Dare to Fail

a mindset shift in the public service

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A.P.J. Abdul Kalam, former President of India and one of the country’s most distinguished scientists, said that one should never be afraid to fail because F.A.I.L means “First Attempt In Learning”. Certainly, research shows that successful entrepreneurs leave a string of mistakes and failed attempts in their wake. What eventually makes them successful is that they learn from their missed attempts and apply these learnings to improvements in process until they realise their goals.

Knowing that it is okay to fail may be helpful but it is not enough. In life, most people are afraid to fail. In every corner of the world, people are conditioned to think that ‘getting it wrong’ is a bad thing. They worry about looking stupid, losing their savings or someone else’s money, or being chastised. Many cultures value only success.

How then can we learn from mistakes, replicate good projects or use case studies advantageously, if we are allowed to see only the successful components of an experiment or project? Good outcomes are often only the tip of an iceberg. Like the duck that glides gracefully across the water, there is a whole lot of paddling going on below the water line.

Unless we can explore the pitfalls, wrong turns and minor scrapes and bruises sustained along the journey of others, we are destined to repeat them.

CAPAM regularly engages its members on the topic of innovation and showcases many successful projects through its International Innovations Awards (see December 2014 issue of the CIR).

The bumps in the road can be points of discouragement or, better yet, sources of important feedback – milestones that turn projects in different directions and ultimately succeed. In this issue we are exploring the growing movement in the public service, and particularly in relation to innovation, to encourage public servants to try new systems, to think creatively and to dare to fail.

Sincerely,

Gay Hamilton
Executive Director and Chief Executive Officer
In Apollo 13, a Hollywood film about a moon mission that turned into a mission to save three astronauts trapped in a crippled space vessel, one famous line stands out: “Failure is not an option.”

The line from the acclaimed 1995 movie may be artistic licence, but the spirit of the message from mission control is relevant to any discourse on risk-taking and innovation.

Is failure an option – or acceptable outcome – in pursuit of innovation in the Public Service, where responsibility comes with the added weight of public funds?

The famous inventor Thomas Edison, who perfected the electric light bulb, said:

“If I find 10,000 ways something won’t work, I haven’t failed. I am not discouraged, because every wrong attempt discarded is another step forward.”

This is a variation on the axiom that one must always learn from one’s mistakes. But would Edison’s success rate (or wastefulness, depending on your perspective) fly with the Public Service? Would his level of risk-taking be accepted or encouraged?

If perception is reality, then perhaps not. The pervasive ingrained public service culture seems to suggest that “failure” is a dirty word.

To tolerate, or seem to be soft on, failure would suggest a blasé attitude in an achievement-centred economy. Better, then, to be safe, than sorry?

Are the preceding two paragraphs a fair assessment or a persistent stereotype? How do public officers today approach innovation; where do they draw the line between daring and foolhardiness, responsible and irresponsible?

Mr Lim Siong Guan, Head of Civil Service from 1999 to 2005, wrote in a 2002 commentary: “The fear of failure is the single most important reason people hold themselves back from thinking and trying. But we cannot expect to be an innovative, forward-looking, enterprising, energetic Public Service full of people who are alive, brains ticking, hearts beating, if we cannot forgive mistakes.”

FORGIVING (GOOD) FAILURE

Mr Chan Yeng Kit, Permanent Secretary of Ministry of
Information, Communications and the Arts, and chairman of the PS21 ExCEl Committee, thinks that risk-taking, and inherent risk of failure, are more encouraged today.

“I believe the message is getting through that... senior management accepts the risk of failure as long as due diligence has been done and we have done whatever is reasonable to mitigate the risks. Indeed, the greater failing would be not to try at all.”

To stand pat and do nothing, for fear of failing, is to ensure “zero chance of success”, he pointed out. This tack also invariably leads to negative consequences such as failing to keep up with the times and society’s needs.

At the passing of former Deputy Prime Minister Dr Goh Keng Swee in May 2010, Mr Lim Siong Guan recalled Dr Goh’s inspiring pronouncement on failure, that “the only way to avoid mistakes is not to do anything. And that... will be the ultimate mistake.”

Former Head of Civil Service Mr Peter Ho, who stepped down this September, has also talked about the need to “act boldly” in the face of opportunities.

“We must be prepared to experiment, even if we cannot be entirely certain of the outcome. In the complex, even chaotic, space that I believe we are operating in now, the approach is to probe, sense patterns, and to act, even in the absence of complete information.

“The biggest failure will be the failure to act, because we fear to fail. We must learn not to operate in a “fail-safe” mode, but instead to operate in a “safe-fail” mode.”

The senior management in the public sector know that “no one plans to fail deliberately” and that any new initiative must have a worthwhile payoff and reasonable chance of success, said Mr Chan.

In other words, there may be the “good failures” that result from good intentions, sound strategies, appreciation for resources and opportunity cost, as well as the application of experience and knowledge.

He cited the e-government projects a few years ago on the then-popular virtual-world platform, Second Life. Later, as the Second Life fad waned, so did these projects.

“We just have to learn from these efforts and move on,” he said, pointing out that there are currently e-government projects on popular social networking platforms. “No one will know (if cutting-edge projects can work) until we have tried it.”

So long as risks are understood, and due diligence exercised, “officers will not be blamed if things don’t work out as anticipated due to extraneous reasons,” he added.

**A BRUSH WITH SUCCESS**

An innovation success story is the Happy Brush project of the Health Promotion Board (HPB), where a team from the HPB’s School Dental Service spent three years to invent a specially-shaped toothbrush that made it easier for children to clean their teeth.

The affordable and effective Happy Brush, launched in 2008...
at $2.50 each, was the result of a Work Improvement Team (WITS) project for the eight-strong team of dentists and dental therapists, led by Dr Eu Oy Chu, Senior Deputy Director, School Dental Service.

