

# FOSTERING INNOVATION IN GOVERNMENT: BARRIERS AND STRATEGIES<sup>1</sup>

## *MENDORONG INOVASI DI PEMERINTAH: HAMBATAN DAN STRATEGI*

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### **ABSTRACT**

Innovation becomes a need in public service organizations. It enables the government to deliver more effective and efficient services. However, the development of innovation in government organization may encounter barriers. This study aims to identify the common barriers that hamper the development of innovation in government, especially in public service institutions. This study reviews academic articles that explore the problems and strategies in fostering innovation. The result shows that innovation encounter at least thirteen barriers both in the early stage and advanced stage of innovation development. The most common problems are weak leadership, the gap of understanding, and resistant culture. Leaders who are lack of innovation experience unable to motivate others to innovate. Further, the gap of understanding among worker may lead to lack of support on a certain innovation. An organization that resistance to change encounter difficulty to innovate. Thus, there are four steps that can be taken to push innovation in government; generating possibilities, incubating and prototyping, replication and scaling up, and analyzing and learning.

Keywords: Innovation, Government, Leadership, Culture, Knowledge

### **ABSTRAK**

*Inovasi telah menjadi kebutuhan dalam organisasi pelayanan publik. Inovasi memungkinkan pemerintah untuk menyediakan pelayanan yang lebih efektif dan efisien. Namun, pengembangan inovasi di organisasi pemerintah sering kali menghadapi hambatan. Oleh sebab itu, penelitian ini bertujuan untuk mengidentifikasi hambatan yang sering dijumpai dalam pengembangan inovasi di pemerintah, terutama di instansi pelayanan publik. Penelitian ini menggunakan pendekatan literatur review terhadap artikel-artikel yang membahas hambatan dan strategi pengembangan inovasi pemerintahan. Hasil penelitian menunjukkan bahwa setidaknya terdapat tiga belas hambatan yang dihadapi instansi pemerintah, baik pada tahap awal maupun tahap lanjutan pengembangan inovasi. Masalah yang paling krusial adalah kepemimpinan yang lemah, perbedaan perspektif, dan budaya yang resisten terhadap perubahan. Pemimpin yang kurang berpengalaman berinovasi tidak akan mampu memotivasi orang lain berinovasi. Kesenjangan pemahaman terhadap konsep inovasi menyebabkan perdebatan dalam pengembangan inovasi tertentu. Selanjutnya, budaya kerja yang resisten terhadap perubahan akan sulit berinovasi. Oleh sebab itu, penelitian ini menyarankan empat tahapan strategi yang dapat ditempuh untuk mendorong inovasi di*

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*pemerintahan; membuka peluang, membangun percontohan, replikasi dan pengembangan, dan mengevaluasi inovasi yang ada*

**Kata Kunci:** *Inovasi, Pemerintah, Kepemimpinan, Budaya, Pengetahuan*

## A. INTRODUCTION

Innovation is needed not only in the private sector but also in the public service organizations. Innovation is required to improve significantly the quality of services to the citizen. Innovation also makes public services more accessible and cost-effective. Adoption of information technology, for instance, may reduce the distance and time that spent by the citizen to obtain basic services.

In public delivery, distance and time are indirect costs for the citizen. Although the service may be provided freely by the government, it is expensive if a citizen has to spend much time for the services. Long queues, for example, can cause people to leave their jobs or other obligations that can directly reduce the recipient's income. Further, long distances cause high transportation costs for the citizen.

Innovation in public services must solve these problems. If an innovation in the private sector is aimed to win the market competition and increase profits, an innovation in public services has to improve the citizen's welfare, or at least their satisfaction. It should be the main target of developing an innovation in any public service organizations. That is the main difference between innovation in government and the private sector.

The development of innovation in government encounter many barriers, and they differ to the private sector. Most public organizations are large so it is hard to innovate (Gobble, 2017). Any change in the public organization need much adjustment and may lead to resistance of some actors (Choi & Chandler, 2015). In private sector,

in contrast, all sections are more welcome to any improvement and adjustment.

The risk of failure to innovate is also very different. In the private sector, the failure may cost company's profit or even sustainability of the company. However, in public sector, the failure may cause only dissatisfaction of the citizens. In some cases, it may lead to high-cost service, both for citizen or government (Crosby, Hart, & Torfing, 2016). There is no evidence that public organization is closed or abandoned as a negative effect of failure to innovate. However, the government should keep improving the quality of service through innovation.

