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OPSI

Bridging the Innovation Gap:

A collaborative workshop for Japanese public sector officials

Angela Hanson

Innovation Lead,
OECD Observatory of
Public Sector
innovation

Today's agenda

09:30 **Opening remarks**
Welcome speeches and introduction to the workshop

9:40 **Seminar and Q&A**
Trends in public sector innovation and frameworks used by OECD

10:30 **Group Activity 1**
Mapping of public sector innovation efforts in Japanese public administration

11:00 **Group Activity 2**
Enablers and barriers to public sector innovation in Japan

10:45 **Group Activity 3**
Gaps and opportunities for public sector innovation in Japan

12:00 **End of workshop**

3 components of OPSI's work

01 Uncover What's Next

02 Turning The 'New' Into The 'Normal'

03 Providing Trusted Advice

01 Uncover What's Next

Identifying new practices at the leading edge of government

Convening leaders to debate on the government of the future

Considering what these new approaches mean for the public sector and how they can be leveraged

Publications: global trends

Global Trends 2023

oe.cd/trend18

Global Trends 2019

oe.cd/trend19

Global Trends 2020

oe.cd/trend20

Global Trends 2021/22

oe.cd/trend21

Global Trends 2023

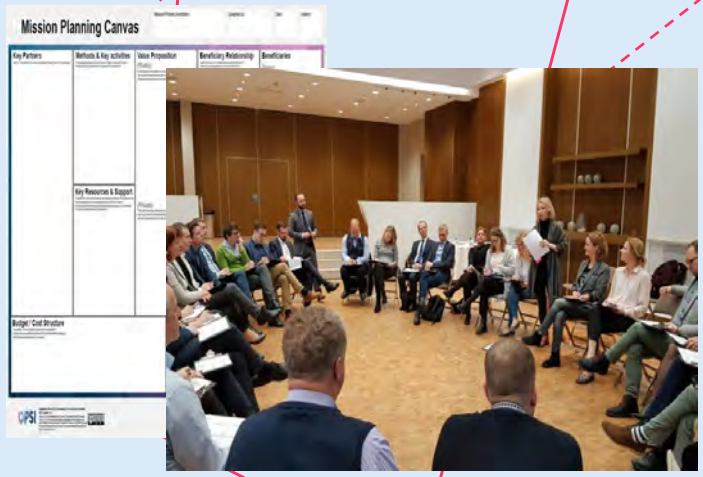
oe.cd/trend23

02 Turning The ‘New’ Into The ‘Normal

Setting up standards and principles to inspire and guide action

Investigating cutting-edge frameworks and methods to unleash creativity and innovation of public servants

Building capacity of civil servants and public sector systems to use innovative approaches



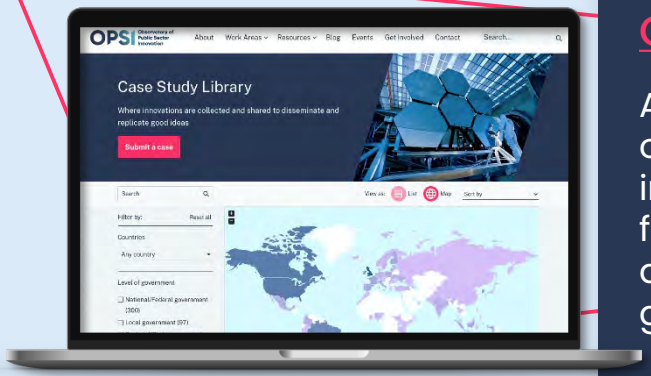
OECD Declaration on Public Sector Innovation

Adopted 22 May 2019

43 countries adhered

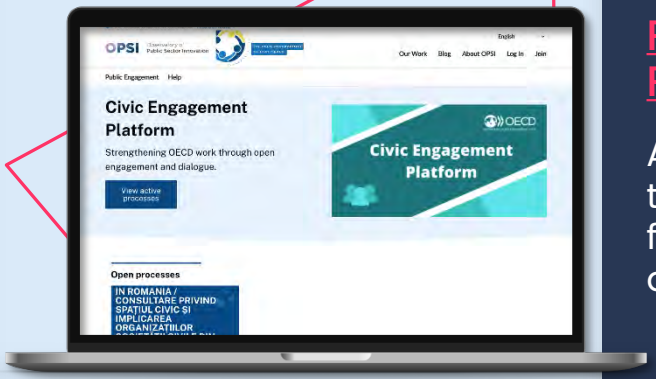
10 Language translations

Global innovation resources



Case Study Platform

A collection of hundreds of public sector innovation case studies from all around the world and all levels of government.

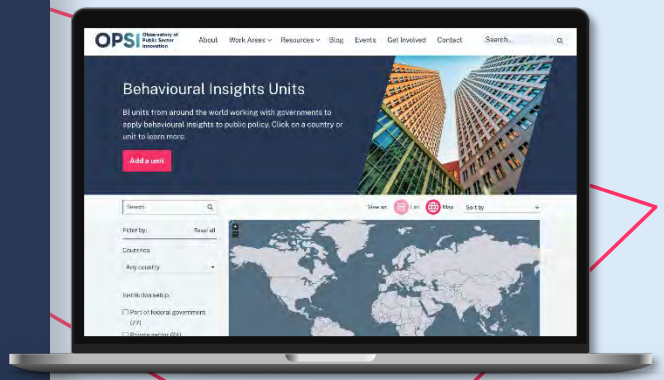


Public Engagement Platform

An easy-to-use resource to gather stakeholder's feedback and hold discussions on key topics

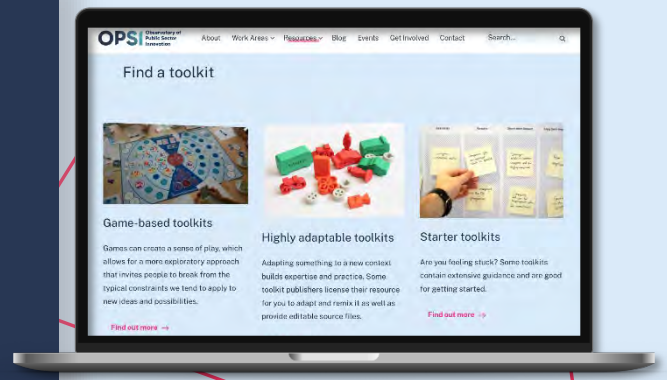
BI Knowledge Hub

An interactive world map featuring BI units as well as ongoing, completed and pre-registered projects from around the world.



Toolkit Navigator

A curated compendium of freely available toolkits for public sector innovation and transformation



03 Providing Trusted Advice

Partnering with countries to understand and strengthen innovative capacity for better outcomes

Scan

A light-touch exploration of the drivers, enablers and barriers that influence the innovative capacity of governments.

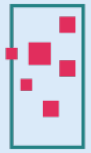
Country Study

An in-depth examination of the innovative capacity of a government including an action plan to orient short and long term efforts.

Domain or system-specific Study

An in-depth study **zooming on a specific policy domains, public administration issues** or parts of the public sector system