WITS, a public service innovation platform since the early 1980s, brings public sector officers together in groups to identify work areas that need improvement, before brainstorming to come up with relevant solutions.

The Happy Brush team stated that “failure is no longer a dirty word” but is considered “a stepping stone to new discoveries and greater achievements.”

Team members noted the poor oral hygiene of school-age patients; they also wanted a solution accessible to less-privileged children. They struggled at times with the project, yet persisted, receiving timely aid at several key turns. The Innovation Activist Group within HPB, tasked with promoting innovation, earmarked the project for additional funding supported by the Ministry of Health.

The team also sought expert help from a computer-aided design firm GIM Solutions and another designer to verify and illustrate the toothbrush's viability.

Then, one of the team members had a chance meeting with a friend from A*STAR that led the team to approach the research development agency for assistance. This ultimately led to the product going to market.

For the Happy Brush project, the intricate system that nurtures innovation within the Public Service worked well, even involving inter-agency co-operation in an organic manner, with quality contributions from external parties.

Dr Eu believes that the current public service culture also helped. “There may have been some red tape in the past, and a common perception was that getting things done differently was difficult and tedious... it is more conducive now to embark on such initiatives.”

**MITIGATE, NOT ELIMINATE**

The “no risk, no gain” philosophy has long resonated with Mr Yap Chin Beng, Deputy CEO (Estates & Corporate) and Chief Innovation Officer at the Housing Development Board (HDB).

“Between acceptable risk-taking versus chasing a lost cause, my advice to staff is to take ‘calculated risks’ which require the guts to try, as well as knowledge and experience.”

Mr Yap acknowledged that stigma used to come with failure, but this was no longer so. “I would say people are currently more willing to accept failure as a part of the learning process.”

Asked about the apparent conundrum of encouraging risk-taking without appearing to encourage failure, he reiterated the
need to do the necessary research and analysis to better understand the risks involved and how to mitigate those risks, as part of the due diligence expected at all levels.

“It is not about avoiding mistakes and failures altogether, which, we know, is not realistic at all.”

Mr Yap cited two pilot projects that HDB had carried out to meet the needs of extended family living: the multi-generation flats introduced in 1987 and the two-room “granny” flats in Pasir Ris in 1991.

Both projects did not achieve the intended results. Despite this setback, HDB enhanced the scheme and introduced the Multi-Generation Living Scheme in Dawson in Dec 2009. Under this scheme, HDB paired studio apartments with four- and five-room flats so that extended families can live together in separate but adjacent units. The scheme was very well-received with almost all the flats sold at the end of the selection exercise.

THE SEED OF INSPIRATION

If there is anyone familiar with failure, it has got to be a scientist who often conducts a large number of experiments while seeking breakthrough discoveries. Dr Lee Mun Wai from A*STAR’s Singapore Institute of Manufacturing Technology is no exception.

The associate research scientist has always wanted to help save the Earth. Trained in polymer science and technology, she has recently succeeded in creating eco-friendly biocomposites to replace the use of conventional plastics. The biocomposites are made by compounding wheat bran (by-products of a flour milling process) with recycled plastics, and made into biodegradable cutlery and packaging.

In the research sector, she has found, failure is not taboo, as only through failures can researchers understand their subject better.
“Failed experiments are informative as well, and serve to direct us to look at issues from other perspectives. They can give a lead to solving some other related issues.”

“If I may say, failure is at times somewhat of a seed of inspiration.”

Indeed, her career crowning achievement thus far, winning the Outstanding Paper Award for Young Engineers/Researchers (International Category), was based on a painstaking scientific process and several stinging setbacks.

Once, she spent 28 hours in a lab on an experiment that yielded no reliable results, because it had fallen victim to contamination. “At that moment, I was really in great despair. Looking back now, despite the painful process, I am happy that this piece of research was recognised by international judges.”

Dr Jason Liow, a senior research engineer at A*STAR’s Institute of Microelectronics who works in the area of silicon photonics – using silicon as an optical medium in various systems, including microchips – thinks that failure is unavoidable in research.

When he first started working on a silicon optical modulator, he and his team were stumped as to why it did not work. After many tries, they eventually conquered what initially seemed an insurmountable task.

Dr Liow made a distinction between intrinsic and extrinsic factors for failure. Unexpected, perhaps unpredictable, outcomes intrinsic to the research materials or conditions are acceptable. But extrinsic factors outside of the experiments, such as poor planning of research methods and other human errors, should be avoided.

Without risk-taking, research results would be ‘incremental’ and not ‘breakthrough’ in nature, he reckoned, and finding the balance between risk-taking and efficiency comes with experience. “Personally, I prefer to execute experiments with two or more parallel paths with different amounts of associated risks. If the higher-risk path leads to failure, the lower-risk path can still yield good results.”

**NO BYSTANDER EFFECT**

Organisational culture and leadership, according to experts, have a big part to play in
embracing innovative strategies and encouraging calculated risk-taking.

“I would say the biggest stumbling block is the nature of the senior leadership in a company, and where and how they view the relative roles – theirs and their employees – in creating change and innovation,” said American innovation guru Dr Alan Robinson.

He advocates ‘ideas systems’ where management sets the direction for a company and frontline employees contribute the bulk of innovative ideas, as much as 80%, and help move the company forward, as opposed to traditional ‘command and control’ top-down hierarchies, where management does all the thinking and issues orders.

Having worked with organisations in Singapore's public and private sectors, Dr Robinson noted the strong topdown culture here and the ‘loss of face’ issue when problems are raised.

“With Singapore companies, when I mention a problem, everybody freezes. It’s like they’re thinking ‘Oh dear, a problem. Somebody’s in trouble,’” he said.

“For me, a problem is the first step towards an idea; they’re opportunities. But if people bury problems and don’t want to talk about them, they can’t come up with ideas.”

He noted that Brazil’s most innovative company last year, a steel-can manufacturer called Brasilata, received an average of 185 ideas each year from frontline employees, of which 92% were implemented. One employee submitted an astonishing 16,000 ideas – and he was a forklift driver.