Public organizations have to identify in advance the barrier that may arise during innovation development. It is required to reduce the risk of failure of an innovation. It also helps the government to prepare any barrier during the development of an innovation. Further, it may smooth the process of transformation from non-innovative organization to innovative organization.

There are many barriers that commonly appear when the government decides to innovate. The common problem is the perspective gap on the definition of an innovation in government (Moore & Hartley, 2017; Ramstad, 2017). If the gap is wide, the development of innovation may be slow and lack of support. Further, cost of innovation is a common barrier to the development of an innovation. A supporting policy also plays an important role in the successful innovation.

A government may encounter different barriers to others. It depends on the environment of a public organization. However, by comparing the previous study, it is possible to identify the most common barriers in innovation development in government. Thus, this study aims to identify the barrier of innovation in government. In addition, this study proposes the strategies that may help the government to foster innovation.

### **1. Why Should Government Innovate?**

Above is a frequently asked question by the government itself, especially those who in the early stage of studying innovation. The reason is strongly related to government's goal, that is providing goods and service to the society. These can only be conducted optimally when the government delivers them through innovation. In addition, innovation may help the government to fulfill and follow citizen's preferences that transform fastly in the globalization era.

One of the reasons of innovation in the government is providing public goods and services that closer to the community. In some less developed countries, public services, especially basic services (education and health) are not oriented to citizen's satisfaction yet. Although the availability is guaranteed by the government, in some cases, it is difficult to access by low-income citizens.

Innovation also aims to produce services that are cost efficient, both for the community and government. Innovation is able to reduce the cost borne by citizens by using various technologies such as information technology. Simplification of procedure also reduces the requirement of time allocation for a certain service (Albury, 2010). In addition, innovation also ensures that the apparatus work smart rather than hard. One of the nature of innovation is

simplifying, both from the provider side and the recipient of public services.

Therefore, the main reasons to promote innovation in the public sector is reducing the cost of input, creating a better organization, and increasing the value of outputs (Potts & Kastle, 2010). If the innovation culture has developed in the government, the quality of public services will automatically increase as a positive impact of a paradigm shift from "resistant to change" become "change as a need".

### **2. How is Innovation in Public Sector Defined?**

Understanding government innovation is not straightforward. There is no consensus yet about the meaning of innovation itself. Perhaps this is because of its own nature which can indeed be very broad if not limited by a clear framework. However, some experts and practitioners have tried to construct the definition for it. Without a consensus of definition, it is difficult to confidently compare the findings from different studies (Munro, 2015).

Innovation can be interpreted as a change to the services provided by the government to the citizens (Hartley, 2005, Munro, 2015). Government innovation should be able to generate more value for each type of public goods and services. However, innovation is not always something new because a change of structure can also be considered as an innovation if it brings positive impact on public delivery (Potts & Kastle, 2010).

The definition of innovation is also often confused with some words that have often been used in government such as change and improvement. Both are often used inappropriately to explain innovation in ways that differ from innovation.

