Challenge had very promising ideas (according to other intrapreneurs), but the idea is still pending due to unclear ownership of the ideas by any one teammate. Participants compared this model to the Direction interministérielle de la transformation publique (DITP), which is an inter-ministerial agency dedicated to the digital transformation of the public sector. DITP similarly hosts idea competitions; however, these ideas are much more in the realm of tangible objects that are of a mechanical nature, which is unlike SGA’s Idea Challenge. Also, DITP projects are led by one person, as opposed to a team, and so the ownership of that idea is clear and may help ensure that a project is pursued until

completion. For the team *Mon Conseil Formation*, they noted that in the team dynamic, it worked best when the idea originator also served as the team leader, and complemented her leadership with different skill sets to see the project through. Although this dynamic worked in this instance, it is not a general rule that the idea generator should then grow the project to scale, as they require different character traits. Furthermore, it may discourage the best idea creators from contributing if they think every time they propose an idea, they are responsible for producing a final product. Thus, balance must be struck – defining leadership within the team is a great idea, but assuming it needs to be the idea generator is not always the most appropriate solution.

- In analysing the project, the SGA's Head of IT said that now that the Idea Challenge has completed its first successful iteration, the IT office can change from being the brakes that slow down these projects to being their facilitator. IT joined with the projects as a proper stakeholder engagement, when the teams exposed their prototype. This was planned by the SGA Digital Transformation team in order to give time to the teams to discuss the use cases, without any IT constraints. For example, one group needed to use a database in order to prove the utility of their program in navigating that database, and the head of IT stated that he felt like his office initially acted as the the brakes slowing down the process, because their request runs contrary to the normal order of operations and rules of data security. But this point must be balanced, to free the team to think out of the IT constraints.
- As stated by Digital Transformation team leaders, Paul Serre, Nathalie Leclerc and Laure Dassonville, their goal is to use these innovative approaches on new services as a testing ground that would introduce the experience of innovation to employees in a positive light, showing them how to adapt to innovations. For the moment, the innovative interventions are currently only complements to existing services, and do not replace any existing services. As a strategy, by creating new services, this avoids enmity of the employees feeling outdated or replaced, and builds positive energy around innovation. The ultimate step is to transition towards reforming existing services, at a point when innovation has much higher levels of understanding of what it is, and acceptance within the culture of the Ministry of Defence.
- The Idea Challenge participants learned the lesson of early stakeholder engagement. By collaborating with the external design consultant La Javaness in order to produce the prototype, project managers were able to see if their intended product met the needs of the heads of department "sponsors", and if not, they were able to shift their efforts towards more productive work at an early stage of development.
- Intrapreneurs also noted that they are far from receiving the level of support they need from their managers to innovate in their jobs. Since that experience, The Minister of Defence decided to consider innovation as a clear objective.. So long as these managers fail to recognise the role of discontinued change in approaches to the Ministry's work, innovation will continue to be promoted only by the strength of the individuals' will as opposed to the intrinsic merit of innovative proposals. Nevertheless, intrapreneurs note that having successfully completed one cycle of the Idea Challenge, they believe the managers do have a better appreciation of the role in innovation, because they witnessed the utility of the prototypes presented in June 2017 at the end of the project.

- In terms of budgeting, it costs the SGA 50 000 euro to produce three digital prototypes. The cost of creating a digital service is of the order of 400 000 to 500 000 euros, per service. The cost of putting on the idea challenge was around 50 000 euros. In total, the cost for creating a new digital service is between 400 000 to 500 000 euros.

Conclusion

The Idea Challenge was a successful implementation of an initiative, designed to inspire innovation and continue innovation after the project was complete. At every stage, the Digital Transformation team ensured that the project would increase innovation in the SGA – from the co-creation of ideas from innovation expert stakeholders across the SGA, to the validation and prioritisation of proposed ideas by SGA top managers, to the Idea Challenge day that was well-publicised and inspired numerous participants (even non-winning teams) to continue pursuing their projects, to the accelerated incubation and design support in new and rotating locations, to the final presentation in front of substantial leaders like the French Prime Minister Philippe.

The participating intrapreneurs expressed enthusiasm about participating again (“J’ai la pêche!” exclaimed one enthusiastic participant). The Digital Transformation team has communicated its intent to continue to roll out new seasons of the Idea Challenge, which increases a culture of innovation in the SGA by reinforcing the innovative drive of initial participants and exposing new participants to experiencing innovation.

In terms of next steps, in the summer of 2018, the Digital Transformation Team is launching the second season of the Idea Challenge. This will be in preparation for an event that they organise for the Public Innovation Week in November 2018. The Digital Transformation team is also planning to launch an experiment for a digital participatory innovation platform to reach innovators directly.

The particular strength of the SGA’s intrapreneur approach, as opposed to constructing an separate innovation lab that intervenes from the outside, is the incorporation and streamlining of innovation into every day work. Once the project is finished, the innovators stay in their offices. One participant, Claire, who serves as a member of the network of digital ambassadors as well as a participant in the Idea Challenge, stated that her work portfolio is now 50% the realisation of the *Mon Conseil Formation* project into a reality. One participant saw his role as now to evangelize and guide his colleagues by the hand to help them experience innovation for themselves. Thanks to the designated space like the Fabrique à Idées, as well as future rounds of the Idea Challenge, this initiation via experience is a possibility for interested SGA civil servants.

5. Case Study #3 – Public Innovation Capabilities in Chile: The role of collaboration and leadership in the Laboratorio de Gobierno’s strategy and success

Introduction

This chapter is an in-depth review of the national innovation lab of Chile: Laboratorio de Gobierno and their relationship with leaders and middle managers to improve innovation capacity in the government. As discussed in Chapter 2, this organisation conducts training to build innovation capacity, but also partners with leaders, organisations, and public servants to help make space for emergent ideas, and partner with the private sector.

Summary

After years of implementing initiatives aimed to modernise its public sector, in 2015 Chile launched the Laboratorio de Gobierno (LabGov), the first country-level public innovation lab of the Latin American region

Among the actions prioritised to be carried out at the first stage of the Lab, LabGov’s leadership highlighted having a strategy and a team with the mission and skills of developing innovation capabilities of the public sector across civil servants, managers and senior leaders. The approach was not limited to just developing skills or abilities, but also aligning the motivations and opportunities of civil servants to innovate.

Multiple factors can be key to serve as triggers for change, but this case highlights two of them: the role of collaboration and leadership support to running public sector innovation initiatives.

Using collaboration and co-creation approaches, LabGov’s Innovation Capabilities team, along with other public sector institutions and external collaborators (the OECD among them) designed and implemented a capabilities strategy that has reached over 3.000 civil servants nationwide since 2015, using three main programmes: Red de Innovadores Públicos (Public Innovators Network), Experimenta and the Funciona! Award.

The experience of implementing these programmes has shown that cross-sectoral collaboration – collaboration with actors from within and outside the public sector– brings positive outcomes in addressing public sector problems through innovation. LabGov has played the role of being a bridge between people, knowledge and their backgrounds and experiences. These actions have contributed to creating nutritious relationships for civil servants and public sector innovation.

While LabGov was focused on developing the capabilities necessary to improve innovation capacity in Chile’s public sector, leaders play a critical role in partnering with LabGov to foster public innovation within their institutions, leading to stronger organisational and system changes rather than just focusing on the individual. They have been the key to opening innovation opportunities by enabling civil servants to get involved in different innovation initiatives with LabGov, such as training programmes, innovation projects and/or awards. They have also used LabGov to help provide a common vision of how innovation contributes to meet complex challenges and achieve institutional goals.

Despite the positive outcomes of this strategy, some unanswered questions for the Laboratorio de Gobierno remain. The primary issue currently facing LabGov is developing a strategy to scale and

scope their work to further embed public sector innovation as a core competency using a system's change approach.

Context

First steps of public sector innovation agenda and strategy

As early as the 1990s, the public service of Chile has developed a culture of continuous efforts to improve its public sector overall as well as the services it offers. Examples like the digitalisation of *Servicio de Impuestos Internos* (the Chilean Income Tax System), the creation of *ChileAtiende* (the States Procedures and Services Guide), and the implementation of *Farmacias Populares* (the People's Pharmacy model), have aimed at changing and improving how the sector operates. In all these examples, leaders and managers of institution played fundamental roles in the transformation and worked along a team of civil servants to lead the modernization process. This tradition has turned Chile into a "leader in Latin American for its effective and stable public governance and innovative solutions" (OECD, 2017b, p. 19).

In 2014, during its second term as President of Chile, Michelle Bachelet, highlighted public sector innovation in her presidential agenda. While addressing the country at the National Congress in May that year, she announced the creation of the first public sector innovation Lab in Latin America so the Chilean public sector could go beyond modernisation and reach an innovative state for the people.

After constituting an inter-ministerial Board of Directors – with representatives of different ministries and civil society– and a multidisciplinary staff, the Laboratorio de Gobierno (LabGob) was officially and publicly launched in May 2015. The organisation set up a mission that aimed to develop, coordinate, facilitate and promote the innovation processes - focusing on people within public sector institutions. The vision was to use innovative techniques and processes to create a new trusting relationship between citizens, the Chilean state, its civil servants and the private sector.

Once created, LabGob defined three streams of work. First, it would offer methods to carry out innovation processes for public sector institutions in need of new approaches to address their projects and challenges they were facing. Second, it would open the public sector problems so talented out-of-the-public-sector people could propose ways of addressing them. And finally, it would promote the development of innovation capabilities in civil servants and public institutions using learning-by-doing training strategies.

Rather than starting from scratch, LabGob started with established research. Identifying and strengthen capabilities are important tasks for organisations since capabilities provide what is needed to implement and sustain an organisation's strategy (Guan and Ma, 2003). In order to understand what makes organisations distinctive and make them operate, different authors have been widely covered concepts related to capability, skills and competencies (Selznick, 1957; Snow and Hrebiniak, 1980; Prahalad and Hamel, 1990). LabGob also researched authors that have explored the concept of innovation capabilities and even identified what specific capabilities are needed to innovate.

Creation of Innovation Capabilities team in LabGob

LabGob's three streams of work were used to create a team of professionals with backgrounds and skills attuned to the challenges of each unique stream. The Project and Ecosystem team were in charge of the first two streams, and the team responsible for the third stream was called "Innovation Capabilities."

To shape the Innovation Capabilities team, three roles were established: the head of the team -with the role of leading the design and management of the innovation capabilities strategy - and 2

teammates to coordinate and implement the strategic initiatives. To lead and execute the strategy, three competencies were identified. First, the candidate needed to have the ability to design and facilitate learning experiences; second, he or she had to comprehend the dynamics and context of the Chilean public sector; and finally, he or she needed to be people-centric, meaning, having the ability to empathize and design any action from the perspective of those people that will be the users of the initiatives and programmes resulting from the strategy.

Once created, the team had a two-folded mission: (1) to connect the already existing public innovation initiatives with the Lab's' mission; and -the more challenging mission- (2) to design and implement the first innovation capabilities creation strategy of the Chilean Government.

In looking across the Chilean public sector innovation landscape, two initiatives were identified which LabGov would need to link into for the first part of the mission.

First, the Chilean Government started explicitly referring to the concept of public sector innovation in 2012 when President Sebastián Piñera created "Desafío ChileGestiona" (ChileManages Challenge). He announced a contest that would be managed by the Ministry of Finance. to reward and recognise participatory innovations that have been devised and implemented by civil servants, excluding managers and senior leaders. The Ministry ran the award two consecutive years and in 2014, it started being managed by the National Civil Service Directorate (DNCS for its acronym in Spanish), which changed its name to Desafío de Innovación (Innovation Challenge).

Second, in late 2013 the administration, through Corfo (Chile's Production Development Corporation), launched the Public Sector Innovation Management Fund, known as GIP. This fund had the mission to promote a culture of innovation by funding one-year processes led by external consultants aimed at managing innovation systems in a specific number of public institutions.

