Building leadership capabilities for innovation in a digital government: The case of senior leadership in the Irish Public Service

This case study was prepared in the context of the 2017-2019 OECD multicountry project on civil service leadership focussing on a variety of challenges and practices relating to the changing nature of leadership in the public sector. It was peer reviewed at a workshop with the ten countries participating in the project. Building on existing OECD work on digital transformation, senior public leadership, and core skills for public sector innovation, the case study examines the role of Ireland’s senior leaders in supporting innovation within their organisations and what interventions and tools could build their capabilities – and the capabilities of their workforce – to drive more innovation and collaboration.
Table of Contents

Building leadership capabilities for innovation in a digital government: The case of senior leadership in the Irish Public Service

Introduction
Innovation and digital government in the Irish civil and public service
Workshop on Building the Irish Government’s digital innovation skills
Implications for Leaders and Leadership in the Irish Civil Service
Possible Interventions
Conclusions
Next Steps for Ireland
Further Reading:

Figures

Figure 1. Six core skills for public sector innovation
Figure 2. Overview of the Irish Public Service
Figure 3. Recent reform achievements (2011-2016)
Figure 4. Current public service reform priorities
Figure 5. UK Success Profile Framework
Figure 6. Estonia's leadership competency framework

Boxes

Box 1. Innovation in Ireland’s Civil and Public Services – Civil Service Renewal and Public Service Reform Plans
Box 2. Estonia’s approach
Box 3. Finland’s approach
Introduction

OECD governments are facing considerable shifts: digital transformation, changing citizen expectations about what is possible and what is wanted, an ever-more interconnected world, and issues of rising complexity and volatility. These issues are requiring more of governments during a time when greater focus on fiscal sustainability is also called for. This new reality requires senior leadership to think, manage, and lead differently; and they require a public workforce with new and diverse skill sets and problem solving techniques.

Effective responses to the demands and emergent policy and service delivery challenges of the 21st century must also be informed and supported by new thinking, new ways of working, and new ways of interacting with and delivering for citizens. Leadership plays a key role in giving permission to try new things, and in creating a culture where employees can propose, implement, evaluate, and scale innovative solutions.

Top leaders steer organisations, set visions and goals, align resources, and play a significant role in the development of organisational culture and climate. Leaders have the power and influence to structure organisations, select skilled employees, open doors and remove barriers for the people, projects and teams they support. Without the support and commitment of top leadership, public sector innovation cannot take hold.

Nonetheless, innovation – the process of doing what has not been done before – is extremely challenging and complex, particularly in the public sector, and there is still much to learn about what works and what does not. This is equally true with identifying leadership styles that encourage public employees to innovate, and the mechanisms and interventions that can help develop leaders capable of building and running innovative public sector organisations.

The digitisation of public sector organisations adds further complexity. The scope and size of digital projects in the public sector often outweigh those in the private sector while public sector organisations tend to remain very hierarchical and bureaucratic. In many public sectors, leaders do not have a high level of digital literacy and awareness. Increasingly it becomes clear that the size of the challenge is not matched by organisational capabilities and leadership; which reinforce a dependence on outsourcing solutions in ways that are not appropriate for the size and complexities involved.

Evidence suggests that transactional command and control leadership styles are not well adapted to these current challenges. And while many public sectors appear to recognise this, many still seem to approach the solution as a technical challenge – teaching public sector leaders new techniques, showing them new ways of addressing problems, and making them more aware of the potential of technology to transform their organisations and society. Opening the realm of the possible in the minds of public sector leaders is an important undertaking, but the solutions to the leadership challenge will never alone be a technical one. Most experts involved in leadership, digital transformation and/or public sector innovation recognise that increasingly it’s about mind-sets, behaviours and styles.

Richard Wilson (2013) defines two broad categories of leaders: Heroes and Anti-heroes. “A heroic leader sees the world with great clarity, knows what they want to achieve and has the self-belief and drive to make it happen.” Wilson suggests that this kind of leadership is well suited to tackling well defined challenges, but the hero’s confidence and own expertise makes them more narrow minded, incapable of seeing the world from other perspectives. Adding more technical expertise to a heroic leader will not change this fundamental flaw.
Wilson’s “Anti-hero” adapts their leadership style according to circumstances. Their leadership is inherently sensitive to other people and aware of the limitations of their own knowledge and skills. The five pillars of anti-heroic leadership – Empathy, Humility, Flexibility (leadership style and behaviour), Acknowledgement of uncertainty and not knowing, and Self-awareness i.e. being highly aware of their core values and behaviours – are helpful for thinking about the behaviours of leaders necessary to promote and show value for innovation within their organisations (read further in Wilson, R. (2013)).

To become an anti-hero, Wilson argues that leaders need to understand and undertake transformational learning. Rather than building technical expertise in the leaders themselves (“learning more stuff or information”), an Anti-hero will understand how to bring it into their organisation, how to nurture it, and how to ensure that it guides their own leadership. Where a heroic leader may see second-guessing from experts below them as a threat to their own expertise and leadership, the anti-hero is strengthened by it and structures their organisation and approach around it by fostering communications, collaboration and trust.

