

Book Review

Alan A. Altshuler and Robert D. Behn, eds.

Innovation in American Government: Challenges and Dilemmas

Washington, D. C.: Brookings Institution Press, 1997

Reviewed by Eleanor Glor

Innovation in organizations has been of intermittent interest to academics for a long time, especially among organization development psychologists. Periodically this interest revitalizes, as it did in the late 1980s and early 1990s in the management literature. During this period the private sector in North America became intensely aware of the need to innovate in order to survive in a highly competitive global economy. At the same time, the public sector faced serious dilemmas: A scarcity of funding, increasing demands for services, and, above all, a lack of credibility. Some interested in the public sector concluded that it too needed innovation.

This minority suggested a number of strategies for encouraging innovation. Chief among them in the United States was an attempt to make good practices better known—one dissemination strategy was introduction of innovation awards. In the USA the best known award was the Ford Foundation/John F. Kennedy School of Government, Harvard University Innovations in State and Local Government Award, established in 1986. This award has subsequently been extended to include the federal level as well. In Canada, the Institute of Public Administration of Canada also introduced an innovation award, in 1989.

Innovation in American Government: Challenges and Dilemmas is largely a product of the learning developed by the Kennedy School program. Alan Altshuler was head of the Innovations in State and Local Government Award program for ten years, while Robert Behn coordinated a series of conferences on *Creating Innovative Organizations* for the Ford Foundation. Several of the papers in this collection grew out of this series of conferences held in 1991-92. Seven of the sixteen papers have been published previously. Four were products of the learning processes created by the Ford Foundation workshops/conferences and study programs. The essays are, therefore, for the most part not based on new information, but are a distillation of the learning this program created. They are a fitting summation of Alan Altshuler's contribution to the program.

Despite the fact most have not been written recently, the papers are of interest today. First, the learning created during the 1990s is still relevant, and this book is therefore an excellent resource for both academics and practitioners. It is too bad that this momentum for study and experimentation with innovation in the public sector did not continue apace into the mid and late 1990s. Secondly, despite the interest in innovation that developed during the early 1990s, there is a surprising paucity of literature on the subject, and a very real problem with practitioners claiming the mantle of innovation without making fundamental changes in their ways of doing business. Obfuscation has been a useful tool for those who have wished to evade—rightly or wrongly—many times rightly—the management band-wagons of the 1980s and 1990s.

The most up-to-date essays in *Innovation in American Government* are those by the editors. Their excellent contributions discuss the definitional and practical problems of innovation, and deal with innovation in terms of the current government focus in the US, Canada and the UK of attempting to improve the delivery of services to citizens. More importantly, they identify and offer some valuable insights into the dilemmas of innovation and the conflicts between independent innovative action and accountability.

As a person who has pursued my own journey of discovery concerning public sector innovation for the past twenty years, I found here many papers that I had read before, but also some interesting new insights. Behn's essay begins the compilation. He discusses why governments should innovate. The fundamental problem of defining innovation is dealt with well. The definition of dilemmas faced by innovation is helpful: The fire-fighting mentality of government, accountability dilemmas—individual initiative creates dilemmas of accountability, the failure dilemma, the customer dilemma, paradigm dilemmas, the routinization dilemma, scale dilemmas, analytical dilemmas, structural dilemmas, replication dilemmas and motivation dilemmas.

Altshuler goes back to the basic question of whether innovation is a legitimate function of public management, in view of the basic principles on which public administration is based, and the American notion of the total separation of the political and administrative functions. He reviews the arguments for innovation in government, and the limits many place on it. His discussion of the conflicts between the performance paradigm and the paradigm of accountability is concise and clear. He recommends the resolution of this dilemma by using the business approach of a simultaneously loose and tight organization—loose at the level of action, tight of the level of objectives and commitment.

Altshuler and Zegans conclude, as I have, that the major motivator of public servants is not the desire for personal power or prestige, or the desire to do a good job—that is, a personal need for public credit or creative expression. Instead, they conclude that for public sector innovators the major factors at work are professionalism and commitment to mission, and that innovation is central to their job satisfaction and self-esteem.

The risk associated with innovation is acknowledged. Altshuler suggests that elected officials find little voter or media appeal in most innovations. The most successful innovations typically address problems of intense public concern, they are broadly strategic, with a focus on institutional design, and they are value-neutral. In other words, they are broadly applicable to diverse policy objectives and they have the potential to survive changes in political leadership. Altshuler calls this meta-innovation.

A contrast is drawn between the concept of administrators as servants of their political masters and public servants having direct relationships with citizens and stakeholders. Altshuler skirts around the fact that *stakeholders* are usually single-issue interest groups, but recognizes the value to change and innovation of public servants' having relationships with stakeholders. He deals as well with the current focus on customer satisfaction, customer choice, privatization, and public-private partnerships, seeing each of them as an approach that can enhance innovation. He particularly recommends competition in government through vouchers and other forms of recipient choice. This makes me think of the social fragmentation of the baby boom generation

and generation-X that has led to boutique-oriented retailing to diverse groups with personalized and tailor-made products and services. This fragmentation of markets has in turn played a role in the decline of department stores, mainstream churches, large universities and big government.

Altshuler does not discuss the possibility of there being any political agenda behind these kinds of changes. If he is right that change stimulates innovation, and the way it is delivered is of neutral meaning, can it be that in the same way that privatization has stimulated innovation, publicization (is there such a word?) would also inspire innovation?

Altshuler's discussion of performance benchmarking is interesting. His focus is the contradiction between accountability based on resource inputs and compliance with process rules as opposed to accountability focussed on outcomes. He explains the failure of previous attempts such as program budgeting and zero-based budgeting on their analytic burden, their internal evaluation and their lack of an external constituency. Successful bench marking exercises such as Oregon Benchmarks have been essentially political processes involving aggressive outreach to engage organizations and citizens in the process. The Oregon bench marking process has become the basis for a demonstration project that is refocusing federally aided service delivery in human investment, suspending rules and paperwork, and focusing on achieving outcomes. Altshuler remains an optimist about the potential for innovation.

Overall, the book's emphasis on the role of elected officials and the media in discouraging public sector innovation and creating an environment of fear and blame in government is helpful. Some of the issues that I am personally studying right now were touched upon but not resolved to my full satisfaction: What motivates public servants to innovate? Can organizational culture be deliberately changed and how? How can managers and/or front line workers create an empowered environment?

Despite its accentuation of innovation in American governments, I recommend this book as one of the few recent comprehensive studies of innovation in the public sector.

About the Author:

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Eleanor has published about innovation in the areas of aging, rehabilitation, public health, and aboriginal health. She has published a book, a chapter and numerous articles on public sector innovation from a public administration perspective. Her most recent publication is: "Past, Present and Future of Public Administration: Where Are We Headed?" in *Canada @2000+*. 1999. Published on Internet by Futures and Strategies Network at: <http://www.homestead.com/fsn/files/papers.html>