By the time LabGov was launched in 2015, ChileGestiona/Desafío Innovación had already run three times and been awarded to six teams of civil servants. The GIP, on the other hand, had already run two versions and worked with 24 public sector institutions. The first version ran in 2013 and the second version started in 2014 and was to be completed in 2015.

With the creation of LabGov and development of the Innovation Capabilities team, it was decided that LabGov, now in charge of leading the public innovation agenda, should manage the 2015 version of the GIP. Additionally, *Desafío Innovación*, now called Funciona! (Works!), would be led in a collaborative effort by both LabGov and the DNCS moving forward.

For the second part of the mission, the Innovation Capabilities team was breaking new ground through its mission. It needed to determine how to design and implement its product and service models. Besides continuing with what was described previously e, the senior managers of LabGov (both the CEO and the board) gave the team a challenge: how could LabGov create capabilities for innovation transversely in the Chilean public sector?

The board of LabGov also decided that to effectively succeed in achieving its mission, the organisation should complement its duties with understanding the current innovation culture and context of Chile. To help accomplish this task, the board reached the Directorate for Public Governance at the OECD and commissioned them to carry out a public innovation capabilities review, something never done before in an OECD country.

Between managing the new version of the GIP and carrying out the review, the team saw these early tasks and challenges as the start of an innovation process for LabGov. As a people-centered innovation process, LabGov was able to develop relationships with stakeholders across the Chilean public sector innovation system, work with them to develop strong insights, answer their questions, and co-create a path forward.

Exploring gaps in leaders and civil servants with innovation

Considering that the presidential invitation -move forward towards an innovative state - LabGob decided to explore how those guidelines were received by public actors and institutions. In order properly assess adoption, the Innovation Capabilities team started a data gathering process using:

- The interviews conducted for the OECD's innovation capabilities report. These interviews involved public innovators, public sector managers and leaders, academia, and consultants, among others.
- A series of activities and workshops designed by the team to think and conceptualise the needs and barriers to pursuing innovation processes in the public sector.

All in all, more than 400 people involved with the public sector from 70 different organisations – from within and outside government– were consulted. After analysing the data, there were four main findings:

- For leaders, public innovation processes must be inserted in the recurring practices of the institution, otherwise, they would be considered irrelevant, and with it, unlikely to be embedded by the institution. In other words, public innovation projects must be aligned with the strategic guidelines of the institutions if they intend to be implemented in the near future.
- Most of the leaders and managers mentioned change-oriented leadership as a critical condition to sustain innovation processes.
- Civil servants and methodological experts - consultant and academia- highlighted that processes of capacity building should integrate methods that emphasize learning-by-doing approaches.
- Civil servants also need their leaders and middle managers to be attuned to the relevance of innovation to guarantee more success in terms of a better public service being delivered to the people.

Conceptual Frameworks to Design

The findings of the data gathering process were analysed, and four categories of actions emerged:

Table 5.1: The four categories that emerged from the analysis of data gathering

Competencies creation	Innovation Management	Institutional development	Social Capital
Civil servants need to create, discover and develop innovation competencies through innovation processes that ensure these competencies will remain after it finishes.	Managers need innovation processes that ensure the creation and implementation of better public services.	Civil servants highlight the relevance of tuning their leaders, managers and organisational structures to innovation practices.	Civil servants need meeting spaces with and creating learning communities around innovation with peers from their own organisation and others.

At the same time, the work with the OECD provided another conceptual framework to the discussion: the AMO Framework. The analytical framework was conceptualised by the OECD, the LabGov’s team and the civil servants who attended the mission, and it “identifies three elements that public employees in Chile require: abilities, motivations and opportunities to contribute to innovation in their public organisations” (OECD, 2017, p.15).

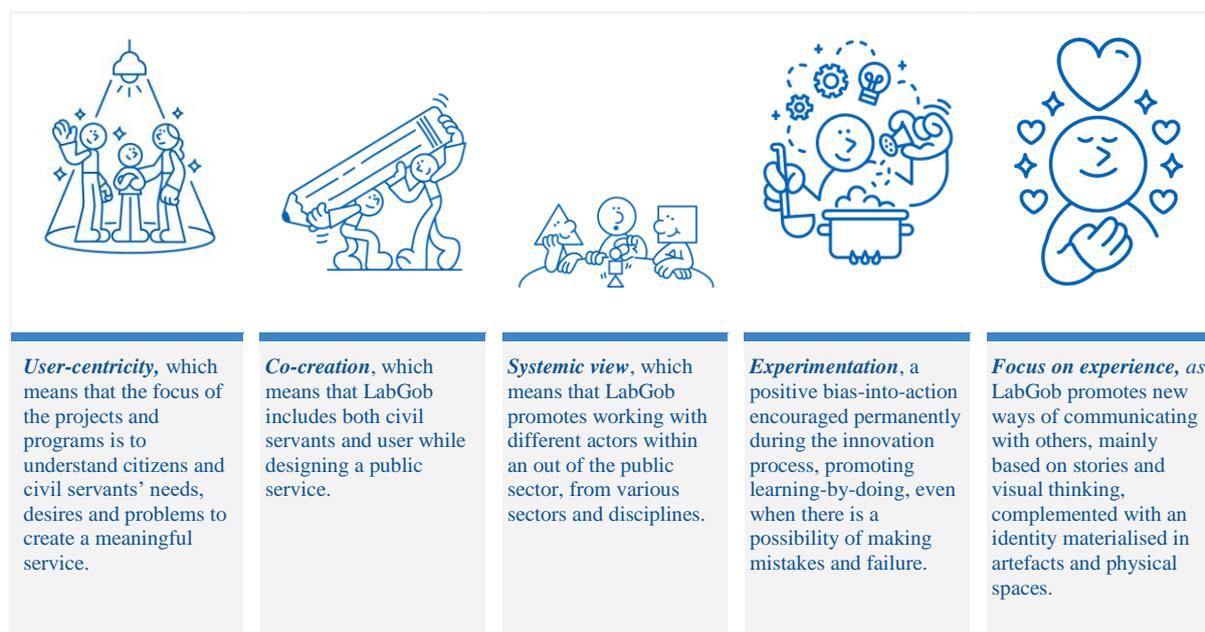
Specifically, in terms of opportunities, the OCDE framework states that both senior leaders and middle managers have the responsibility of creating an organizational environment that can help civil servants in their innovation initiatives. That is why in the prior stage of exploration of what was needed, leaders and civil servants were consulted, so the strategy designed would not only consider civil servants needs in terms of motivation and competencies but also visualize their opportunity to put those elements into work.

Figure 5.1: Ability - Motivation - Opportunity framework



Finally, in order to design their services, LabGov used methods and techniques from the realm of social sciences and design. These approaches were summarised into five principles that guide all of the LabGov’s actions; this would also guide the team in their process.

Figure 5.2: The five public sector innovation principles of Laboratorio de Gobierno



Having these frameworks was not enough. Leadership had asked the team to design an innovation capabilities strategy for the Chilean civil service. Exploring that statement, the user of the future strategy became a clear focus: the civil servant.

No process that aims to change how the public sector operates can be pursued without the involvement of civil servants. These are the protagonists of change.. The mission and motto of this strategy needed to be connected to this idea: The main source of innovation in the public sector and its institutions are the civil servants.

Programmes: Building Innovation Capabilities

LabGob developed and promoted three programmes to develop the innovation capabilities of the public sector:

- Red de Innovadores Públicos (Network of Public Innovators)
- Experimenta
- Funciona! (managed with the DNSC)

The three programs were designed to be complementarity and collectively work together to increase innovation capacity. While each programme independently supported developing innovation skills, the overall capacity building effort was designed to work at various levels of engagement: broad to specific.

The success of many of these programmes was not just dependent on leadership and middle manager support, but active engagement of civil servants and other stakeholders that helped improve value co-creation and outcomes.

Intrinsic motivations: Red de Innovadores Públicos (Network of Public Innovators)

Launched in 2015, the Red de Innovadores Públicos seeks to be a community of Chilean civil servants -from the central, regional and local administration- who are motivated by seeking tools, experiences and approaches that facilitate the creation of innovations to improve the public services delivered to the people. In doing so, civil servants being re-enchanted with the public function.

Today, the network currently has over 3,200 civil servants from all Chilean regions, 60 of which are leaders, and about 480 are middle managers.

The strategy is threefold and pursue (1) collective learning - in which the competencies needed to innovate in the public sector are collectively constructed with the knowledge and approaches of each civil servant; (2) making public innovations visible - communicating and disseminating the initiatives to be considered as referents, as well as motivating others to innovate in the public sector; (3) connecting motivations to innovate - through meetings that build networks among civil servants, to find common ground, encourage the collaboration and increase the social capital. For the third piece, civil servants participate in different activities throughout the country and through the first online social network for public innovators of the Government of Chile¹⁷.

The Network has been built and developed with the active participation and contributions of a diverse set of actors with different roles, experiences, and approaches. One of those actors is the DNSC, a key factor due to its close relationship with senior leaders, middle managers and civil servants. Intendants¹⁸ and Regional Governments have also played a very important role, by facilitating the implementation of the activities held regionally considering they have already created the networks on their territories.

Every Intendant of a region where the Network has activities is asked by LabGob and the Ministry of Interior to designate a point of contact (POC). A POC is an individual likely to have a formal role related to innovation at the Intendant's cabinet, also support the formal dissemination of the activities through regional public sector institutions. They are also asked to contribute to organising logistics, such as helping LabGob scheduling suitable dates and venues for running the activities.

On several occasions, the first activity in the region started with the POCs addressing the attendees on behalf of the Intendants - highlighting how important the network was for the region, its agenda, and all the activities linked to public sector innovation. Since POCs also tended to be people who knew the regional system of innovation and its actors, this message served as a milestone within the region - signalling strong support for innovation and the Network.

All in all, having POCs on-site facilitated the call and the optimal development of activities, evidencing the importance of building a relationship and collaborating with these actors as a critical implementation strategy for the Network.

The goal of connecting public sector actors was highly valued by the Network members at every level. To validate this success, LabGob and Centro de Políticas Públicas U conducted a study called "The Network of Public Innovators: Co-creating the Future State"¹⁹. One of the most interesting findings was about the perception of senior leaders and middle management within the Network. A survey was conducted to 23 leaders and managers of civil servants that at some point attended one or more activities organised by the Network. Two highlights of this survey are:

- The topics that leaders and civil servants discuss after an interaction with the Network are related to the relevance of increasing inter-sectorial coordination with other public sector institutions and the creation of strong networks among them in order to address public problems.

¹⁷ innovadorespublicos.cl

¹⁸ In Chile, the Intendants are the authorities designated by the President of the Republic to exercise the government of each of the Region in Chile.

¹⁹ To read the study, visit the section "*Publicaciones*" at lab.gob.cl

- The value that leaders perceive what the Network delivers to civil servants is that it shows different ways to improve public services using innovation.

In order to consolidate all the work done to date and demonstrate a large number of people from different hierarchical levels motivated by connecting with each other and learning and apply innovation in their particular context, LabGob organised the first National Summit of Public Innovators in December 2017.

The Summit gathered 301 public sector actors from 103 different public organisations of all the regions of the country. This activity was designed and facilitated by civil servants who were a mix of civil servants and middle managers, all of them endorsed by their leaders. The agenda of the Summit included 48 workshops (facilitated by the same civil servants) and a panel with five leaders that have led public innovation projects in the past.

After analysing the Network, there are some clear findings:

- The network allows civil servants from the same region and across the country to connect to discuss public sector innovation, the problems they have and the solutions others have been able to implement.
- It has the potential to contribute to achieving one of the innovation imperatives of LabGob: promote that Chilean public sector institutions approach their problems more systematically, by connecting different actors and sectors, stakeholders of greater problems.
- It is the only programme of LabGob to be able to have a strong regional scope. It is the programme that activates the Chilean public sector innovation strategy in a great part of the Chilean country.
- Considering its wide scope, the network provides continuous information about the main topics and challenges the civil servants are seeing in their own contexts, which are useful insights for LabGob and its programmes and also for public sector decision-makers.
- In cases where the participating civil servants have managed to talk with their leaders and/or middle managers about the Network's activities and convince them the importance of public innovation, leaders have opened opportunities within the institution to innovate, such as the creation of innovation committees. One example of this is the case of the Chilean Nuclear Energy Commission, where one highly motivated civil servant started by inviting colleagues to the Network's Activities and then convinced the Director to form an Innovation Committee with authorised dedication time to develop an innovation strategy for NEC.