The above discussion suggests that one of the most important tasks for effective senior public leaders is to keep a pulse on the capabilities of their workforce and enable transformative learning to take place across their workforce. This means ensuring that their public employees have the abilities, motivations, and opportunities to engage with innovation and contribute in their own ways to the digital transformation of their organisations.

The OECD has developed a beta skills model for public sector innovation that is based around six “core” skills areas. Not all public servants will need to make use of or apply these skills in their day-to-day job. However, for a modern 21st-century public service, all officials should have at least some level of awareness of these six areas in order to support increased levels of innovation in the public sector (see Figure 1).
Given the points above, what questions does this raise for senior public leaders? Understandably, senior civil servants are not asked to master all six of the above skills; yet they have an important role in building up their organisations with public employees that have them and in creating the space for these civil servants and managers to put them to use. This requires not only attracting and developing the right skills, but rethinking the way organisations are structured and the way employees are engaged throughout the internal transformation. Doing so effectively is a fundamental leadership challenge which requires a redefinition of leadership, from a centralised control function, to one that diffuses expertise and prioritises collaboration and trust in a way that builds an innovative culture.

The aftermath of the financial and euro crises from 2008 onwards prompted the Irish administration to undertake a programme of sustained innovation, initially with the principal aim of containing public expenditure while seeking to maintain vital public services. Since 2011, three successive Reform Plans for Public Service as well as a programme of renewal for the Civil Service have embedded a range of new and innovative approaches to governance, people management, and service delivery within the public administration. Ireland nevertheless recognises that innovation must now accelerate if the public sector is to successfully meet the challenges posed by digital, artificial intelligence and heightened customer expectations, while recent experience of driving innovation shows where the administration’s relative strengths and weaknesses lie in this area. In order that innovation is more fully embedded on a system-wide basis and seen less as impelled from the centre, Ireland intends now to boost the innovation culture in its public service.

Source: OECD 2017a
organisations and strengthen leadership for empowering innovation. To this end, the Irish Government agreed in 2018 to pilot a learning-oriented workshop being developed by the OECD’s Observatory for Public Service Innovation among a group of its senior public service leaders in order to better understand, frame, and develop sustainable innovative organizations.

The output of this process is the current case study, which brings together existing OECD work on digital transformation, senior public leadership, and core skills for public sector innovation to explore how Ireland’s senior leaders support innovation within their organisations and what interventions could build their capabilities – and the capabilities of their workforce – to drive more innovation. The findings in the case study are based on research spanning the first half of 2018, including interviews that OECD conducted with Secretaries General (SGs), focus groups with a range of public employees in three different government departments, and a one day workshop with SGs and other senior public leaders focusing on building digitally innovative individuals, organisations, and systems across the Irish public sector.

An earlier draft was then discussed at the second meeting of the international project on Senior Leadership. This draft was edited following that meeting to take into account the range of insights provided by participants.

Innovation and digital government in the Irish civil and public service

In recent years, the Irish Government has sought to develop innovative approaches at all levels of public life to resolve significant societal issues when existing policy approaches and decision-making mechanisms have proved unresponsive. For example, the Citizen’s Assembly represents a cutting-edge model of deliberative democracy that places the citizen at the heart of important legal and policy issues facing society. It provides a forum for citizens to engage on sensitive and complex national issues (recent debates included marriage equality and termination of pregnancy) and issue reports and recommendations to parliament for further debate by the elected representatives and, possibly, national referendums. This process ensures, inter alia, that there is a ‘curated’ audience of randomly selected citizens’ representative of the wider population in terms of demographics, educational attainment levels and geographic location.

Ireland’s public service, like many OECD public sectors, includes a broad and diverse set of institutions with various mandates, operating regimes, contexts and constituencies, reporting and accountability structures, enabling legislation and collective agreements (see Figure 2). The Civil Service, in the Irish Context, refers to a significantly smaller governance sector made up of central ministries and agencies, and accounting for approximately 12% of employees in the broader Public service. This context, at times, can prove challenging when designing, implementing and evaluating public sector reform programmes that cut across these multiple and diverse sectors; as well as the diffusion of good practices. The Civil Service, as the central governing sector of the broader Public Service, can play a significant role to look at Innovation and Reform from a cross-systems perspective, while ensuring effective partnerships with Public Service organisations to emphasise the service delivery dimensions and build on the various innovations already taking place in sector-specific areas.
Figure 2. Overview of the Irish Public Service

Source: Our Public Service 2020, Government of Ireland
The Irish government has developed many reform plans, actions and goals with a view of building more innovative public employees and driving a digital public sector. Earlier reform plans focused largely on achieving cost reductions and efficiency gains in light of the 2011 financial crisis. However, as the Irish economy has recovered and continues to grow, whole-of-service reform actions have shifted focus towards six high-level outcomes\(^1\), with headline actions such as accelerating digital delivery of services, promoting a culture of innovation in the public sector, and increasing employee engagement.