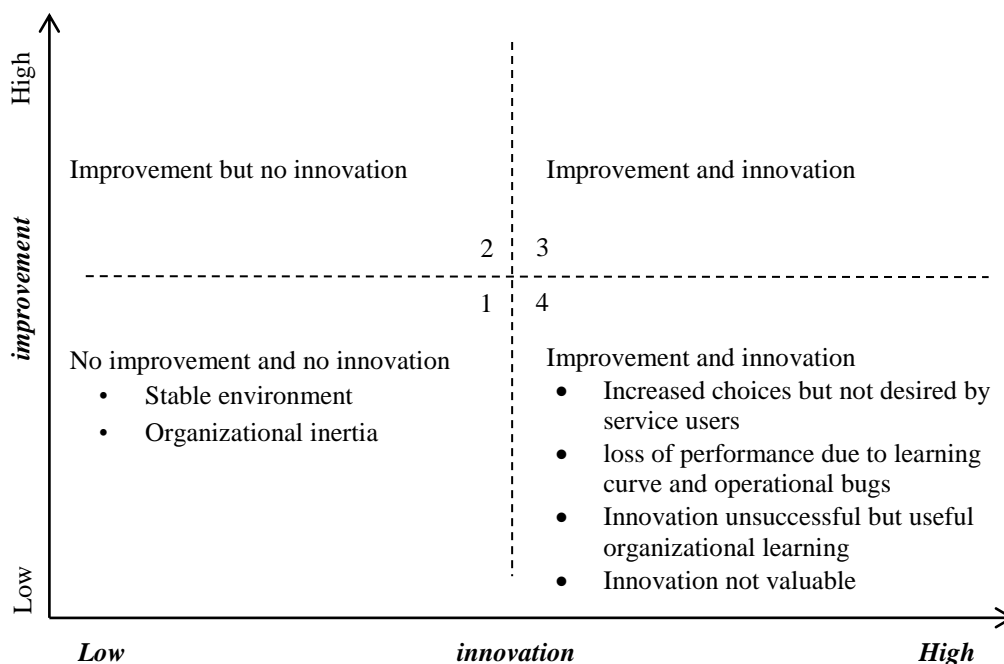


Figure 1. Innovation and Improvement

Source: Hartley (2005)

Changes only mean changes in conditions that are made small and do not lead to quality of service. In contrast, innovations are directly directed to the quality of service.

How far must the change be made to be categorized an innovation? Hartley (2005) states that it is difficult to distinguish innovation or just a small change in the public sector. Unlike in the private sector where innovation is easily identified because it is in the form of an object, in the government innovation can be interpreted only as a change organizational structure.

The debate of innovation also occurred between practitioners and academics. If academics define innovation based on literature study then practitioners define innovation based on their experience (Nählinder, 2013). Among practitioners, innovation may also understand differently (see Table 1). However, the different perspective on definition and framework of public service innovation should not be

worried. The difference is expected to nourish the willingness to innovate in public sector organization (Putra, 2017).

### 3. Type Innovation in Public Sector

Government innovation, to some extent, is similar private innovation. The innovation in government can be grouped into seven types as compiled by Hartley, 2005, 2014) as follow:

- Product innovation; means a product in public service such as instrument in a hospital.
- Service innovation; a new way for service delivery such as e-registration
- Process innovation; a new process that promotes faster and more effective such as one-stop service
- Position innovation; new contexts or users such as the Connexions service for young people.

Table 1. Definition of Innovation by Practitioner

Actor	Definition
Development manager and Human strategist	<ul style="list-style-type: none"> <li>• Innovation may be small improvements but they may also be a new good or service</li> <li>• Continuous improvements as a type of innovation, and considers it important</li> <li>• Does not dwell on innovative culture or attitudes and one reason is that he believes they may also be a new good or service. Practitioner that is already in place</li> </ul>
Program Secretary	<ul style="list-style-type: none"> <li>• Explaining innovation difficult when we take the concept seriously and find the core meaning.</li> <li>• The municipality must innovate in order to fulfill its mission</li> <li>• Without innovations, the process will stagnate.</li> </ul>
Municipal chief executive	<ul style="list-style-type: none"> <li>• It is new and different ideas which create value added to citizens.</li> <li>• There really is no difference between innovation in the public sector and the private sector.</li> <li>• Innovation is an important component and able to stimulate the employees</li> </ul>
HR consultant	<ul style="list-style-type: none"> <li>• It is a new idea or an implemented idea.</li> <li>• Innovation equals employeeship. There is probably no difference.</li> <li>• Giving the employees the opportunity to be innovative is a means to make the employees feel listened to, have less sick leave and to save money</li> </ul>

Source: Nählinder (2013)

- Strategic innovation; a new goal that higher than regular in which need a new approach such as community policing.
- Governance innovation; a new form of citizen participation such as e-participation
- Rhetorical innovation; a new concept to boost public awareness such as public transportation.
- Product innovation; as the creation or modification of goods or services to improve the quality, image, and function.
- Conceptual innovation; as a change of way of looking at the existing problem so as to come up with a solution to the problem
- Technological innovation; as the creation, modification, use, and knowledge of organizational tools, machinery, techniques, skills, systems, and methods to solve problems, improve existing solutions to problems, achieve goals, handle input-output relationships, or perform certain specific functions
- Innovation of organizational structures; in the form of adopting a new organizational model that replaces old models that do not fit the development of the organization

The National Institute of Policy Administration of Indonesia decides innovation into eight types as follow:

- Process innovation; process innovation can be understood as an effort to improve the quality of work processes, both internal and external, more efficient and simple.
- Innovation methods; as new strategies, ways, and techniques to achieve better results

- Innovation of relationships; interpreted as a new form and mechanism in dealing with other parties for the achievement of common goals
- HR Innovation; as policy changes to improve the quality of the value and capacity of human resources (HR)

**B. METHOD**

This study review more than fifteen academic article that discusses innovations in government or public service organizations. Most of them use qualitative approach. The articles must clearly focus on discussion about the barriers or challenges to an innovation in government. In addition, selected articles also must contain

strategies to improve innovation in government.