Abilities - Expiementa Programme

While managing the 2015 GIP version, the Innovation Capabilities team of the Laboratorio de Gobierno gathered the available data and lessons learned through the implementation and evaluation process of the programme. Participants of the 2013, 2014 and 2015 versions were interviewed to gain greater insights., Altogether, 18 individuals involved in the program were interviewed (10 to public institutions and 8 to experts), 1 focus group was conducted, 4 evaluation meetings and 1 satisfaction survey.

The team systematized, analyzed and categorized the findings. They raised the following conclusions about GIP:

- The methodologies used were not centred on the service’s final users. This caused funded projects that had a little direct impact on the users of the public service. Most focused on internal problems of the institution.
- GIP did not foster collaboration with other public institutions or other sectors of society connected to the projects; instead, it carried out innovation processes in parallel but never connected.
- There was a difficulty for the civil servants to participate in the activities and overall in the innovation processes when there was no political support from their leaders and/or middle managers.
- Even though GIP generated a portfolio of ideas and motivation among civil servants, there was no creation of competencies for transforming ideas into new public services, nor the capabilities to continue embracing innovation processes once GIP was finished.

These findings allowed the team to redefine the capabilities strategy of LabGob. Through this process, Laboratorio de Gobierno was able to design an innovation competencies training programme called Experimenta, which uses experiential learning approach. Teams of civil servants from different institutions create innovation competencies while addressing institutional issues that affect directly to users.

The programme has no cost for participant institutions, as it is financed by LagGob, and they even can apply for a subsidiary fund in case the institution is located in a place different than the current year’s branches.

Table 5.2: Comparison of GIP and Experimenta

	GIP 2015	Experimenta 2016
Main Objective	Install a culture and permanent practices of innovation within public institutions, allowing the generation and implementation of innovative solutions that add public value to the services and products they provide.	Generate skills, knowledge and motivation in civil servants that allow developing, supporting and sustaining innovation processes through experiential learning, addressing institutional challenges defined strategically by the participating public services.
Expected Results	<ul style="list-style-type: none"> • Portfolio of projects that solve innovatively, and with a high content of public value, specific needs in the public institution. • Teams with the knowledge, skills and attitudes necessary to develop innovative initiatives within public Institutions. • New service models and internal processes, capable of re-articulating workflows, enhancing fluidity and efficiency in institutional management. 	<ul style="list-style-type: none"> • Address one institutional challenge using new approaches and tools. • Transfer the acquired competencies to other members of the institution • Design implementation strategies for their innovation projects.
Methodology	<ul style="list-style-type: none"> • Own of each consultant entity. • Quality of the projects was affected by the disciplinary focus of experts, not guaranteeing an integral and homogeneous process between institutions and phases. 	<ul style="list-style-type: none"> • Experiential learning. • All consultancy entities have to design the workshops following the four phases of Experiential Learning; they were partially selected for their ability to do so.
Competencies	Not focused on developing Competencies.	Based on the innovation competency for the public sector

		framework developed by Nesta and OECD
Role of Laboratorio de Gobierno	Oversight of the 10 parallel processes and does not participate methodologically in the design of the activities.	Design, implementation, review and quality control of the programme. Laboratorio serves as the main point of contact for teams and their institutions, trainers and mentors.
Role of leadership	To be selected, one criterion was related to the commitment of the leader, who was asked to attend the face-to-face evaluation. Usually, the leaders also participated in the welcome ceremony and closing activity of the program.	On the one hand, the role of leadership and the activities associated with GIP were maintained. On the other hand, to foster even more Leadership involvement, in one of the evaluation criteria "team conformation", teams were graded higher if they had a middle manager in the team.
Inter-institutional networking	Institutions and expert entities do not have the possibility to learn other techniques, methodologies and experiences of innovation in the public sector.	Institutions gather every two weeks and participate in face-to-face workshops together. Expert entities gather twice a month to review modules and workshops design.

LabGob introduced the first version of Experimenta in June 2016. It included 11 teams (81 participants). In 2016, the programme was carried out in two Chilean regions, the Metropolitan (Santiago branch) and Biobío region (Concepción branch). The second version launched in March 2017 and included 19 teams (196 participants). Beyond Santiago and Concepción, Puerto Montt was also added in 2017. In all, 12 institutions were selected to be part of 2016 and 20 in 2017. Of all the participating institutions, 6 teams from 2016 have implemented the solutions designed during the programme, while the institutions from 2017 are now in the process of negotiating possible implementations with the new administration. Also, nearly 50% of 2016 and 2017 institutions have institutionalized innovation inside their institutions, taking different paths and models to do so.

To foster leaders and middle managers support teams and their projects, several milestones were considered in designing Experimenta:

- As an application requirement, leaders and middle managers of the civil servants members of the teams needed to write and sign a commitment letter in which they expressed that they are aware of time civil servants will dedicate to the programme if selected.
- If a team was pre-selected after technical evaluation of their proposals, leaders and middle managers had to attend the face-to-face evaluation. In that meeting, they had to present to LabGob an institutional involvement plan, in which leaders had to indicate how they will support that innovation would become sustainable at their institutions.
- If teams were selected, leaders and middle managers were invited to the Welcome Ceremony along with the teams. This ceremony marks the formal start of the programme.
- After each module, teams had to arrange a validation session with leaders and middle managers, where they had to present their progress and validate with the decision makers the path to follow. Once teams had the validation session, they could move forward with the next module.
- At the end of the programme, teams, along with middle managers and leaders were invited to a Closing Ceremony, where they would be recognized for the work done.

Having leaders involved throughout the process has produced a fertile environment for teams to implement their projects, and in some cases, to continue working individually or as a team on other innovation initiatives. After their participation in the programme, some of the leaders have decided to open their own innovation unit to further foster innovation within their institutions. Others have started formal training activities related to public innovations, asking former Experimenta teams to facilitate the workshops. These courses vary between an introduction to innovation, to exact replicas of Experimenta. For the LabGob's team, this has been seen as one of its greater successes and impacts - it proves that innovation capabilities were indeed developed.

Having made the transition from the GIP to Experimenta, and having conducted the programme two consecutive years, here are the core results and learnings from the process:

- Among the various learning activities, participants gave the strongest feedback when they had the opportunity to make new connections and increase collaboration in their projects. Specifically, participants saw increased value in receiving feedback from other institutions the participants would not normally be engaged with and having those institutions contribute their perspective to project.
- For participants, Experimenta is not just a programme, but a badge that differentiates them as innovation teams within their institution. Additionally, the people within the programme feel that collectively, they form a community of practice. Their experience, both in terms of the innovative solutions and the competencies created, feeds the Network of Public Innovators. They have been able to contribute case studies and facilitate activities for other civil servants like at the national summit.
- The commitment of leaders and middle managers has been key to the participation of the teams and the progress of the innovation projects. They have served to help empower the team to find solutions to strategic, institutional problems, serve as support during the validation milestone, and provide guidelines and feedback to the proposals. Lastly, leaders and middle managers have also produced subsequent financing for their implementation.
- Some participant institutions (such as Hospital Regional de Talca and CESFAM of Municipalidad de Hualqui) have replicated the Experimenta programme within their institutions, after their participation in the programme. This has meant that the trainees have become facilitators for their peers based on the learning they had on the programme. This has been an unexpected ripple effect observed almost a year after they have finished their participation.
- Collaboration with other actors has also helped in evaluating Experimenta. In late 2017, ProChile, a public-sector institution aimed at promoting Chilean goods and services abroad, hired Nesta with the goal of assessing the value of the programme and disseminating the findings internationally. The result was the report "Experimenta: Building the next generation of Chile's public innovators"²⁰ published in April 2018.

Extrinsic motivations: Funciona! Award

Funciona! –Spanish for It Works!– is a contest run by the DNSC –an institution within the Ministry of Finance– and LabGob. It is based on the Chile Gestiona Award and Desafío Innovación, being coined with the current name in 2015.

²⁰ For more details, visit <https://www.nesta.org.uk/publications/experimenta-building-next-generation-chiles-public-innovators>

Funciona! awards the capabilities of analysis, creativity and innovation to teams of civil servants that have already implemented innovative initiatives in any of the 256 institutions that make up the central government of Chile. This innovation could range from small improvements in internal administrative processes to projects that have improved the effectiveness and efficiency of a service. The three winning teams get a fully paid international internship as the award, aiming at getting in-depth knowledge of a number of international organisations (1) equivalent in term of duties and functions to the winning entity, and (2) leaders in public administration and/or innovation.

The National Director of the DNSC invites all public sector institution leaders from the Central Government to designate a Funciona! Coordinator. These coordinators are in charge of encouraging the institution to apply and to select the main innovative initiatives of the institutions that will be presented to Funciona!. It is desirable that coordinators:

- Have experience in projects related to continuous improvement, modernisation and/or innovation.
- Be the internal innovation coordinator, in case the organisation has an innovation body.
- Have leadership and communication skills, proactivity and ability to manage networks within the organisation.

Box 5.1: Innovation criteria for Funciona!

The guidelines provided to coordinators for selecting innovations within their institutions are based on a rubric designed LabGob and the DNSC and contains some of the following criteria:

- **Innovation:** Corresponds to the degree to which the initiative involves the creation and implementation of new approaches resulting in products or services that improve the relationship between the institution and its users, as well as being novel in the context in which it was implemented.
- **Results:** The positive outcomes, expressed in concrete indicators, that show that the initiative implemented was able to generate improved quality of the service and/or internal efficiency.
- **Replicability:** The potential of the implemented initiative to be replicated within the institution or in other public bodies, considering the possible adaptations that must be made according to each context
- **Co-creation:** The degree to which the initiative actively involved relevant actors in its process of ideation and development, whether they are other civil servants end users.
- **Gender inclusive:** The inclusion of gender balance in the applicant team, is positively valued.

The coordinators are trained by LabGob and the DNSC to being able to identify innovative initiatives in their institutions based on the innovation criteria mentioned in Box 1, and they are also encouraged to sign up for the Network of Public Innovators. As members of the Network and as coordinators at Funciona!, many of the coordinators have an important role in promoting innovation in their institutions. They are key partners in helping motivate others, civil servants, to be part of the Network and the programmes of the Laboratorio de Gobierno.

Once the coordinator reviews the innovation criteria and other technical requirements (such as being an initiative with at least six months of effective implementation), senior leaders validate the data and sponsor the applications through a letter addressed to the National Director of the Civil Service.

Additionally, some of the finalists' initiatives are turned into case studies that other civil servants can reference and learn from. This is useful for various reasons: first, they can learn from their experiences and use this knowledge in their own projects; second, this demonstrates that it is possible to innovate in the public sector. Finally, for people who are involved in strategic charges, these cases help to visualise and map what the institutions of the central government are creating. Having a transparent view on innovation initiatives across the government has served to help push their institution to innovate.

The history and lessons learned from operating the contest have yielded following results:

- The coordinators have had a central role, especially since their role is not limited to just browsing innovative projects in their institutions, but helping lead and coordinate innovation networks within their institutions. Many of them remain as coordinators for several years and work to motivate people within their institutions to innovate, look for new opportunities to innovate, and actively participate on the network. Through this combination of activities, they are able to synthesise and manage innovation in their respective institutions.
- The internships have allowed civil servants to expand their perspective about what is happening worldwide regarding their innovation area, and therefore, bring that knowledge to the country so as to enhance and improve the innovations that have been made.
- The follow-up carried out by DNSC of the winning initiatives concludes that the role of the leaders and middle managers is fundamental both for the development of the innovative solution and for their application to the contest.

