

Book Review

Patria de Lancer Julnes and Ed Gibson, Eds.

Innovation in the Public and Nonprofit Sectors: A Public Solutions Handbook

New York, NY: Routledge, 2016

Reviewed by Howard A. Doughty

Routledge has a venerable and admirable history as a publishing house with many excellent books in the social sciences to its credit. Its series of Public Solutions Handbooks is no exception. Under the steady hand of Marc Holzer, Dean of Public Affairs and Administration at Rutgers University, the series already includes eight substantial volumes with such titles as *Partnership Governance* and *The Public Manager's Guide to Implementing a Performance Management System* (both co-written by Holzer). It is looking forward adding books on such topics as interpersonal skills, leadership, coalition building, budgeting, and project management. It is a weighty venture. The book at hand is a most creditable collection of essays that go a boldly beyond the normal set of presumptions about public sector innovation.

One of those presumptions is the belief that public institutions lag behind the private sector and are, at best, reactive if not entirely stagnant, routinized and bureaucratic in the worst possible sense of the term. Risk avoiders and preternaturally fearful of change, stereotypical civil servants are expected to deploy a Mobius strip of clerical and administrative processes that, in the end, accomplish nothing—which, of course, is suspected to be their intention in the first place. In the alternative, real innovation is thought to be the consequence of a frantic, neo-Darwinian struggle for scarce resources rather than cooperation in support of common project. Competition is deemed to be the engine of excellence. Improved quality and cost is said to be the inevitable consequence of market forces that drive incompetence and inefficiency out of business. So, even if the immense benefits once promised by Joseph A. Schumpeter (2004) as a result of his celebrated notion of “creative destruction” may not have been fully realized, the dominant private sector still insists that relentless competition—concerns about financial, manufacturing, commercial and resource monopolies and oligopolies notwithstanding—is necessary for innovation and customer satisfaction.

The second presumption is that, if the public sector is to survive at all, it must adopt a sleek, nimble business model that mimics the manners and morals of the private sector. Under the sway of “new public management,” the public sector has experienced over three decades of change in culture and circumstance. This change commonly boiled down to the prescription to “do more with less,” and urged that the “market model” be permitted to determine both policy priorities and methods of public sector service delivery. In the process, citizens were “re-branded” as customers and the ideal of a professional (if occasionally overly patrician) civil service was jettisoned as obsolete in the new neoliberal world.

I am pleased to report that Patria de Lancer Julnes and Ed Gibson have assembled a collection of articles that go some way toward restoring faith in the potential of the public sector, though it is more of a celebration of the embrace of the new techniques than a salute to a compromise with old-fashioned mandarin values. The book combines treatments of the public (seven chapters) and the nonprofit (four chapters) sectors. It is duly introduced with an opening contribution by both editors that addresses the general state of innovation in the pertinent domains and a commentary by Ms. Julnes alone, on the “state of the art” and a “framework for analysis of the public and nonprofit sectors.” They are more than competently presented and allow both practitioners and students to enter into the remaining substantive chapters with confidence.

I will give relatively short shrift to the smaller part of the book that deals with nonprofits, other than to acknowledge with Evers (2005) that new hybrid public-private and third sector/public sector organizations are increasingly occupying social service territory. This has been an inevitable result of pressure from neoliberal ideologues, new public management theorists and the calculated withdrawal of state funding for public investment and social services. It has precipitated new circumstances in which the traditional distinctions between the public sector and non-governmental organizations no longer apply (Chew and Lyon, 2012).

Innovation means breaking path dependencies to furnish resources in a new way, with new revenue streams and organizational structures that make it possible to put to work the excess capital that exists today. – Mark Pisano
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Suffice to say that the new trend seems mainly to involve the creation of adjuncts to the public sector which, for instance, attempt to facilitate innovation in health, education and welfare. Although a trend that was begun in earnest in the 1980s, defunding, deregulation and privatization is now said largely to meet real or perceived crises in state institutions that have suffered financially during the “great recession.” That calamity, of course, originated in the bowels of Wall Street in 2008, spread toxically throughout the American and quickly across the globalized banking system, echoes today as a “jobless recovery,” still too accurately describes the consequences of deregulation in the financial markets.

Innovation in the Public and Nonprofit Sectors reports systemic improvements as a result, for example, of having faith-based/child welfare partnerships and external innovation “coaches” to assist community college leaders in addressing concerns about success, especially among poor and marginalized students. Case studies, the writers freely acknowledge, do not permit their results to be widely generalized. Still, the experiments are discussed in some detail and at least tentative extrapolations can be considered. Readers will no doubt be intrigued by some of the strategies that are applied, and even sceptics will find reason to consider seriously what is being said. I must count myself among the sceptics, especially with regard to the notion of having “coaches” drawn from a pool of ex-executives for management in a college setting (no role is described for faculty or students in the innovation process itself); that, however, may say more about me as a faculty union leader than about the project itself, which plainly was plainly undertaken in a different workplace context than the one in which I am employed.

Especially with regard to the chapters that deal exclusively with public sector institutions, the term “handbook” is apt. Rather than lament current conditions and succumb to a pessimistic or even fatalistic point of view, the contributors provide examples of the ways in which, despite diminished resources, ways can be found to rescue worthwhile projects and to achieve tonic social consequences through an level of agility not necessarily expected in the public sector of our fathers and grandfathers.