Any company in the world could encourage ideas like this, he believes. But tolerating a degree of failure is required. “When you create a culture of wanting ideas, you create a culture of tolerating small failures because the only way you can test an idea is to try it. You have to simply do it to find out what unintended consequences are.

“(Famed management consultant) Peter Drucker said that you should never design an experiment so that if it fails it will ‘kill’ you. Always design a lot of small experiments, so that you can get the learning without the failures ‘killing’ you.”

Mr Christian Chao, deputy director of the Centre for Organisation Development at the Civil Service College, noted the inherent difficulties in communicating to a large group of people; for instance, an organisation’s leaders to the rank-and-file.

Hence, to create a culture that embraces experimentation, it is important to be explicitly clear about what behaviours organisations wish to promote, and expect from employees. “Once we are clear what desired behaviour(s) we want to establish as a behavioural norm, it makes it easier to establish what might be hindering or helping people exhibit this behaviour, say being experimental or risk-taking,” he said.

If it were made known that experimental mindsets and actions were desired, and these were then found lacking due to a dearth of skill and knowledge, training could be introduced; if, say, the existing behavioural norms within an organisation inadvertently penalised even measured risk-taking, then something has to be done about those norms.

Then there is the ‘bystander effect’, a social phenomenon in groups of a certain size where responsibility is not explicitly assigned and gets ‘diffused.’ The larger the group, the greater a shared presumption that someone else is going to respond to a situation requiring intervention.

In an organisational setting, the less responsibility is communicated and assigned in an individualised way, the greater likelihood of inaction, Mr Chao said.

“Instead of adopting generic or blanket-approach communications, it is better to ‘individuate’ communication. That is to communicate on an individual basis with direct instructions as to what you want him or her to do.”

So if we want a culture of experimentation and risk-taking (one that supports innovation), employees had better know, without any doubt, what their individual roles are, and what actions they will be held accountable for.
THE FEAR FACTOR

A key message public officers need to keep in mind is that while failure is less desired than success, fear of failure and inaction is worse.

“The world around us keeps changing. If we refuse to learn anything new, we will be left behind. The smart way is to be open to new ideas,” Mr Lim Siong Guan wrote eight years ago.

“Even better, each of us should feel free to come up with new ideas and try them out. If we do this, there is a fair chance we will make mistakes. But this is the smartest approach to take, provided we (and our bosses and colleagues) are prepared to always treat mistakes as learning opportunities.”

American filmmaker James Cameron has twice made the most expensive film, first with Titanic (1997) and then Avatar (2009). Both featured ground-breaking visual effects – hence the enormous budgets – and were extraordinary spectacles.

Despite naysayers and their ominous predictions ahead of release, both Cameron’s works trumped expectations, 12 years apart, to become the most successful box-office hits of all time. (Avatar still holds the honour.)

Perhaps he put it best during his speech at a TED conference this February: “Failure is an option, but fear is not.”

Words worth remembering, as the Public Service continues to embrace potentially great ideas, and the calculated failures that are their foundation.

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Definition of Capacity Building:
The process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries which will lead to sustained and self-generating performance improvement (AUSAID)

THEMES

• The key development management challenge is not ‘what’ should be done in terms of the goals (or development policy) (reflected in post 2015 MDG agenda) but the process of ‘how’ to pursue those policies – the challenge is to tailor management processes to the context.

• Focus on two aspects of this ‘how’ challenge: the challenge of transformative governance and the challenge of inclusive governance, including leadership that values inclusive participation in public decision making.

Main theme

Key development management challenge:
• Not what should be done in terms of policy content but
  - how it should be done and with whom in terms of process; and
  - where it should occur in terms of context (e.g. local or national)

(World Bank 2012:10)
I wish to start with the main CEPA paper’s call for transformational governance, which is aimed at undermining traditional mechanisms governing the distribution of power by promoting new principles, patterns and procedures for states to follow. The paper effectively sees a failure in governments’ governance with a crisis of trust in the public service and big gaps in capacity and skills at all levels. Transformation of governance is the priority challenge identified in the paper, which calls for a new vision of capacity building as being vital.

I want to take this position further and draw attention to relevant literature that deals with some essential features of transformative governance and which in that literature is called ‘Experimentalist Governance’.

**ESSENCE OF EXPERIMENTALIST GOVERNANCE**

**Basic Elements of Experimentalist Governance**

1. All stakeholders are involved sharing perceptions on a common problem.
2. Broad goals set (e.g. adequate education) at all levels.
3. Local units (public/private/frontline workers) given some autonomy by centre to implement.
4. Local units report regularly on performance and peer review used for accountability.
5. Goals re-evaluated in light of implementation learnings and revised where needed.

**Five Basic Elements (B, K and S 2014):**

1. Initial reflection and discussion among all stakeholders with a broadly shared perception of a common problem.

2. Setting of general or framework goals (e.g. adequate education or good water quality) by national government and lower level entities with provisional measures to gauge their achievement.

3. Lower level or local units (public and or private and frontline workers e.g. teachers, police) given broad discretion to pursue and implement these ends as they see fit adapted to local conditions.

4. As a condition of autonomy, local units report regularly on their performance and participate in peer reviews in which their results are compared with those units employing other means to the same general ends – the centre facilitates by providing services and/or inducements to enable mutual learning among local units. Local units might depart from set rules if they feel it is counterproductive to follow them but their
discretion is limited by the need to be transparent which prompts review and may lead to rule changes – an accountability mechanism.

5. Goals and practices are periodically re-evaluated and where appropriate revised in the light of the results of peer review and shared purposes.

This framework is put forward by Charles Sabel and others who claim that where these five elements operate together ‘they can constitute a form of governance that fosters desirable forms of participatory problem solving’ (B, K and S 2014:3)

**Distinctiveness of Experimentalist Approach**

The term experimentalist is used in the sense that it is designed to achieve (a) local adaptation and (b) aggregate learning by combining discretion with responsibility to report and explain, as well as by the pooling of information about what works.