Conclusions and General Reflections

After three years, LabGov has been able to showcase that innovation capabilities can be trained and triggered by broadening the approach to abilities, motivations and opportunities. Multiple factors can be key to serve as triggers for change, but this case highlights two of them: the role of collaboration and leadership support to running public sector innovation initiatives.

LabGov has co-designed and implemented its strategy working with a variety of actors - across levels of government and with outside actors in the innovation space.

All the programmes have been co-designed with civil servants and continue to be iterated and co-developed with them to improve programmes' user experience and impact. LabGov has approached training not only using active learning approaches but also peer-learning, creating a community of civil servants that allows the ability to learn and enhance skill through collaboration with experts but also from the experience of other civil servants with innovation experience. These methods have led to two insights that are worth mentioning:

- Unlike some people's belief or prejudice that civil servants would not be interested in attending public innovation activities, there remains high interest and demand for innovation-related activities, whether these are training sessions or regional/national summits.
- Civil servants that have joined the programmes, tend to approach their duties and address their problems with new perspectives of public administration.

In terms of public sector's senior leaders and managers, getting them involved in the programmes have created an increased willingness of public sector institutions to increase their innovation efforts. This has allowed teams of civil servants to reframe their public functions. This also has contributed to unexpected results as leaders are attempting to institutionalise innovation in public organisations. Leaders and managers have seen the value of these new practices, leading them to formalise innovation coordinators, teams, committees and strategic goals.

One critical aspect that has helped with the high level of engagement of leaders and civil servants has been the fact that LabGob is not an external consultant, nor its staff members. It is a public sector institution. Attitude changes and prejudices disappear when the conversational partner is a peer and the main touchpoint of LabGob is its team and leadership, all of them civil servants.

Despite the fact that public-sector actors play an important role in public sector innovation, as mentioned above, LabGob stands on the premise that public problems are not exclusively the domain of the government. These three programmes have shown that public-private partnerships can work to address these problems in a more collaborative and holistic manner. Innovation and learning design practitioners have been key factors for the strategy. This relationship has allowed LabGob to iterate its methods and learn new ones, even leading to launching a publication rooted in this practice: the "Allow to Innovate Toolkits".

Other external collaborators have been international partners, who have also been key to the strategy. LabGob did not invent public innovation nor innovation capabilities. Since its creation, the Lab has consistently looked internationally, seeking partners to collaborate and learn best practices. LabGob even organised with the OECD the international conference Future State, almost one year after its launch, seeking to start installing the concept of public innovation within the Chilean innovation ecosystem.

Despite all these good outcomes, the Laboratorio de Gobierno still has challenges and questions that need to be addressed so the innovation capability strategy can move forward. Many of these questions are related to scaling the scope of its activities. In that sense, the following future challenges emerge:

- How could the State systematize and scale innovative solutions already created, to other public services, regional brands or contexts?
- How could LabGob continue using collaboration among different actor to scale up the scope of their actions at a more national level?
- How can it move forward to more radical solutions than incremental ones?

Also, there are specific challenges or opportunities that leaders and middle managers of public institutions could help to address:

- Some civil servants still state that it is difficult for them to attend the activities of the Network since their leaders or middle managers still do not understand the value of public innovation, and how the approach to these issues can contribute to the development of the organization and its human resources. Leaders could see the Network as free training resource available for the development of innovation competencies in their institution.
- For the development of innovation projects, as it is addressed in the Experimenta programme, it is necessary for the leader to be involved, beyond the delivery of approval, to promote

innovation within the institution. That is why this year LabGob has designed a training programme on Public Sector Innovation Leadership especially focused on leaders, middle managers and coordinators of innovation teams.

- In relation to the Funciona! Award, there is a great opportunity for the leaders to make synergy between the election of a working coordinator, the mapping of the various innovation initiatives within the institution and the visibility of them both internally in the organization and externally towards other public services and citizenship.
- Likewise, and since there is coordination between the LabGob and the DNSC for the Funciona! Award, this could expand to link more closely with the network of senior public management (Alta Dirección Pública), and in turn, its members with the LabGob.

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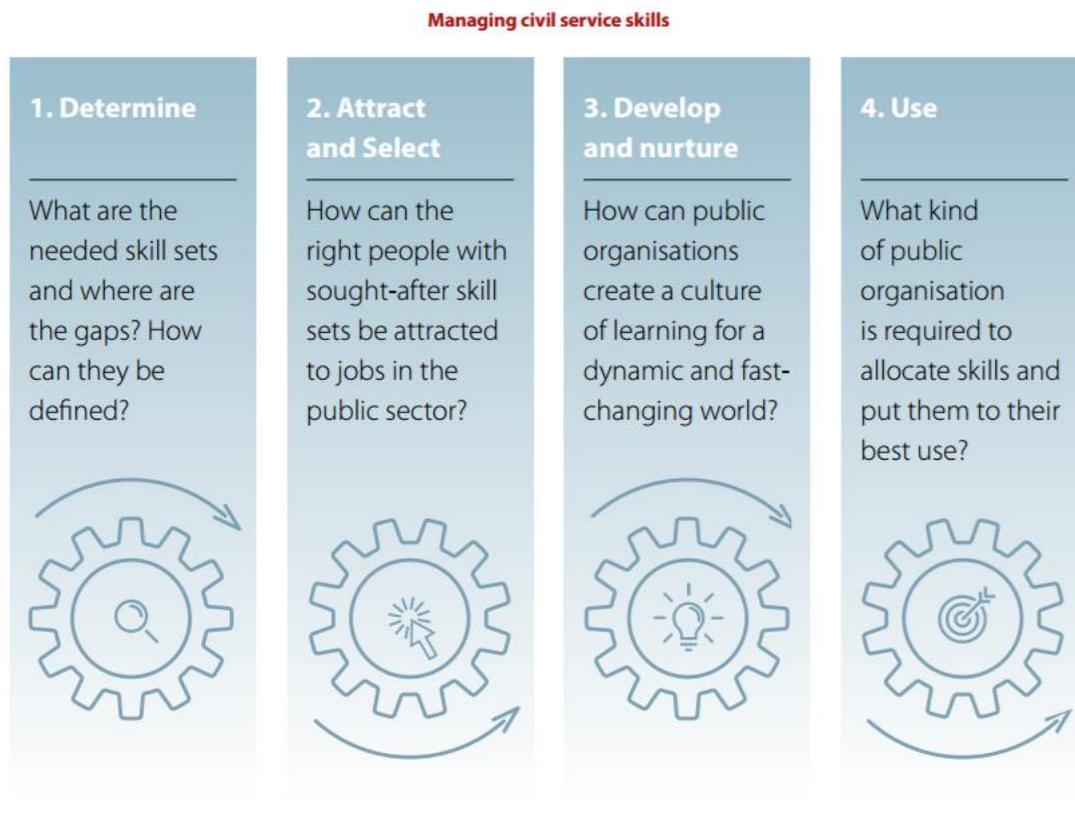
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6. HRM's role as an innovation capacity builder

HRM plays a critical role in building innovation capabilities within the civil service. HRM offices have the responsibility to partner with organisations to determine the necessary skills within an organisation, help recruit and attract those skills, develop civil servants, and retain talented individuals. With that said, HRM's traditional operations have been slow to react to the massive shifts governments are facing in citizen expectations and the skills those shifts require.

As organisations and governments shift to respond to these new expectations, HRM has a critical role:

Figure 6.1: Managing civil service skills (OECD, 2017)



While table 6.1 lays out a continuous process for managing the civil service from a strategic level, some of these steps and every step may not be necessary for each specific issue. Additionally, there are challenges within each step. When looking at emergent skills, how does anyone know what is needed in a changing environment? Traditional government gap assessments are not continuous and instead are a snapshot. This can be a challenge with emergent skills as the demand for these skills can vary based on fast changing circumstances.

When attempting to recruit and retain the right skills, many governments have struggled to stay competitive for innovative skills, which are scarce in the marketplace. Many governments have fixed processes which do not have the built in flexibility to change pay models, working structures, and

recruitment strategies. Because of this, recruiting around in-demand and emergent skills is challenging.

Because recruiting is so challenging and slow, and the Chapter 7 case study discusses these more in-depth, governments are spending more time and resources attempting to develop and nurture these new skills internally. With new and emergent skills, it is difficult to find internal resources that can create meaningful training curriculum, and fiscal austerity limits the scale of private sector training.

Lastly, many of the new and emergent skills discussed in the “6 Core Skills for Public Sector Innovation (OECD, 2017b) require a culture change that allows for practice and use. This requires changing motivations of civil servants to actively engage with innovation and provide them the appropriate opportunity to grow their skills.

HR has a role in all of these activities, and the goal of this chapter is to explore some of the most common and effective practices that are being executed across various governments.

The Levers

As stated in Chapter 2, the levers listed in this chapter are not comprehensive. Instead, the focus is on levers that can be executed with relative speed, ease, and limited cost. Using OPSI’s knowledge of public sector innovation, the OPSI case study library²¹, calls for innovations²², and interviews with public and private sector innovators from around the globe, the following seven levers have been identified as the most common levers available to leaders:

Figure 6.2: Common Leadership Levers

Levers
Helping define emergent skill areas to improve recruitment, retention, and career paths
Helping Recognise the value of non-traditional skills
Baseline Innovation Training
Increase Diversity through flexible work arrangements
Create pathways for non-career specialised employees

This chapter will briefly explore each of these levers, highlight interesting examples from around the world, and provide in-depth case studies into some specific examples to help leaders understand the context, process, leadership decisions, and impact of various capacity building activities and strategies.

²¹ For a full view of the OPSI Case Study Library: <https://oecd-opsi.org/our-work/case-studies/>

²² OPSI Call for Innovation example: <https://www.oecd.org/governance/observatory-public-sector-innovation/blog/page/excitingannouncementscallforinnovationsinnovationaward.htm>

Helping define emergent skill areas to improve recruitment, retention, and career paths

What is it?

Responsible for managing the skills of the civil service, HRM faces the challenge of constantly conducting horizon scans of the public and private sector to determine what are the emergent skills that the public sector needs as well as determining and assessing skill gaps in public sector organisations. Roles like data scientist, designer, scrum-master (agile), coder, and data architect did not exist or had limited use a decade ago. If the government needed to access those skills, they would work with the private sector to temporarily acquire them for a short period. Now HRM is being asked to help recruit, retain, and develop career paths for these new skills and roles.

How does it build innovation capacities?

Helping hiring managers with recruiting and developing new skills are critical for an organisation to adapt and continue to stay relevant. Bringing in new talent that can help push the organisation forward can immediately improve innovation capabilities, but developing career paths (discussed in Chapter 7) is critical. This allows current employees to see themselves in the new role, how to have career progression, and encourage individuals in the organisation to evolve within the new role.

How to get started?

Now that these skills have become a basic function that government requires, HRM needs to work with experts in those fields to quickly understand these skills and how they fit into the structure of government and individual organisations. HRM can work with expert practitioners in government (if they currently exist) or private sector organisations to help identify, value, and market for the skills.

This can lead to new classifications and specializations for employees, job descriptions, hiring authorities, or even recruiting strategies to ensure a strong pool of qualified candidates.

What are the challenges?

Some of the suggestions in the section above like special classifications can be a long challenge. But by HR addressing this issue, it creates ability for government to hire individuals with emergent skills easier and a clearer career path.

For many governments, HRM has worked with organisations to fill recognised skill-gaps, like digital skills, but once prospective civil servants get hired, they have found their job is different than the job description and there is limited upward mobility. Because of this, many organisations have continued to focus on recruitment rather than retention. HRM can help move the organisation forward with a more holistic view for attracting and retaining emergent skills into the organisation. The Government Digital Services (GDS) of the United Kingdom have worked with HRM to do just that and a case study provided in the next chapter.

Helping recognise the value of non-traditional skills

What is it?

Referring back to OPSI's 6 core skills of public sector innovation, skills areas like curiosity and insurgency are difficult to assess or use as a factor during hiring, promotion, or performance management decisions. While assessments for soft-skills are used as part of the process for civil

service leadership hiring decision in most OECD country, similar assessments are not as prevalent for non-leadership positions.