Our Expertise

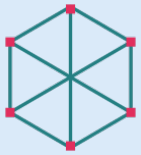


Digital Trasformation

Behavioural Science

Strategic Foresight

Mission-oriented Approaches



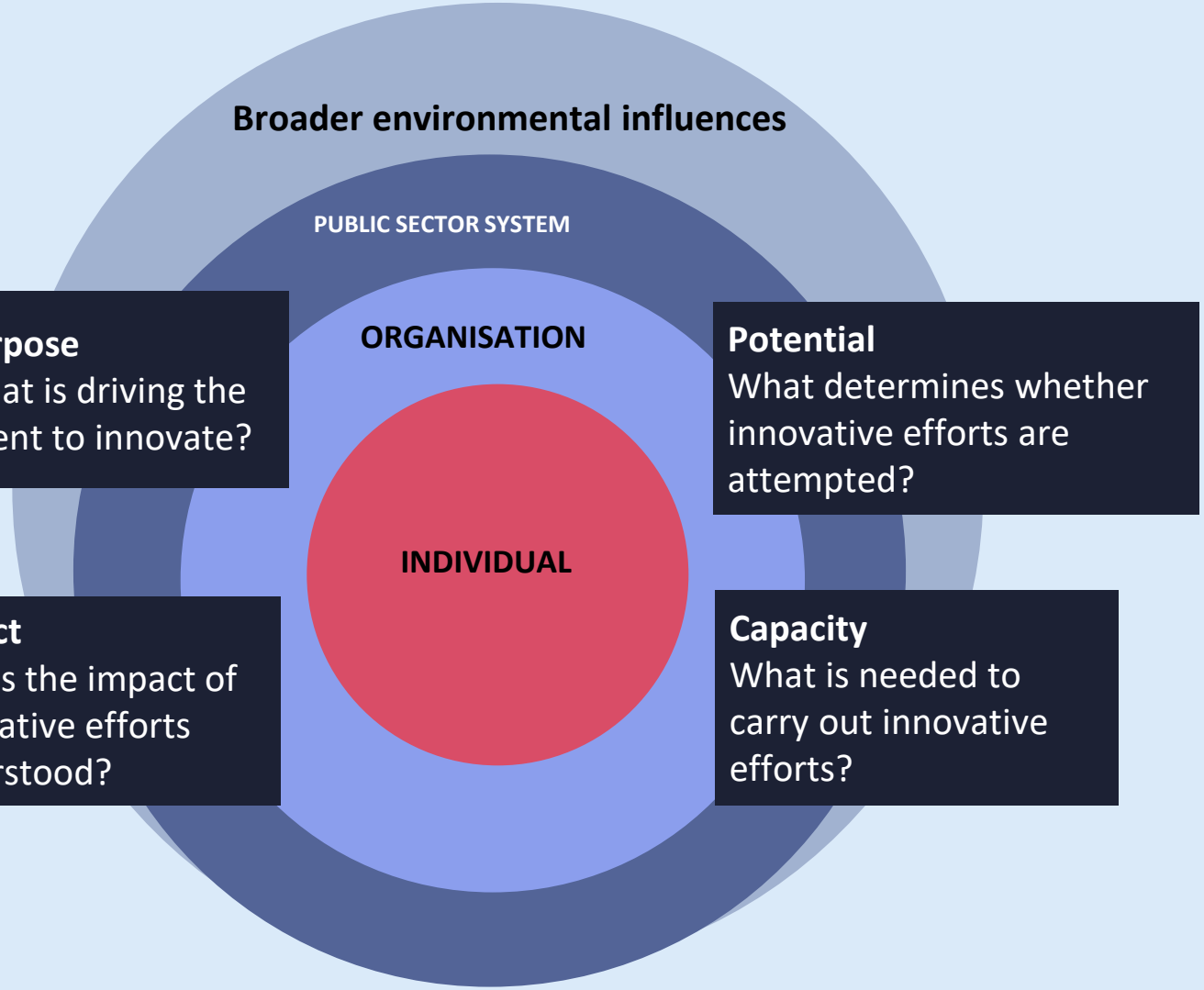
System Thinking

Innovation management

OPSI Observatory of Public Sector Innovation

INNOVATION CAPACITY FRAMEWORK : EMBEDDING INNOVATION SYSTEMICALLY

Today we will focus here

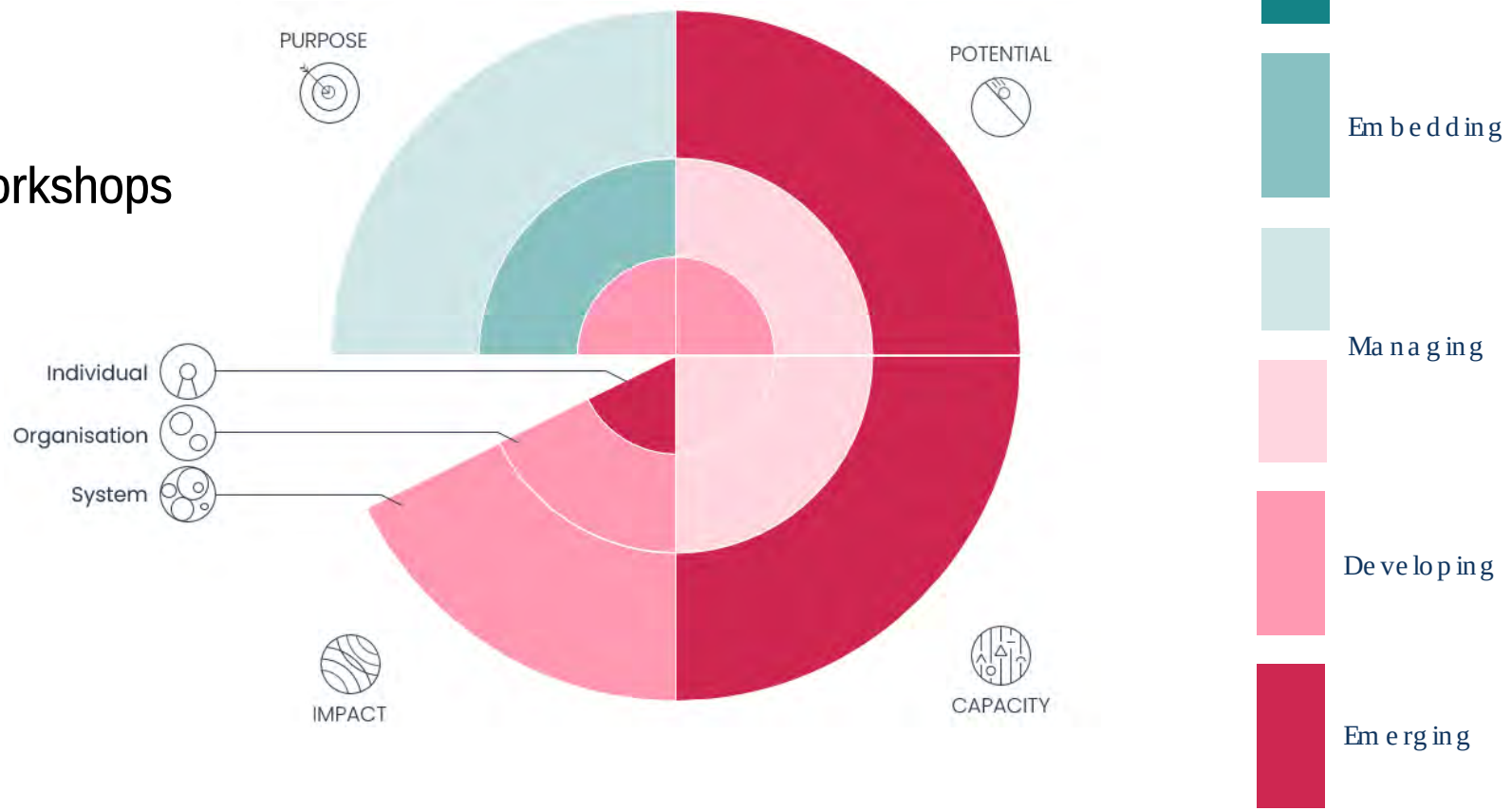


And here

Component on public sector innovation capacity scan

EXAMPLE: Latvia

- ✓ **Literature review** of government strategies
- ✓ **Survey** at National Level: **1628** responses
- ✓ **Interviews and Focus Groups:** Technical areas, executive, innovation community, policy professionals
- ✓ **Validation workshops**
- ✓ **Systems shifts & direction setting workshops**



Publications: anticipation and foresight

Short brief

oe.cd/AIG-brief

Full working paper

oe.cd/il/AIG-full

Ireland

oe.cd/sfIRE

Finland

oe.cd/aigFIN

Slovenia

oe.cd/talentSLO

The frequent question: What is innovation?

3 criteria defining innovation

Which is the most important criteria for your own work?

Implemented

New to the context

Impacts/shifts public values

Unique to the public sector

Private sector impacts

Revenues
Operating Costs
Productivity
Customer delight
Brand reputation
Product and Service Innovation
Employee Engagement
Structural Performance
Legal & Regulatory Compliance
Business Continuity

=

Ultimate bottom line

Profit
Market share

Source: Chris Potts, 2019

Public sector impacts and bottom lines

Public interest
Social cohesion
Human dignity
Voice of the future
Regime stability
Democracy
Will of the people
Collective choice
Local governance
Citizen involvement
Accountability
Responsiveness
Openness
Listening to the public opinion

Protection of individuals rights
Equal treatment
Rule of law
Access to justice
Reasonableness
Fairness
Timeliness
Effectiveness
Efficiency
Civil servant
- Professionalism
- Moral standards
- Ethical consciousness
- Integrity

Advocacy-neutrality
Balance of interests
Competitiveness-cooperativeness
Stakeholder value
Citizen privacy
Administrative
- Adaptability
- Administrative stability
- Administrative reliability
- Administrative timeliness
- Enthusiasm for innovation
- Risk readiness

Self-development of employees
Good working environment

Adapted from Jorgensen and Bozeman 2007, 360-361.

Example: **Values at stake in refugee policy** (a public value scorecard)

Level of evaluation	Utilitarian "good"	The fair and just
Evaluated at individual level of experience	• Refugees feel safe • Refugees are satisfied about their treatment and living conditions • Material conditions of refugees improved	• Refugees feel rights conferred and obligations imposed on them are just and fair in interim processing period (limbo) and afterwards
Evaluated at collective level of experience	• Internal security maintained • Financial costs to government kept low • Refugees successful and integrated into the economic, social, and political system	• Ultimate status of refugees in society is consistent with ideas of justice and right relationships among different individuals in society

Adapted from Geuijen et al. 2017.

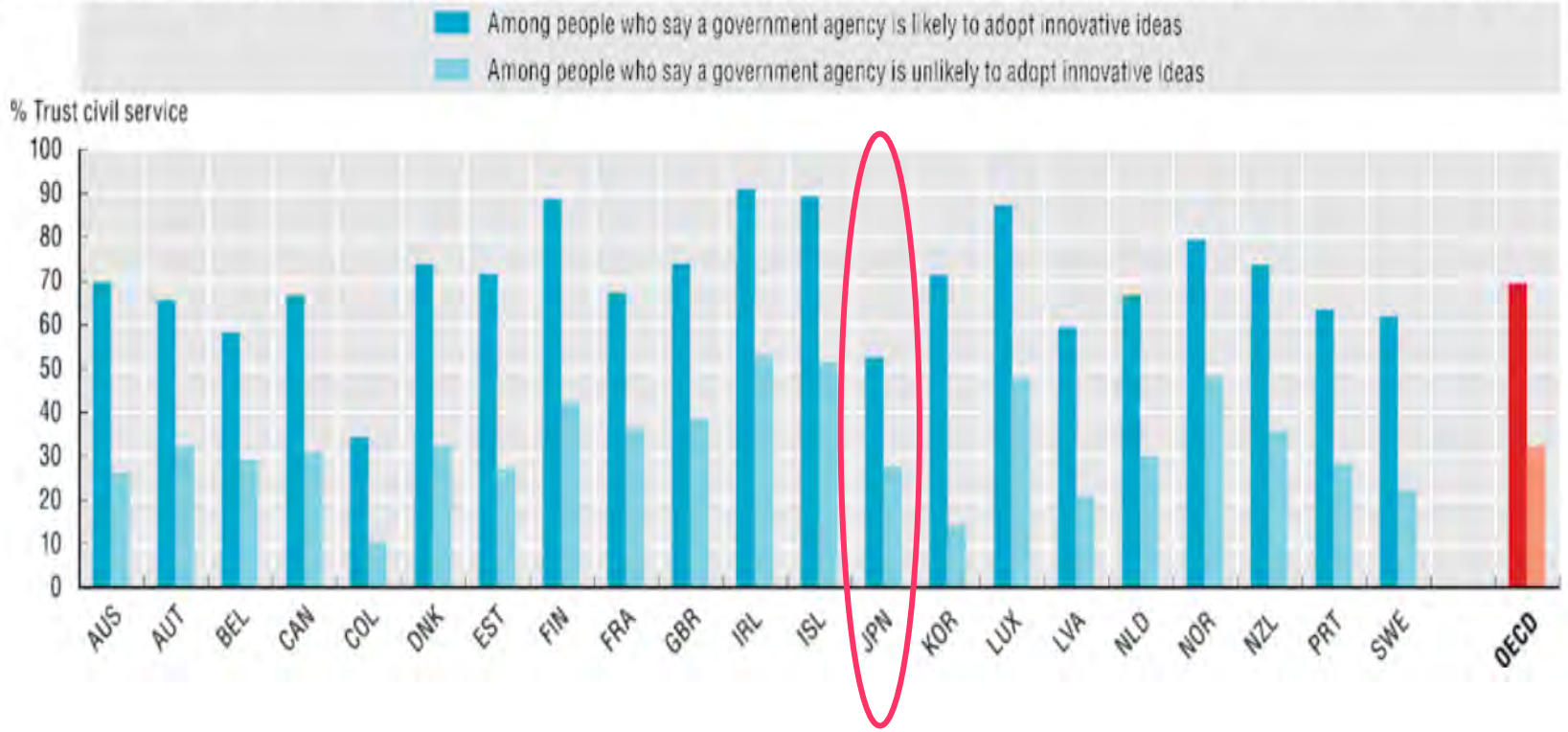
Without an entrepreneurial profit motive, what drives innovation in the public sector?