**Distinctiveness of framework**

- Non-bureaucratic practices with some local autonomy backed by centre support
- Practice of learning through implementation and monitoring
- New forms of accountability with peer review to justify actions and sharing of learning
  - as well as central role for stakeholder participation through horizontal processes

The model has the following characteristics:

1. Combines decentralized control and autonomy at the local level with central coordination of evaluation of results. Centre doesn’t monitor compliance with set standards but provides the support to the frontline e.g. in community policing the central department provides relevant and timely information about movement of criminals from one area to another, provides relevant consultation services after incidents with services tailored to local needs.

2. Reflects the practice of learning by monitoring implementation and continuous improvement (versus command and control). This process provides transparency of practices to facilitate diagnosis and improvement.

3. Incentives are built into the design – not to induce compliance but to induce actors to engage in investigation, information sharing and deliberation about problems that might otherwise only be dimly understood.

4. Stakeholder participation is central to obtain and reconcile diverse interests. e.g. in community policing and its design, and the setting of priorities based on local knowledge to configure strategies and coordinate with non-government actors.

Overall there are some distinctive features in an experimentalist regime: non-bureaucratic administration arrangements that combine accountability with local initiative in ways that facilitate learning from implementation; autonomy is offered to lower levels to adjust implementation to the local context but with new forms of accountability around that; accountability is achieved less through simple rules than local actors accountable to explaining to their peers reasons for their choices; successes can be generalized through pooled learning; as well as elaborate horizontal consultation processes.

‘Peer review is thus a mechanism both for learning systematically from diverse experience and for holding actors accountable for their actions’ (B, K and S 2014:5).

‘The approach is participatory, deliberative, locally-informed, and adaptive problem-solving’ (B and S 2014:6) – especially suited to uncertain and diverse environments where central actors ‘cannot readily foresee the local effects of rules’ and where unforeseeable changes can undermine even effective rules (p.12). With limited foresight of central players,
cooperation of civil society actors is indispensable to success of experimentalist regimes.

Note that experimentalist governance meets the five core principles behind any capacity building program in public administration and which are identified in the main paper: ownership, sustainability, participation, mobilization of local resources and a change process (p.6). It also meets the key road map features outlined in the paper. (p.12)

Overall, often it is less a lack of technical skills or even resources that are critical but more a matter of organisations not performing as well as they could. Two things are often missing:

- Organisations that need the chance to experiment and learn without the fear of immediate failure or interference or retribution.
- Individual and group attitudes are key to improving organisational performance and for this is needed trust, collaboration, civic engagement, openness etc. or building of social capital to create a sense of mutually beneficial action. Without a will to collaborate, more technical skills or even resources won’t make much difference (Morgan 1998: 9-10).

So from this perspective the capacity problem is systemic – organizational performance is as much due to interlocking external relationships with others as from internal structure and functioning and also increasingly one organization cannot solve problems on their own.

**INCLUSIVE GOVERNANCE AND LEADERSHIP**

Capacity building above all else requires strong leadership at all levels; indeed it has been claimed that for capacity building, it is leadership that matters most (AusAID 2014). But as important and not emphasized nearly enough is the right type of leadership to facilitate successful transformative or experimentalist governance and what is missing from most models is attention to a key capacity ingredient: inclusive cultures in the development process which requires a particular style of leadership that understands the importance of ensuring all who should be involved are involved. That takes strong leadership at all levels from national to local; but also at the individual, institutional and societal levels.

The paper gives leadership priority attention: asking for a national strategy which requires transformational, committed, competent and ethical leadership. Indeed: ‘There is growing consensus that it is the most vital element in the development of national and local good governance.’ (Paper p.11)

**Focus on gender inequality in leadership**

- In public decision-making, nationally and locally, gender inequality is pervasive
- a serious and inefficient public management issue

- Greater gender equality is ‘smart economics’ (World Bank 2011: vii)
  - enhances productivity, assists other development outcomes as well as being more representative of the population
WOMEN AND INCLUSIVE LEADERSHIP

That leadership should reflect the population it deals with and women in particular need more representation in leadership ranks and in public decision-making positions. The Chinese talk about women holding up half the sky. As Hilary Clinton has said, in her support for an initiative to have women holding 50% of all public sector jobs by 2050 - if that is so, then you might want to hear what women think should be done underneath the sky.

Women and leadership barriers

• Women hold up half the sky, but
  - what do they think should be done underneath the sky? (Clinton 2013)
• Need to understand impact of systemic causes and indirect as well as direct discrimination
  - e.g. Australian study on barriers to representation of women shows prevalence of unconscious bias in workplaces and stereotypical expectations perpetuating power imbalance in senior positions (Edwards et al 2013)

It is well known that the more women participate in economies and societies the more employment there is and the more education there is for children. With diversity comes more productive organisations. Greater gender equality is ‘smart economics’ (World Bank), enhances productivity, improves other development outcomes for the next generation as well as making institutions - government and non government - more representative.

A recent Australian study of women and leadership in the public sector found what is reflected elsewhere in the private sector, namely, the significant indirect discrimination as well as structural causes that occur when laws, policies and programmes might appear to be gender-neutral but in fact have a detrimental effect on women – unintentionally modelled often on male ways of doing business or based on stereotypical expectations and attitudes. e.g. male clubs.

The oft quoted ‘merit principle’ as the stated criterion for selection and promotion is largely compromised especially when it comes to women who are underrepresented in decision making levels of the public service. The more authoritarian are leaders and stereotypical in behaviour, the more decision making power is appropriated and government misses out on the benefits of the contribution to productivity and decision making of important segments of society.

