

How can governments encourage innovation?

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A culture that supports innovation accepts risk-taking and failure. That willingness is key among the qualities of an innovative culture. Risk aversion has been the *sin qua non* of government. Government can and must accept and manage risk.

Ongoing political support for innovation, despite changes of government, is a second requirement. A culture of innovation does not grow up overnight. It must be nurtured. It needs more than four years, the usual life span of a government. Consistent political and bureaucratic commitments to innovation in the face of criticism are crucial. In government, innovation can occur either in secret, which will have limited scope, or with the agreement of Ministers and senior managers who must protect those that innovate. Ministers would need to be prepared to say, as a few now do, "Yes, we tried something new and it failed. At times we learn from failures."

Thirdly, Ministers must be prepared, as must the Opposition, to accept failure. Much innovation fails for a variety of reasons. There is a danger that the innovation culture can be destroyed if an innovator or innovation get questioned before say a parliamentary committee to account for an innovation failure. Protection must be provided for innovation to succeed. Parameters of acceptable risk, like money and time, can be set, but the possibility of failure should be accepted. This is difficult in a "no-fail" government culture.

Readiness to innovate is a fourth crucial element in a culture which supports innovation. Governments can plan for innovation by developing demonstration and pilot projects, providing funding for new approaches, and supporting innovative ideas. Without a research and development function, government will remain reactive, trailing the needs of society instead of being in the forefront of innovating to deal with challenges.

Planned change strategies play a key role in encouraging and formalizing change.

The role of ideology in innovation cannot be ignored- innovation does not just happen. Innovative organizations plan for it and build it into their capacity. Business plans include implementation strategies. Major changes in the political and bureaucratic agendas create the context and the content for innovation to happen.

Major change agendas offer the time and capacity to consult widely in creating innovations. As a result, they have the potential to meet real needs in a manner acceptable to clients and providers.

Planned changes should recognize the power relationships that result from the changes. Without an understanding of the fuller impact of the changes, innovation results could be contrary to the objectives initially established.

A culture of excellence for Effective Implementation

Many innovations fail. To reduce the risk of failure, excellent management, a professional approach, a supportive work environment, a learning organization, and other components of a culture of excellence are needed to support innovation.

Innovations should be introduced in a timely manner, create value added, and pay political dividends. Supportive leadership and competent innovative staff are a pre-requisite. The capacity to

get the basics right is crucial: from effective program design and development, implementation, to evaluation and measures of success. An output-oriented outlook is key to success.

A chief characteristic of a culture of excellence is its capacity to learn. This means that it creates learning mechanisms, methods to capture and share learning. Organizations aspiring to grow a culture of excellence identify innovations, make them known and celebrates them. The Innovation and Quality Exchange (IQE), for example, showcases best practices in the public sector. It is sponsored by the Treasury Board Secretariat. Agriculture Canada's Private-Public Partnerships (PPP) is another example of successful support of an excellence culture. Revenue Canada has a third. Learning can be created, captured, and shared in many facets.

Support to innovators and collaborative approaches

In addition to creating a culture which is more accepting of risk, there is a need to create incentives for risk associated with innovating. Innovators who have accidentally crept into the system and not become discouraged are ensconced in their warrens, imagining and testing new ways of doing things. They and their managers have already, in many cases, assumed the risk. The system needs to reward them for doing so.

The temptation may be to try to force innovation, to locate it somewhere and put somebody in charge of it. But innovation, like love, does not respond to pressure. Innovation is a matter of nurturing and support to the innovators, not one of trying to create innovation where there is no room nor interest in it.

Instead, mechanisms and means must be found to empower innovative staff- not just individuals. Innovation needs collaborative processes, the benefit of many different minds, skills, and perspectives working in a positive and nurturing environment.

One of the ways in which governments and organizations demonstrate their support of an innovative culture is through their willingness to allocate adequate resources to innovation- or maybe just to innovators. Innovation needs resources: people, money, information, like many other endeavours. Maybe we need an Innovators Fund.