Unfortunately, it is easier to detect when it is underdeveloped.

Innovation as a **catalyst** for **reinforcing trust** in public institutions

2.6. **Trust in the civil service and perceptions of government innovativeness, 2021**

Share of respondents who indicate high or moderately high trust in the civil service, sorted by their perception that a government agency would or would not adopt an innovative idea



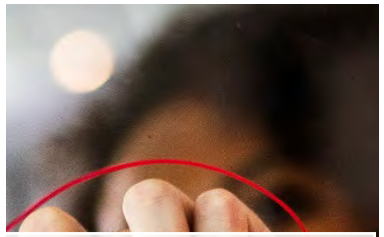
Source: OECD Trust Survey, 2022

The public sector has **always innovated**, usually in response to **crises**, and with **pitfalls**

ORGANIC INNOVATION

Innovation is encouraged but still ad-hoc and uncoordinated across multiple groups or silos

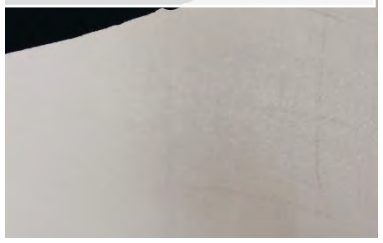
HERO MENTALITY



Innovation units or individuals take a “go-alone” approach, struggling to leverage the wider ecosystem and sustain momentum.

ART OVER SCIENCE

Overemphasis on idea generation and creativity rather than the discipline of systematically scaling functional solutions



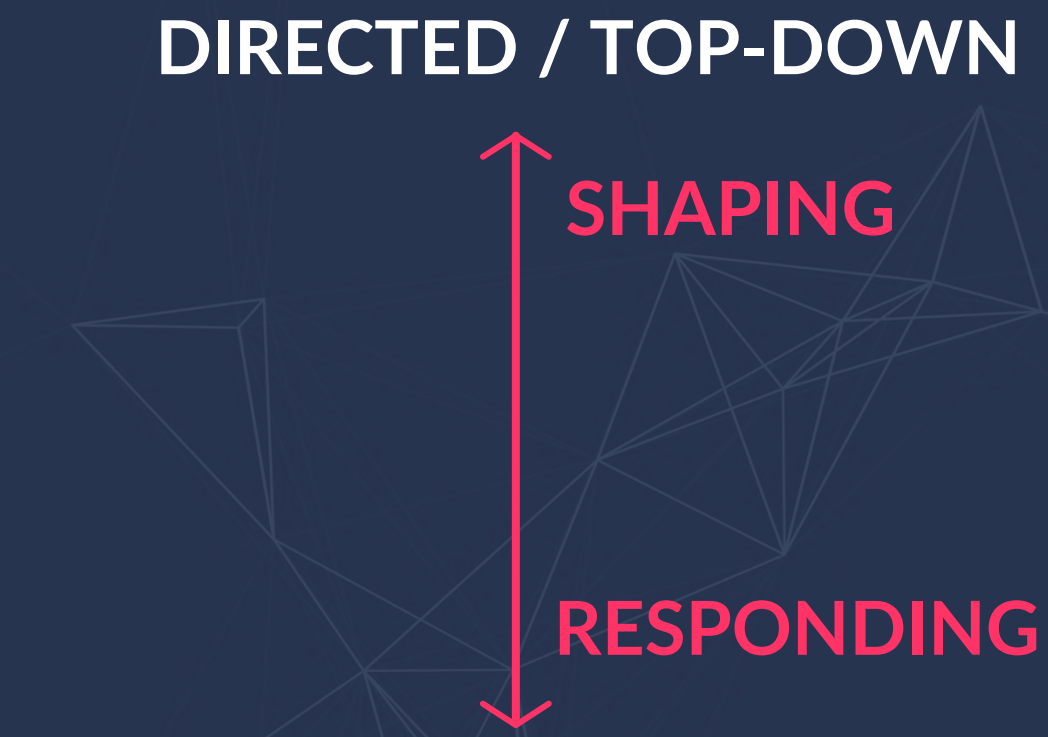
DISTRACTED BY SHINY OBJECTS

Overemphasis on technology or product innovation rather than looking at more diverse types of innovation

STIFLING ENVIRONMENT

Public officials lack the incentives, skills or opportunities to innovate and take risks

The OPSI innovation facets model: For innovating on purpose


DIRECTED / TOP-DOWN
SHAPING
RESPONDING
UNDIRECTED / BOTTOM-UP

ENHANCING
SYSTEMS AND SERVICES

REPLACING / ELIMINATING
SYSTEMS AND SERVICES

CERTAINTY

UNCERTAINTY

EXPLOITING
INCREMENTAL

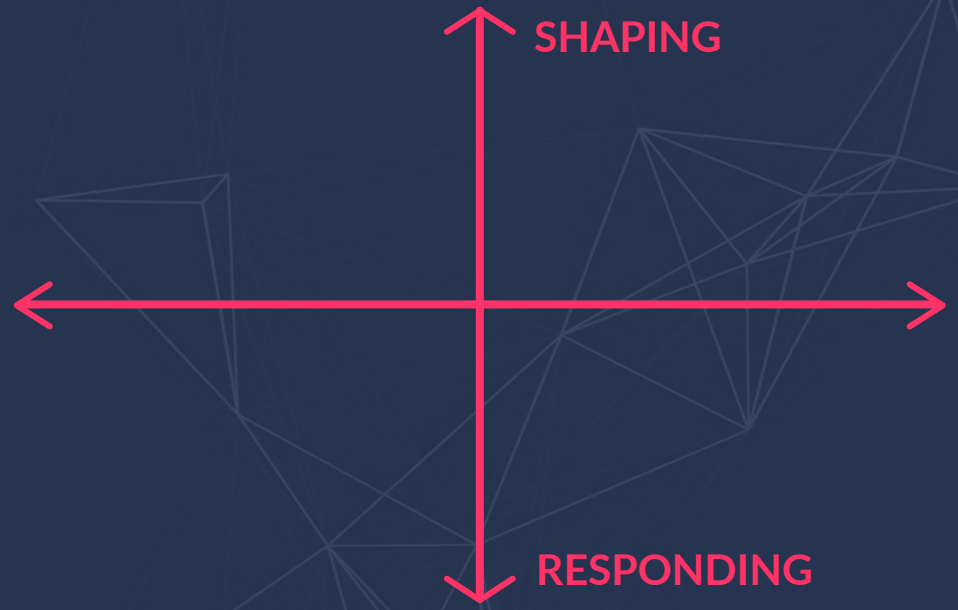
EXPLORING
RADICAL

DIRECTED / TOP-DOWN

SHAPING

CERTAINTY

EXPLOITING
INCREMENTAL



UNCERTAINTY

EXPLORING
RADICAL

RESPONDING

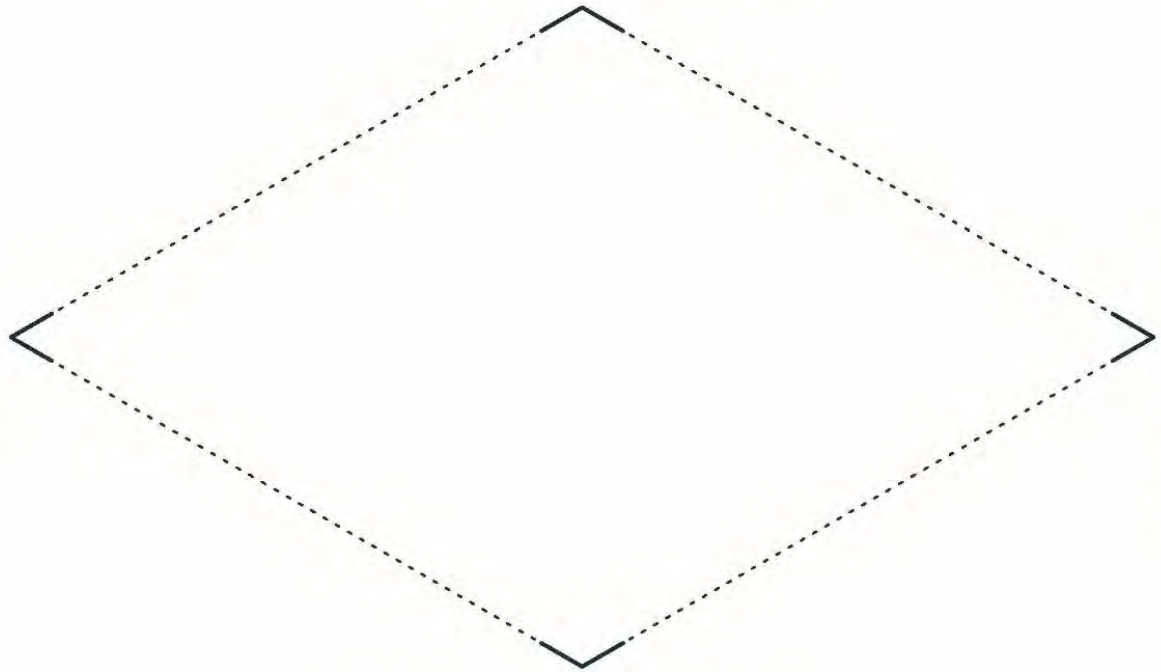
UNDIRECTED / BOTTOM-UP

How might we achieve X?

- Achieving ambitious societal goals
- Aligning activities inside of an organisation towards a common over-arching goal
- Inspiring external interest and investment in societal goals
- It can drive systemic change beyond any incentives (e.g. subsidies or grants) involved

How might we do X better?

- Cost reduction and operational efficiency
- Increased reach of government programs and services
- Reliability of services



How might emerging possibilities fundamentally change what X could or should be?

- Picking up on weak signals and engaging with them before a new course or paradigm is locked-in
- Exploration with emergent issues that might shape future priorities and future commitments
- Testing assumptions and exploring radically different possibilities
- Reduction of surprise

How might our evolved situation change how we do X?

