REVIEW ESSAY

Managing Innovation

W. Warner Burke,
Organization *Change. Theory and Practice*
(Thousand Oaks, California: Sage Publications, 2002)

Steven Cohen and William Eimicke,
The Effective Public Manager. Achieving Success in a Changing Government, 3rd edition
(San Francisco: Jossey Bass, 2002)

Mark A. Abramson and Ian D. Littman, editors.
Innovation
(New York: Rowman & Littlefield Publishers, 2002)

Reviewed by Eleanor D. Glor

As innovation becomes a more and more popular field, the lack of concepts, theory, and research to support the proposals being presented becomes ever more apparent. I pointed to this problem in my review essay of individual and organizational creativity enhancement books, and in my review of Charles Sirois' book, *Organic Management.* The three books about managing innovation and change reviewed here are more substantive. They have also been penned by a different kind of author. While the creativity books were written by consultants who sell creativity enhancement services, and Sirois is a private sector manager, all but two of the authors of these books and papers are academics.

Cohen, Eimicke and Burke teach at Columbia University in New York. Cohen and Eimicke are with the Picker Center for Executive Education in the School of International and Public Affairs, while Burke is with the Department of Organization and Leadership at the Teachers College. The emphasis on leadership in their work is reflected in their academic appointments. The journalist actively covers public service innovation and has a comprehensive view of it, secured through his coverage of the Innovation in American Government award, and the executive director of the PriceWaterhouseCoopers (PWC) Endowment has also been a consultant and an academic.

W. Warner Burke's book is a thorough review of everything that was missing about the concepts of organizational change in the *How To* do creativity books and in Sirois' book. Burke is specifically interested in how organizations change. He speaks primarily to leaders of organizational change as users of that knowledge. As an integrator myself, Burke's book appeals to me. He comprehensively reviews what is known about organizational change, organized by metaphors, theories of choice, types of organizational change, how change occurs, the content and process of change, organizational models, leadership and complexity. Burke and I share the conclusion that Fritjof Capra's work on the nature and patterns of life is useful in understanding how organizations function within their environments. Burke uses the organic metaphor in a more sophisticated manner than does Sirois.

Organization Change is just what is needed by those practitioners who do not currently build their thinking upon what we already know–the existing body of knowledge–but should. He acknowledges the pervasiveness and challenges of organizational change, faced equally, he says, by the builders of the Great Wall of China, the Israelites in the desert and today's executives. Burke reviews the history of studied attempts at organizational change, from scientific management and the Hawthorne studies in the first part of the 20th century, to survey feedback and sensitivity training, to organizational development, to coercion, to management consulting.

While he appreciates the new metaphors and theories for organizations, from open system theory to Capra's three criteria for life–which organizations fulfill, as well as people and bacteria–he also points out that there is much more theory on organizations than on organizational change. As with innovation, it is important to understand and plan for the amount of change that is required in an organization, whether revolutionary or evolutionary, transformational or transactional.

Burke does a fast and interesting survey of research, theory and conceptual models of organizational change, leading to a discussion of integrated models for understanding organizations, and his own model, developed with George Litwin. Their model has led to the perception that, while all change requires an understanding of the external environment, transformational change requires intervention at the mission/strategy, leadership and organizational culture level. Transactional change, on the other hand, can be addressed at the more limited levels of structure, management practices, systems (policies and procedures), work unit climate, individual skills/abilities, motivation, and individual needs and values. Burke has separately come to the same conclusion that I have: both individuals and the context (organizational and societal) influence the kind of change that happens and employees' and an organization's openness to it. Burke holds that even transactional change requires intervention in at least three levels: individual, group and system. As a social psychologist, Burke is in a privileged position to draw this conclusion.

Like many today, he emphasizes the importance of leadership in organizational change. Burke asserts that the different phases of the change process–pre-launch, launch, and post launch–require different kinds of leaders. Whether the final objective is freezing the change gained, or maintaining openness to further change, leaders perform important roles. So do others. A few people, making small changes, may cause an organization to change. Burke highlights three types of key actors that Malcolm Gladwell described in *The Tipping Point* (2000): connectors, who have a special gift for bringing people together; mavens, who are collectors of information, and love to share it; and salesmen, who are able to make a persuasive case for change.