Figure 3. Recent reform achievements (2011-2016)

Source: Our Public Service 2020, Government of Ireland

\(^1\) Increased customer satisfaction; Increased public trust; Greater use of digital to do business with public services; Better government effectiveness; Quality of certain public services; Greater employee engagement.
Significant aims of the Second Public Service Reform Plan (2014-16) included, for example, implementing shared services, centralised government procurement, digital government and property asset management as well as the development of civil service leadership and capacity, which led to a Civil Service Renewal Plan (see Figure 3). As part of the PSRP 2014-16, the Public Service ICT Strategy was designed and led by the newly created Office for the Government Chief Information Officer (OGCIO), which included objectives such as enhancing open government data, implementing a public service card and building a data infrastructure and sharing across government.

Currently, the Irish government is implementing a new Civil Service People Strategy², as well as the public service development and innovation strategy entitled “OUR Public Service 2020”. As mentioned above, this new phase of public service reform is aimed at developing a culture of innovation and delivery within the public service, and is part of a wider transformation landscape across Ireland’s public service.

Box 1. Innovation in Ireland’s Civil and Public Services – Civil Service Renewal and Public Service Reform Plans

The Irish Government launched its Civil Service Renewal Plan (One Vision) in October 2014 setting out a new vision and direction for the Civil Service, including an approach to corporate management; recommendations for maximising the performance and potential of all Civil Service employees and organisations; plans for cultural, structural and process changes; and measures to strengthen continuous corporate and individual learning and improving. Notable innovations under these initiatives include:

An over-arching Civil Service Management Board (CSMB) has been established consisting of all Secretaries General of Government Departments and heads of major Offices and chaired by the Secretary General to the Government. This Board provides a collective responsibility for driving the implementation of the programme of reform set out in the Civil Service Renewal Plan. Its role is to:

- Manage the performance and operation of the Civil Service, including overseeing talent management and performance management systems for senior managers;
- Support the Government on the implementation of policy initiatives that involve multiple Departments, Offices or Agencies, including the assignment of staff to these projects and
- Identify and manage strategic and operational risks on short, medium and long term horizons.

This innovative governance model has been extended to the wider public service with the creation of a Public Service Leadership Board and the Public Service Management Group under the current public service reform plan, Our Public Service 2020.

Since September 2015, a series of three biennial Civil Service Employee Engagement Surveys have been conducted, seeking the views of civil servants on working in the Civil Service, focusing on areas such as employee engagement, well-being, coping with change and commitment to the organisation. The objectives are to: measure the drivers of

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² With headline actions such as: i.) being an employer of choice; ii.) building the work force of the future; iii.) Building, support and value managers as people developers; iv.) position HR as a strategic driver.
leadership and engagement across the Civil Service; provide a benchmark to measure and compare different organisations; create a regular and consistent channel to track levels of engagement and to receive staff feedback; and maintain an accurate baseline of the performance and operation of the Civil Service to inform strategic management decisions and the delivery of the programme of reform in the Civil Service Renewal Plan.

The People Strategy for the Civil Service 2017-2020 is the first strategic HR plan for the whole of the Irish civil service. The aim is to develop a more strategic approach to HR across the Civil Service and foster a culture that values people and people managers, supports high performance and reinforces the relationship between effective people management and an engaged, productive workforce.

The Senior Public Service Leadership Development Strategy, which is aligned with the People Strategy, supports the development of a high functioning civil service leadership cadre. It envisages that leaders will be visible and effective in their capacity to manage and develop their organisations and staff; communicate strategic priorities and vision to their teams; and work collaboratively and innovatively ways on whole of Government projects.

A new SPS Executive Leadership (Talent Management) programme was launched in 2016 to facilitate high performing senior leaders explore different aspects and styles of leadership in order to develop the leadership skills and competencies required to succeed at the next level. A similar programme was also recently launched for high-performing Heads of Unit. The programmes are designed around the current and future leadership challenges facing top level management underpinned by relevant senior leadership competencies. The programme content included Development Centres, formal modules, and coaching/mentoring supports.

The Learning and Development (L&D) initiative provides a new shared model for learning and development, and a standardized skills register and assessment framework for all civil servants up to Head of Unit level. A departure from previous practice, it aims to support effective staff development, workforce and succession planning, and a substantial analytical capability in assessing the focus, cost and effectiveness of L&D investment.

The Civil Service Excellence and Innovation Awards recognises the achievements of civil servants and showcase examples of excellence and innovation in policy and service delivery in Government Departments and Offices. The Awards showcase the innovation, dedication and enthusiasm of civil servants to deliver a world class service to the public. They also enables the sharing of best practice across the Civil Service and encourages individual organisations to promote and host their own staff recognition schemes. Performance awards have also been instituted in a number of sectors such as the Chief of Staff Innovation Awards in the Defence Forces and the Health Sector Excellence Awards.

A centralised Office of Government Procurement (OGP) has been established in line with best practice in the public and private sectors and is responsible, together with four key sectors (Health, Defence, Education and Local Government), for sourcing goods and services on behalf of the Public Service. It is also responsible for procurement policy and procedures, enabling the Public Service to speak with “one voice” to the market for each category of goods and services, eliminating duplication and taking advantage of the scale of public procurement to best effect.

An Office of the Government Chief Information Officer (OGCIO) has been established to lead the implementation of the Public Service ICT Strategy in cooperation with departments and agencies across the Public Service. The Government Chief Information
Officer (CIO) chairs the ICT Advisory Board comprising Departmental Chief Information Officers and Heads of ICT, to oversee the implementation of the Public Service ICT Strategy. The CIO also reports at regular intervals to the CSMB.

