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►► INNOVATION IN GOVERNMENT, A PATH FORWARD

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Innovation is the essence of good government. It allows governments to adapt, to improve and to develop new policies, products or services. Just as innovation drives economic growth and a higher standard of living, innovation in government helps deliver better results and create value for citizens.

Innovation in government can come in different forms.

1. It can improve an existing function or service that deepens and enhances its impact on people's lives.

For example, the Weather Bureau in the Department of Environment has, for many years, been providing Canadians from coast-to-coast with weather forecasts. As a result of innovation in weather forecasting methodology, including the introduction of super-computer capacity, this forecasting accuracy has improved considerably over the past several decades. So today, when there is no rain in the daily forecast, we can feel relatively confident the prediction will be accurate.

2. Another form of innovation is to adopt a tried-and-true idea to a new problem or challenge.

Governments are large enough in scope and size to allow them to transfer proven systems or processes to new challenges or problems.

3. Or you can develop something entirely new to achieve a specific departmental or agency goal.

This could be a new service or new policy – the possibilities are endless. This is where the public service applies an innovative idea or approach to a specific problem or issue that improves what previously was an unsatisfactory outcome.

►► Barriers to Innovation

We all know that for governments to remain relevant to citizens, they must be continually adapting to changing circumstances. Governments have had to do this for years. But given the inevitability of the exercise, why does innovation in government often seem so hard to achieve? What are the barriers to innovation that must be overcome as public servants try to apply innovative ideas and techniques to address problems that government must address? There are several.

THE FIRST AND MOST OBVIOUS BARRIER is simply the pace of change. Over the past decade, governments have been forced to adapt to a rapid acceleration in how it must deal with and address issues. It is not always easy to keep pace. For example, we all know how difficult it is to adopt new technologies in government. The

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ultimate decision-makers at the political level often see little upside to investments in these new technologies, but significant downside risk if the investment occurs and the outcome is less than optimal. Yet we know these investments must be made if government is to remain relevant and effective in serving its citizens. But, in some ways, the speed of change is itself a barrier to change. For example, with technology changing so rapidly, we fear the adoption of a new IT system will become obsolete soon after it is installed. And then what do you do?

For example, in 2009, Prime Minister Harper was persuaded to consolidate the federal government's entire basic IT infrastructure into one agency that was named Shared Services Canada. As a result, more than 7,000 IT employees, and the associated email systems, data centres and network infrastructure of more than 40 different departments and agencies, were placed in this new agency. It was no easy task. When the move was launched, there were almost 400 data centres, from the largest Canada Revenue Agency tax data centres spread out across the country to servers providing back-up data services for a few employees in an office. Currently the plan is to reduce the nearly 400 data centres to seven. This is a major innovation that will significantly reduce costs, improve data reliability and enhance cyber security. Yet with the advent of cloud computing and the creation of major data centres in North America and worldwide, how long will it be before these seven new data centres too are obsolete?

So the rapid pace of change often makes the public service reluctant to move forward with innovation in government. As a result, government is often in the position of needing to catch up.

Yet we know that governments have a solid record of innovation in spite of the barriers they face. The unfortunate reality is that government employees too often succeed in spite of, not because of, departmental policies and procedures.

THE SECOND BARRIER to innovation is that government is designed to perform reliably, not to adapt to changing circumstances. Over the last several years, there has been a plethora of new rules and regulations as budgets in governments were cut and oversight has ballooned. While the public service claims to be outcome focussed, governments often resort to input controls to fix a problem. For example, several years ago, the President of the Treasury Board felt that federal public servants were spending too much on travel. Rather than simply direct

each Deputy Head to reduce his/her travel budget by a certain percentage, elaborate rules were put in place to dictate who could travel, to what events – in fact, the rules even went so far as to define what an acceptable event was – to who could approve travel, including the Minister for major events. Travel costs have indeed been reduced. But at what cost? It's always the unintended consequences that emerge and offset any perceived benefits. Here are a few examples.

►► Unintended Consequences

There was the case of the Agriculture Canada scientist in Western Canada who was not able to get to his crop experiments in time because he had to get ADM sign-off for his travel. And the ADM happened to work in Ottawa.

With a public servant's travel authority required to be approved by the ADM, DM and yes, even the Minister in some cases, these already busy people had to hire additional staff to administer the new policy. Have these new costs been factored into the overall savings achieved by these new rules? How many other delays have public servants had to endure to perform a service or undertake an experiment?

To complicate matters, at both the federal and provincial levels, oversight bodies have sprung up to monitor every step public servants take. At the federal level, there are 13 Agents of Parliament or similar organizations who exercise an overwhelming level of oversight from official languages, to privacy, to access to information, to lobbying, to auditing.

It is very difficult for public servants to try new things, to take risks and creatively approach problem-solving when they constantly must worry about what rule they might be breaking or who is watching them. In the circumstances, public servants feel undermined or undervalued. Ultimately, we are left with governments that are hindered at a time when departmental performance demands nothing less than extraordinary and innovative measures.

One more point on rules and oversight needs to be considered. Often the allegation is made that the root cause of these barriers to innovation has been the political level of government. It was the politicians who demanded the rules be imposed. They created the oversight bodies. Some of that is true. But, before public servants

cast stones, they need to look in the mirror. In a world where the blame game flourishes, where everyone is watching every move one makes – be it the oversight bodies, the media, Minister’s offices – the public service also finds ways to protect itself. That’s natural. So the public service often resorts to a set of rules as a way to deflect criticism should it come its way. Simply put, if you followed the rules it must be someone else who is to blame.