**C. FINDING AND RESULT**

**1. Barriers of Innovation in Government**

Governments are a large and complex organization, and like any large and complex organization, they can be difficult to change (Gobble, 2017). It makes government organization very difficult to accept innovations that will bring fundamental changes. In addition, a complex structure is also a challenge when adopting a new innovation. Transformation of the structure may cost the institution. Further, another challenge is the gap of perspective in an organization. It leads to lack of support when the development of certain innovation.

Table 2. The Barrier for Governmental Innovation

Authors	Size	Structure	Understanding	Funding	Leadership	Reward & Punishment	Culture	Technology	Political Situation	Network	Staff	Policy	Stakeholders
Gobble (2017)	•	•		•	•				•				
Munro (2015)			•		•		•		•				•
Albury (2010)	•	•	•	•		•	•	•					
Crosby, Hart, & Torfing (2016)			•	•	•				•		•	•	
Hambleton & Howard (2013)	•				•		•		•				
Potts & Kastle (2010)			•		•	•	•		•				
Newman et al., (2010)		•	•		•	•	•		•	•	•		
Meroño-Cerdán & López-Nicolás, (2017)			•	•					•				

Source: Author's construction

This study finds three dominant factors that can hamper the development of innovation in public services; weak

leadership, a gap of understanding, and resistant work culture.

### *Leadership*

Leaders in public service organizations have a very important role in the development of innovation in the public sector (André & Depauw, 2016; Munro, 2015). However, not all leaders are able to create a friendly environment for innovation development. At least, there are three failures that are often led by the leader in innovation development; fail to set innovation priorities, unclear strategies, and fail to show examples (Munro, 2015).

The development of innovation in a public organization is often confronted by limited resources such as budget, human, and welfare. Therefore, leaders must be able to set priority areas of innovation that must be developed with existing resources. Failure to set priorities will slow the development of innovation because existing resources can not be optimized. In addition, the formulation of a clear strategy both for short and long term can be needed for the development of innovation in accordance with the needs of the board.

Another problem of a leader is not being able to give examples in the development of innovation itself. Leaders who only provoke the employee without a real example of innovation may not be able to encourage innovation. Innovation requires real work not just understanding its definition. Leaders who never build innovation and actively innovate will not be able to encourage other employees to innovate.

### *Perspective and Understanding*

The different perspective on innovation in government occur among academics, practitioners, and even the citizen. Innovation may be interpreted differently by a government employee, depending on their knowledge, experience, even level of position in a government institution. If the gap of perspective is too

wide, a certain innovation may not be agreed and supported by all sections and employees. If there is no agreement, the sense of belonging of innovation is only owned by some people who are developing the innovation. As a result, innovation can fail or run slowly as the lack of support.

One of the most debatable points is the extent of change driven by an innovation. Innovation expected or even required to bring a great improvement in performance of an organization. Thus, some practitioners believe that it must start by a great change in the process or a big product. However, that thought is not agreed by all researchers or practitioners. Innovation must be a big change and generate great improvement. Building a website, for instance, is a product that continuously questioned whether it is an innovation or just an improvement.

### *Culture*

Innovation is related strongly to organizational culture (Martins & Terblanche, 2003; Szczepańska-Woszczyzna, 2015). Organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations (businessdictionary.com, 2017). In government, culture is formed by attitudes, beliefs, and thoughts of majority worker. Further, culture may included written and unwritten rules that have been developed over time and are considered valid.

There are three organizational cultures that greatly hinder the development of innovation in the public sector. First, resistance to change; the behavior of workers that refuse to change, especially when it bothers their "comfort zone". Surely, most innovation in government, especially structure

innovation, will reach any position and may bring uncomfortable situation for some workers. Thus, development of an innovation may be rejected even in the early phase of innovation.