**Digital Services:** The eGovernment Strategy 2017-2020 published in June 2017, underpins Ireland’s eGovernment and Digital Government objectives. The Strategy aims to reform administrative processes, enhance the delivery of services and achieve greater efficiencies within the public service. Digitalised and, where appropriate, streamlined delivery should result in more effective and less costly service delivery to businesses and citizens using secure and robust technology solutions. Examples of (online) Digital Services include applying for passport renewals online and tracking passport applications, appointment booking at the Passport Office; applying for student grants, driving theory and car tests, paying taxes, employee permits, interacting with local authorities and a range of mywelfare.ie services including paternity benefit and job seeker payments. The wherewhereyourmoneygoes.gov.ie website allows examination of Government spending.

The implementation of the **Public Service ICT and eGovernment Strategies** have led to unprecedented sharing of solutions, infrastructure and ideas not only across the Civil Service but extending into the wider Public Service. Examples would be the development of the gov.ie portal, the shared use of the MyGovID (e-ID) infrastructure, the shared use of a sophisticated Government Network and plans to build a shared environmentally friendly Public Service data centre.

The Civil Service has also launched an ICT Professionalisation strategy to ensure that it can attract, retain and develop the talent it requires on a sustainable basis.

Ireland is advancing legislation to promote and encourage data sharing between public bodies and so drive greater and more innovative use of data across the public service. When enacted, the **Data Sharing and Governance Bill 2018** will providing a statutory framework for data sharing for legitimate and clearly specified purposes that are compliant with data protection law and set new governance standards for the management of data held by public bodies. Together with the National Data Infrastructure and the National Data Strategy, this will result in the creation of a strong data ecosystem for the Public Service that will lead to better information for policy stakeholders and drive innovation in the delivery public services.

The **National Data Strategy** is a multi-year, multi department strategy that describes an architecture and the associated governance for the optimisation of data management within Government. It seeks to align with best-practice recommendations from the EU, OECD, World Bank and others to deliver joined-up data for better digital services, more informed policy making and reduced administrative burden on citizens and businesses. The target-state data ecosystem will facilitate cooperation between Public Service Bodies by allowing data to be reused in an efficient, secure and consistent manner.

Under the **Open Data Initiative**, which is another key element of the Public Service reform agenda, Ireland intends to be a leader in Open Data and to create an environment where the economic, social and democratic benefits of Open Data are recognised and realised. Ireland’s national Open Data portal data.gov.ie has been substantially enhanced since it was launched in 2014 and now links to over 8700 datasets from some 100 publishers.
Within *Our Public Service 2020*, there is a focus on developing public servants with the capabilities and motivations to innovate and deliver public value to citizens, including building the institutional set-up, systems and leadership that provide an enabling framework to do so.

### Workshop on Building the Irish Government’s digital innovation skills

As mentioned above, during the first half of 2018, The OECD partnered with Ireland to explore the role of top leaders in building a digitally innovative public sector. Using the innovation skills model developed by the Observatory for Public Service Innovation (OPSI) as a framework, twenty senior Irish public sector leaders participated in a workshop to examine what the different individual, organisational and system-level challenges and solutions could be developed to drive innovation across an increasingly digital government. Focus groups were also undertaken with a range of public employees in three different government departments. The overall aim was to develop and pilot a learning-oriented workshop with public sector leaders to better understand, frame, and develop sustainable innovative organisations and to fed into the current case study.

The findings of the Irish case study in regard to leading and embedding a culture of innovation closely reflect those experienced/highlighted by a number of other OECD member states. These include:

- **Ownership and implementation of public sector reform and innovation strategies reside with only a select few**: There are many reform plans, actions and goals which, if well implemented, stand to drive effective and positive change across the civil/public service, but building ownership across the highest levels and down through the broader workforce will be an ongoing implementation challenge. One significant difference between reform and innovation is that reforms are usually implemented top-down whereas innovation generally requires broader
participation and contribution. Many of the discussions conducted in the context of this case study highlighted the need to reach out to broader sets of public officials, particularly those in lower level positions and those working at the front lines of service delivery, to give them opportunities to contribute their experience, knowledge and insight. Moving from reform to innovation means that change can no longer be delivered “as a gift” from technical experts.

- **Uneven perception of organisational innovation culture**: When ownership of innovation only resides with a select few, this will usually result in an uneven perception of innovation. This is apparent in the findings from the latest Employee Engagement survey and subsequent interviews, which point to an uneven perception of innovation culture between senior leadership, middle managers, junior and frontline staff. While most senior leadership are committed to innovation, they express surprise that this is not perceived throughout their organisation. Senior leadership generally have more knowledge, opportunities, and perspective on innovation, but in large hierarchical organisations, there are challenges to push this down to others layers and levels. In part there may be communication and definitional challenges – communicating more about innovation can help to sensitise the workforce to the idea that perhaps they are participating in innovation without labelling it as such. However talk must be backed up by action – real opportunities to public servants to work towards innovation in their workplaces.