Clearly, we need to find the right balance of rules versus rewards if we are going to create a more creative culture in our public services.

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For example, when I was Secretary to the Treasury Board, I launched a major exercise to significantly reduce the rules that Deputy Heads had to comply with in managing their departments; rules that governed such functions as procurement, human resources and financial management. A great deal of effort went into the project. And after a year of sustained work, I was able to proudly report to my DM colleagues to have reduced the more than 180 rules governing their daily management lives to less than 80. By significantly reducing these rules, I strongly believed it would give them much more freedom to take risks and adjust their management practices to foster greater innovation.

What happened? Rather than seize the opportunity to foster a more creative environment, most departments simply replaced the Treasury Board rules with their own. Nothing really changed in the end. Clearly, we need to find the right balance of rules versus rewards if we are going to create a more creative culture in our public services.

ONE FINAL BARRIER to innovation in government is leadership. Recently, Deloitte, together with the Public Policy Forum (PPF), conducted a survey of public sector executives on innovation in government. One of the key findings of the survey was on leadership.

“A critical constraint [to innovation] is leadership capacity. Simply put, there are relatively few senior management and executive level leaders in the public service with deep experience in leading successful transformation projects ... (7)”

Deloitte/PPF goes on to note that feedback suggests that this is due to a number of factors including: “a lack of public service executive development programs focussed on innovation leadership”; “a limited number of innovative projects to lead”; and “a heavy reliance on external consultants to assume project management roles” (7).

I don’t fully agree that there is a lack of public service executives who can lead large-scale transformation. If you consider the operations of government, there has been massive transformation at all levels of governments in Canada, whether it’s healthcare delivery reforms, reforms in the delivery of welfare and senior benefits, and massive changes to how we patrol our borders and airports. And public servants have also led major transformations in the administration of government. In the federal government, public service leaders consolidated the pay and pension benefit systems and the associated advisory functions for more than 400,000 public servants. Today there is one centre in Miramichi, New Brunswick for pay, and one centre in Shediac, New Brunswick for pension administration. New legacy systems were built for each function and a wide range of advisory services are now available to public servants. These services could simply not be offered by individual departments.

These reforms are massive, highly complex and of high risk. And they have largely been led by public servants.

► Tackling major policy challenges

One area where we may be seeing a lack of thought leadership is in major public policy reforms that tackle the fundamental public policy challenges we face as a nation. Issues like the aging of Canada’s population, our anemic growth in productivity, or our shrinking labour force growth. There has been much debate recently on the capacity of public servants to offer innovative solutions to these very sticky public policy issues. What has happened to our policy shops in government? The Deloitte/PPF survey of public service leaders noted:



JULIA RUDZITIS, JSGS MPA STUDENT. PHOTO CREDIT: BOEHMER PHOTOGRAPHY

“Over and over, public service leaders expressed frustration at the disconnect between the level of public discourse that is taking place and the magnitude of the challenges we face as a country. The failure to adequately and completely frame the true nature of the pressures we are under is seen as limiting the ability of leaders to move forward with innovations they feel are necessary and achievable (4).”

The report goes on to say:

“Without elected leaders initiating the necessary charge for change, public service leaders feel unable to take on sacred cows that inhibit reforms (4).”

The public service is more than capable of presenting innovative solutions to invoke the changes required. But how these new innovative approaches are developed must be done in a very different way than in the past.

It is very difficult for the public service to lead the general public or, for that matter, elected officials in the need for transformative change. What is complicating matters even more is the fact that the 24-hour news cycle and social media are shortening the time period for decision-making in governments. There is precious little time today in public policy circles for reflection, for analysis and the consideration of policy choices. And, the focus naturally becomes very short-term.

So what can be done about it?

We need to do more with our elected officials to state the case for change and build the foundation for innovation. We need to find ways to help our political masters deflect the issue of the day by reducing the insatiable appetite to engage in retail politics. We also need to support elected leaders in order to raise the level of public discourse to the challenges we face over the medium term; not tomorrow, but five and ten years from now. In the past, governments launched Royal Commissions to engage the public in some of these challenges. Green papers and white papers were issued on particular public policy matters to generate public discussion. Clearly, these options are still available today. But with the advent of the Internet and social media, there are now new collaborative tools we can employ to reach out to Canadians. Governments around the world are experimenting with these new, open dialogue tools.

Rather than seeing social media as a medium to react to and control, governments need to embrace social media by reaching

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out to Canadians with the new collaborative tools they offer. Strategies such as crowd-sourcing that are common methods used by many firms in developing new products and services must now enter the public sector domain. It's only a matter of time before citizens will come to expect this.

These new tools will allow governments to engage Canadians on difficult public policy challenges in new and yes, innovative ways. Public sector leaders must seize on these new innovations.

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» Conclusion

Canada has earned an enviable reputation as a model of public service excellence. We have some of the best public servants in the world. And it is through our collective efforts that we can overcome these barriers to innovation and continue to serve our citizens with pride and distinction. We must continue to push the boundaries of resistance. We must create the space for public servants to take risks and be creative, to embrace new ideas, and take the time to celebrate new innovations, no matter how big or small they might be.



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