How does it build innovation capacities?

Leaders play a critical role in signalling and reinforcing priorities and ways of working. If employees have learned that traditional skills are the best path to succeed, that is what they use. By making hiring decisions beyond traditional skills, it signals that the non-traditional skills that typically go beyond the “basic knowledge” needed for a job are critical to advancing. By prioritising these skills, it is creating a transparent career path that combined traditional and non-traditional skills and therefore, employees are encouraged to have both.

How to get started?

The easiest path to helping organisations and leaders understand the value of non-traditional skills is to expose them to the skills directly as a strategy to solve problems or help deliver value. There are many strategies that have become popular for socialising these new skills and methods.

Hackathons²³ have become popular ways to collaborate in new ways with individuals that have new and different methods for solving problems. Additionally, organisations have added leadership positions to promote new ways of working such as “thinker-in-residence²⁴”, “entrepreneur in residence²⁵”, and “artist-in-residence²⁶.” These positions add a new dynamic to teams, signals the importance of these skills, and promotes new ways of thinking and solving problems.

What are the challenges?

Many of the ways to get started may be very unfamiliar to the organisation and therefore, they may resist the suggestions for trying new things to show the value of these non-traditional skills.

If the civil service wants to promote innovation skills and see individuals that have innovation capabilities move into leadership positions, HRM is in position to help organisations make that possible. Some countries, like Ireland, have Civil Service Entrance Exams²⁷ includes a self-assessment questionnaires that look at high-level suitability, but have limited focus on innovative skills. Additionally, HRM could help determine which soft and non-traditional skills are needed for the specific position.

²³ More information about hackathons : <https://hackathon.guide/>

²⁴ More information about thinker-in-residence : <https://www.dunstan.org.au/projects/thinkers-history/>

²⁵ More information about entrepreneur-in-residence : <https://www.forbes.com/sites/neilkane/2014/09/09/what-is-an-entrepreneur-in-residence/>

²⁶ More information about artist-in-residence : <https://www.inc.com/jessica-stillman/the-new-startup-must-have-an-artist-in-residence.html>

²⁷ Source : <https://careerservices.ie/administrative-officers>

Box 6.4: Belgium Be Badges (OECD 2018)

In 2016, the Belgian Federal agency Selor, which was recently incorporated as part of the Government of Belgium's Directorate – General Recruitment and Development and no longer exists as a separate agency, launched Be Badges as a digital platform where training centres, employing companies, and hiring agencies can award digital badges – visual representations of a soft or hard skill – to people they have trained, employed, and tested. Selor has extensive experience evaluating job candidates, as it screens up to 100,000 public service candidates a year.

Be Badges is built on the Open Badges philosophy and standard initiated by the Mozilla Foundation in 2011. The goal of the platform is to formalise the informal learning and skills people obtain that generally desirable to employers, but rarely get captured during the traditional hiring process. Only organisations verified by the Be Badges team may issue Be Badges.

Selor is also part of over 3,000 organisations around the world now using Open Badges and Selor is working to expand the idea. Last year, it partnered with the Belgian Digital Transformation Office, Jobpunt Vlaanderen, and Cognizone – an Open Knowledge Summer of Code project to build a tool linking Open Badges to the newly launched European Skills/Competencies. The resulting product, ESCO Badges, is now available online as an open-source beta platform. “

Baseline Innovation Training

What is it?

One of the core traditional functions of HRM is delivering training. Over time, this has taken on many different forms – in-person training around a single issue, formalised training programmes, and virtual training for a range of topics like ethics, creativity, statistics, leadership, and many more. As technology has improved, many HRM organisations have partnered with internal and external experts to develop virtual training that would be available to all employees within the government or a specific organisation 7 days a week, 365 days a year.

How does it build innovation capacities?

Formal training plays a vital role in helping individuals, teams, and organisations comprehend and learn a specific subject and/or skill. Training is a vital part of organisational learning and therefore, teaching the organisation about innovation skills is vital to clarifying how to use the skill, how people should engage with innovation and signals that leadership believes this is an important skill moving forward for the organisation.

How to get started?

Most governments have an online training portal and are investing heavily in online content. Some government's online catalogues contain hundreds of training modules available for civil servants.

To develop these trainings, HRM can partner with public servant innovation experts, private sector, or seek other public institutions that have already developed the content. If the training is not mandatory, HRM can also serve to help identify interested civil servants by reporting who is taking the courses and create a pathway to transform that interest into an expertise.

What are the challenges?

First, online training is more effective as short, small modules that can serve as an introduction to a specific subject before diving into more specific subjects (Guo, Kim, Rubin, 2014). With many civil servants still struggling to understand what innovation is and how to properly engage with it, training aimed at teaching civil servants what innovation is, why it is important, and how everyone can play in the innovation space is critical to help engage a broader and more diverse audience. There are a multitude of paths to make this training available. While in-person and experiential training is effective, it can be costly in terms of the time it takes to train every employee with limited space. Instead, many countries have developed on-demand training within their current platform to help baseline innovation as well as introduce various other innovation related topics like experimentation and user-centricity.

OECD has observed that while HRM has been good at providing training around well understood subjects, it is not as good at emergent practices. Part of this issue is because the organisation is still going through a process of assessing the value of the skill to the organisation and therefore, they may not be as accepting of the training. One way to overcome this issue is having leadership endorse, potentially participate in, and reinforce the training is critical for effective learning in emergent areas where feelings may be sceptical.

Box 6.3: Delivering innovation training in the Argentinean Government²⁸

Argentina's National Institute for Public Administration (INAP), responsible for developing training for public servants, partnered with the Public Policy Design Academy of the National Government Laboratory led by the Undersecretary of Public Innovation and Open Government in order to increase the reach and availability of innovation training across the public sector in 2016. INAP knew that innovation was a critical competency for Argentina's public servants, had a free online learning platform available for all public servants, and was aware of the existence of the Public Policy Design Academy, a team that had already developed curriculum for workshops and programs for public servants, leadership, and sub-national organisations. INAP approached the Public Policy Design Academy to create custom virtual public sector innovation training content that would be accessible to all of the public sector at a national, provincial, and municipal level.

Today, there are eleven innovation trainings on INAP's virtual platform available all year round and 194 courses, workshops, and executive programs led by the Design Academy. Many of the courses serve as introductions to subjects such as innovation, open government, open data, civil innovation, user-centric policies, evaluation, and monitoring. In total, these trainings have been accessed thousands of times from all levels of government with over a 90% satisfaction with the courses. Having a HR organisation like INAP partner with the Public Policy Design Academy to increase availability for public servants to increase the baseline understanding of these subjects allows for increased participation, adoption, and maturity of public sector innovation skills

Increase diversity in skills and experiences through flexible work arrangements

What is it?

For this research, diversity is defined as a diverse range of skills sets and experience. Given the right conditions, it is shown that diverse teams are more innovative (Mayer, Warr, Zhao 2017).

²⁸ Source: INAP submission to the OECD Call for Innovations crowdsourcing exercise, 9 February 2018

How does it build innovation capacities?

Diversity is a complex subject, but improving a team's and individual's innovation capacity through diverse perspectives, experiences, and opinions not only improves results, but also improves and broadens the skills of those interacting with more diverse teams (Cheruvilil et al., 2014).

How to get started?

Generally, traditional hiring has not shown to produce team skills diversity naturally. HRM should look at flexible work arrangements have shown to encourage and increase diversity. Allowing hierarchical flexibility like project-based work, short-term hiring for specific skills or experiences, and having soft-skill assessments being explicitly part of the hiring process are just some of the ways to increase diversity. Having individuals constantly interacting and working with new people in different ways allows for improved connection, faster spreading of best practices, broader perspectives and new experiences. HRM should continue to look for effective ways to inject diversity into teams and projects.

What are the challenges?

Studies have shown that managers are likely to hire people similar to them and traditional hiring methods looking at hard skills and education tend to result in hiring similar people (Rivera, 2012). Additionally, the rise of Silicon Valley has shown that homogenous teams can be very innovative and move faster.

Additionally, diverse teams can potentially have more conflict. With diverse teams, it is important for the team to create and abide by agreed upon conditions for how the team works together, facilitates conflict, and uses their diversity to improve results. Leaders can help facilitate this discussion, but the team needs to create and own these rules.

Box 6.5: UK Job Share Programme²⁹

Job sharing is a form of flexible working which enables two employees to voluntarily share the responsibilities and duties of one full time job³⁰. Pay, benefits and leave entitlement for job sharing are allocated on a pro rata basis (divided approximately by hours worked).

It is normally possible to share any job. It is usually done by dividing the total number of hours that need to be worked in a number of ways, and with both partners doing the same type of work (although not necessarily the same amount of work, depending on the number of hours worked by each job sharing partner). For example: one partner can work Mon-Wed am and the other Wed pm-Friday, or one partner works mornings and the other partner works afternoons each day, or they work alternate weeks ensuring the appropriate overlap for handover.

²⁹ Source: UK Job Share submission to the OECD Call for Innovations crowdsourcing exercise, 9 February 2018

³⁰ For more information about Job Share :

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/406045/jobShareGuide260115FVnoDNs.pdf

In 2015, Civil Service HR in the UK developed an online job share programme. Job sharing is a flexible work strategy that allows multiple people collectively “share” a job. This is especially critical to meet the needs for those on career breaks, like maternity leave, phased retirements, or away from work for health reasons. Job share allows individuals to explore job sharing remotely, find more flexible working arrangements, and return to the Civil Service. Job share has proven to increase diversity, but it proved difficult to find a job share partner. Because of the creation of the digital job share system, the programme is now flourishing. It was recognised in the 2015 and 2016 Government’s Talent Action Plan. In 2016, the site won the Innovation Category at the Top Employers for Working Families Special Awards 2016. This aspiration was further reinforced in the ‘A Brilliant Civil Service’ vision and the introduction of the Civil Service Workforce Plan 2016 – 2020, and the launch of the Civil Service Diversity & Inclusion Plan 2017 which features the Civil Service job share finder as one of the best practice case studies.

The site works by delivering value for money to the taxpayer by realising the benefits of retaining talented staff through the use of digital innovation. To date over 2,100 colleagues from Admin Assistant (AA) to Senior Civil Servant (SCS) grades have signed up to the service. Additionally, 55 of the 71 colleagues who have found job share partners and taken up new posts are women who are mid to senior level managers, supporting the development of the senior female talent pipeline, as recommended by the Hay Group’s Women in Whitehall report 2014. The percentages of site registrants are women 80%, minority ethnic people 20%, people with disabilities 10% and LGBTI people 7%.

Create pathways for non-career specialised employees

What is it?

Many civil services were designed to have career employees. Recruiting, retaining, and developing benefits, processes, and possibilities are all designed with the idea of career civil servants. As government attempts to attract and retain emergent skills that are scarce and in high demand, the current processes, benefits, and possibilities are misaligned for the new ways of working that many potential employees with these in-demand skills. In fact, many of these potential employees do not have, or do not envision, a long career with a single employer. Instead, government should look for ways to bring in these specialised employees into non-career positions to benefit from their skills. The Government Digital Services (GDS) case study in Chapter 7 reflects on these issues.

How does it build innovation capacities?

Recruiting individuals with high-demand skills immediately brings an influx of new skills and methods into the organisation. As those individuals start to work in teams and on projects, they are able to introduce those new ideas teams and the organisation. Additionally, these individuals can have some responsibility for leading training and developing the skills of the organisation rather than only working on high priority projects.

How to get started?

Some governments have started to respond to this new paradigm. The United States established government-wide hiring authorities for innovative talent³¹ like the Presidential Innovation Fellows³²,

³¹ For more information: <https://innovation.gov/toolkit/culture/>

Canada has Free Agents and GovCloud (OECD, 2018), and Australia has started to explore this in their 2018 Budget³³. These programmes create a pathway for individuals with skills that the government needs to join the public service for a short period of time, usually through term appointments. Many of these appointments are used in innovation labs, digital teams, and work on high priority projects.

What are the challenges?

