engaging innovation: a policy paper produced for the Cabinet Office, the LGA and the IDeA by the Tavistock Institute

By

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What happens to a prisoner in the first one or two hours after he or she is released often determines whether or not they re-offend. Similarly the networks into which young offenders, and potential young offenders, are drawn can shape their life chances and in particular whether they are drawn into a cycle of increasingly serious offending and punishment.

A better understanding of these factors could help the development and implementation of policies to reduce the current unacceptably high levels of re-offending among ex-prisoners.

The quality of life of too many people suffers because of the poor quality of their local environment. Anti-social behaviour frequently ranks high on the list of people's concerns. In both cases people's perceptions and expectations are crucially important in determining how they act and respond to what happens in their locality.

Using new governance arrangements at a local level to tackle anti-social behaviour and improve the quality of the local environment should, by engaging local people in process, both deliver change on the ground and influence individuals' perceptions and behaviour.

One of the most important public policy challenges facing the country is the high proportion of the 16- and 17-year olds who opt out of formal training and education. One feature of this problem is a lack of engagement between employers and training providers. Also significant is the poor educational performance of children and young people in care.

Local councils have a number of roles to play in this area. They have a range of responsibilities in relation to post-16 education, including an important community leadership role. They are also major local employers and are the “corporate parent” for a significant group of young people. Councils have the scope to exploit this unique combination of roles to explore ways of tackling this issue.

Reducing high levels of re-offending, tackling the “clean and green” agenda and increasing the number of young people staying in formal education or training – these are just three of the current public policy challenges.

They have a number of things in common. There are no simple solutions to them. There is a need to experiment with new policies and interventions. What works in one place may not work in another, but there is considerable scope for learning to be shared between different places and organisations.

Three things stand out from initial thinking about what approaches could be developed to address these challenges:

- First, the importance of engagement with users, whether they be offenders, local residents or “looked after” young people;
- Second the part that inter-agency working can play in precipitating new interventions and policies;
• And third the need to create space in which risks can be taken and attention focused on dealing with difficult issues such as these.

These are three of the most important characteristics of the innovation process identified in a review of the relevant literature carried out by the Tavistock Institute.

the innovation project

If challenges such as those described above are to be addressed, new policies and strategies must be devised. In short there is a need for innovation.

Innovation is not new to local government or to other public service organisations. But efforts to drive innovation in local public services have a patchy track record. Innovation is more deeply embedded in private sector thinking. And mechanisms in the public sector for capturing the lessons of innovation and supporting, where appropriate, the replication of that innovation are not well developed.

In order to explore these issues the Tavistock Institute secured funding from the Local Government Association, the Improvement and Development Agency and the Cabinet Office for a project on innovation in public services. The aim of the project was to review the literature on innovation to identify lessons for the encouragement and replication of innovation in public services and to scope an action research approach to apply the lessons of the review to a number of current challenging policy areas. Two workshops have been held as part of the project, involving officials from central and local government, and the work has also drawn on a session on innovation at the LGA’s annual conference and an evening discussion on the topic.

This policy paper pulls together the results of that work. Also available are: a more detailed report of the literature review and a working note on action research. They can be obtained from Kari Hadjivassiliou [k.hadjivassiliou@tavinstitute.org]

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**what is innovation?**

The literature review drew on three key documents:

- A report on Innovation in the Public Sector for the Cabinet Office Strategy Unit by Geoff Mulgan and David Albury;
- A major international study of public sector innovation by Sandford Borins;
- A study of lessons on innovation from the private sector by Professor Tom Ling.

The definition of innovation used by Mulgan and Albury is a useful one:

> "Successful innovation is the creation and implementation of new processes, products services and methods of delivery which result in significant improvements in outcomes efficiency, effectiveness or quality."

The focus is on something that is “new”, capable of being “implemented” and which has a positive or beneficial impact.

It is helpful to qualify this definition with a warning note sounded by Charles Leadbeater, who observed that:

> "The process of innovation is lengthy, interactive and social; many people with different talents, skills and resources have to come together."

In other words, it is not easy.

A number a ways of classifying innovation feature in the literature which can help to generate an understanding of its application to public services. The most frequent classification is by type, for example:

- **Strategy/policy**: for example, new missions, objectives, strategies and rationales;
- **Service/product**: such as changes in the features and design of products and services;
- **Delivery**: new or altered ways of delivering services or interacting with clients;
- **Process**: such as new internal procedures, policies and organisational forms;
- **System interaction**: for example new or improved ways of interacting with other actors and knowledge bases or changes in governance.