- Develop a diverse range of choices to solve emergent challenges
- Enable those close to the problems to create effective solutions that make sense for their circumstances
- Take advantage of newly available possibilities unknown to the organisation
- Match the pace of change outside the organisation to meet changing expectations
- Build and exercise a capacity for responsiveness in services and policies

Which question is most relevant to your work?

1. How might we do X better?
2. How might we achieve X?
3. How might our evolved situation change how we do X?
4. How might the future fundamentally change what X could or should be?

The Innovator's Dilemma

Stakeholder needs

Successful organisations concentrate on what their stakeholder needs, on developments that are technologically feasible, not nurturing disruptive technologies. As such there are essential organisational dynamics that devalue disruption and potential anticipatory innovation activity.

Resistance to change

There can be a lot of resistance to change to radically new innovations inside organisations if they go directly in conflict with established practises. Usually innovations that create totally new areas of engagement are more easily adopted.

Strategic intent

Current activities invariably have bigger financial portfolios, thus, in organisational terms they outweigh new, smaller radical projects.

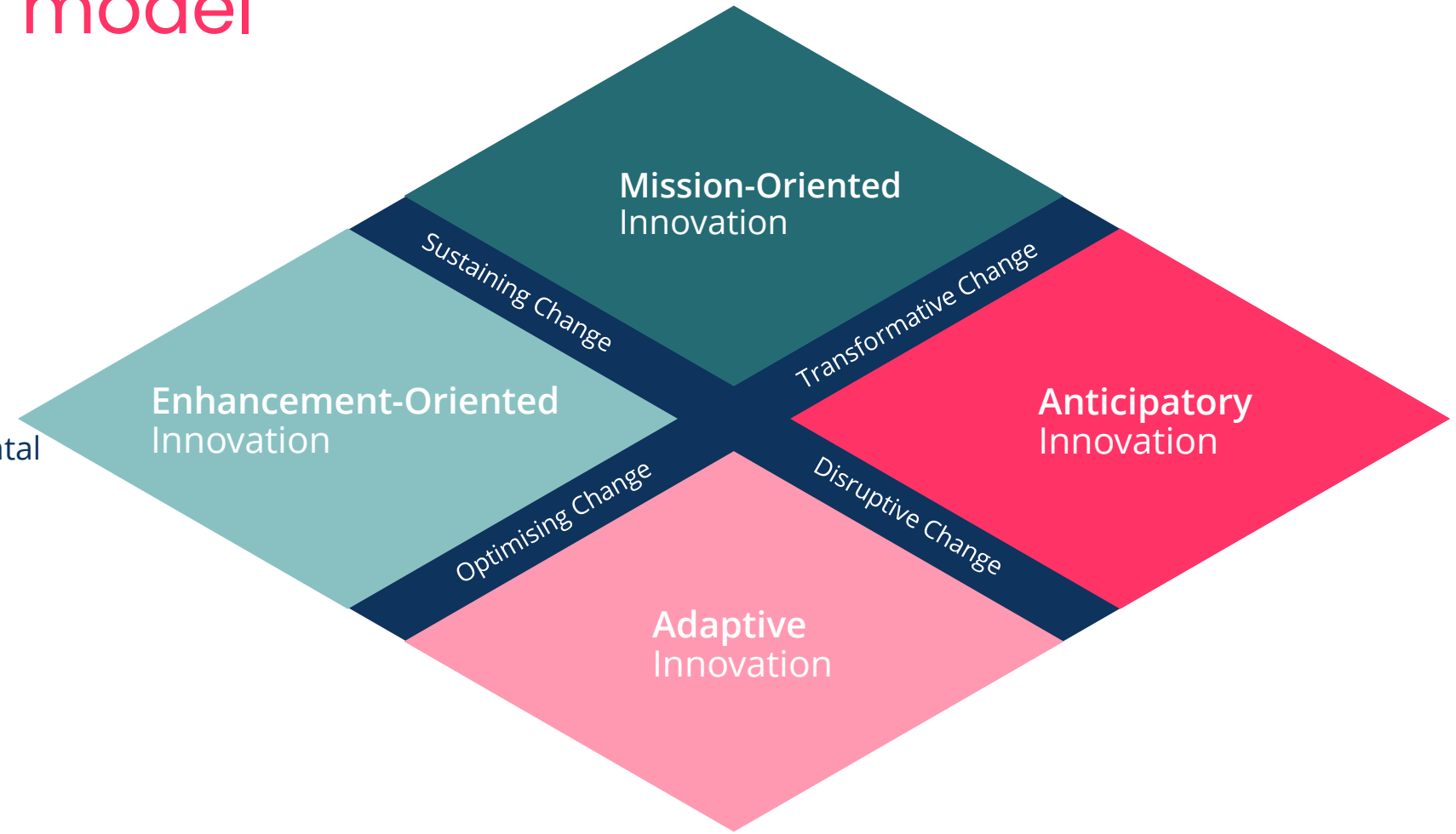
User focus

Feedback from current users and customers can steer organisations away from radically new products and services as they usually (at least initially) under perform established products and services.