Creating a specialised hiring programme can be difficult at scale, but because of other governments having already broken ground in this area, it can be fairly straightforward. The bigger challenges are once the specialists are brought in:

- Does the organisation allow the individuals to use their skills to try to solve problems in new ways? Even for in-demand skills, organisations can react negatively to disruption and stifle the use of the skills.
- Can a career path be developed? For many of these specialised hiring, a short-term contract is sufficient, but some employees will enjoy their time in public sector and want to stay. Governments should start looking at how to convert these individuals into career civil servants and make the package attractive enough to retain these individuals long term.
- If the specialists are given different rules, it can potentially hurt morale of the organisation. It can make innovation feel like an activity reserved for others and actively discourage the organisation being engaged in innovation activities.

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³² For more information : <https://presidentialinnovationfellows.gov/>

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7. Case Study #4 – UK Digital Skills Mapping

Introduction

This chapter is an in-depth review of the UK's Digital Government Services creation and implementation of their “Digital, Data, and Technology” framework. HR Professionals can look to this model as a potential guide for how to partner with innovation units to better attract and retain individuals with new and highly desired skills. Additionally, this case study touches on training (and training budgets), and other responsibilities that are the responsibility of HR organisations for other governments.

Context

In 2010, in her role as UK Digital Champion, Martha Lane Fox was invited to conduct a review of the main government website at the time, Directgov. She worked with a small but dedicated team alongside the consulting firm Transform, which had already been working on its own study. The team working on Directgov were already working on an ambitious project to close down hundreds of websites. On 14 October Martha Lane Fox wrote a letter to the then Minister for the Cabinet Office, Francis Maude. It called for “revolution, not evolution”³⁴.

This letter set things in motion, and resulted in the creation in 2011 of the Government Digital Service (GDS).

While GDS was focused on executing a vision of “Government as a Platform,” it also was attempting to help transform how the government works through digital transformation. Since the UK Civil Service did not have many digital specialists, most of the original GDS team and early recruits were from the private sector with limited knowledge and experience working in government. To help gain a stronger understanding of how digital strategies were currently being executed within government departments and show the value of digital expertise within government, GDS worked with departments to identify 25 “exemplar” public services.

GDS sent transformation teams to each exemplar to better understand the problems they were trying to solve and provide expertise for how to deliver digital services that meet user needs. For many of these early projects, there was a strong teaching element – specifically around agile. This partnership provided experiential training to the exemplar teams and served as a guide for a process to do things differently and achieve stronger results. With positive early returns, GDS was approached by other departments about forming agile teams and partnering with GDS to help with the training and setup. Around this same period, GDS also came out with the first version of their Service Manual and Service Standards³⁵.

³⁴ Source: <https://www.gov.uk/government/publications/directgov-2010-and-beyond-revolution-not-evolution-a-report-by-martha-lane-fox>

³⁵ More information: <https://www.gov.uk/service-manual>

While these were good first steps, GDS also recognised the need to help government better understand the idea of a “digital professional”. When GDS was formed, there was not a recognised digital profession in government; technologists aligned to the IT Profession, which did not support roles such as product managers, user researchers, delivery managers - roles that have increasingly brought user centred and agile approaches into government services delivery. Additionally, the IT Profession did not have the central profession framework of roles and skills. Civil servants with similar responsibilities had different titles, different pay, and varying levels of expertise. Also, despite government having to compete with industry for highly valued and scarce capabilities, compensation and rewards were never addressed.

Scaling through the exemplars led to organic growth of digital professionals, but new challenges were rising. As departments shifted a project manager’s focus to an agile approach from a traditional waterfall approach, what is their next step in their career? The team encountered the same problem with creating delivery managers among the exemplar teams. There was no clear next step for these new positions. Without a clear path for these new professionals, GDS needed to provide a solution to a new problem – is there a career in government for people in this space?

While departments were still trying to grasp the business case and requirements for how to transform into “digital by default” organisations, they were attempting to bring new digital skills into their organisations through recruitment. Holly Ellis, Director of Capability for the DDaT Profession, explains: “Not all HR professionals had experience of recruiting specialist digital roles, or the means to proactively compete in a tight labour market. The Government's Digital Data and Technology employee value proposition was less mature than those of organisations that had operated in this space for some time”.

The functional model³⁶ in the UK Government means a strong centre of government supporting departments and digital as a key support function. In order for GDS to embed digital as a core competency in the government and increase adoption, they had to create something that provided clarity to digital roles that would allow for better recruitment, retention and refinement of individuals with digital skills. Other frameworks existed in the industry that some IT and HR organisations were using, for example Skills Framework for the Information Age (SFIA)³⁷, but while sufficient for defining IT skills and roles, the opinion was that it lacked clarity and depth around newer roles.

³⁶ Source:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/418869/The_Functional_Model.pdf

³⁷ Source: <https://www.sfia-online.org/en>

Creating DDaT Framework

In 2015, GDS attempted to scope the skills needed to improve digital services and conduct government transformation, including the digital and technology skills matrix³⁸. But by 2016, GDS identified that in order to build a digital government, there was a clear need to formalise the digital profession - which was subsequently renamed Digital, Data and Technology Profession (DDaT). These professionals would sit alongside 25 other Civil Service professions. While many UK civil servants are considered “generalist,” the goal was to establish and develop a digital profession as specialists like accountants and HR professionals. To build up a digital organisation and digital services, it requires more than being a generalist. Additionally, it requires more than being a “techie” where it easily fits into IT organisations. As David Dilley, Deputy Director of Capability, states “There was such a lack of clarity around digital. The concept of specialised frameworks for other professionals already existed, so why wouldn’t we have that?”

At the same time, Kevin Cunnington became the new Director General of GDS – moving from the Department for Work and Pensions (DWP) where he was the director general for business transformation. Cunnington joined DWP from the private sector and recognised “we had a skills shortage of digital professionals that we couldn’t recruit our way out of.” He proceeded to build an academy to build up employees in agile and digital. Cunnington brought the academy with him to GDS, and the academy will be a focus of the study in a later section.

At DWP, all digital projects went through Cunnington and as employees were increasing their digital skills, he had created implicit frameworks for job titles, levels, etc. When he came to GDS and now had similar responsibilities for the entire UK Civil Service, it became obvious that GDS had the responsibility and opportunity to make digital frameworks more explicit and formal, and he was able to support this initiative.

To start, GDS created an outline of the defined jobs they wanted to be a part of the new framework. The team first agreed on the initial roles via user research and a series of focus groups with departments’ capability teams and specialists. In total, 37 jobs were mapped to the new framework with the name “Digital, Data, and Technology (DDaT) Capability Framework.”³⁹

With the jobs mapped out, GDS spent the next 9 months gaining feedback and building coalitions by co-creating the competencies within the frameworks with other government departments. GDS sent invitations asking each department to send employees with experience in the defined jobs (even if they were not currently in the job or it was not the employees’ full time job) to workshops to flesh out the jobs and the required competencies, and skills within each job.

³⁸ Source: <https://www.gov.uk/government/publications/digital-and-technology-skills-matrix>

³⁹ Source: <https://www.gov.uk/government/collections/digital-data-and-technology-profession-capability-framework>

The workshops, facilitated by outside consultants to allow for greater impartiality, ended up drawing over 600 people. Many of the responsibilities for the newly defined jobs were currently aligned to IT organisations, but many IT organisations were currently outsourcing these responsibilities. Because of this, some departments sent contractors instead of civil servants. In the end, the mix of large departments, small departments, and private sector provided a diverse conversation that helped align the titles, roles, and competencies of the position with the private sector (making it easier to target applicants and recruit) as well as ensure the roles were tailored to the uniqueness of the public sector.

At the end of the process, there were 37 jobs roles defined with skills outlined for each level of role. This created defined skills and attributes within each job and a more formalised career path that added hierarchy to the process.

In early 2017, GDS returned to the Civil Service Board⁴⁰ to get approval for the framework. Headed by Cabinet Secretary Sir Jeremy Heywood, the Civil Service Board includes almost all government organisations (generally Permanent Secretaries – the most senior civil servant in a department), the Welsh Assembly, and the Scottish Government. The Civil Service Board not only approved the framework, but asked for it to be implemented immediately. While GDS did not have the authority to make it a mandate, it was a signal of senior level support for digital, the framework, and the importance of its implementation.

In March 2017, the first version of the framework was published on GOV.UK as a beta to make them accessible to all across government and in order to continue to iterate based on wider user feedback.

The framework was rolled out alongside GDS' Government Transformation Strategy⁴¹. One of the pillars of the strategy was to make the UK Civil Service the most digital civil service in the world. This involved not only the skills, but organising in the most appropriate way to help drive digital adoption. By combining the Government Transformation Strategy with the rollout of the DDaT Capability Framework, GDS was ready to start realising its vision and help government implement the framework.

Early Impact and Adoption

Developing a framework that was agreed by the CSB was an extremely important step, but GDS was still responsible for leading its implementation across the Civil Service. Like most government-wide implementation initiatives, there were some quick-wins, early successes, and missteps along the way. This section will break down some of the successes, experiences of early adopting organisations, and implementation challenges.

Communities

Communities of Practice (CoPs) developed naturally as a way to support practitioners, help everyone grow together, create feedback loops on the developing fields, provide guidance for the field, and

⁴⁰ Source: <https://www.gov.uk/government/organisations/civil-service-board>

⁴¹ Source: <https://www.gov.uk/government/publications/government-transformation-strategy-2017-to-2020>

keep a pulse for the evolution of the job area. In the early adoption stages, the communities were a mix of people already in the fields (practitioners) and people curious to learn about the new job area. They work as peer-to-peer groups, across organisational boundaries. Additionally, much of the communications centred on: how-to guidance, asking the Head of Community to talk to their leadership about adopting these practices, and sharing best practices.

As the CoPs evolved, conversations developed around service standards, training, and bringing the community together in-person (rather than just online). Currently in the most advanced groups, it has taken on a more traditional CoP – hiring, career opportunities, job issues, best practices, social get-togethers, etc.

GDS has appointed government-wide Head of Communities of Practice but many departments and sub-departments have their own organisational community leads as well. These leads help set standards and connect civil servants with similar responsibilities. Additionally, the activity within each CoP can vary depending on roles. For a CoP like user-research, the CoP has almost 1000 active members, but more technical CoPs have significantly less.

Overall, the CoPs have played a role in driving adoption and are a valuable feedback loop to GDS. They have helped co-create and iterate on standards, improved the diffusion of best practices across government, helped GDS understand how skills were being applied in the public sector, and can serve as an important signaller of shifts within the job area. Lastly, the communities have helped identify resistance within the public sector around a specific skill, best practice, or process. By identifying areas of resistance, it allows GDS to allocate resources appropriately to help make space for practitioners and growing practitioners.

Recruiting

It is expected that workforce data will show a decrease in overall failure rates as more departments implement the Framework (reasons for continued failure rate will be discussed later in the case).

Overall, recruiting in the UK Civil Service is a highly decentralised activity. Before the DDaT Capability Framework, different departments had the ability to choose different levels, titles, and even salary for the same DDaT role. Additionally, traditional methods of government recruiting were not providing strong candidate pools of the DDaT skills.

As GDS was growing their department, they started modelling a different way to conduct external recruiting. They promoted jobs through social media, used private industry targeting strategies, visited various Universities, and other strategies that were relatively foreign to the UK Civil Service. GDS' ability to recruit highly specialised and highly skilled people became a model for others to potentially use. They showed departments that it was possible to attract the right people.

With that said, GDS did not have the mandate or capacity to do recruiting for everyone. They wanted to support recruiting by creating the conditions necessary to make government attractive. By combining new recruitment methods with the DDaT framework, departments started being able to reach the right people and make the role more desirable through standard job descriptions, titles, and roles that would relate to candidates. Additionally in departments where HR may be the first reviewing layer of potential applicants, it allows the HR professional to better understand “what good looks like” in subject areas they may not have experience or technical expertise.