It is also possible to identify trends in public sector innovation, such as:

- Organisational structure;
- Partnerships;
- Horizontal integration;
• Devolution and decentralisation;
• Client-centred service improvement;
• New business processes.

Another, and potentially important, approach to categorising innovation relates to its different levels. The most commonly accepted categorisation ranges from incremental, to radical, to transformative innovation. Christensen and Laergreid (2001) make particularly useful distinction between:

• *Disruptive innovation*, which involves organisations adopting a new performance strategy as a result of a new product, service or process. An example is the invention of the mobile telephone.
• *Sustaining innovation*, in which organisations continue along an established trajectory by improving the performance of existing products, services or processes. An example is the development of smaller, longer-lasting batteries for mobile telephones.

The work undertaken during the course of this project suggests that public sector organisations such as local councils are far better at sustaining innovation than they are at disruptive innovation. Good councils have a track record of continuous improvement, but examples of the development of new services or products are more scarce. If one takes the view that public policy challenges such as high levels of re-offending require radical new approaches then thought needs to be given as to how disruptive innovation can be fostered in the public sector.

**how can innovation be fostered?**

There is an extensive literature on the factors which can foster and act as a barrier to innovation. A multiplicity of lists and boxes of points exist, some of which are reproduced in the full report on the literature review. It is possible however to identify 5 of the most important sets of issues.

First, the culture of an organisation. A culture of innovation must be supported from the top. Champions of innovation can play a critically important role, but innovation must also be seen as everybody’s responsibility, drawing on ideas, skills and experience from all levels in an organisation.

Second, the importance of “getting out”. Innovative organisations are likely to learn from the external environment, through initiatives such as benchmarking and direct contacts with other organisations. Cross boundary and multi-agency working can also be an important source of innovation.

Third, the constraints of short-termism. Day-to-day delivery pressures and the demands imposed by running organisations can significantly curtail the time and energy available to think about doing things differently. Space must be created for innovation, both in terms of the availability of time to think and the existence of “safe” places, such as pilots, to experiment. There also needs to be a mechanism for rewarding innovation.
Fourth, engagement is crucially important. Users, staff and stakeholders can all be a source of innovation. Organisations which engage effectively with these groups are likely to be more innovative than those which do not. Diversity of staff, in terms of background, can help organisations to think differently.

Fifth, a risk averse culture can smother innovation. The management of risk is always difficult, but doubly so in relation to public services. Real time evaluation and a willingness to close down failing programmes are crucial to securing the right balance. High quality evaluation is also needed to avoid the tyranny of good practice – the notion that because something works well in one place, it will work equally well elsewhere.

When applied to public sector organisations, including local government, there are a number of distinctive features to these issues. They include:

- The role of politicians in terms of both creating a culture of innovation and the handling of risk and “honourable” failure;
- The potentially overwhelming nature of the delivery pressures faced by councils, which can be reinforced by top-down targets;
- The impact on innovation of inspection, assessment and regulation, together with the “blame and name” approach adopted by inquiries and investigations into service “failures”.

One feature of successful innovation stands out over and above all others – engagement with staff and users. Charles Leadbeater, for example, refers to the fact that many features of computer games are generated by the users themselves. As he said: “If only 1 per cent of the one million players of a computer game generate new ideas, the game has a development workforce of 10,000 people. What would it take for us to redesign education policy so that 1 per cent of the millions of children in British schools saw themselves as co—developers of learning, doing for education what many willingly do for computer games?”

**what are the lessons from the private sector?**

Much of the literature suggests that the incentives to innovate in the private sector are stronger than in the public sector. In the private sector the pressure is to cut costs, improve market share, and create better value or quality products and services. In the public sector innovation is not seen as a crucial determinant of an organisation’s survival – in short, the incentive to innovate has been low and the risks associated with doing so high.

This study has not sought to test the validity of those perceptions. But one thing is beyond doubt: the literature on innovation in the private sector is far more extensive than that on innovation in the public sector, and one aspect of this project has been an attempt to identify what lessons there are from that literature for the public sector. In doing so, we have drawn in particular on the Ling’s work.
Ling draws four conclusions on lessons that can be learnt from the private sector:

- Successful innovation demands a variety of competencies at all stages of the innovation cycle;
- A single successful innovation does not indicate that all the right processes have been put in place;
- Innovation in the private sector relies on heavy investment in understanding customers’ needs and suppliers’ experiences;
- The dissemination of innovation must be more effectively managed to ensure that lessons are learnt and more widely disseminated.