The illustrations come from different countries—the United Kingdom, the United States, Italy and ... nowhere in particular, by which I mean everywhere in general or, perhaps “cyberspace.” The latter is available in Sukumar Ganapati and Gina Scutelnicu’s contribution on “Open 311 systems, one-stop centers for managing non-emergency customer calls [that have had] profound organizational impacts on municipal governments.” They speak, for example, of the healthy inclusion of commercial vendors supplying 311 apps across numerous different municipalities linked into a single service request system.

We are all data in cold storage. – Arthur Kroker
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Ed Gibson adds a section on electronic record-keeping in the US federal judiciary which stands as an excellent instance of innovation diffusion as up-to-date data storage and recovery systems are adopted from Washington on down through the admittedly complex US judicial system(s). In his narrative, Gibson points to the measurable results of electronic documentary retrieval including a 34% reduction in bankruptcy court staff, a reduction in counter traffic at court buildings, and a compensatory increase in do-it-yourself document access at public access stations.

Of special interest on its own merit, but also in light of the irony of seeing such changes happening in the space where Karl Marx wrote *Das Kapital*, Francesca Manes Rossi, Alessandra Allini and Francesco Dainelli offer a fascinating account of “innovations in the measurement of cultural value” in the British Museum.

A good deal of energy is directed toward sorting out the purpose of the museum in a manner that would be congruent with the overall effort to quantify *everything* that governments are supposed to do. This isn’t inconceivable with respect to such matters as postal delivery. It is possible to count letters, find out how long it takes to deliver them, identify the number of envelopes or parcels that go missing or are damaged in transit, and determine how many workers are needed to achieve some sort of more-or-less arbitrary standard of excellence.

The same goes for education and health care, where operational definitions of learning or health care “outcomes” can be identified, calibrated and run through very clever algorithms with the potential to inform our decision makers about how many philosophy professors, chemistry lab assistants, neurosurgeons or dental hygienists will be required in the year 2026.

What are prettily called “cultural values” are, however, members of a different species. The task of innovators operating in a context where quantification is needed to provide a template according to which to conduct empirical assessments of performance is understandably difficult. Rossi, Allini and Dainelli discuss a review of the literature that yields two “features” of

cultural value. The first is *promotion*, which encompasses psychographic characteristics that might be plotted on four dimensions (emotional, spiritual, educational and leisure). The second is *conservation* (preservation, safeguarding and study/research). As well, invite us to consider *distribution* which, in turn, is related to intra- and inter-generational equity (the immediate and long-term value of cultural assets). The “bookkeeping” can become very complex, very quickly. From all of this, however, we may suppose that ubiquitous consultants and experts may one day create a supermetric that will solve the problem of assessing a museum’s capacity and performance. In the meantime, the British Museum is said to be making great strides in the direction of meeting visitors’ expectations, both immediately at the museum and in later follow-up interviews where initial impressions are evaluated in terms of the “consolidation of cultural value already conveyed to visitors as a result of their visit.”

Throughout the discussion, we are reminded of the importance of user-satisfaction and the challenge of competing in a cultural marketplace where competition is fierce. What’s more, we are told of evident pressure from internal and external stakeholders for accountability and efficiency in attaining high performance scores.

All the resulting data can provide the managers with the information they need to decide to what extent the museum’s “mission” is being fulfilled and what policy adjustments must be made in the interest of meeting its specific goals in terms of the precise measurement of performance indicators. The authors take care to distinguish between what Geursen and Rentschler (2002) call *aesthetic* (social, philosophical and psychological) values of culture, and *neoclassical* (economics, accountancy and measured performance) values of efficient and economical organization, which I interpret to mean the measurement of customer enjoyment and institutional cost. Other concepts are considered: we hear, for instance, about “intrinsic” and “instrumental as well as “institutional” and “bequest” value, and so on. But the key theme seems to be one of getting the biggest “bang” for the fewest “bucks” (or pounds or Euros).

Public sector innovation is about new ideas that work at creating public value. The ideas have to be at least in part new; they have to be taken up; and they have to be useful. – Geoff Mulgan

In the end, *Innovation in the Public and Nonprofit Sectors* is precisely what its subtitle implies. It is a “how-to” handbook, incomplete as a package, but fitted out with a certain charm and grace. It contains hints of real people coping with real problems of definition of aims and objectives. It acknowledges complex situations and conflicting intentions. It aims at addressing and solving practical problems and inventing ways to equip ever-eager managers, leaders, champions of change (call them what you will) with the mechanics and the metrics to negotiate uncertain times with an overarching technocratic faith in innovative methodologies designed to help create an “innovative architecture of PMS” which meets the standards of generalizability needed to create a replicable Performance Measurement System for use in a wide variety of arts and culture organizations and institutions.

By the end, it seems a bit exhausting; so, it is proper to let Rossi, Allini and Dainelli, the intrepid reporters of innovation in the form of the PMS applied to the BM (British Museum) have the next to last words:

“The principal aim is to measure the effectiveness of BM policies and actions, in terms of production and distribution of cultural value in the community, both for the purpose of internal control and accountability” (p. 35).

I don't know what Karl Marx would think about all of this, as he read voraciously and drew upon the British Museum's vast store of knowledge to plot the overthrow of monarchies, aristocracies, and the very British capitalists whose efforts had led to the creation of the first national museum to evolve into a place of learning and refuge for socialites, scholars, socialist revolutionaries and, eventually, a broad spectrum of patrons including diverse “persons of decent appearance.” We learn, however, that the “BM” has a quarter-million Twitter followers and a half-million “likes” on Facebook. How Marx might have reacted to that news is uncertain; however, I do not imagine that Queen Victoria would be amused. And that may be the whole point.

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