Burke concludes with Gladwell's analogy to human epidemics, emphasizing that changes can be made without much seeming different, and then, suddenly, big change occurs (the tipping point has been reached). As we know, this happens in animal populations as well–with cod stocks and bird populations, for example (this year, with the populations already in long-term decline, half the bank swallow population in North America has disappeared).

If Burke is interested in how organizations change and in the role of the leader, Cohen and Eimicke direct their book to current and prospective public sector managers. They solicit public sector managers and would-be managers to be what it takes to be innovative. They understand the most difficult implications of this call: while remaining within the constitution, their roles, and the rules and regulations of their governments, they enjoin public service managers to find ways to be innovative. They ask modern managers to take risks and to be realistic about what will probably happen–they will not be rewarded for doing so. Managers are challenged to request each of their staff to run small pilot projects every year, to evaluate pilots, to assess the innovativeness of their staff.

While Cohen and Eimicke accept the low esteem in which public servants are held, they ask students of management, nonetheless, to consider public management, because it addresses the most difficult and the increasingly complex issues of society. Like Thomas Homer Dixon (*The Ingenuity Gap*), they point to the growing distance between what is needed and what is being done.

By recognizing the failures of government, by acknowledging the difficulties of managing in government, Cohen and Eimicke have certainly not oversold, yet have created a positive approach to the need for innovative management in government. They assert its possibility, demonstrate its reality and suggest the behaviours and skills that are needed. Moreover, unlike so many other books on innovation, they do not offer a cookbook. Experienced former senior public officials themselves, they are both realistic and positive. Unlike most texts, this one directly addresses the issue of how to make a success of careers in an environment that has sometimes induced passivity and has been accused of failure.

The book edited by Abramson and Littman is published by the PWC Endowment for The Business of Government, of which Abramson is the executive director. All of these essays on innovation have been previously commissioned and published separately by the Endowment, and are here gathered into one volume. Their focus is indeed the *business* of government: that subset of government activities that can or has lent itself to privatization. This domain of privatized public services has grown much larger in the last twenty years. Accepting the value of innovation of this sort, this book attempts to integrate knowledge created about managing innovation.

While the authors test no theories, they do examine the practices of successful innovators. In fact, the essays place a good deal of emphasis on senior leaders, the major market for PWC consulting. Nonetheless, Borins and Eimicke also highlight middle managers and front line workers, while Janet and ?? Denhardt emphasize teams. Two of the five substantive papers rely on innovation awards as their source of information. Each of the papers identifies lessons learned. Several cover privatization, contracting out and reengineering of the public service, a natural interest of the PWC Endowment. None of the papers mentions the issue of ideology or the interests of the Endowment.

The first paper, which serves as an introduction, is by Mark Abramson. He draws together the learning from the individual papers under three topics: fostering innovation, spreading innovation, and innovations and innovators. For the most part, the papers emphasize leaders, proactive change, and the positive aspects of the innovations.

Jonathan Walters draws more on experience and observation than science in his article. He has been writing about public sector management, change management and the Ford Foundation/Kennedy School of Government (Harvard University) Innovation in Government award for *Governing Magazine* for twenty years. The American government award has been given to about 350 organizations. Walters underscores the individual contribution of the people who bring innovations about, and the difficulties they face. At the same time, he offers Mary Ellen Rehrman's guideline for when policy or program change is needed: "If (it's) not humane and it's not therapeutic (or, more broadly, if it's not morally defensible and it's not working), then it's a signal to everyone that it's time for change." (P. 56).

Sandford Borins' paper offers the most comprehensive approach. His research is based on collection of in-depth information from winners of three award programs, the Innovation in (US) Government program, the Institute of Public Administration of Canada innovation award, and the Commonwealth Association for Public Administration and Management innovation award. His aim is to glean practical advice for innovators. He acknowledges not only the active role of leaders who made the innovations happen, but also the even more important role of middle managers and front line staff, the frequency of intervention at the systems level, and the role of empowerment of citizens and employees in successful innovation. Janet and Robert Denhardt mention employee empowerment as well in the City of Phoenix, but provide much more information on leaders. They suggest that employee empowerment is only possible because of the kind of leadership given. At the same time, they emphasize the importance of staff's active participation in identifying and creating innovations. Tension over power in public service innovation today, as expressed along conceptual (analytic vs. holistic), ideological and hierarchical lines represents a *sotto voce* subtext in this book.