Note yet another reference to user (or customer) needs.

**how can innovation be replicated?**

If user, customer and staff engagement is one key headline to emerge from this study, a second is the importance of looking beyond the confines of a single organisation. How innovation is replicated, how knowledge if transferred from one organisation to another is crucially important.

Professor Louise Fitzgerald has drawn conclusions on this topic from an extensive study of innovation in health care. She presented her conclusions to a seminar jointly organised by the Tavistock Institute and the LGA which took place while this study was underway.

In a conclusion which mirrors Ling’s findings Fitzgerald warns against a one-size-fits all approach to replication. Ling talks of attempts to replicate based on shallow learning running the risk of failure, while Fitzgerald stresses that a good understanding of the particular context is critically important. She adds that the transfer of ideas and practices from one context to another will always involve “customisation”.

A significant conclusion from the work of Fitzgerald and her colleagues is that robust evidence on the impact of a particular piece of innovation is important, but is not sufficient to secure its wider implementation. She refers to the important role played by what she calls “opinion leaders” as accelerators and facilitators of knowledge transfer. The part they play can account for differential speed of adoption, particularly in relation to the translation of thinking to a local level, where consistency, persistence and facilitative skills are crucially important.

Fitzgerald identifies boundaries of various types as being significant factors in making knowledge “sticky”, in slowing down the rate of replication. The boundaries she has in mind are spatial, organisational, inter-organisational and professional as well as boundaries between communities of practice. But cross-boundary work has also been identified as a spur to innovation in the first place.
Looking more widely at replication in public sector innovation, Mulgan and Albury identified the following factors as being important:

- Recognition by peers can be a significant motivator for innovation in the public sector, but financial incentives are more important for organisations;
- Innovation often occurs in highly differentiated organisational and local contexts; standardisation, including the universalisation of “best” practice reduces the ability of organisations to innovate;
- Clear and transparent measurement systems and yardsticks for assessing the success of innovations are critical to evaluating what works and creating cultures of learning.

Mulgan and Albury reach three further conclusions about the process of analysing and learning from innovation. They are that:

- Real time learning through formative and summative evaluation is extremely important in order to avoid producing findings in a timescale that is not responsive to immediate delivery or political pressures;
- Networks of peers play a critical role in learning from and supporting continuous improvement;
- Processes and mechanisms need to be in place to analyse, evaluate and learn about innovation more generally in order to support understanding of innovation across the public sector.

The action research framework suggested in the next section of this paper is designed to meet these needs.

**What is action research?**

In essence action research is a collaborative effort involving a research team and a client system to evaluate the impact of a particular policy or intervention and use the knowledge obtained to both influence the implementation process and to contribute to learning more widely. An important characteristic is the close relationship between knowledge and action, where the latter can be used to validate the results of the learning process.

Other features of an action research approach which are relevant to this project include:

- It aims to contribute to the practical concerns of people in “real time”;
- It involves a cyclical process of data feedback, comprising both action taking and evaluating;
- It involves collaboration between action researcher and client system;
- It can enhance the competencies of the respective actors;
- It generates knowledge which is used, tested, and modified in the course of an action research project;
- It produces knowledge to guide practice.
An action research approach can also involve more a number of individual projects, thus providing an opportunity for an exchange of learning across and between them.

The key elements of an action research project are:

- Developing a plan for improvement;
- Implementing the plan;
- Observing and documenting the effects of the plan;
- Reflecting on the effects of the plan for further planning and action.

**engaging with research**

So, the most important drivers of innovation include engagement with users and staff, cross-boundary and multi-organisational working, and a capacity to take and manage risk. And real time learning, targeted evaluation and an understanding of different contexts are key factors in influencing the extent to which innovation is replicated (or not).

In this context an action research approach, with a focus on action, the use of knowledge to inform implementation and the scope for collaboration across a number of localities should provide a way of exploring and learning about new ways of tackling a number of pressing public policy challenges and the encouraging of innovation in public services.

The remainder of this paper scopes the focus for an action research approach in the three policy areas identified in the introduction: post-16 education and training; re-offending; and anti-social behaviour.

**the corporate parent: post-16**

Narrowing England’s skills gap by making sure that more young people stay on in education and training should be a priority for national and local government. It perpetuates a historic legacy of low adult skills and contributes to a widening gulf between the life chances of those with high educational attainment and those without.

At age 16 in England, 84% of young people remain in formal education or work-based learning; at 17 this falls to 75% and by 18 to just 52%. The UK is ranked 27th out of 30 countries for participation at age 17.