While GDS does not recruit directly for other departments, they continue to play a role with DDaT recruiting across government, especially at a senior level. Because of the CoPs, GDS has a strong network and generally knows what hiring is taking place. By doing so, they have an informal network of strong potential candidates that have shown interest, but not been selected. They also know of individuals in government and industry that are looking for a new opportunity. By having a standard framework, it creates conditions to consult and connect easier than attempting to translate the various roles, levels, and descriptions into a common language to make these connections.

The framework also serves to improve internal recruiting within government as well. Having a framework with formalised roles and titles allows for easier moving around within government. Individuals are able to build a career and organisations can make better decisions regarding promotions by recognising skills through framework standardisation.

Lastly, one of the biggest challenges for internal or external hiring around an emerging skill is to understand a candidates' qualifications if the department does not have the skills and abilities to make the proper assessment internally. To help, GDS has helped serve on hiring panels to serve as technical experts to assess an applicant's skills and experiences and how they measure against the framework.

Adoption Example: Highways England

Over the past decade, the Department for Transport has been investing heavily in infrastructure and sees technology as a large enabler of increasing efficiency and effectiveness. Within the Department for Transport, Highways England has also invested heavily in the convergence between technology and infrastructure – specifically using technology to enable the free flow of traffic to reduce delays on the strategic road network to increase efficiency of trade, people's wellbeing, etc.

Within Highways England, technology was utilised as separate, independent pieces, like the road network, with independent code. As a government company Highways England also has a different funding structure. Normally, government organisations are funded annually with limited flexibility across financial years, but Highways England has the ability to smooth its expenditures across the 5 year spending period (primarily capex). Therefore, usual challenges in government underspending can instead be used to be more responsive to changes and unexpected demands in strategic initiatives.

Operationally, Highways England's IT infrastructure was split into two separate units – corporate IT and traffic technology. The corporate IT organisation was heavily outsourced with a stronger focus on programme and project management. The traffic technology team was the opposite, with a focus on internal technology capabilities and minimal outsourcing.

With the rapid, modern advances in technology, it was clear to Highways England that having two separate IT organisations with increasing overlap was not efficient, effective, or benefiting the organisation or UK citizens. In early 2017, leadership brought together the two organisations to have a single IT directorate that also included a transformation programme which looked to build internal capability and modernise the digital technology.

Before the transformation, Highways England was using the SFIA framework, but it was proving incomplete as an IT framework that lacked depth in digital. For the transformation programme, the DDaT Capability Framework was an opportunity to join up with what was happening across government. It was considered a ready-made framework with a common taxonomy that encompassed nearly 300 current IT roles within Highways England that had been identified. They also tied this effort to the service management focus in the organisation to ease the transition.

One of the first decisions of the transformation programme was to ensure that everyone was aware of the transformation. The principle of transparency was credited as one of the main reasons for the successful transformation. The team made the plan available to everyone in the company, not just the IT organisations. The team developed various feedback loops and they made themselves available for anyone in the organisation that had any questions, comments, concerns, or suggested improvement. To successfully implement the transformation strategy, there were three core groups that needed to be engaged: HR, the trade unions, and the people going through the transformation.

When IT usually approached HR regarding digital, the traditional response was a combination of: no, that is too expensive, this is the way we do it, and this is the process for how we recruit. Coincidentally, the IT organisation was already rolling out a new system for IT that used the new tools, techniques, and skills which IT was typically requesting. The success of the system and the use of these new methods helped transition HR, who were also going through a transformation programme and whose focus changed to a much more business delivery focused approach, resulting in them very quickly becoming advocates for the roles as well as a fundamental understanding of the DDaT skills needed.

With a strong understanding of the framework and why these skills were needed, HR worked closely with the team to find potential solutions to staffing and vacancy issues. While they didn't provide the IT teams with any additional positions, they helped with workforce planning to better position the current vacancies to meet the transformation team and ultimately the business needs.

For the individuals that were part of the transformation, each DDaT professional identified was given the ability to self-identify with a specific DDaT role. Most people connected immediately with a certain identity and description. Employees expressed a desire of being part of a family and something to anchor their careers around. They found career families extremely helpful as they could see both a potential progression and aspirations. By allowing employees to self-select identification, it allowed for honest conversations with staff and the organisation at a deeper level than before.

Applying the DDaT Framework was a catalyst to accelerate conversations around the role of digital and how people supported the transformation. Staff are currently completing their self-assessment for where they believed they sat within the framework and discussing with their manager. But, there was also recognition that DDaT does not cover all the roles of an IT function, specifically in knowledge and information management and commercial professions.

In the end, DDaT career pathways improved formal, difficult discussions during the transformation period. Employees, some for the first time, had a line of sight for how to progress in their career. Additionally, employees that had little interest in learning and development (L&D) now wanted it quicker and faster because the DDaT framework enabled individuals to look at the roles, see what skills they did and did not have, and used the descriptions to clearly define what the person should be doing and compare it what they're doing now. Employees wanted to fully shift to the new role, and they realised that L&D was the path to achieve their goal.

The value was also proven during Highway England's 2017 IT Staff Engagement Results:⁴²

what is interesting are the significant shifts in trust and confidence in the senior leadership team (+14%), effectively managed and well run (+6%), poor performance is addressed (+7), ideas adopted and used (+6%), right strategic priorities and goals (+11%), HE is customer focused (+15%), resources to do the job (+9%), new employees receive the training they need (+7%), proud to be part of HE (+7%), inspired to do best job (+9%), motivated to achieve objectives (+8%).

Beyond the improved employee engagement, the new skills and approach has also seen business results. Because Highways England has the right skills and the right people, they are able to assess and improve processes for faster delivery. For instance, Highways England has been able to cut IT acquisition approvals from 6 months down to 6 days.

Highways England is also using the DDaT Capability Framework to engage with their supply chain. By using the framework with the private sector, it is allowing the IT organisation to start mapping capabilities and spending as part of the larger discussion on IT acquisition strategy.

As for HR and the Trade Unions, HR has recognised the benefits of the framework and adapted their approach to better support DDaT recruitment. Because of the changes, there are now less failed recruitments. The Trade Unions are positively engaged with the approach supported by positive feedback from their members about the transition.

In the end, Highways England is a great study for other departments regarding early adoption and was a great learning opportunity for GDS. Highways England's transformation is not complete as they are talking about capability assessments and better linking of the framework to an L&D strategy with the potential use of digital technology learning platforms to accelerate development of their in-house capability.

Adoption Example: DEFRA

The Department for Environment, Food, and Rural Affairs (Defra) is a 22 000 person organisation with almost 900 within a single Digital Data and Technology Services (DDTS) services function that is focussed on moving away from large outsourced Information Services contracts, strengthening strategic business engagement, and digitally delivering a new suite of services that have been co-imagined and co-created with business colleagues. Like Highways England, Defra is moving towards a centralised corporate services model that has combined a loose federation of ICT teams into a single function. This was also happening with other functions such as Finance, Estates and HR. As

⁴² Source: Internal Staff Engagement results for Highway England

part of the Defra's transformation, digital is considered a core catalyst to mission success, and the move to a central ICT team provided an opportunity to shift the whole organisation to be more digitally focused.

Within Defra, becoming digitally enabled is a key priority with strong support and engagement shown through leadership activities up to Permanent Secretary level. There is a leadership programme to improve digital leadership within the organisation. Previously digital was not focused on ICT, but instead positioned as the expectations of the user – they want to do things once, how they want, and when they want.

The DDTS team at Defra learned that if they can get staff alignment of digital with an overall assessment of how this supports the organisation, then people typically were able to make a stronger connection. Once they made that connection, individuals could start focusing on customer and citizen focussed delivery. For delivery, the team used GDS design standards and a user-centred design approach with the mind-set of viewing services as end-to-end, rather than standalone projects, and the need to stand up quickly and to makes things scalable and iterative.

Even as people in the ICT organisation were willing, the transition was difficult. People generally came from waterfall delivery background and were attempting to adopt agile ways of thinking and executing. This required a mental shift from a fixed approach to being more flexible, open and adapting new ways of working.

In order to formalise the digital transformation, the team wanted to properly engage staff to show and explain how the change benefits them. They wanted to convince staff that ICT is a key enabler to transformation, but it needs to be embedded in the business as well with a service design mind set. To help, the transformation the digital team established a ways of working team that brought in external expertise in capability partners, they did not have all the internal capabilities, to run sprints and identify trends and patterns. Not only was this a great experience for the staff, it crystallized their understanding of how this will benefit their work, the organisation's mission, and the lives of citizens.

Part of the transformation also meant switching from the SFIA framework to the DDaT Capabilities Framework. The digital function team thought the 37 roles were relatable and simplified decisions through a common taxonomy that did not require new titles. Additionally, it has clarified roles, responsibilities and career paths. Gaps like software developers were also discovered and therefore, a plan could be developed to address the issue through a combination of recruiting and partnering with GDS on various training programmes.

While some of the skills and job roles were already within the organisation, recruitment was a critical piece of the digital transformation. Defra asked GDS for support in sitting on panels if Defra did not have the technical expertise as well as using GDS' network to help improve recruiting.

HR also played a crucial role in supporting the change and Trade Union discussions. For HR to gain a better understanding for why digital was required, they had discussions directly with GDS. Similar to Highways England, the HR organisation was also working on a system that called for the use of agile methodology, so HR started to gain an appreciation for the skills and new methods through hands-on experience.

The other challenge that the digital team faced was, because they were a centralised organisation serving multiple teams and sub-departments, that there was not a consistency of business understanding and maturity of digital. This sometimes caused misalignment between budgets and business demands across Defra.

Overall, Defra's digital transformation journey is still continuing. The DDaT Profession has helped create functional alignment of people and it believes the DDaT structure allows the space for it to evolve. The next step for them is aligning L&D with capability gaps.

Early Challenges

Even with early successes, the path for implementing was not without early challenges. GDS was primarily focused on the framework itself and getting it approved by the CSB. The implementation was left relatively undeveloped. This lack of clarity of implementation caused confusion among departments about impact, timelines, and if it was required for everyone to adopt the framework.

Additionally, the hypothesis that GDS developed for implementation went untested and the practicalities were different than the team theorised. To help close this gap, GDS did an impact assessment of nine departments that varied by size, scale, maturity and mix of outsourcing vs. insourcing IT departments. This allowed the team to better understand what decisions have to be made, the gaps and roadblocks to implementation, agree on a realistic timeframes for alignment, and agree on the definition of alignment. The challenge with alignment (and timing) was how to assess staffs of thousands and realign when they were already naturally closely aligned to the DDaT framework.

Lastly, the team held a cross-government conference with members from all the various functions that would help drive implementation – HR Directors, HR practitioners, business partners, and the lead for capability for DDaT professionals that coordinate activities around human capital management. This was the first time since the launch of the framework that all critical stakeholders were together rather than having similar conversations in separate meetings. Everyone was hearing the same message, people discussed their reservations, and the discussion was well-rounded due to the diverse audience. Since that original conference, GDS has held follow-on workshops and in the 6 months following the workshop, GDS was able to work with the implementation partners to create a top level view of DDaT for the entire Civil Service.

Conclusion and Next Steps

Early adopters are starting to show success embedding the DDaT framework in its first year, but there is still a gap between current implementation and wide scale adoption. For instance, Kevin Cunnington stated that the goal was to transition all 17 000 DDaT employees across government by March 2019. The DDaT Profession has started to resolve some of the early challenges, but systematic challenges still remain.

Solving the Pay Gap Issue

A big challenge that is starting to be addressed is the issue of pay. Specifically, DDaT skills are highly sought after and therefore, competition is high for scarce resources. The private sector, primarily banking and technology, has the flexibility to develop better offers that includes higher pay. In developing this case, every discussion and interview brought up pay as the biggest single issue.

The UK civil service uses a pay-band system, where maximas and minimas vary between departments, which can lead to a wide range of pay for the same skills and position level, even within DDaT roles. Early indicators have shown that the application of the DDaT framework in different parts of government has increased the transparency of pay discrepancies, which has led to people seeking to move to similar roles in other offices to increase their salary.