On the other hand, William Eimicke's paper does identify the right wing, tax resistant environment within which innovation was used to deal with a financial crisis in San Diego County, California. One of the battle fields of recent governments was tried there: work for welfare. Eimicke proclaims it a success, with the welfare budget cut in the order of forty per cent and caseload by forty-three per cent in three years. He also grades the other innovations introduced, with a *report card*. The successful innovations include selling solid waste; the CalWORKS competition to identify the agency that would assist persons on welfare to find jobs, with payment based on performance; the twenty-one competition and reengineering group projects. The management bonus was declared a failure, and the outsourcing of information technology and telecommunications incomplete. Eimicke arrives at some interesting conclusions:

- strong leadership from the top is essential

- competing out public services is difficult and not always best: The County "used reengineering, prioritization and outsourcing more often to achieve greater savings than it accomplished through competition." (Page 16)

- what works well in the private sector does not always work as well in government

- the greatest benefit of competition may be the change in public employee attitudes and behaviours.

Like Walters, Borins makes clear that the learning gained from research across jurisdictions is based on exceptions, the actions of special individuals and teams, rather than, for the most part, consistent and exemplary behaviour by innovative organizations. While learning has been created about how individual programs were created by special people, little has been learned from award programs about how *organizations* can and should innovate. Borins points out, however, that few organizations are producing a steady stream of innovations. He uses the individual experiences of organizations and individuals to identify the characteristics of potentially innovative public sector organizations.

Scott Tarry's paper on innovation in the administration of public airports concludes the book. He compares five commercial-service airports of differing size, location and situation. Most airports, and each of the airports studied, are public owned and operated by regional or local bodies. Tarry observes several obstacles to innovation in public airports:

- a public-utility mentality. Historically airports functioned much like utilities and remain regulated, unlike the airlines.

- a top-down, hierarchical tradition, derived originally from the military

- regulatory constraints

- hesitancy by airlines

- inadequate reward and recognition programs

- lack of incentives.

Inadequate federal funding is forcing airports to become more innovative, and they now see themselves as playing an important role in local and regional development, and as being in competition with other airports. The pressures for privatization are forcing the existing bodies to become more innovative[1]. Tarry does not make general recommendations about the airports, but does conclude that political leaders should give them more autonomy, that performance should be measured, that airports should listen to concerns and explain what is being done to address them.

Abramson and Littman have located their edited work in a different domain from the Burke, Cohen and Eimicke books. While Burke created a theory of intervention in organizations, and Cohen and Eimicke issued a call to public servants to be innovative despite the implications, all three books appeal to a broader set of values. Abramson and Littman's book puts less accent on basic values. While acknowledging the political (Sandra Hale's STEP program disappeared in Minnesota when she disappeared, because she was a political appointee), for the most part it ignores the ideological.

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[1] I describe similar pressure for privatization producing innovation in the Canadian federal navy ship repair yards in my paper, "Innovation Patterns," published in *The Innovation Journal,* vol. Six, issue three

In each of these books, the value of the innovations of the last twenty years is highlighted, but the ideological context and the nature of the privatized paradigm are not. This is the context that has made only certain kinds of innovations acceptable that introduced the private sector value of optimization as opposed to the public sector ethic of maximization. This ideology sought less government, lower taxes, and more private sector delivery of public sector functions and services. We urgently await a definitive analysis of the privatization experiment by an informed observer who can place this learning within an ideological, conceptual, theoretical and research context. The August 2003 collapse of the electrical distribution system in the northeastern USA and central Canada makes one wonder. It occurred within two years of Ontario privatizing the system, similarly to what occurred when California privatized its system.

About the Author:

Eleanor Glor is a public servant who has worked for four governments. These governments were of four different political ideologies–social democrat, conservative, liberal and neo-liberal.

Sources:

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