A recent study in indigenous communities in Australia put forward two main arguments:

• That gender disaggregation is not normally featured in most evaluation and monitoring activities yet the (as yet limited) data available suggests gender could be a core factor in success of policy/program outcomes.
• Case studies demonstrate that when gender and cultural protocols are used in stakeholder engagement in indigenous communities, there is greater community ownership and leadership in achieving positive outcomes as they foster community acceptance and support for government initiatives.
The concluding recommendation of this study is that gender and cultural analysis should be incorporated into policy/program design implementation, reporting and evaluation (Yap and Biddle 2014).

Cultures and related behaviours can be unique to communities including men and women being assigned different roles – women's business can differ from men's and can affect how a person communicates with the opposite sex.

’Cultural, kinship and gender rules are often complex land multi-layered and difficult for outsiders to fully understand’ (op cit p.2). So there is a need to design engagement processes to more effectively take into account powerful informal leadership roles many women may take which is not yet well recognized by governments.

To build state capacity to mainstream gender equality requires a suite of strategies to increase women's voice in decision making.

This approach is taken by the OECD in its just-released paper on ‘Gender Equality and Women’s Rights in the post-2015 Agenda’ (2014), where the following actions are proposed to make a difference:

’….it is essential to put women and girls front and centre of the post-2015 framework’ by:

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<th>Importance of disaggregation</th>
<th>A suite of strategies</th>
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<td>• Need to disaggregate by gender</td>
<td>• Retaining a stand-alone gender equality and women's empowerment goal and addressing gender equality throughout the post-2015 development agenda.</td>
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<td>- To work out which stakeholders to engage,</td>
<td>• Confronting and transforming the social norms and institutions that discriminate against women</td>
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<td>when and how; and</td>
<td>• Gathering and using high quality data to monitor progress and build evidence about what works.</td>
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<td>- to monitor and evaluate for accountability</td>
<td>• Tracking governments’ expenditure and the proportion of all development co-operation focused on achieving gender equality and women’s empowerment. (2013: 3)</td>
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The UN needs to mainstream a gender perspective into all data collections, policies and programs of the UN system – a resolution of UN Women post 2015.

**A NATIONAL STRATEGY ON CAPACITY DEVELOPMENT?**

The World Bank has devised a set of guiding principles for a capacity development strategy, (p.13) which is similar to experimentalist governance principles and appears to incorporate principles enunciated in our background paper.
The steps in the World Bank strategy design include:

- Clarify the development goals.
- Identify problems through the institutional diagnostic with stakeholders.
- Formulate solution options for institutional issues: change strategy and process.
- Coordinate interventions to support planning and capacity development.
- Construct a results framework and monitoring and evaluation arrangements.
- Articulate and validate the strategy with stakeholders.

The emphasis is therefore on collaborative and local solutions to priority problems using capacity development as a strategic instrument to lead to transformative and sustainable change.

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It has often been argued that preferences and work motivations of public sector employees differ from those of private sector employees.¹

Historically, there has been a general perception that public servants are “risk-avoiders”. This article provides a high-level overview of the questions and current public sector context for risk-taking compared to the private sector. Arguably, the concept of risk in the public sector has evolved through a number of different streams, which have accompanied the shift from a traditional public service model to an emphasis on the infusion of private sector principles and values to the public sector. Where is this discussion now?

Empirical research on risk-taking has grown in the past three decades or so but few of the best studies systematically differentiate between public and private sector organisations.² The definition of risk has evolved from private sector research to mean the exposure to the chance of loss from one’s actions or decisions. There has been much research looking at the appropriateness and value of private sector principles in the public sector, but less so on the concept of risk-taking. Some research has taken the view that people gravitate towards public service because they are risk averse.³ Studies from the 1980’s through to today appear to support this view often because employers in the public sector are seen to offer higher job security and less volatile wage compensation than employers in the private sector. Bloch and Smith (1979) demonstrated that the probability of becoming unemployed is considerably less for workers in the public sector than for those in the private sector.⁴ Although documentation is more limited, it appears that working conditions are also regarded as more favourable in public than in private jobs. However, the challenge for
most research is in identifying data that determines how much risk people face.

Boyne (2002) tried to empirically measure the differences between public and private organisations founded on New Public Management (NPM) principles that suggest public sector organisations should import private sector solutions and principles. Based on a number of hypotheses outlining potential gaps, he found that the differences between public and private management were not as significant as they appeared and that there were more similarities on important aspects such as rules and bureaucracy, than anticipated.

While risk-taking was not explicitly identified as a differentiating factor, he did look at related concepts such as managerial autonomy and bureaucracy. However, more recent research has found support for the hypothesis that public sector employees are more risk averse than private sector employees.5

So what motivates public sector workers and where does risk-taking fit? Generally we think of concepts such as service, good public policy, social good, personal commitment to a cause, and serving the public interest. Employees have not been seen as externally motivated by profit but internally by altruism or serving the public good. The NPM framework has been based on the premise that efficiency and effectiveness of public sector organisations could be improved through private sector management techniques and hence the reinventing of government.6 It has refocused the discourse on employee motivation and managerial values such as risk-taking and innovation within the context of organisational change.

The processes of organisational change have been accompanied by an increased emphasis on flexibility, adaptability and performance management7 - but not by an empirical understanding of organisational culture.
The literature suggests that public organisations have traditionally under-emphasized aspects of organisational culture because they have lacked an orientation towards adaptability, change and risk-taking – and the arguments become somewhat circular. Regardless, managing change and developing strategies requires an understanding of organisational culture. In the context of our increasingly complex and internationally inter-connected world, this has meant a shift from a traditional bureaucratic model with its emphasis on rules, procedures and stability, to a greater orientation towards change, flexibility, entrepreneurialism, outcomes, efficiency and productivity (Parker & Bradley, 2000).