- **Leadership’s view of innovation focuses on the potential risks of innovation rather than the potential benefits**: Leadership often noted the use of public funds and media scrutiny – yet were less likely to mention the value of piloting on a small scale and scaling if proven successful e.g. failing quickly and creating a learning loop. While many leaders suggested the need to support learning from best practices across the Public Service, many also recognised that the core challenge is to also enable learning from the things that didn’t go as expected, and to support teams to “build success from failures”.

- **Frontline knowledge of user experience is not well used by decision makers**: Frontline customer-facing staff expressed a lack of ability to share ideas or give feedback, especially to the systems they have to deal with (and customers have to deal with). There is a high amount of knowledge on the citizen/customer experience with services that could be fed back into the back office and into decisions that would improve the user experience or innovate the way services are delivered to them (both citizens and business).

- **Employees do not know how to engage in innovation within their organisations and across the civil service**: When conducting focus groups of non-senior civil servants, employees could clearly identify issues within their organisation and appeared to have ideas of potential solutions. The perception was that they lacked the agency to make the necessary changes or the knowledge for how to raise issues and ideas. Additionally, when posing the question “if you were asked to start innovating tomorrow, what would you do differently,” many participants were unable to answer this question due to a lack of understanding of the definition and expectations of innovation and how their roles and responsibilities should interact with innovation. Employees did not have a clear sense of where to go to get information about public sector innovation, and were not aware of innovations in
other areas or departments. This suggests a lack of dialog and sharing of innovation within organisations and across the public/civil service.

Implications for Leaders and Leadership in the Irish Civil Service

The workshop conducted with senior Irish public leaders provided an opportunity to discuss what the different individual, organisational, and system-level challenges and solutions could be to drive innovation across the increasingly digital Irish government. The workshop explored how Ireland’s most senior leaders view innovation within their organisations, how they view their role in promoting and creating space for it, and what interventions could build their capabilities – and the capabilities of their workforce – to drive more innovation.

This was followed in June by a meeting of the international group which used the findings and outputs of the workshop to launch discussions on the common challenges that innovation in a digital government poses for public sector leaders and the interventions that are being tested around the world.

The first insight that came from the participating countries is that the challenges outlined by the Irish example appear to be relatively universal. Finland suggested that although they may appear advanced in regards to some aspects of public sector innovation, they mostly innovate in response to crises, and struggle to make innovation a moral imperative. This demonstrates that all countries, even those which may appear more advanced, are figuring this out in their own experimental ways. Having public sector innovation feature prominently in a reform plan is a commendable start, but it is never easy to begin doing new things without a crisis demanding them.

Participants also agreed that leading innovation in a digital government presents a need to redefine what leaders are and the roles they play in public organisations. The UK government is developing success profiles as a new way of identifying and articulating the behaviours, cognitive abilities, technical skills, experience, and strengths needed for leadership. Thinking in these holistic terms can help to provide a way of identifying the multiple facets of those who occupy leadership positions.
Given the participative nature of public sector innovation, the focus can’t only be on what leaders do and know, but on the environment they create and how this motivates others to adopt the behaviours that drive innovation. This suggests a different set of competencies which are more focused on personal and inter-personal characteristics, which makes people more flexible, creative, and agile. Others emphasised the need to ensure managers develop comfort around ambiguity and this means that senior leaders need to give confidence to their management team to test and explore as they go. Estonia’s new competency model highlights many of the roles that this kind of senior leadership requires (see Box 2).

**Box 2. Estonia’s approach**

Estonia has recently updated their leadership competency framework to set expectations for the kinds of leaders they wish to attract, select and develop.
The framework calls for leaders to be drivers of innovation, and offers the following definitions:

- **A driver of innovation** is a pioneer; he or she promotes thinking outside the box, encourages taking risks and directs the development and implementation of valuable innovations.

- **An efficient top executive** actively looks for innovation opportunities, shapes an organisation culture that supports creativity, learning and experimentation; encourages the team to develop technical competencies and adopt new technologies.

- **An inefficient top executive** sticks only with tried solutions, gets tangled in restrictions, is afraid to be wrong and acts within safe limits, ignores the need for technical competencies as well as the opportunities to adopt innovative technologies.

Each of the elements in the framework also includes activity indicators which are assessed on a scale from 1 (never) to 5 (always). The activity indicators for a driver of innovation are:

*The top executive:*

- Inspires the search for innovation opportunities.
- Follows technological developments systematically.
- Supports creativity, learning and experimentation.
- Shapes a work organisation that encourages innovation.
- Implements modern methods of innovation management.
Uses the opportunities provided by new technologies expertly.

Directs all employees to develop their technological competencies.

In general, the innovation competency is one of the lowest when current and future leaders are assessed against these competencies, suggesting that leaders struggle to integrate the above activity indicators into their day to day practice.

In order to address this gap, the Top Executive Excellence Centre has designed an innovation programme which addresses personal, organisational and contextual dimensions. The personal dimension looks at how to acquire the techniques, tools, creative thinking and personal innovation skills needed. The organisational dimension explores how leaders can create an innovation friendly organisational culture and working environment. Finally the contextual dimension aims to better understand global trends and technology, potential partnerships and synergies beyond the organisation. The programme is itself delivered in innovative ways, providing insight on the latest cutting edge technologies, delivered through various active learning methods, site visits, and even culture shock therapy by visiting countries in developing contexts.