OPSI innovation facet model

Directed

Shaping / Top-down



Certainty

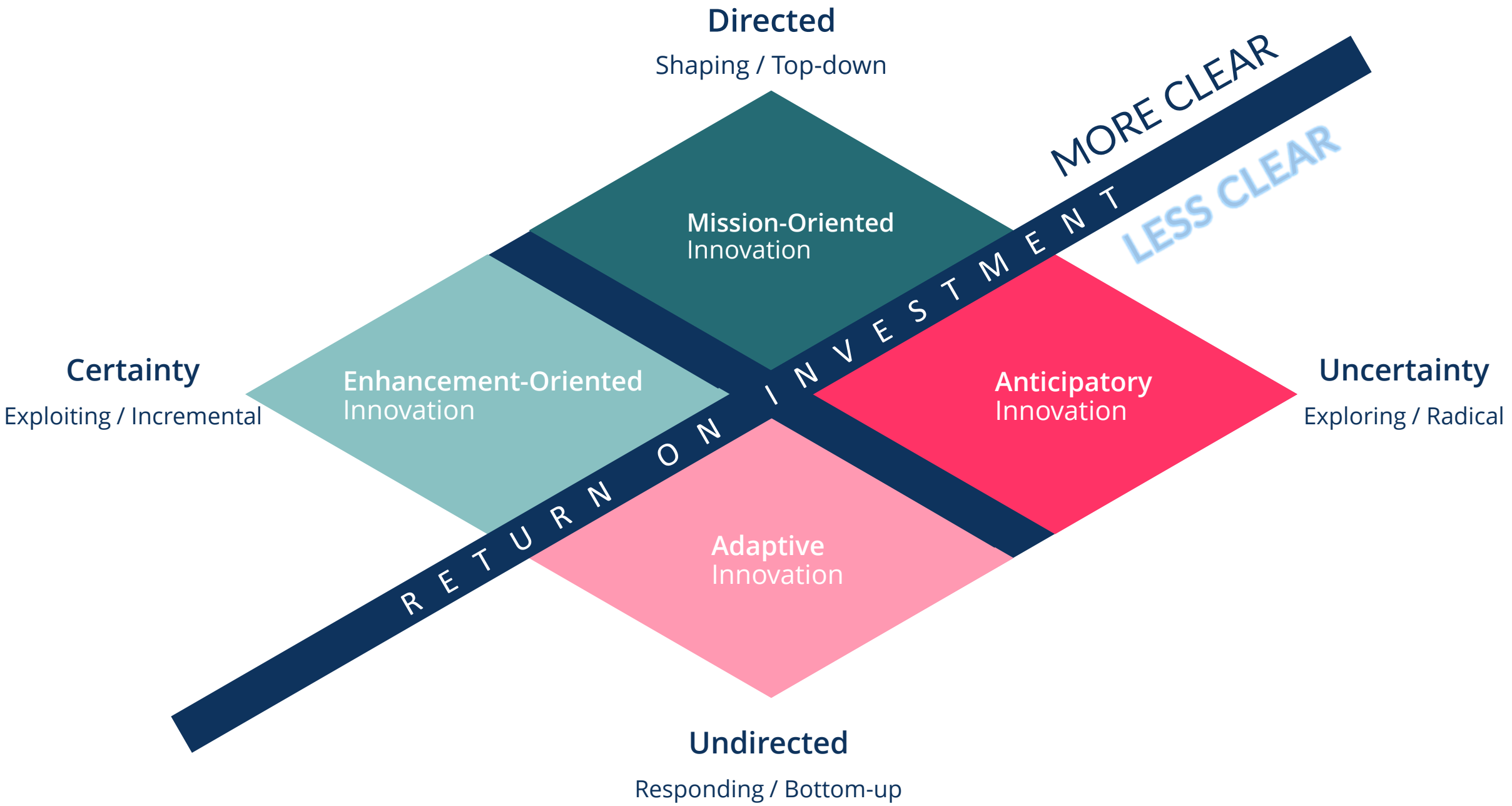
Exploiting / Incremental

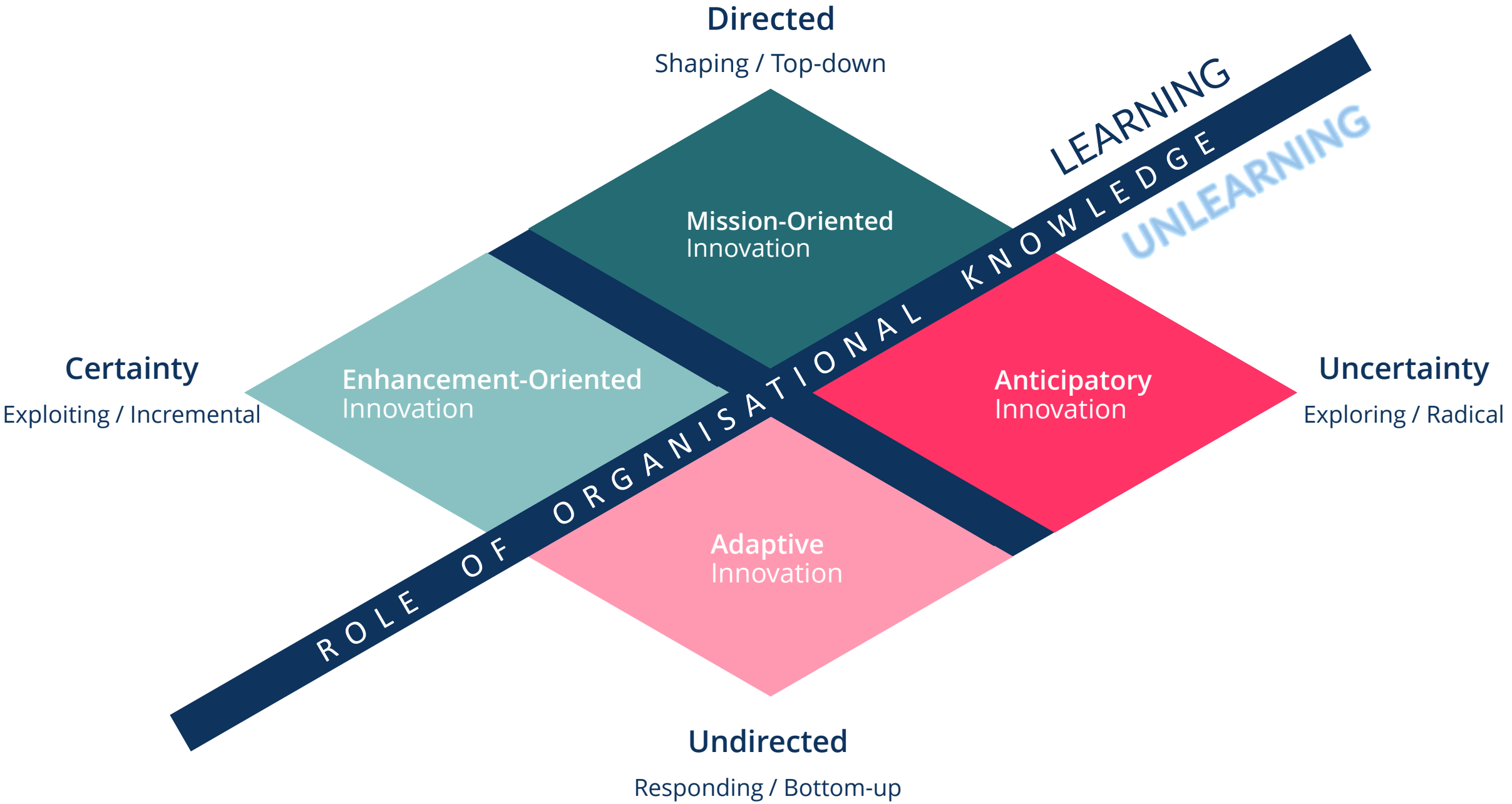
Uncertainty

Exploring / Radical

Undirected

Responding / Bottom-up

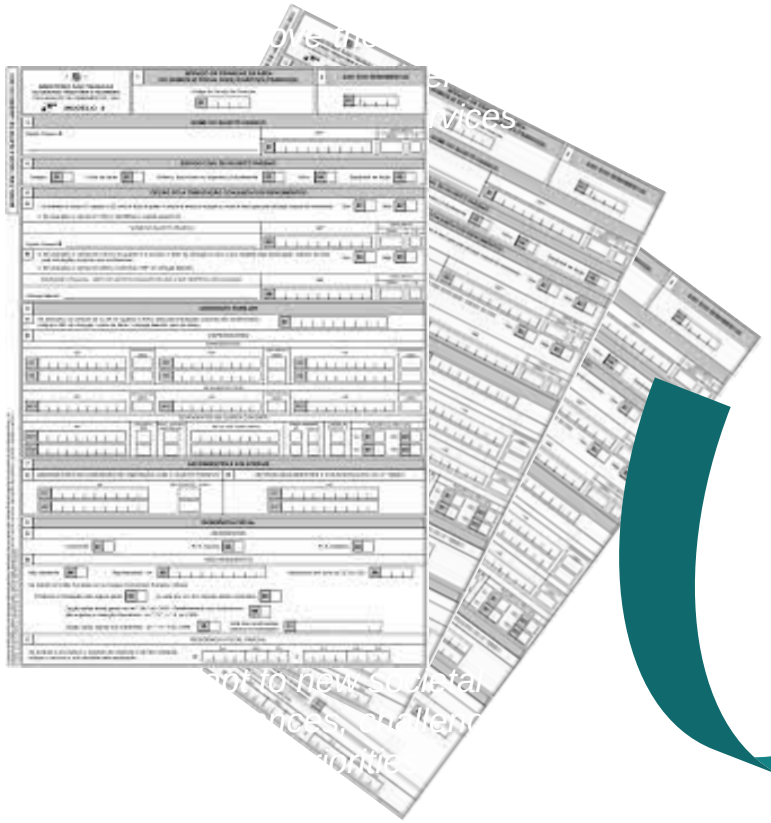

Directed
Shaping / Top-down
MORE CLEAR
LESS CLEAR
RETURN ON INVESTMENT
Mission-Oriented
Innovation
Certainty
Exploiting / Incremental
Enhancement-Oriented
Innovation
Anticipatory
Innovation
Uncertainty
Exploring / Radical
Adaptive
Innovation
Undirected
Responding / Bottom-up


Directed
Shaping / Top-down
Mission-Oriented
Innovation
LEARNING
UNLEARNING
ROLE OF ORGANISATIONAL KNOWLEDGE
Certainty
Exploiting / Incremental
Enhancement-Oriented
Innovation
Anticipatory
Innovation
Uncertainty
Exploring / Radical
Adaptive
Innovation
Undirected
Responding / Bottom-up

Enhancement Oriented Innovation

Why innovate?
Improve efficiency and effectiveness, and do things better.

Global Example:
Digitalisation and automation of tax returns (Portugal) – using Digital Identity

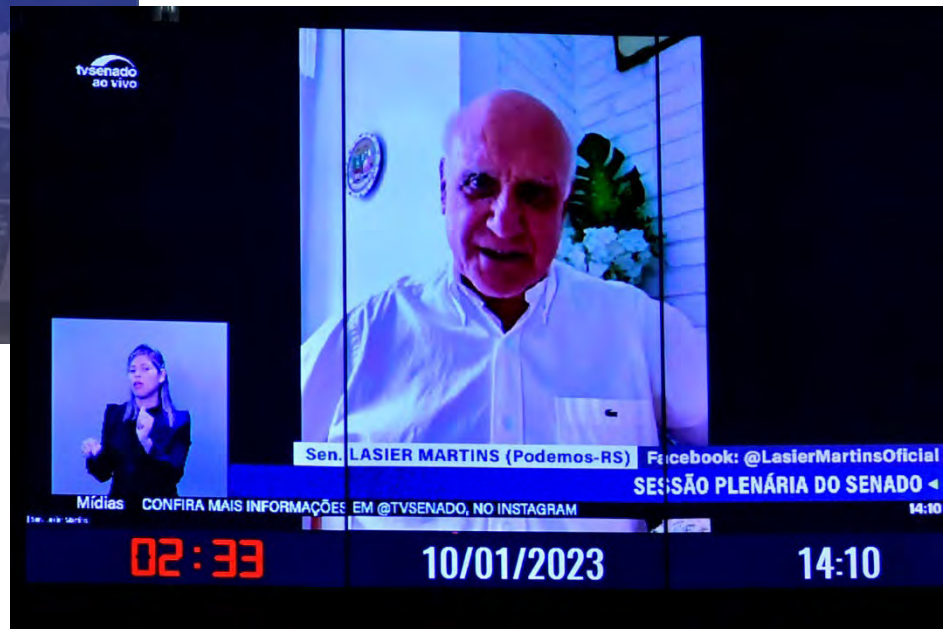


Adaptive Innovation

Why innovate?

To keep pace with changing circumstances, respond to crises and adapt to changing needs of the public.

Global Example: Brazilian Senate' virtual deliberation



Images: Senado Federal, Waldemir Barreto/Agência Senado

Mission – Oriented Innovation

Why innovate?
To tackle complex problems and challenges and achieve your countries' ambitions

Global Example: Vision Zero Cancer (Sweden)

No one should have to die of cancer

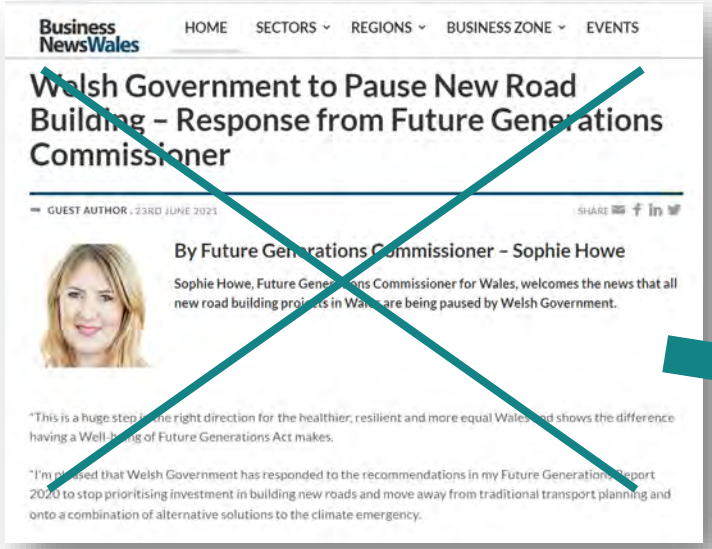
We are going to transform cancer from a deadly to a curable or chronic disease. But there is no single answer as to how. What we do know is that no one can do it on their own. And that we need to think in new ways.

Vision Zero Cancer challenges the prevailing ecosystem and connects new ones. We want to engage the whole community, from healthy citizens, patients and their families to healthcare, academia, industry and policy, to create value in Sweden and globally.

Anticipatory Innovation

Why innovate?
To steer the country towards better futures and be ready for what may come

Global Example: Wales Wellbeing of Future Generations Act and Future Generations Commissioner


Business NewsWales

HOME SECTORS REGIONS BUSINESS ZONE EVENTS

Welsh Government to Pause New Road Building – Response from Future Generations Commissioner

GUEST AUTHOR , 23RD JUNE 2021 SHARE

By Future Generations Commissioner – Sophie Howe

Sophie Howe, Future Generations Commissioner for Wales, welcomes the news that all new road building projects in Wales are being paused by Welsh Government.

"This is a huge step in the right direction for the healthier, resilient and more equal Wales and shows the difference having a Well-being of Future Generations Act makes.

"I'm pleased that Welsh Government has responded to the recommendations in my Future Generations Report 2020 to stop prioritising investment in building new roads and move away from traditional transport planning and onto a combination of alternative solutions to the climate emergency.