What is lacking in the general discussion on implications of NPM – is a focus on risk-taking within organisational culture. “Risk-taking” or managing risk has been studied in a few narrow contexts such as public-private partnerships, outsourcing and financial policy, but less often with respect to general managerial approaches and organisational culture. Bozeman & Kingsley (1998) attempted to identify and explain differences between public and private organisations by focusing on the concept of risk culture. They describe risk culture as pertaining to managers’ perceptions that their peers and superiors take risks and promote risk-taking. Some of the factors they examined as possible determinants of risk culture include political control, nature of reward systems, levels of formalization and red tape, bureaucratic structures and goal ambiguity.

What Bozeman & Kingsley found was that a riskier culture is positively related to the willingness of top managers to trust employees and to the clarity of the organisation’s mission.

Organisations with more red tape, weak links between promotion and performance and high involvement with elected officials, tend to have a less risky culture.

Others are not as convinced of the connection between risk-taking and effective public management (Osborne & Gaebler, 1992). Being entrepreneurial doesn’t necessarily assume risk-taking. This is an important idea when one thinks about “public entrepreneurship” and the prudence and accountability required when spending public tax dollars. Thus, some argue that our emphasis should be on public sector opportunities and innovation.

What is clear, then, is that in the absence of a profit motive, and in the face of fast-paced change, other incentives must be provided for public sector individual and organisations.

Despite the arguments and research about the differences between public and private sector management and organisation,
there are also those who choose to look for the similarities and in doing so, hone ideas on the differences. The research and study stream of public entrepreneurship has evolved more recently from the work on innovation and other elements of private sector entrepreneurship. Based on the literature, the recurring themes that emerge include the idea that a process is involved, entrepreneurship is on-going and the end result is innovative, risk-taking and proactive behaviour.\(^{10}\)

Entrepreneurship has been conceptualized as a means of creating value by bringing together a unique combination of resources to exploit an opportunity.\(^{11}\) Research has shown that while many similarities exist between private and public sector entrepreneurship, there are important differences related to key dimensions such as innovation, risk-taking, proactivity, political environment and complexity, among other things (Kearney et al., 2009). Despite these differences there is a belief and some evidence that entrepreneurship within the public sector produces superior organisational performance.\(^{12}\) The challenge is to recognize the key similarities and differences; identify the entrepreneurial process that lead to beneficial public sector outcomes.

Following these evolutionary threads, then, I would argue that risk-taking in the public sector is not a dead concept. It has quietly subsumed a role within the larger framework of public entrepreneurship. However, its conceptual uniqueness should not be lost but be further explored in association with innovation. The limited research to date has shown some promise in understanding how these private sector concepts can be shaped in today’s public sector environment of increasing social economic and financial complexity fed by rapid technological change and global inter-connectedness. As go the problems, so go the solutions.

**REFERENCES**


2. Ibid.


5. Buurman et al., 2012.


Every democratic public service strives to be innovative.
CAPAM’s International Innovations Awards have clearly demonstrated that the spirit of experimentation and continual improvement is a priority for countries within the Commonwealth and beyond. Whether through providing better policies and services, reducing taxpayer costs, or ensuring a more prosperous and secure nation within which to thrive, most governments enthusiastically support discovering new ways to improve the lives of their citizens.

Creating a truly innovative environment, however, implies an intrinsic readiness to promote intelligent risk-taking and to accept failure as part of the learning process. In many private sector organisations, taking chances and learning from mistakes in order to achieve greater success is strongly encouraged.

Is the public sector capable of assuming such a risk approach? Indeed, should it? What are the conditions necessary to achieve a risk-taking attitude in government?

In this Wavelength article, CAPAM explores recent thinking that tackles the subject of innovation and risk from a variety of perspectives. We look at how the public sector deals with risk and failure, the concept of catching the innovation ‘bug,’ the role that motivation plays, and why promoting experimental government should be considered.

THE PUBLIC SECTOR IS DIFFERENT

Public sector institutions are often encouraged to emulate private sector practices in the way they conduct business. The rationale behind this is a perception that being entrepreneurial means having a greater ability to cut through red tape and quickly take advantage of opportunities as they arise. However, while public and private sectors share a number of traits, fundamental differences exist that influence the way in which risks and failures are addressed. Dr Gambhir Bhatta identifies these contrasts in his article, “Don’t just do something, stand there!” Revisiting the Issue of Risks in Innovation in the Public Sector. He explains:

Firms, for example, can sustain several failures that shareholders can accept as long as one success yields on average a positive rate of return. Public sector organizations rarely have the luxury of living with several failures regardless of how many policy successes they may have. This obviously has an impact on the decision domain to innovate.
The practice of risk management in the public sector is also more complex because of the fact that even as decisions are made under conditions of uncertainty, they still require a political judgment. The environment in the public sector has other manifestations of complexity – such as diversity (depth, breadth) of stakeholders, horizon (discrete/on-going, e.g. generational/intergenerational concerns), managing in a 'fishbowl', dynamics of owner/provider mix, etc. To operate, manage, and innovate in this environment then is rather difficult, which invariably, it could be argued, leads to an attitude of aversion to risk. (Bhatta 2003)

Geoff Mulgan further recognises the unique environment within which governments must operate. He states:

Risk is often cited as the reason why innovation is so hard in the public sector. If things go wrong those responsible will be mercilessly blamed: by hostile media, opposition politicians. Experiments that don’t work will be denounced as a waste of scarce public money. So it’s natural to default to safe bets. A better approach is to see risk as something to be managed. This is why innovation is often best organised on a small scale, and fast, so that the costs of failure are minimized. (Mulgan 2014)

Indeed, being risk averse does not guarantee success. In his article How Does Innovation Work in the Public Sector? Tim Kastelle suggests that public institutions need to think about risk more effectively. He explains that by avoiding risk, an organisation actually increases the chances of significant failure. “Small innovations are the mechanism for adjusting to small changes in the operating environment, so if these are avoided, the organization’s fit with its operating environment becomes increasingly poor.” (Stewart-Weeks and Kastelle 2015) By remaining static in an increasingly complex and interconnected world, the real risk becomes one of being unable to adapt and evolve.