Diversity is an imperative to build and spark public sector innovation; not only in terms of socio-demographic diversity (e.g. gender, age, etc.), but also diversity of thought, background and experience. This presents a key leadership challenge: to bring people together who speak different professional languages and empower and facilitate them to work together. Managing diversity for innovation suggest the need to build a workforce and leadership structures that emphasise resilience and courage, storytellers who can challenge the status quo and the dominant ways of thinking. This may go against the traditional Irish notion of “a safe pair of hands” that can always be relied upon to do as told, rather than to challenge the way things are done and come up with better alternatives.

Leading public sector innovation in a digital government requires a balance of skills and behaviours. Skills to know how something is done (e.g. technical skills, subject matter expertise, and methodological skills) and the attitudes and behaviours to recognise that there may be new ways to do it. And this requires leaders to help guide the right kind of innovation to the right place.

More than ever before, leaders need to develop a keen sense of self-awareness and honest self-reflection. Leaders need to know their strengths, to surround themselves with others who balance their strengths, and give these people the space and trust to question and challenge. And this must be grounded in solid public sector values, to ensure that diversity of thought is guided by the right common motives and objectives.

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Box 3. Finland’s approach

Finland’s new government programme has one pillar on digitalisation, leadership, and experimentation. Currently these three themes are dealt with separately, by different teams, however there is increasing recognition that they would benefit from closer integration.

As part of the work under this pillar, the Ministry of Finance asked experts and leaders what skills they need for digitalisation in the administration. Answers were varied, often emphasising basic skills, specialist skills, competencies to learn new things, new ways of
combining skills, dialog skills, and the ability to understand and integrate the fact that people have a wide range of digital skills. The 3 most important areas that were identified were developing the customer orientation; data analytics; and digital modelling and social media.

It seemed the largest concern of those surveyed was a lack of Whole of Government coordination, with many also giving low scores to appraisal and feedback of their skills, suggesting that many of the people management systems in the administration were not well adapted to these kinds of skills.

In order to begin integrating some of this insight, Finland has been revising its Future leaders training programmes around the them: Responsible and Brave. Networking is a big part of the training as participants come from all the different administrative fields. The training helps to establish a common value base. The Government Programme has directed innovation to be included in the government values.

Finland also provides support to current leaders – including special days with the Prime Minister and other high level informative and motivational speakers which provide opportunities for networking and meeting each other. The highest level leaders (SGs) meet weekly for morning coffees. Sometimes get the future leaders to join.

Two additional activities which may resonated with Ireland’s challenges vis-à-vis risk aversion were small peer support groups and specific training on risk management and security. The small peer support groups were made up of approximately 10 leaders in each group, and meet approximately 6 times per year. These are places where leaders can talk openly about failures and harvest learnings from them in a non-judgemental discussion. It works because it’s a small and comfortable trusted environment. Participants are stable for at least 2 years in the same group. These groups also enable the sharing of innovations and collective problem solving.

The IT department has also developed training for managers and leaders on good risk management and cyber security. The goal is not to scare managers and promote more risk aversion, but rather to provide a sense of security for the risk taking that needs to take place in an innovative digital government. In this sense, it’s an important way of fighting risk aversion.

Possible Interventions

With this understanding of leadership, a range of possible interventions were identified to support current and future leaders. These included:

**Clearer definition and understanding of innovation:**

A clear and generally agreed upon definition of innovation, and the different categories of innovation (technological, digital, business transformation, process, products, citizen services, etc.) can help to clarify concepts and develop a common language.

**Strategies for innovation:**

Adopting a well-articulated and properly-understood innovation strategy for public services can help transform existing pockets of innovation into system-wide, locally-led innovation, where creativity and change comes consistently from the frontline as well as
from Board level. To fundamentally shift innovation culture and climate requires public service leaders to ensure that their colleagues know what innovation is, that they are fully equipped with the skills to innovate, and that they understand that they have the permission to innovate.

**Develop Innovation Competencies:**

Competency management is particularly useful in the context of leadership, to set expectations for the behaviours and skills that current and aspiring leaders are expected to demonstrate, and those they should be nurturing in their workforce. Estonia’s new leadership competency model (Box 2) sets expectations for leaders to be innovation boosters, future designers, value builders, and empowerers. While competency models alone won’t guarantee an improvement in leadership, they can create the conditions to support discussions around these themes, and help to begin assessing leaders’ abilities in these areas. Estonia’s experience to date suggests that, out of all the competencies in their new model, leaders struggle the most with the innovation booster role, and this has helped to generate various interventions to provide supports necessary, including training, performance management, and others. Ireland may wish to consider updating its leadership competency model, through a broad consultation strategy which can generate discussions around defining innovation leadership in an Irish context.

**Interaction with customers:**

Public sector innovation can draw a lot of insight from direct interaction with customers, particularly in a digital environment where outreach can be easy and present low costs. Reaching out to the customers suggest the need to interact more with the customer-facing employees, and to empower them to collect more data and provide more input on their experience. Customer facing frontline workers should be organisations’ ‘eyes and ears’ and ‘customer researchers’. Encouraging greater input and feedback from frontline workers and from customer themselves may be a great source of untapped research and insight to inform and drive more innovation. Ireland is very keen to become an exemplar in user-driven digital services. To that end, it has recently launched a two phase programme of activity, which includes extensive face-to-face and telephone-based public consultation and an exercise with Trinity College Dublin to assess life challenges (i.e. dealing with issues relating to Life Partners; becoming an adult; seeking and being in employment; and coming to working in Ireland) on a “mystery shopper” basis, and develop critiques of the user experience and recommendations for change.