'A Transport System Fit for Future Generations' – Welsh Government sets out bold targets in new transport vision

'System Drafnidiaeth sy'n Addas ar gyfer Cenedlaethau'r Dyfodol – Llywodraeth Cymru yn pennu targedau uchelgeisiol yn ei gweledigaeth newydd ar gyfer trafnidiaeth

A bold pledge to increase the number of people using public transport, walking and cycling sits at the heart of the Welsh Governments bold new Transport Strategy, published on Friday.

The new strategy – the result of a major consultation over the last year - aims to encourage people out of their cars, with a new target for 45% of journeys to be by sustainable means across Wales by 2045, up from 32% currently.

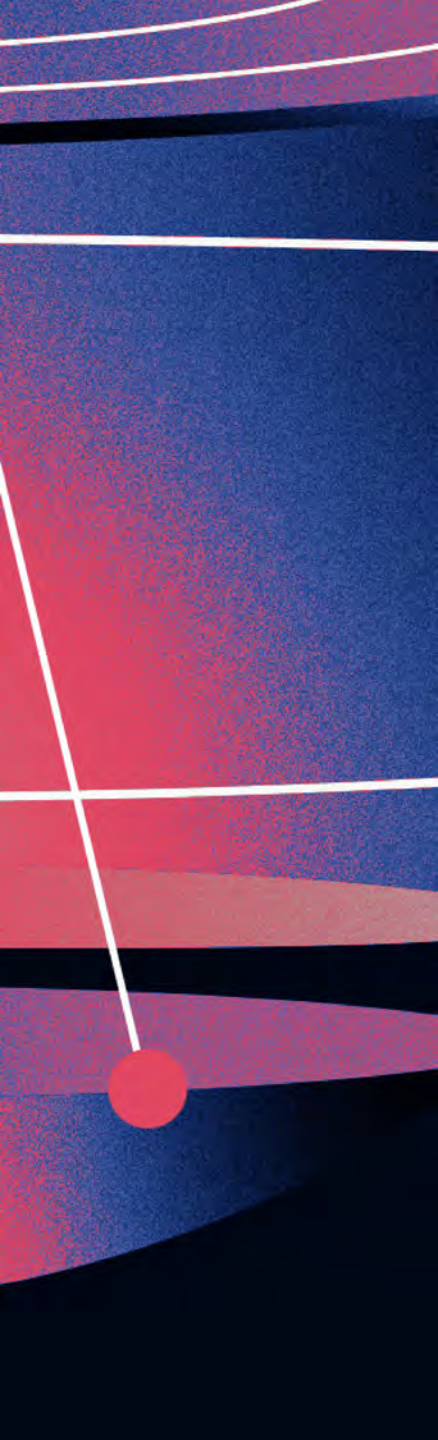
'Llwybr Newydd – New Path' commits to reducing transport emissions as part of efforts to tackle the climate emergency. Currently transport makes up 17% of Wales' carbon emissions.

The strategy comes as more than £210m is being invested across Wales in 2021/22.

More than £115m is being allocated to local authorities to spend on transport projects that will support the commitments in Llwybr Newydd.

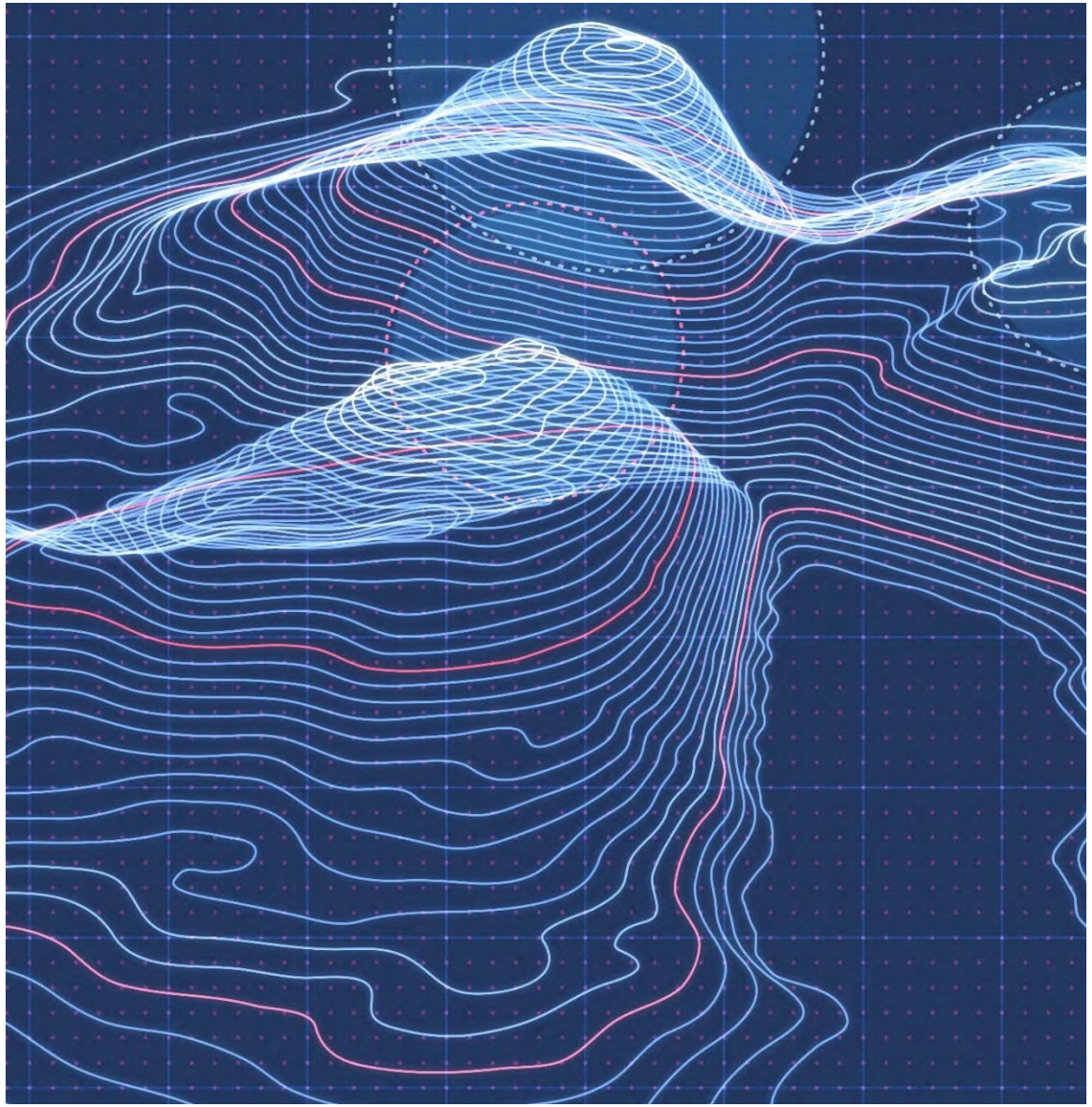
In addition, £70m is being made available to Blaenau Gwent County Council to secure the additional service between Newport and Ebbw Vale and contribute to the longer term ambition of 4 trains per hour. The funding will enable infrastructure improvements, to be taken forward alongside Network Rail and Transport for Wales.

Workshop activities



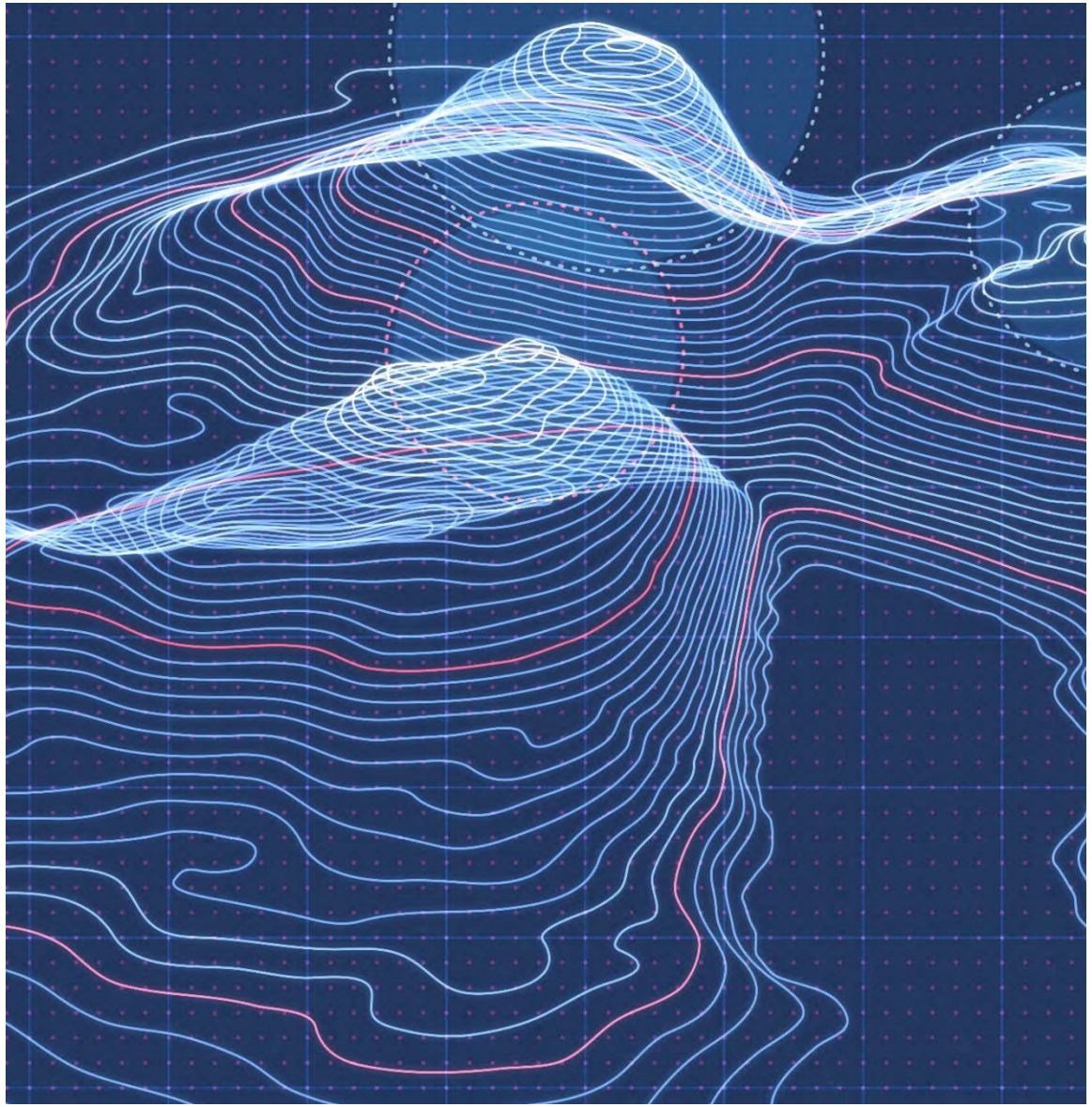
Ground rules

- Chatham House rule
  - No direct quotes of participants outside of this room
- Questions are only prompts
- You do not need to:
  - be right
  - agree
  - believe
  - cover every topic
  - say what people expect