Despite heightened scrutiny and increased complexity faced by the public sector, maintaining the status quo is simply not an option. Creating attitudes, cultures and mechanisms where effectively managing risks and accepting failures in order to realize future innovation is paramount.

So how does government best instil intelligent risk-taking where the possibility of setback does not become incapacitating?

**INNOVATION AS A VIRUS**

One alternative is to shift the way in which innovation is viewed. Rather than restricting the concept to particular projects or programmes, innovation must be embraced in a holistic sense whereby the phases of innovation – infection, inspiration and implementation – are considered organisation-wide. Martin Stewart-Weekes writes in his article Innovation Infection: Catching the
Innovation Bug in the Public Sector that:

Although technical, financial, and operational issues are always important, the big factors that determine, in the end, whether innovation happens at all, let alone whether it is successful, are organizational and cultural. To be effective, innovation has to engage an almost emotional, visceral level of commitment and energy.” He goes on to suggest there is a “growing sense of innovation as a ‘bug’ that organizations catch, a kind of ‘good virus’ to keep them healthy and robust in the face of other ‘bad-virus’ infections that can debilitate or even disable.” (Stewart-Weeks and Kastelle 2015)

The table to the right summarizes Stewart-Weeks’ guidance on how to catch the innovation bug and ultimately realise its benefits:

**MOTIVATION IN PUBLIC SECTOR INNOVATION**

Jo Casebourne explores the motivations that drive public servants to innovate, and explains how creating the right cultures will help to overcome associated barriers. In her paper,

<table>
<thead>
<tr>
<th>1. Catching the Virus: cultivating the necessary conditions to increase their chance of becoming infected with the innovation virus.</th>
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<tbody>
<tr>
<td><strong>Exposure</strong></td>
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<td><strong>Willingness</strong></td>
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<th>2. Lowering Your Immune System: putting your organisation in harm’s way by deliberately weakening its defences against the new and the different.</th>
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<tbody>
<tr>
<td><strong>Teams</strong></td>
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<td><strong>Leadership</strong></td>
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<td><strong>Funding</strong></td>
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<th>3. Become Inspired: turning innovation into inspiration is a function of its own set of conditions, which organisations can cultivate.</th>
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<tr>
<td><strong>Permission</strong></td>
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<td><strong>Courage</strong></td>
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<td><strong>Opportunity</strong></td>
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<th>4. Getting It Done: creating conditions to realise the results of the innovation bug.</th>
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<td><strong>Persistence</strong></td>
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<td><strong>Patience</strong></td>
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<td><strong>Purpose</strong></td>
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Why Motivation Matters in Public Sector Innovation, Casebourne asserts:

We know that public servants draw on intrinsic motivations in their work and that what drives them is a mix of altruism and more self-interested motives. We know that innovation is more closely linked to intrinsic than to extrinsic motivations. We also know that the New Public Management model does not work in harnessing the motivations of public servants. Getting the balance right between rewarding intrinsic and extrinsic motivations is not easy. However, it is a lot more likely to be successful at encouraging innovation than a model based solely on extrinsic motivations, which does not take into account what actually motivates public servants to innovate, or the balance between organisational and institutional cultures.

Public sector motivation is a powerful force in creating a risk-taking attitude. If public sector organisations better understand what inspires employees, they are better equipped to encourage innovation. While acknowledging there are some large gaps in knowledge on the subject, Casebourne illustrates a multi-faceted approach towards harnessing public sector motivation:

Table 2: Harnessing Public Sector Innovation

<table>
<thead>
<tr>
<th>DEVELOP A CULTURE OF INNOVATION</th>
<th>MOTIVATION</th>
<th>HARNESS MOTIVATION OF INDIVIDUALS</th>
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<tbody>
<tr>
<td>Innovation Leadership</td>
<td>Look for recruits driven by intrinsic motivation</td>
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<tr>
<td>Establish shared vision and encouraging tone</td>
<td>Support people to learn the organisational values</td>
<td></td>
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<tr>
<td>Embrace at all levels: political, institutional, executive, and midlevel manager</td>
<td>Structure jobs so that employees can see the prosocial (benefit to others) impact of their work</td>
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<tr>
<td><strong>Building Capacity and Skills</strong></td>
<td>Show how tasks connect to the larger mission</td>
<td></td>
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<tr>
<td>Develop and recruit public servants with greater empathy, communication, and mobilisation skills</td>
<td>Allow employees an increased role in organisational decision making</td>
<td></td>
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<tr>
<td><strong>Encouraging Experimentation</strong></td>
<td>Value appropriate behaviours within appraisals</td>
<td></td>
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<tr>
<td>Leadership take responsibility for failure so that employees feel safe to experiment and take risks</td>
<td>Build incentives for innovation into organisational, team and individual targets and metrics.</td>
<td></td>
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<tr>
<td>Design reward structures aligned with the potential benefit results rather than only acknowledgement of costs</td>
<td>Tie at least some part of salary/bonuses/career development to metrics.</td>
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<tr>
<td>Recognise staff successes, even in project failures</td>
<td>Celebrate and value innovative thinking and results publicly (e.g., through awards).</td>
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<tr>
<td>Build narratives about successful innovative risk-taking</td>
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**A CASE FOR EXPERIMENTAL GOVERNMENT**

At the introduction of this review, it was suggested that being risk-averse does not guarantee success, and that innovation needs to be fast and on a small scale to minimize the costs of failure. Jonathan Beckon addresses the advantages of being nimble and experimental in his paper, *Better Public Services Through Experimental Government*. The author explains that an “experimental, learning government is one that robustly and systematically tests things out, measures them and grows what works.” That means moving along the experimental government continuum from ‘seat-of-the-pants’ experiments with no rigorous learning or evaluation strategy – to experimental research that employs the best available research methods.