The problem is particularly acute among young people in and leaving council care. 46% of young people aged 19 in 2001-02 who were looked after by councils in their 17th year were engaged in education, training or employment. This compares with a figure of 86% for all young people aged 19.

The role of local councils in this context is potentially significant. They are the corporate parent for these children. But councils are also major employers,
and have wide-ranging responsibilities for education and training in their areas. They have a statutory role in relation to schools and a broader community leadership function in relation to further education and training more widely.

Councils are increasingly reflecting their concerns about the employment and training of young people in their policies as employers. A recent survey by the Employers Organisation, for example, showed that in winter 2004 just under 5,300 Apprentices were engaged with English local authorities, an increase of almost a quarter since winter 2000. The factors cited by councils as being most important in their decision to engage apprentices were:

- To provide young people with an opportunity to achieve recognised national qualifications;
- To provide young people with an appropriate range of skills.

A number of councils, including Tameside, Sefton and Bolton, have developed programmes specifically designed to offer training and employment opportunities within the authority to give young people leaving care work experience. Bolton, for example, provides six month work experience placements for young people in care aged 16 and over.

The multiple roles of councils in this area could provide a unique test-bed for an action research approach addressing issues relating to employment, education, parenting and the perceptions of young people themselves. Such a programme could generate learning on a number of fronts:

- The issues arising for employers when young people with low educational attainment are employed;
- The drivers and barriers to continued engagement in formal training and education as perceived by young people with low educational attainment to date;
- The issues faced by schools and colleges in seeking to maintain engagement with young people;
- The part that can be played by parents generally and the particular role of councils as corporate parent.

A programme involving a number of councils could enable the particular needs and circumstances of different ethnic groups and different types of local economy to be factored in.

**reducing re-offending**

The figures on re-offending say it all. The 136 prisons in England and Wales hold around 71,000 people. The number of prisons is rising and the Home Office is planning to build more prisons. Of those released from prison in 1997, 59% were convicted of another crime within two years and 36% were back in prison.
The first few hours after someone is released from prison are critically important. In too many cases the first contact someone leaving prison has is with a drug dealer waiting at the prison gate. Similarly there is some evidence that potential young offenders can be drawn into criminal networks through contact with adult offenders. But policy makers and support services do not know enough about how this “grooming process” operates.

One of the key lessons from the literature review – the importance of engagement with users as a driver to innovation – could form the core of an action research project in this area. A programme of engagement between councils, offenders and ex-offenders could directly inform policies and services to, for example, ensure that people leaving prison have access to support rather than abuse during their first few hours of freedom and design interventions to break the cycle which can lure vulnerable young people into crime.

At the core of the action research project would be a process of engagement between councils and people in prison and ex-offenders councils to explore issues such as:

- What could have prevented you from re-offending when you were released from prison?
- What are your current circumstances and what support do you need now?
- What was the tipping point in terms of re-offending when you were last released from prison and how could it have been prevented?

The findings, which could be obtained using ethnographic research techniques, could then be used to develop interventions which could be tested in the second phase of a research project.
Getting cleaner and greener

Over three quarters of the population think that anti-social behaviour is a problem. What is meant by the phrase varies from place to place and person to person, but often includes litter, graffiti and young people “hanging around”.

For too many people even low level incidents have a significant detrimental impact on their quality of life. The problems are most acute in “hard-pressed” urban areas. There is evidence that the ability and will of a community to deal with local problems – known as “collective efficacy” – can help to prevent crime and disorder. Policies designed to increase the level of collective efficacy in an area should have an impact on ASB.

This is a very important topic for most councils. Some are exploring the links between anti-social behaviour and alcohol abuse. Others are focusing on issues to do with perceptions of anti-social behaviour and the way in which young people are seen as being “the problem”.

This is another topic on which engagement could be the spur to innovative approaches to reducing anti-social behaviour and improving the quality of local environments. There are at least three dimensions to this, involving engagement with:

- local communities to stimulate the “collective efficacy” which can reduce the impact of anti-social behaviour;
- young people to better understand how and why, for example, graffiti takes place;
- front line staff to get a “hands-on” feel for what works in particular places and communities and what does not.

Another potential spur to innovation in this area is multi-organisational working – the police, the courts, a range of council functions and other bodies have a part to play in addressing this agenda.

Emerging policies around neighbourhood structures could provide the focus for an action research programme on this topic. The part that neighbourhood bodies could play in developing “collective efficacy” and engaging with frontline staff and young people could be tested.