Second, the unclear reward mechanism for innovators. The willingness to innovate can be triggered by offering a certain reward, and not necessarily money. Giving opportunities for self-development or just a support by leaders may encourage the spirit of innovation in the organization. The need for rewards becomes crucial for innovations that require much creative thinking and hard efforts of workers. Further, the third is lack of sharing-knowledge activities. Sharing knowledge may reduce the gap of skill and knowledge among workers. By having almost similar competency, the ideas may be accepted even supported by others.

## 2. Strategies for Fostering Innovation

Fostering innovation in the government is more demanding than in the private sector as the need for innovation is different. Regarding winning the market, the government does not need an innovation to provide public goods whereas industries need it to win the competition and gain the profit. Sustainability of government is not related to innovation effort. However, some previous studies propose some strategies based on best-practices.

Albury (2010) proposes four steps that should be performed to encourage government innovation. First, *creating opportunities and possibilities*; inviting staff to think creatively by giving them the opportunity to express their ideas. The environment should be friendly to creative

idea although it comes from the lower level. The promising idea should be immediately responded and followed by the leader as appreciation. Further, the creating possibility means to provide the employee with tools and equipment related to a certain innovation such as building a certain application.

Second, *incubating and prototyping*: developing a certain innovation that has been decided as the priority of the institution. Not all creative ideas are innovation. Some may just an improvement that required only increasing the repetition of doing something. Or, they may creative ideas and innovations but only increase a slight of performance and not the crucial need of institution. Therefore, the leader plays an important role to determine and select the ideas that very crucial. It helps the institution to reduce the risk of failure of innovation. Prototyping means to test in advance before applying it to society. Its purpose is to reduce the cost and failure of innovation after adopted to society.

Third, *replication and scaling Up*; replicating an innovation that has been successfully used in other institution. Innovation may occur by replicating other innovation. It does not reduce the value of originality if the idea to replicate never thought before in the institution. This effort is called replication. In addition, replication can also reduce the cost of development as some innovation demand high cost and effort such as developing a complicated application. Further, replication differs from copying as it modifies and adjusts the innovation wheater it an application, structure, or product.



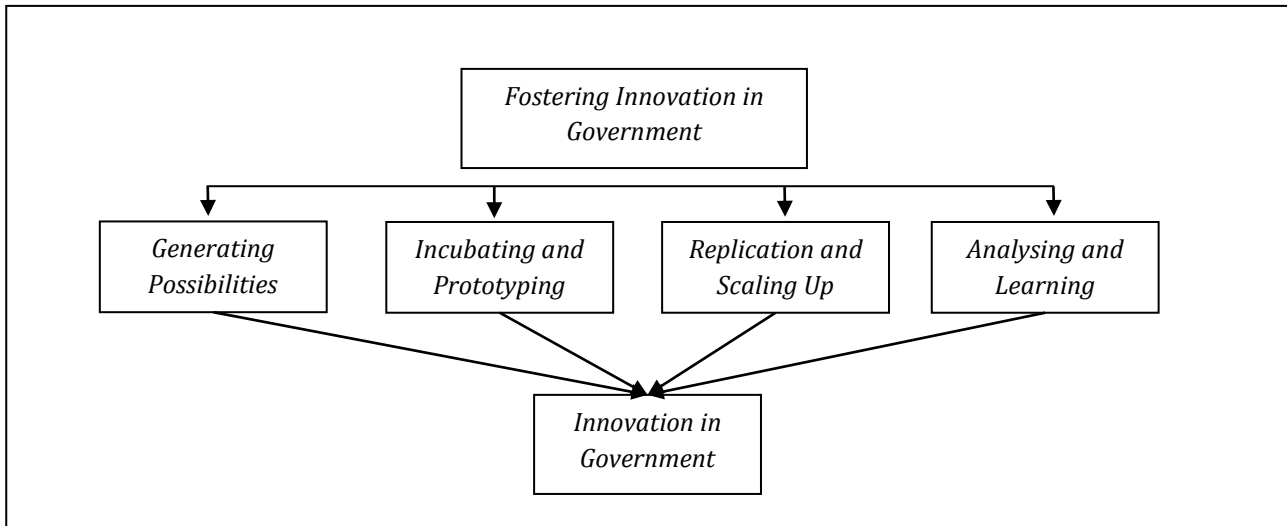


Figure 2. Fostering Innovation in Government

Source: Author's construction from Albury (2010)

However, replication may have a smaller positive effect regarding fostering innovation as the process of creative thinking is smaller than if it develops a new innovation.