Experimental government is not about trying things out in a haphazard way. It needs to be done in a way where we can genuinely learn from those experiments and adapt. (Beckon 2015)

Beckon provides an insightful dialogue on the benefits and shortcomings of experimental government, offering numerous real-life examples. Throughout his arguments, it is clear that many of the conditions necessary to generate more experimentation reinforce themes espoused by others (embracing risk and prizing success). An overview of Beckon’s recommendations include:

- Government officials and researchers should set up more ambitious and bold experiments on nationally important issues, replicate experiments from other countries to see if they will work locally, and coordinate local-level experiments to ensure widespread benefits.
- Experiments need the most robust available evaluation methods such as, if appropriate, experimental research designs to share learning about what worked or failed, and why. This includes ensuring government officials have the expertise to work with researchers using these methods.
- Leaders in government need to embrace risk and reward success, by taking responsibility for failure, praising staff successes, and having a positive narrative and more training on risk management.
- The right institutional support for experimentation needs to be created, such as a public strategic competitive fund, more skunkworks-type institutions with on-tap expertise, and sunset-clauses for government policies to create the space to learn and test out new ideas.
- Researchers and government officials who understand each other’s realities need to work closely together to co-produce experiments.
- Experiments should be devised that work within the grain of the current policy environment. Seize opportunities to experiment.
- Policymakers at national or local level need to start policies that are not set in stone and allow some flexibility and opportunities to ‘learn as you go’.
- The public debate about the importance of experimentation needs to grow.

**FINAL THOUGHTS**

We know that for the public service to be truly innovative it cannot reap benefits associated with inventive policies and services without embracing an environment of intelligent risk-taking and the potential for failure.

Concepts covered include:
- Acknowledgement that public sector realities differ from the private sector contributing to a heightened aversion to risk;
- Conceptualisation of innovation as a virus that goes through the phases of infection, inspiration and implementation;
- Improved understanding and action on what individually and collectively motivates the public sector to be innovative; and
- On-going and incremental experimentation in order
to minimize the impacts of failure.

The ultimate goal is to encourage a public sector that is increasingly thoughtful, creative and responsive. Many public servants have demonstrated a predilection towards these attributes. By investigating factors associated with innovation and risk, and committing to act on what is discovered, an innovative public service at all levels can be achieved.

**NOTES**

'The author describes New Public Management (NPM) as “government policies, from the 1980s onwards, which aimed to modernise the public sector and make it more efficient.” She states that the NPM is “characterised by efficiency, accountability, performance measurement and rational planning – based on understanding public servants as knaves, and using a market-driven model relying almost exclusively on extrinsic motivation to incentivise public servants.”

**REFERENCES**


CAPAM invites contributions from professional educators, senior public servants and consultants from around the Commonwealth for the organisation’s quarterly publication Commonwealth Innovations Review (CIR).

For 2015, the remaining editions will be centred on the following themes:

**September 2015 issue: Going for Impact - the challenges of effective implementation**
A coordinated government effort is crucial for ensuring the efficacy of public policies. Coherent action is often dependent on the division of responsibilities and jurisdictions in public administration. No matter how good policies are, those charged with implementing them need a clear mandate, the tools and skills as well as the budgets to carry through and achieve outcomes and outputs. Accountability cannot run its course and citizens cannot be served otherwise.

There are consequences to allowing the implementation stage to lapse. These may include delays in much-needed reform, demoralisation of public servants or disappointment among citizens. However, more dire effects may equally result. It is not hard to imagine the human cost of failing to implement an anti-violence policy, for example.

The September issue of the CIR will shed light on research and best practices for overcoming the implementation gap, and share lessons from successfully (or not so successfully) implemented policies and services.

**December 2015 issue: Human Resource Management for better public service delivery**
In a globalized world where governments are facing ever more complex challenges and are pressed to respond effectively to public need, human resources management is a crucial and fundamental factor for the success of government strategies. Public organisations have been shown to improve their chances of achieving their goals and objectives when employees are continually trained, motivated, trusted and fully engaged to innovate freely and perform.

The December issue of the CIR will look at the complex issues of human resources management in the public sector from the perspectives of both employees and managers. It will highlight the juxtaposition of the inherent challenges and the unique political and legal context of public sector management.
CAPAM considers the following types of articles for publication in the CIR:

**Academic article or paper (5,000-8,000 words)**
These articles typically involve primary research and may include: original research papers; concept papers; article reviews; and literature reviews if they contain significantly new information and generate significantly new knowledge.

**Feature (3,000 to 6,000 words)**
These articles typically involve secondary research and could include: concept papers; descriptive research; article reviews; and literature reviews.

**Opinion articles (2,000 and 4,000 words)**
These articles should be written in first-person narrative style. The author’s personal views and conclusions should be based on the author’s subject matter expertise and experience on the topic.

CAPAM seeks cross-Commonwealth participation and invites authors from different backgrounds, cultures, and educational beliefs to contribute. Academic rigor and writing quality is required and cannot be compromised.

For more information, or to submit an article, please refer to the detailed guidelines at [www.capam.org](http://www.capam.org), or contact:

*Gay Hamilton, CEO*
*ghamilton@capam.org*
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The Commonwealth Innovations Review (CIR) focuses on CAPAM’s two main objectives: (1) knowledge exchange, and (2) networking. The publication, which is available to all members and subscribers, provides a space where expertise and research in the field of public administration and management may be shared with our membership. It is a forum for different voices and diverse public service priorities. The CIR also serves as a platform to report on CAPAM events, and to announce upcoming learning programmes and conferences as well as calls for presentations and articles.

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Promoting the practical requirements of good governance, just and honest government across Commonwealth countries and beyond, CAPAM provides a forum for the active exchange of innovations, knowledge and practice in citizen-centred service delivery, leadership development and growth, and public service management and renewal. We serve our members as a centre of excellence in good governance and endeavour to build a more responsive and dynamic public service.