What makes governments innovative?

The word ‘innovation’ is seemingly everywhere in governments. It is often seen as a way of addressing pressing public policy challenges, and governments are increasingly turning to new innovation policies and innovation ‘units’ or ‘labs’. Yet amidst all this enthusiasm for innovation, there is only limited understanding of what makes governments innovative. What factors support public sector innovation?

One way of thinking about what makes governments innovative is to focus on three different contributing factors: context, networking and leadership.

**Context**
The first is contextual factors - the basic structures and processes that either drive or hinder innovation. This could be internal influences such as budget processes or organisational structure, or external influences such as media attention, economic climate and directives from higher levels of government.

**Networking**
Second is networking - the frequency of communication with external organisations - from which public servants can draw on new information and ideas. Informal social structures, not just formal processes, can be important for innovation.

**Leadership**
Finally, another key factor contributing to the capacity to innovate is the leadership qualities and capabilities of senior civil servants. These different factors of context, networking and leadership also interact with each other. For example, certain leadership styles may affect levels of external networking, which in turn may contribute to greater innovation capacity.
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Survey data from the three city governments showed that all three of these factors mattered in perceptions of innovation. Leadership was the most important of these contributors to self-rated innovation capacity. This highlights the important role of senior individuals in creating an environment where people perceive that innovation is supported. Positive perceptions of the context were also related to having a more positive view of innovation capacity. Interestingly however, while we might assume that external networks are crucial for innovation capacity, the findings of this study show frequency of networking to be a weaker determinant of perceived innovation capacity. It is important to note though that while the survey captured frequency of contact with external networks, the quality of these is better studied by other measures.

These findings about context, networking and leadership might not be generalizable beyond these European cities, and the extent to which perceptions of innovation correspond with innovative practice are not clear. Yet these findings do challenge civil servants and policy practitioners to consider which factors help to make governments more innovative, and point especially to the likely importance of leadership.

The current push for greater innovation in government needs to be grounded in a deeper understanding of what factors contribute to, or hinder, the capacity to innovate.

Full details of the study are available in Lewis, Ricard and Klijn (2017) “How innovation drivers, networking and leadership shape public sector innovation capacity” in International Review of Administrative Sciences

If you are interested in this or other research, or our partnerships, please email us on the-policy-lab@unimelb.edu.au