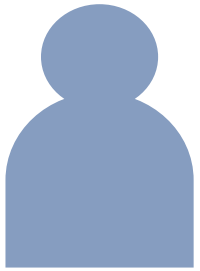


Assignment of roles

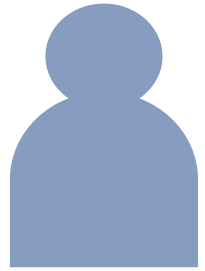
- Three people in each group will be assigned “roles” which may be different from the roles you normally have in your work
- Continue these roles throughout the workshop



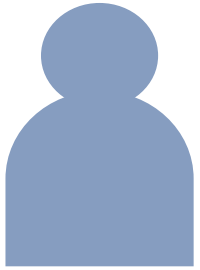
The radical : your role is to suggest completely unorthodox information, ideas, and solutions



The boundary-spanner : your role is to bring a systemic perspective, looking across the public sector

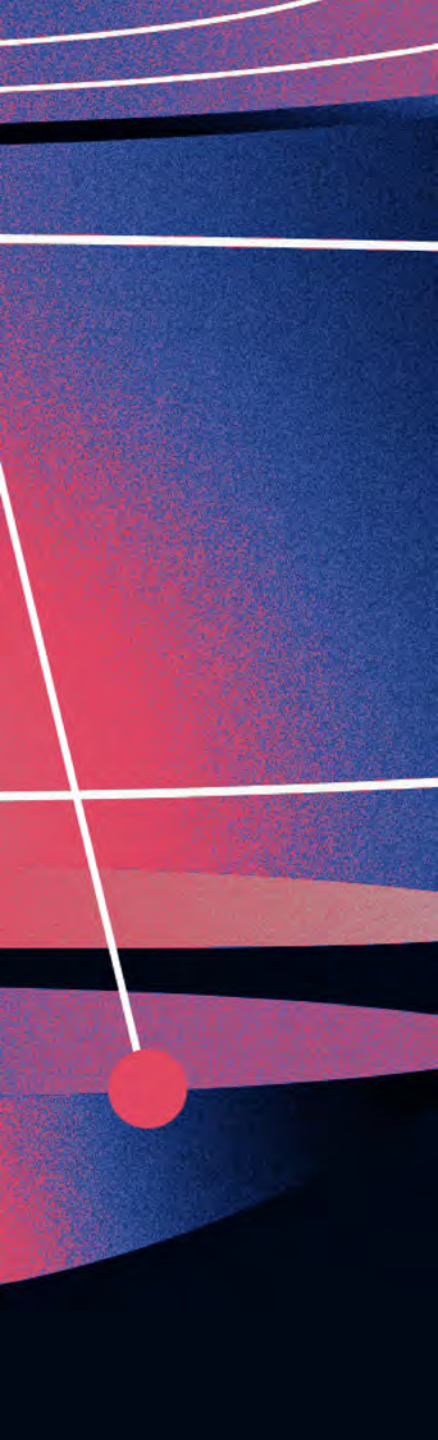


The future generations representative : your role is speak as a member of the future generation of public officials



Activity 1

Mapping Japan’s public sector innovation activities



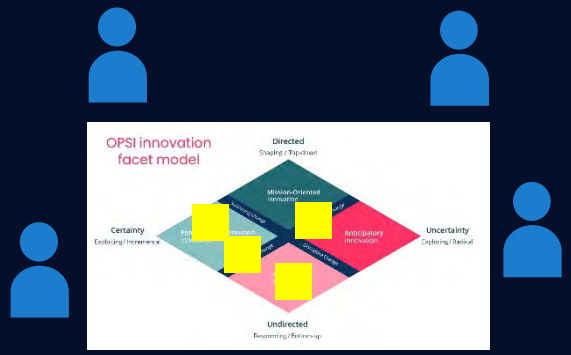
Map innovation activities in your area of work

Individually write on sticky notes

10 minutes

STEP 1:
Think of recent examples of innovation in your work or examples that you know about. Try to generate 1 per innovation facet

Map innovation activities in your area of work

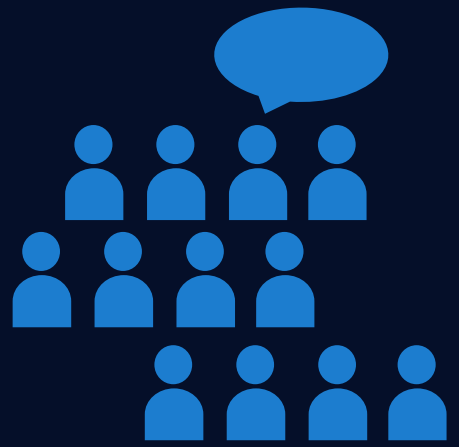


Share in groups

STEP 2:
Share with your group by adding your examples to the facet model poster where you think they fit best.
Discuss why you think so.

10 minutes

Map innovation activities in your area of work



Plenary discussion

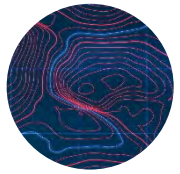
STEP 3: Discussion

What is the shape of your combined portfolio?
What was surprising?

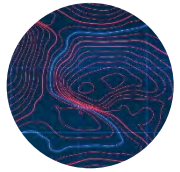
10 minutes

Innovation facet model as a portfolio analysis tool

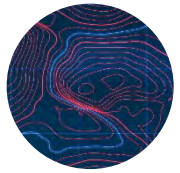
Values of innovation portfolio management



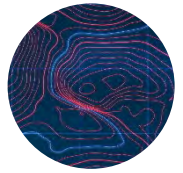
Portfolio Balance: It assists in maintaining a mix of innovation initiatives. Such a balance ensures innovation supply and diversity for whatever policy challenges might arise.



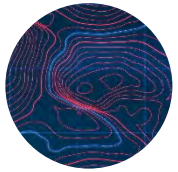
Cross-functional Collaboration: It promotes collaboration across different departments and functions, fostering a culture of innovation and breaking down silos within the organisation.



Long-term Vision and Agility: While keeping an eye on the long-term goals, it also allows organisations to be agile, adapting strategies as new information and opportunities arise.



Enhanced Decision-Making: It provides a framework for more informed decision-making. It helps leaders make better choices about which innovation projects to pursue or change.

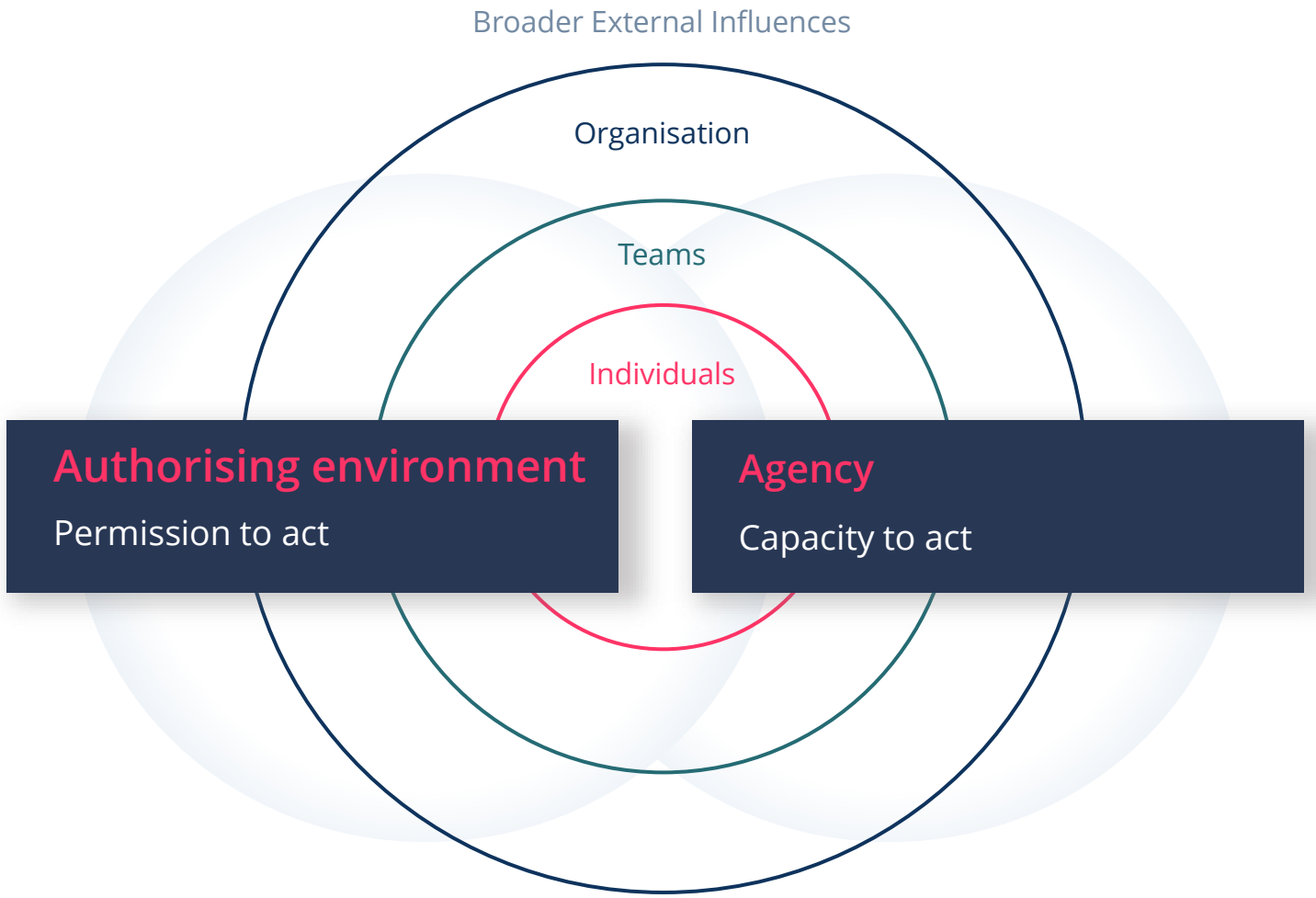


Risk Management: It helps in identifying, assessing, and creating the right risk balance, between risk to ongoing plans to risk of stagnation as the world outside government shifts.