Fourth, *analyzing and learning*; the most important point of innovation development is learning. Understanding effective strategies or ineffective strategies makes the organization more mature for further innovation development. This process can also reduce the risk of failure when developing new innovations. Moreover, an institution has to evaluate the process of development and adoption of a

new innovation. It must build an instrument to measure the effectiveness of innovation for the short and long periods.

Other researchers also proposed several strategies that could be developed to encourage innovation in government. Munro (2015) states that innovation can be encouraged by making outside parties as challenges in innovating. If other agencies that have the same services have made changes or innovate then the leader can provoke the spirit of innovation by comparing the condition of the institution with other institutions.

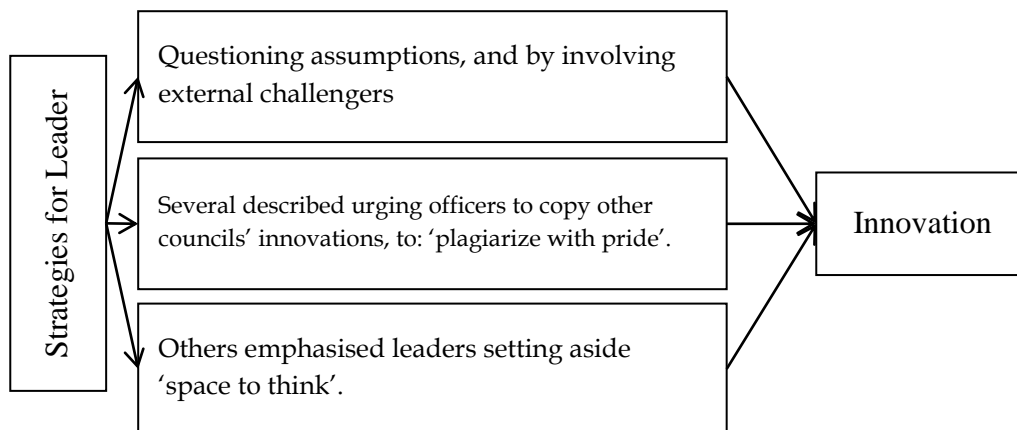


Figure 3. Fostering Innovation in Government

Source: Author's construction from Munro (2015)

## D. CONCLUSION

Innovation becomes a need in public service organizations. It enables the government to deliver more effective and efficient services. However, the development of innovation in government organization may encounter barriers. This article review more than fifteen articles that discuss barriers of implementation of innovation in government. Some strategies also constructed to propose strategies in order fostering innovation in government.

This study finds three dominant factors that can hamper the development of innovation in public services; weak leadership, a gap of understanding, and resistant culture. Leaders who are unable to demonstrate how to innovate will be difficult to encourage innovation at the lower levels. Leaders must also be able to optimize the limited resources to set priorities in innovation development in their institutions. Further, a gap of understanding or perspective in an institution may lead to lack of support for innovation. Innovation should obtain general recognition by all employees to have full support.

There are three organizational cultures that greatly hinder the development of innovation in the public sector. First, resistance to change; the behavior of workers that refuse to change, especially when it bothers their "comfort zone". Surely, most innovation in government, especially structure innovation, will reach any position and may bring uncomfortable situation for some workers. Second, the unclear reward mechanism for innovators. The willingness to innovate can be triggered by offering a certain reward, and it is not necessarily money. Further, the third is lack of sharing-knowledge activities. Sharing knowledge may reduce the gap of skill and knowledge among workers. By having almost similar

competency, the ideas may be accepted even supported by others.

Therefore, this research suggests some strategies that can be taken for fostering innovation in government. First, *creating opportunities and possibilities*; inviting employees to think creatively by giving them the opportunity to express their ideas. Second, *incubating and prototyping*: developing a certain innovation that has been decided as the priority of the institution. Third, *replication and scaling Up*; replicating an innovation that has been successfully used in other institution. Fourth, *analyzing and learning*; the most important point of innovation development is learning. It also means to build an instrument to measure the effectiveness of an innovation.

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