**Following up on employee engagement results:**

Building a culture of innovation requires active engagement of employees by leadership. Employee engagement surveys are used by Ireland and other leading countries as a barometer to test organisational culture and get a sense of the prevailing perceptions of the workforce. They can be powerful tools to not only give voice to large mass of people, but also to benchmark various organisations, functions, units or even skill-sets against each other to better understand strength and challenge areas.

As discussed above, it’s clear that the higher up the hierarchy one is the more positive they are about the innovation climate of the Irish Civil Service. Comparing this trend across organisations, or even across branches within organisations, could identify some areas where the trend is less prominent and this could spark learning about the leadership activities that improve employee’s perceptions of innovation in their organisation.
The follow-up of employee surveys is even more important. The data can be used to structure conversations and spark reflection on the key issues identified. The UK structures follow-up activities with organisations and provides support to individual leaders and managers who wish to better understand the results of their survey and how to leverage them for better leadership.

In Ireland, following the 2015 Employee Engagement Survey, all Departments/Offices were asked to devise Action Plans in response to their survey results and the progress of these Action Plans was reported to the Civil Service Management Board. This active response to the findings in individual organisations led to improvements across most themes. This process has also begun in response to the results of the 2017 Survey with Departments now actively responding to the challenging results highlighted by their results. A Working Group at Secretary General level was established to produce recommendations on what priority areas should be targeted in all organisations along with detailing how best to respond to the results on a Civil Service wide level and within organisations. These Action Plans have proven to be a powerful driver of discussions around how best to communicate about innovation and the kind of leadership behaviours needed to improve the innovation climate in their organisation.

**Dedicated resources and space for innovation:**

Some dedicated resources are necessary to systematise Ireland’s public sector innovation approaches, and leaders have a responsibility to ensure appropriate resources are identified. This seed funding provides resources that can be used to test and experiment, in ways that may not always result in successful innovation, but should always result in learning. Seed funding for staff innovation projects could be managed by a particular management team and integrated into the budget and business planning process.

Employees also need a safe space and support to experiment, fail, and iterate with seed funding. Resources, then need to be framed not only in terms of money, but also to include physical space, access to information and expertise (e.g. internet, expert advice, research etc.) and time, so that innovation isn’t just something expected on top of their busy day job. In this respect, participants also mentioned the underlying need to build a culture where staff feel empowered to propose, test, and evaluate innovative solutions to policy and service delivery challenges.

Sometimes this requires support to rethink some of the fundamental principle of public administration to make them fit-for-purpose – for example, what would procurement or HRM look like if it was designed today from scratch, rather than what is has become over time? This suggests framing performance around trying, rather than only succeeding.

**Increase sharing of best practices and failures:**

Better sharing of innovative practices and failure within and across public service organisations is necessary and possible in Ireland. SGs have the authority to implement and help drive a better culture of sharing good practices, yet highlighted the current blockers to overcome, such as a reluctance to share across sectors at times, difficulty to translate practices into specific contexts, and overcoming the current environment where it is difficult to discuss failures openly and honestly.

The Finnish model of developing small sharing groups which meet regularly to share challenges and learn from successes and failures could be a useful starting point (see Box 2), however the challenge remains to codify and aggregate these lessons for wider learning.
Sometimes the wrong lessons are adopted from mistakes, when, for example, a project goes terribly wrong and this results in a clamp-down on the resources and trust required to undertake experimentation and effective innovation.

[Reverse] mentoring:
Hierarchical cultures, where senior leaders only hear from their immediate subordinates and rarely from the analysts and experts in their organisations, generally reduce motivation and opportunities for innovation. Furthermore, in a digital context, there can often be a gap between senior (generally older) leaders who grew up in a paper-based environment and younger digital natives. Canada has been developing various approaches to mentoring and reverse-mentoring, whereby senior leaders are paired with younger employees who provide advice to the senior leader on various possibilities regarding the use of social media and the potential benefits of a more digitally advanced workspace, among other things.

Reverse mentoring does not only need to be digitally focused, but can also be a way of sparking new ideas and breaking up the risk of groupthink. These programmes require support to be effective – there has to be some kind of criteria for the identification of the right mentors and mentee, but they can be as informal or formal as required by the context. Canada has used both, whereby individual leaders organise their own reverse mentors, but there is also a Deputy Minister Innovation Committee in which each DM and their reverse mentor participate together, with the mentors treated as equals around the table at these discussions. Ireland may wish to experiment with such an approach for particular sessions of the Civil Service Management Board.

Greater Tolerance of Risk:
How might leaders manage a higher risk portfolio within the entire Irish civil service system as well as individual organisations? Expanding the risk discussion to include the “risk of inaction” alongside the “risk of action” can provide an important perspective. Taking a more explicit experimental approach to projects can also help reduce the perception of risk since experiments are by nature less certain, and ultimately succeed regardless of the outcome as long as appropriate learning has been achieved.