Innovation Management Essentials

Functional processes and practices that comprise an innovation management system.

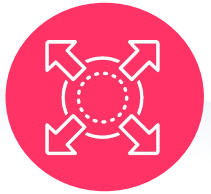
Instead of innovating for its own sake, organisations can connect that system to ***intent and purpose****.*



Innovation Management Essentials

Articulate
organisational innovation purpose that reflect long-term public value.

Extend
ecosystem and network connections, value creation and knowledge transfer.



Drive
a diverse portfolio management approach, investing in coherent and diverse innovation initiatives.

Authorising environment

Agency

Accelerate
the innovation processes for agile and effective delivery while ensuring learning and feedback.

Mobilise
people and leadership through ownership through incentives and rewards for long-term innovative and learning behaviours.

Enrich
the innovation supply, resources, tools, and opportunities for innovation.

Innovation Management Essentials

Case example

Drive
a diverse portfolio management approach, investing in coherent and diverse innovation initiatives.

Future by Lund (FBI) Innovation Platform Swedish municipality of Lund

FBL supports stakeholder dialogue about collective assets, activities and strengths of the innovation ecosystem in Lund. The initiative introduced a processes to identify common problems for collective action toward carbon reduction. It maintains a dynamic portfolio of innovation activities across multiple organisations, public and private sector.

- Over the past seven years, it has coordinated and facilitated collaborative action in areas where multiple organisations see potential but resources are thin and collaboration is essential for progress.
- Innovation portfolio management has been important to reveal evidence of the ripple effects as well as provide a long-term view.

Innovation Management Essentials

Case example

10x Investments
US Government

10x is a stage-gated internal investment program for the United States government, modeled on modern venture capital practices, that funds the exploration and development of new product ideas, sourced from civil servants, to significantly improve how the government uses technology to serve the public good.

- 10x spends the smallest possible amount of funding necessary at every stage of a project to determine whether or not it's worth pursuing.
- 10x receives 700+ of idea submissions from over 100 federal agencies.
- Funds a portfolio of products and services, including open-source tools and infrastructure, websites, research reports, playbooks, and training programs.

Accelerate
the innovation processes for agile and effective delivery while ensuring learning and feedback.

Innovation Management Essentials

Case example

Extend
ecosystem and network connections, value creation and knowledge transfer.

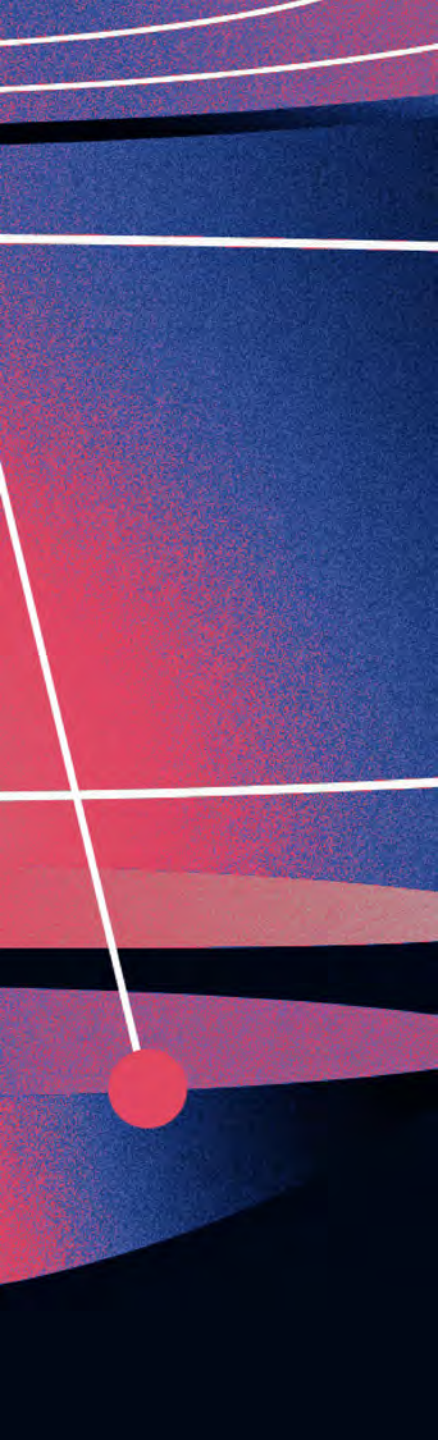
Free Agents GovCloud Model
Government of Canada

Part of the broader ambition of "Talent Cloud" - recruiting and mobilising talent in the Public Service in the digital age-, the" Free Agent" initiative allows a select group of innovative public servants to move from department to department, choosing projects that match their skills and interests. It gives talented government employees mobility, freedom of choice, and hiring managers access to a pool of pre-vetted, highly skilled civil servants.

- Overall satisfaction was very high, 90%, and the vast manager's majority would hire a Free Agent again, 84%.
- It led to positive change in the team capacity and work environment and helped teams to leverage innovation and networking.
- Challenges in balancing high-perform pressure and minimising overburden.

Activity 2

Enablers and barriers to public sector innovation in Japan



Enablers and barriers to public sector innovation in Japan

Individually write on sticky notes

10 minutes

STEP 1:
Based on your own experience, identify some enablers and barriers for each of the innovation management actions

What enables these actions?

Articulate
organisational innovation purpose that reflect long-term public value.

Extend
ecosystem and network connections, value creation and knowledge transfer.

Drive
a diverse portfolio management approach, investing in coherent and diverse innovation initiatives.

Authorising environment

Agency

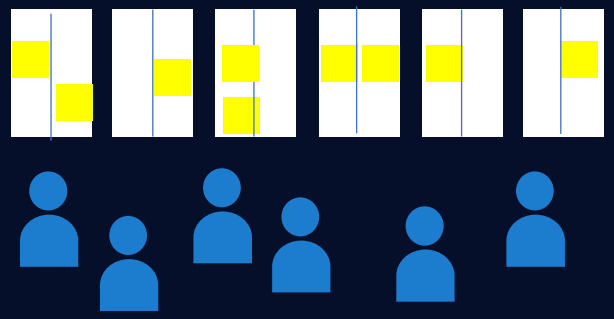
Accelerate
the innovation processes for agile and effective delivery while ensuring learning and feedback.

Mobilise
people and leadership through ownership through incentives and rewards for long-term innovative and learning behaviours.

Enrich
the innovation supply, resources, tools, and opportunities for innovation.

What are the barriers to these actions?

Enablers and barriers to public sector innovation in Japan



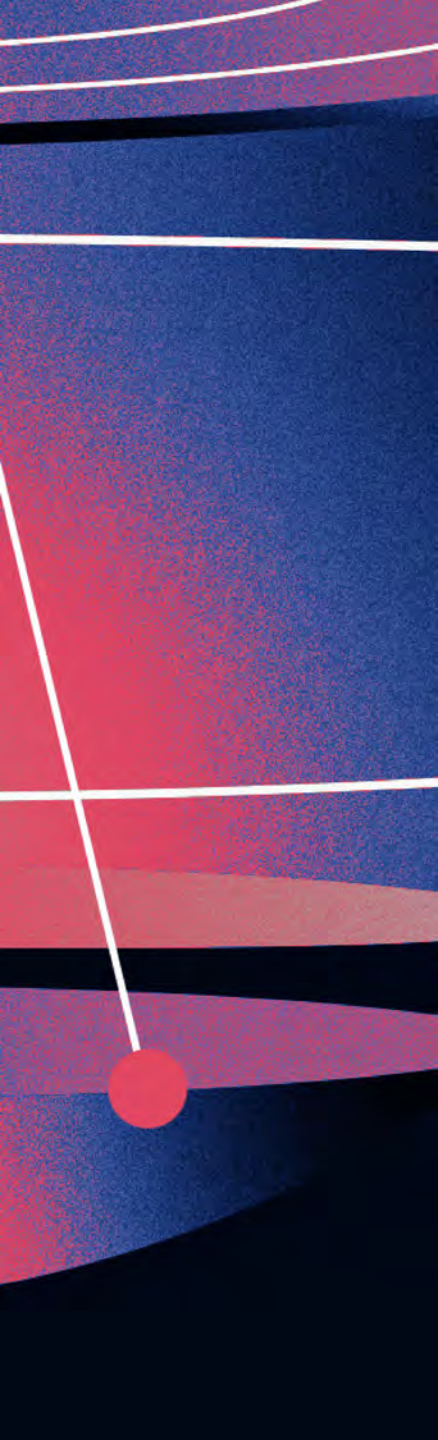
Add your notes onto posters

STEP 2:
Share barriers and enablers sticky notes on posters.
Look at what others have added.

10 minutes

Activity 3

Gaps and opportunities for public sector innovation in Japan



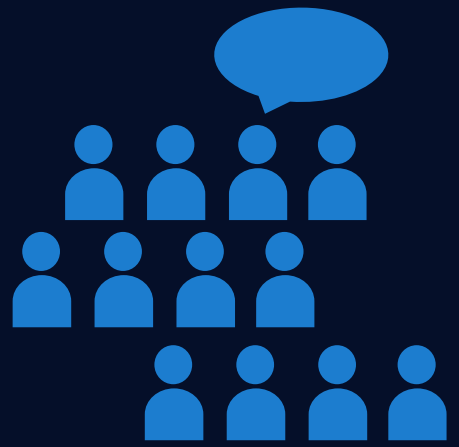
Gaps and opportunities for public sector innovation in Japan

Discuss in groups, taking notes

10 minutes

STEP 1:
In your group, assign a note-taker. Based on the last activity, discuss and write at least three each: 1) gaps and 2) opportunities for public sector innovation in Japan.

Gaps and opportunities for public sector innovation in Japan



Plenary discussion

STEP 2: Discussion:

Which gaps did you identify?
Which opportunities did you identify?
Where could international experience support you?

10 minutes

OECD
BETTER POLICIES FOR BETTER LIVES

Thank you for your time, attention, and ideas

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opsi@oecd.org

Angela Hanson

[redacted]