Highways England and Defra both discussed pay being a hurdle that they are trying to overcome during implementation. There is also a pay issue as people transition into new DDaT roles and increase their skills – does the increasing of skills within a position get associated with increased pay? Raising salaries creates additional challenges when budget allocation for staff pay is negotiated with Treasury for a 5-year period. If an organisation is able to reduce outsourcing costs, can it reallocate those savings to increasing employee salaries (non-pay to pay)? These are questions that are currently being discussed.

These issues are not unique to Highways England and Defra. Recruiting candidates have stronger negotiation power and issues have been raised about recruited DDaT professionals having higher pay than those that have internally converted.

In December 2016, Minister for Cabinet Office and Chief Secretary of the Treasury agreed to pilot a pay framework that enables departments to access enhanced pay ranges and allowances for clearly defined scarce DDaT roles, which typically command salaries above the standard pay ranges in most departments. This is to enable all departments to compete more effectively on pay in the external market and reduce internal, salary based, competition across the Civil Service.

Capability assessments are used to determine eligibility for positioning staff within the pay range and, where applicable, the level of access to allowances. This approach to capability-based reward relies on departments, agencies and public bodies having embedded robust capability assessments, based on the skills in the DDaT Capability Framework.

To use the DDaT Pay Framework, departments must submit a business case to HM Treasury and Cabinet Office, and evidence the affordability of using the enhanced pay scales.

Two organisations piloted the pay framework in 2017 and an additional six have subsequently submitted business cases to use it in the future.

GDS is also engaging with Civil Service HR and Her Majesty's Treasury to develop a broader offer for the whole profession, it is starting to benchmark industry pay for all the positions on the DDaT Framework and to use workforce planning data to identify which roles are in high demand across government. This could eventually help serve a DDaT Profession-wide approach to pay but it is recognised that this will take time to be adopted and embedded throughout the profession.

This collection of internal and external data is critical for other future implementation strategies which will be discussed below, but overall, pay is one of the biggest implementation hurdles that will need to be watched closely and monitored. It could cause implementation to stall as employees see less benefit to join the transformation.

Learning and Development

L&D was the other issue that came up during every conversation for this case study. As Cunnington stated, “You cannot just recruit your way out of a skills problem in the public sector.” Generally as individuals are transitioning to DDaT roles, they will have skill gaps compared to the position description. By having this gap be more transparent by tying it to the DDaT framework, it creates the start of a strategic L&D plan. As civil servants now can see a career track with future potential roles, they are asking for training to hone and improve their skill and expertise. A major issue is that most departments do not have the capabilities or robust training in these areas and increasing L&D during a time of fiscal austerity is an issue.

One way GDS is attempting to help is through the GDS Academy⁴³. As stated earlier in the case, when Cunnington came over from DWP, he brought the academy he created with him. Renamed the GDS Academy, it started primarily as training curriculum for agile with various programmes depending on need – Agile for leaders, teams, and an introductory session for new members of the DDaT profession. More recently, the GDS Academy also offers courses for delivery managers and product managers. Since May 2018 the majority of courses are funded by departments per delegate, and it is estimated that a £3 million investment trains over 3,000 people. The GDS Academy continues to offer one-day awareness sessions at no cost across the public sector. In total, GDS has trained over 8 300 civil servants with training locations in London, Manchester, Leeds, and Newcastle. Many of the most advanced agile teams across departments have benefited from the various GDS Academy programmes.

While agile is seen as a foundational skill from which organisations can build a digital culture, the training needs related to the DDaT framework have become more specific. GDS Academy believes that evolution of skills is a combination of self-learning, professionally recognised courses (and possibly certifications), and experience. The Academy sees itself as the curator of some of this more technical content, rather than creators, and has developed a multi-pronged approach to helping support the current skills gap as well as helping people develop expertise that allows them to grow their careers:

- Creating content – If a particular need is specific and unique to government, GDS should create the content
- Working with companies that already offer courses – The GDS Academy will review the courses and ensure each course will provide value to civil servants

⁴³ For more information: <https://gdsacademy.campaign.gov.uk/>

- Post-training mentor programmes – The Academy recognises that applying training to work can be difficult. Trainees lack confidence to lead an agile project after taking a course, and having a mentor help coach people through the process, create space, and work with the agile team can help build confidence and improve post-training results
- Fast Stream – This is a graduate level DDaT leadership talent programme within the Civil Service. It is a four year programme consisting of four, six month placements and two, twelve month placements offering exposure to a variety of DDaT roles and government departments across the UK. Successful fast streamers will move into senior leadership positions upon exit. The DDaT profession leads on the strategic purpose and has developed a specialist L&D offer, together with the GDS Academy.
- Apprenticeships - the Fast Track is a two year entry level Civil Service level 4 apprenticeship programmes, with five DDaT career pathways including Software Tester, Data Analyst, Software Developer, IS Business Analyst and Network Engineer. The GDS Academy is also partnering with government departments on the procurement of further apprenticeship offerings including, most recently an accelerated software developer level 4 apprenticeships.
- The Data Science Accelerator programme is a skills programme open to public sector organisations. The programme recently won an award for its impact on increasing data capability and has delivered a variety of projects that have made a substantial difference to their public sector organisations. The programme is a partnership between GDS, the Office for National Statistics, Government Office for Science, and the analytical professions (statistics, economics, operational research and social research).

The Academy continuously reviews its learning offer, completing reviews of all products within each 13-14 months to ensure the value of the content. Additionally, it ensures that practitioners are teachers (rather than professional trainers) to provide greater benefit to learners.

As the Academy continues to grow in scope and demand increases, a decision will need to be made regarding the scope of attendees, and their funding. During interviews, there was discussion of non-civil servants (public servants, non-profits, possibly the private sector and other governments within and outside the UK) wanting to take some of the training. GDS would be required to charge for those classes, but this will be an area to observe closely going forward as these strategic decisions can greatly influence the priorities, direction, and effectiveness of the Academy moving forward.

Iterating on the DDaT Framework

The DDaT framework is not a final product and is continuously being iterated and updated. During the first iteration, there was strong focus on the “digital” part of the DDaT Profession, and therefore, there have been identified gaps within the data and technology fields. Specifically, GDS is looking to add more data and cyber roles. But, there are challenges in those fields as specialised tracks have already been created for cybersecurity and statistics with different frameworks controlled by other departments. GDS is currently engaged with other government professions to ensure proper coordination and that their work compliments each other, but this overlap with other frameworks will likely continue as more DDaT roles are identified.

Within the current framework, one of the best sources of feedback has been the CoPs. GDS does not have the capacity to independently keep track of all the patterns and evolutions within the various roles, but having a connection to active practitioners in these fields has provided GDS with valuable feedback. This feedback can help shape job titles, skill maturity (what does junior and senior user-researchers look like), and even help create interview questions, best practices, and training that can feed into the framework itself and the implementation strategies for departments.

Lastly, a workforce planning team was created with the aim to collect data from government departments regarding DDaT roles. This includes vacancies, roles/titles that departments consider DDaT roles that are not in the framework, gender and other characteristics. They also benchmark this data with industry. With this data collection, GDS is starting to see a high level view of the DDaT implementation across government. All of this can feed back into the framework as well as implementation strategy. Holly Ellis, explains: “Putting the right foundations in place has also enabled us to make better use of data. In the last 7 [update before publication] months we have mapped our capability to the framework and now have a detailed view of our cross-government resource - which role, grade, location, project type, type of resource which enables us to act once and solve challenges on a scale that wasn’t possible before”

Central Hiring

As discussed earlier in the case, recruiting and hiring for DDaT specialist positions can be difficult, time consuming, and require different strategies that some departments may not be able to properly implement and execute. GDS is exploring what a centralised hiring programme would look like. As similar needs are building across departments, could GDS play a central role to serve as recruiter and technical expert across various departments to create a pool of qualified candidates in extremely competitive and hard to obtain skills?

This is still in the early stages, but could be an interesting strategy for highly competitive positions. More details would need to emerge regarding how selections are made when multiple departments want the same person or if a candidate has preferences of departments. Pilot cross government recruitment currently underway with a number of departments is expected to lead to a more informed decision about how, and if, to proceed.

Skills Assessment

The current skills assessment for transitioning individuals to DDaT roles is a self-assessment with layers of reviews between managers, leadership, and HR. Both Defra and Highways England discussed the development of a formal capability review that could provide greater clarity for employees and leadership regarding skills and abilities.

Leadership within GDS seems to have different opinions about creating a formalised skills assessment due to other priorities, capacity, and if it is even a role GDS should play. From the discussions with early adopters, it seems that a formal assessment is inevitable as most organisations do not have the internal capabilities (managers and HR) to make these assessments. GDS seems to be in best position, both as experts and creator of the framework, to create the assessment that can be standardised across government.

Conclusion

Overall, the implementation of the DDaT framework is still early. With leadership support, it has the ability to be spread quickly, but large implementation challenges still exist. Since the launch of the framework, GDS has taken the role of expert, mentor, observer, influencer, community builder, teacher, curator and collaborator. Without a direct implementation mandate, GDS has had to stay flexible with its role, services, support, and priorities. While this has caused some unevenness in implementation, it will serve them well as implementation needs to continue to evolve, especially with bigger departments just starting their own framework adoption.

One of the most interesting parts of this case is the roles and responsibilities of helping formalise emerging skills within GDS and HR. Many of the actions and responsibilities that GDS undertook during this process would be the role of traditional HR in other OECD countries. This case does not make judgement about roles and responsibilities, but recognises that each country could have a different context for how specific tactics and strategies are executed.

Still, this case did highlight that even with a more decentralised HR that provided the space for GDS to formalise the framework independently, HR still plays a critical role with scaling, spreading, and adopting the framework within departments. Therefore, regardless of the breakdown of roles and responsibilities, it can be concluded that to ensure effective development of frameworks, formalisations of skills, and adoption across government of emerging skills and jobs, a partnership of technical expertise and HR is required.

8. Conclusion and Next Steps

Building innovative public sector organisations is complex, continuous, and requires a long-term outlook. But, organisations should not sacrifice activities they could be doing immediately. Leadership and HR are critical components to building innovation capabilities and this paper explored some of the most common levers.

With that said, this list was not exhaustive. The most obvious lever missing is that of Performance Management for HR Professionals. The idea of using performance objectives and measures to signal commitment to innovation is noble, but OPSI has not observed an implementation of this strategy that effectively drives innovation. Instead, it often turns innovation into a “check the box” activity rather than a fluid process exploring unknown solutions and outcomes.

Additionally, this paper’s primary audience is leaders at all levels and HR professionals. With hierarchy still being prevalent and strong in today’s civil service, these two groups hold a disproportionate influence on supporting the organisation’s growth of innovation capabilities. But, everyone has the ability to transform and innovate. Individuals can help influence managers in adopting certain strategies and tactics. Individuals can also continuously look to innovate within their current role, job, and responsibilities. It is the job of everyone to help push the public sector forward and create a more valuable government.

Finally, reading this report may spur action among leaders and HR professionals, but often reports are read and quickly forgotten. To help remind people to make the push towards building innovative organisations daily, the following infographic has been created so that people can print it out. It can serve as a daily reminder that creating innovative organisations can start with small, proven tactics that people can start using today.

Public Sector Innovation

Are you moving towards a more innovative organization?

HR Professionals Levers



NEW SKILLS

Help define emergent skill areas to improve recruitment, retention and career paths.

TRAINING

Partner with expert + leader to create Baseline innovation training.

DIVERSITY

Increase diversity through flexible work arrangement.

VALUE

Helping recognize the value of non-traditional skills.

NEW PATHS

Create pathways for non-specialized employment option for individual skills.

Leadership Levers



ROTATIONAL

Develop & supporting rotational opportunities programmes.

PARTNERS

Partnering with the private + public sector insitutions to build innovation capabilities.

PROJECT BASED

Create opportunities for project based work.

IDEAS CHALLENGE

Running an ideas challenge programme.

NEW IDEAS

Making space for emergent ideas.

SEARCH & SCALE

Search, scale, and learn best practices.