Finland’s approach to training around risk management and security could also be effective, so long as the training is designed and emphasise how to experiment safely and to demystify complex technical issues, and not to stoke fear and thereby increase risk aversion.

Experimentation is not always easy to do in the context of politically sensitive policies, particularly when political officials are involved. The role of the highest levels of administrative leadership to inform and manage the political administrative interface with respect to risk and experimentation needs to be highlighted and addressed openly. This will depend on the specific relationship between each SCS and their Minister.

Agile methodology:
Agile methodologies grew out of digital development projects and increasingly the principles are being applied to a range of different problem solving situations. The basic tenets are to work iteratively, and in small modular components, so that projects can adapt to changing circumstances and unforeseen contextual challenges. While many governments have various checks and balances in place which may limit purely agile approaches, savvy project managers should be supported to identify opportunities to
“sandbox” certain projects and approaches, using more trials and testing, often as a way of exploring potential options early in the lifecycle of a project. Ireland could work with its networks of project managers to explore the use and application of agile to Ireland’s civil service.

**Exchange programmes:**

Ireland can build on current mobility arrangements, to promote more cross-collaboration and fertilisation of different disciplines through exchange programmes within and across sectors (e.g. public/private, or between different sector within the public service). While many of the participants could point to positive experience with mobility programmes in the public service, the prevailing view was that these are not used systematically enough. Part of the answer to increasing the use and impact of these tools is in reviewing the incentive structures for managers who have to give up their most promising employees for such developmental opportunities.

**The use of mixed teams for innovation projects and pilots:**

Using mixed teams (e.g. from various functions, sectors and/or ministries/department) to undertake a specific innovation project, also appears to be an underutilised tool in Ireland. In some schemes, employees could undertake a special assignment over a number of months to work on specific, time-limited challenges. When managed well, such teams can have a dual benefit – the organisation is able to access talent that doesn’t exist within, while it can also be developmental for employees who get a sense of the processes and capabilities required to succeed at innovation in a digital government. A central organising unit – whether a lab, hub, or “innovation garage” – could be useful for bringing inter-disciplinary teams together to guide different pilot projects.

**Conclusions**

Public Sector Innovation, and the leadership roles required, can be thought of in terms of individual, organisational, and system-level capabilities, which should ideally all be aligned. The discussions that feed into this case study oscillate between all three.

At the individual level, the concept of the anti-hero leader, with the right knowledge, skills, mind-sets and behaviours resonates strongly. This presents a fundamental HRM challenge – to incorporate these factors into a system that attracts, selects and develops the right people at all levels of an organisation, especially at the top. It also suggests that workforce development and management must be a central consideration of any leader, regardless of their functional expertise.

If the Irish public servants are to be more innovative, collaborative, they need to be given the tools and autonomy required to do so. This brings forward the need for an explicit conversation about control vs agency. By providing the usage of tools that allow employees to engage with new and different actors more easily, there can be a trade-off with standardisation in, for example, IT (e.g. each group developing their own systems rather than one for the entire public service) and Communications (e.g. the loss of control associated with social media). There is no correct answer to these questions – but they need to be discussed in the context of not just security and messaging, but more broadly in what the Irish Public Sector is being asked to do in regards to innovation and how central units like IT and Communications can be enablers.
At the organisational level, there was wider reflection amongst the group on what they as leaders could do in their organisations to promote, value and ensure the capabilities of their employees to innovate more. Most transformation projects involving culture take a broad approach to building skills within an organisation, but through the persona exercise, it was clear that a more flexible approach would be needed based on the diversity of the workforce. Creating empathy for employees being asked to go through this change is a critical step to more comprehensive and effective culture change.

There was also a general understanding amongst the participating senior Irish leaders that more needed to be done to promote innovation within their organisation and across the government. Individual leaders in the Irish system have significant discretion, and therefore responsibility, to put in place programmes and supports needed to generate more public sector innovation in their organisations. They can identify space and resources and support innovation, put in place reverse mentoring schemes, encourage the systematic use of mobility tools and they can help to create a culture of open discussion and safe risk taking at all levels of their hierarchy.

At the systems level, there is a clear role for DPER and/or other centralised organisations to play in being a catalyst for the kinds of organisational changes needed, and to help coordinate across organisations when interventions are better suited at a whole of government level. Innovation is happening in pockets across the Irish Civil Service and could be supported by a centre of expertise that helps them to “create” and/or to “scale”. These two roles would suggest different competencies and activities. Given the structures of responsibilities and distribution of competencies in the Irish public sector, a centre or expertise focused on identifying best practices and groups doing things in new/different ways and scaling those best practices across the Civil Service could provide quick impacts that highlight current innovators and practices while diffusing those best practices across the Civil Service.

**Next Steps for Ireland**

The possible system interventions defined above start to build a strong list of potential next steps that would all have a positive effect on building innovative capabilities in the Irish Civil Service. Some of the recommended activities could start to be piloted immediately within certain organisations to further assess their viability. Finally, additional training interventions to a broader audience should be under consideration as well as looking at how to broaden these conversations to create more inclusive governance.
Further Reading:


