

Innovation in the Public Sector

Publin Report No. D18

Innovation in the
social sector –
case study
analysis

By Ludmila Malikova
and Katarina Staroňová



This document is a report produced by the PUBLIN research project. PUBLIN is part of the Programme for research, technological development and demonstration on "Improving the human research potential and the socio-economic knowledge base, 1998-2002" under the EU 5th Framework Programme. For more information, see www.step.no/publin/.

PUBLIN

Innovation in the Social Services: Case studies analysis

PUBLIN Work Package 5: Synthesis Report

Coordinator of WP5: Ludmila Malikova

Authors: Katarina Staroňová, Ludmila Maliková

Bratislava, august 2005

Published by NIFU STEP, Oslo 2005

Contents

CONTENTS	3
INTRODUCTION	1
BACKGROUND	1
KEY TERMS AND CONCEPTS	2
<i>Innovation</i>	2
<i>The Innovation environment</i>	3
<i>The PUBLIN Research “statements”</i>	3
<i>Methodology</i>	7
Service and policy innovation	7
Placing the innovation in context	7
<i>Variables of interest</i>	8
THE CASE STUDIES	10
<i>Ireland: (University College Cork) “Pensions Retirements Savings Account”</i>	10
<i>Israel (University of Haifa): “Regional Resource Centers of Special Education”</i>	11
<i>Lithuania (Mykolas Romeris University, Vilnius): “Innovation in Services for Elderly”</i>	11
<i>Norway (NIFU STEP): “Innovation in home based Services for elderly”</i>	12
<i>Slovakia (Comenius University, Bratislava): “Residential Care for Elderly”</i>	14
THE SOCIAL SERVICES ENVIRONMENT	15
THE SOCIAL SERVICES	15
COMMON THEMES IN THE SOCIAL SECTOR	16
DEMOGRAPHICS	16
INTEGRATION OF SOCIAL GROUPS INTO MAINSTREAM AND DECREASE IN INSTITUTIONAL CARE	17
PERSONALIZATION OF SOCIAL SERVICES	17
DIVERSIFICATION OF SOCIAL SERVICES PROVIDERS	18
<i>Influence of New Public Management</i>	19
DRIVERS, FACILITATORS AND BARRIERS TO INNOVATION	20
<i>Barriers</i>	20
<i>Drivers and facilitators</i>	23
ANALYSIS OF THE CASE STUDIES	24
ANALYTICAL FRAMEWORKS	24
BARRIERS	24
<i>Size and complexity of system</i>	24
<i>Heritage and legacy</i>	25
<i>‘Professional’ resistance</i>	25
<i>Risk aversion</i>	26
<i>Public/political profile and accountability</i>	27
<i>Need for consultation, and unclear outcomes</i>	28
<i>Pace and scale of change</i>	28
<i>Absence of a capacity for organisational learning</i>	29
<i>Public (and end-user) resistance to change</i>	29
<i>Absence of resources</i>	30
DRIVERS AND FACILITATORS	30
<i>Problem-oriented drivers</i>	30
<i>Non-problem oriented improvement</i>	31
<i>Political push</i>	31
<i>Growth of a culture of review</i>	32
<i>Support mechanisms for innovation</i>	33

<i>Capacity for innovation</i>	34
<i>Competitive drivers</i>	34
CONCLUSIONS	35
OVERVIEW OF THE CASE STUDIES	35
NATURE OF SOCIAL SERVICE INNOVATIONS	36
LESSONS LEARNED	37
BIBLIOGRAPHY	40

Introduction

This introduction is partly based on a text written by Paul Cunningham for the summary report on the case studies on innovation in the health sector (Publin report D19)

Background

This report arises from an international study, PUBLIN¹, funded by the European Commission, DG Research. PUBLIN is part of the programme for research, technological development and demonstration on ‘Improving the human research potential and the socio-economic knowledge base, 1998-2002’ under the EU 5th Framework Programme.

This study sets out to test a series of hypotheses concerning the process of innovation as it occurs in the public sector. The study was prompted by the general observation that innovation is not perceived to occur to the same extent within the public sector context as it does in the private sector. The research methodology selected to test these hypotheses was to map the development of an innovation within the context of the public sector and to examine the factors that stimulate, drive, facilitate, resist and disseminate innovation through a series of case studies conducted in European countries. (Ireland, The Netherlands, Norway, Spain, Sweden, Israel, Slovakia, Lithuania and the United Kingdom – the latter with two case studies by separate teams). Each case study focused on a single innovation, although it quickly became evident that the innovations studied were both dependent upon and led to sets of parallel and complementary innovations.

Overall, the format of presentation and key focal questions varied between the case studies, largely as a consequence both of the differing analytical perspectives of the teams and the divergent contextual locations and contexts of the innovations studied. However, each case study tracks the origins of the innovation in question and examines the ‘critical events’ in their development. Similarly, issues such as the pressures, drivers and rationale for the introduction of the innovation, barriers to its diffusion and uptake and facilitating factors may also be derived from each case study and this framework is used as the basis for the synthesis and analysis. These case studies are not intended to be evaluative or judgemental but may draw on evaluations, reviews and associated documents, together with interviews of the major proponents and actors. This synthesis does not set out the specific methodologies for each case study; readers seeking to such information are referred to the individual case study reports. However, the broad methodological concepts and definitions employed are set out below.

More specifically, the objectives of this PUBLIN Work Package were:

- To understand the innovation processes present within national social service systems.
- To understand the learning processes underlying policy development in publicly regulated social services.

¹ <http://www.step.no/publin/>

Key terms and concepts

Innovation

Green, Howells and Miles (2001), in their investigation of service innovation in the European Union, provide a suitable definition of the term innovation which denotes a process where organisations are

“doing something new i.e. introducing a new practice or process, creating a new product (good or service), or adopting a new pattern of intra- or inter-organisational relationships (including the delivery of goods and services)”.

What is clear from Green, Howells and Miles’ definition of innovation is that the emphasis is on novelty. As they go on to say,

“innovation is not merely synonymous with change. Ongoing change is a feature of most... organisations. For example the recruitment of new workers constitutes change but is an innovative step only where such workers are introduced in order to import new knowledge or carry out novel tasks”.

Change then, is endemic; organisations grow or decline in size, the communities served, the incumbents of specific positions, and so on. Innovation is also a common phenomenon, and is even more prominent as we enter the “knowledge-based economy”.

An innovation can contain a combination of some or all of the following elements:

- New characteristics or design of service products and production processes (*Technological element*)
- New or altered ways of delivering services or interacting with clients or solving tasks (*Delivery element*)
- New or altered ways in organising or administering activities within supplier organisations (*Organisational element*)
- New or improved ways of interacting with other organisations and knowledge bases (*System interaction element*)
- New world views, rationalities and missions and strategies. (*Conceptual element*)

These are broad headings and several subcategories exist within each. What is noteworthy is that the bulk of empirical innovation studies to date focus just on the first category. Often the topic of “organisational innovation” is introduced only to deal with “innovating organisations”, i.e. what sorts of organisational structure are required to engender or respond to technological innovations. However, there are also innovations in terms of organisational techniques (e.g. just-in-time and quality control systems) that can be studied in much the same way as more technological innovations; and there are similarly innovations in terms of organisational roles and functions (such as ombudsman

and complaints systems) that can be studied in terms of the diffusion of organisational structures.

The Innovation environment

The case study approach depends on the assumption that every innovation whether at an operational level or a policy level can be placed within an innovation environment or domain. Within this environment at policy level there are other competing or alternative policies and complementary or facilitative policies for a specific area of public sector activity. For example, these policies may relate to those concerning regulation, the private or not-for-profit sector or professional practice. Also within this environment are service or operational innovations that arise within that area of public sector activity. Some of these innovations may have been instigated by a particular new government policy, others by service, operational or other factors. Either way the environment in which a primary innovation can occur finds itself being facilitated or competing with other innovations for its development and diffusion. Organisational capabilities and human networks are amongst other inter-related factors that are found within this complex environment. Molina (1990) saw this innovation environment as containing socio-technical constituencies, in which stakeholders worked to develop specific innovations and where factors such as policy regulation, trends, history, organisational capabilities and other contextual pressures shaped the development of an innovation.

The PUBLIN Research “statements”

In an effort to define a common methodological framework within which to study innovation in the public sector, several statements (or research orientation “hypotheses”) were put forward and related policy questions suggested. These give a ‘*problem driven view*’ of the issue under study (den Hertog 2003) (see Tables 1 and 2 below). It should be strongly emphasised that this list was only intended to be indicative of what propositions might be tested and it was expected that it would be subject to reformulation and improvement during the course of the PUBLIN study. While acknowledging that the innovation process is an iterative and complex process, the hypotheses and related questions can be situated within a linear model (“life story”) of the innovation process and associated policy learning, as a way of unpacking the different issues of interest to study.

Table 1. Statements for Service Innovation

	Statements	Policy Questions
Initiation		
	Public sector innovation is born out of the need to solve specific service related problems or concerns.	What was the primary rationale for the innovation under study? Were there supporting rationales?

		<p>Was the innovation developed proactively or reactively?</p> <p>Where did (recognition of) the need for the innovation originate?</p>
	Performance targets are a driver for and facilitator of public sector innovation.	What are the most appropriate incentives and drivers for innovation in the public sector system under study?
	There are significant differences between “top-down” (i.e. policy-led) innovations and “bottom-up” (i.e. demand/practice-led) innovations.	Does the location of the pressure for the introduction of an innovation impact its diffusion and development?
Design and Development		
	Service innovation solutions are mainly developed outside the public sector and then transferred into the public sector through imitation	<p>How best to harness and support public sector innovation?</p> <p>Where did the innovation arise? Does it have models outside or inside the public sector?</p> <p>Is there evidence of policy learning and any associated structures?</p>
	The choices and features of service level innovations in the public sector are politically influenced by underlying organisational politics, dominant values and belief systems	How can the introduction of innovations overcome the resistance to change at service level?
	Most functional innovations are an outcome of service or operational level initiated processes	What could be done to improve the ‘innovativeness’ or innovative capacity of the public service system under study?
	The involvement of the end user in service level innovation process within the public sector is usually for pragmatic reasons to improve the design features and increase acceptance of the innovation	How best to manage the governance of innovation at service level?
Selection, Diffusion and Utilisation		
	The selection and diffusion of major service level innovations that can potentially have a radical effect on the public sector require effective networking, competence building and alternative thinking	How to create an open communication platform connecting various actors at operational level?

	Innovations at service level in the public sector that depend on intergovernmental co-ordination for diffusion require direct political intervention, or stimulus by a crisis situation	How can intra-governmental roadblocks be by-passed?
Evaluation and Learning		
	Innovation in the public sector is not the result of a passive process adaptation of R&D based findings at service level, but the product of complex processes and interactions between policy makers and related agencies and organisational constituents at service level.	How can complex innovation processes within the public sector be made more manageable?

Table 2 Statements for Policy Learning

	Statements	Policy Questions
Initiation		
	Public policy innovation is born out of the need to solve specific policy related problems or concerns.	How can specific problem-orientated policy innovations be transformed into more general forms of policy learning? Is policy learning largely a reactive or proactive process?
	Policies directed at performance measurement are a driver for and facilitator of policy innovation	What are the most appropriate incentives and drivers for innovation in the public sector system under study?
Design and Development		
	Policy innovation solutions are mainly developed outside the public sector and then transferred into the public sector through imitation	How best to harness and support public sector innovation?
	The choices and features of policy level innovations in the public sector are politically influenced by underlying politics, dominant values and belief systems	How can the introduction of innovations overcome the resistance to change at service level?
	Policy innovations tend to focus on improving efficiency in the public sector	What could be done to improve the 'innovativeness' or innovative capacity of the public service system under study?

Selection and Deployment		
	The selection and deployment of major policy level innovations that can potentially have a radical effect on the public sector require an environment that encourages effective networking, competence building and alternative thinking	How to create an open communication platform connecting policy-makers and other stake holders at policy level with professionals and other actors at the operational level?
	The most challenging public policy innovations take place at the intra- governmental (inter-functional) level. Interventions that depend on intra-governmental co-ordination for deployment require direct political interaction, or stimulus from a crisis situation.	How can intra-governmental roadblocks be by passed?
Evaluation and Learning		
	The role of the end user in public sector policy making is to broaden the criteria by which policy learning occurs	How best to manage the governance of policy innovation in the public sector?
	Policy learning in the public sector is not the result of a passive process adaptation of R&D based findings, but the product of complex processes and interactions between policy makers and related agencies and organisational constituents at service level.	How can complex policy innovation processes within the public sector be made more manageable?

(Adapted from Friso den Hertog’s paper *Doing Case Studies in PUBLIN*)

It is important to note that the above research questions were somewhat generic in nature and required some adaptation before it was possible to use them in the case study process. Moreover, each research question could form the basis of a number of sub-issues or questions, the precise nature of which could depend upon the source of information (i.e. position of interviewee, nature of the innovation, area of public sector, etc.). It was also clear that there was a substantial degree of overlap between the issues addressed in these two sets of questions, underlining a concern that the separation of case studies into sets of service delivery-focused and policy-focused issues may be artificial and problematic (i.e. the process of policy learning and the nature of service innovation are not independent).

In the event, the above concerns over the, rather prescriptive, sets of research statements and over the “artificial” separation of the service and policy levels and the nature of policy learning linking the two were realised during the course of the case studies. Although it was possible to draw some broad answers and lessons relating to the research hypotheses, it was felt that another approach should be applied when synthesising the case studies.

Therefore, an alternative analytical framework was adopted which related more closely to the concept of the “innovation” environment. This was based on the idea that the innovation which formed the focus of the case study would be subject to a number of factors that influenced its development through time. These comprised:

- drivers or pressures which led to the creation or initiation of the innovation or which underpinned its rationale
- facilitating factors which enhanced the development, diffusion or acceptance of the innovation
- barriers which militated against the two sets of factors above and which needed to be overcome for the successful implementation of the innovation.

It was also found, in the course of the case studies, that the overall context within which the innovations took place, either in the immediate institutional or service setting or more broadly within the social service, for example, could also be analysed in terms of such a framework. Thus, the characteristics of the individual innovations could be examined within their wider service and policy reference frames and specific policy lessons identified.

Methodology

Service and policy innovation

At the initial planning stage, to encourage a common approach to selecting case studies each partner was encouraged to identify *one innovation environment*, and conduct two case studies within that. One case study was expected to encompass a primary service innovation (i.e. at service/delivery level), whilst the other would encompass a policy innovation (i.e. at government policy level). At this early stage, two potential issues were identified. First, that there may be elements of the other class of innovation in each of these (see the discussion on separation of the service and policy level in the previous Section). Second, that there may be somewhat different environments involved for each class of innovation, especially as one moves out to organisations/actors other than the primary starting-point of the analysis.

These issues were indeed found to be significant in a number of the case studies and as a consequence the treatment of the service and policy elements were combined into a single case study write-up although the analysis *policy learning* was given due attention.

Placing the innovation in context

Using the idea of the innovation as a linear process or “lifeline” as outlined in Section 1.2.2, the case study approach was designed to place the studied innovation in a series of nested contexts each of which might be expected to affect its development. This context was to be elucidated in three levels of phases:

- Phase 1 - Mapping of the National Social Service System: In order to view the wider context of an innovation, a brief overview of the structure of the national social service is needed. This overview should identify the key structures and actors supporting the various innovation systems that are operating within the national system, with specific interest given to the public system.
- Phase 2 - Innovation Environment: This entails a study of the immediate innovation environment, including the major factors impinging on the innovation itself.
- Phase 3 - Innovation events: The study of a single innovation, identifying key actors, structures, issues, processes and critical events involved .

Variables of interest

This PUBLIN study required acceptance of the idea that in doing exploratory case studies it is difficult to provide an exact plan of what is expected when some of the variables to be studied are unknown at the outset. Also there is a balance between freedom of interpretations of a phenomena and the provision of a specific protocol for this purpose to compare outcomes (Den Hertog 2003). However, to ensure some comparability of data collected for the case studies identified within each package, using Yin's (1989) embedded case study approach it was suggested that data collection should be carried out on two levels; the first level focusing on the chain of events in the innovation process, making up the first unit of analysis and the second, focusing on critical incidents or learning events that played a crucial role in the process as a whole. As noted above, the selected approach was to embed the case study to collect data concerning both the context of the innovation, the innovation environment and the process of behaviour change or transformation.

A number of potential innovation issues, from both the operational/service level and policy level perspectives were identified:

Contextual factors:

- The type or aspect of the health service which forms the focus of the innovation
- Regulatory and governance processes, organisational structures, professional spheres of practice related to the innovation(s) and innovation processes within the public service system under study
- Location or site of deployment of the innovation
- Characteristics of innovation processes and the dynamics the public service sector under study
- The competing and alternative innovations present
- Complementary innovations, the introduction of which facilitated or were essential for the progress of the primary innovation under study
- Factors driving or facilitating the innovation- policy, organisational, technological and or social
- Organisational structures, rules and collaborations supporting the success or failure of the innovation

- The ‘innovativeness’ or innovative capacity of the public service system under study. Assessment of this.

Process factors:

- Rationale for the process of innovation
- How far different actor(s) are involved in the process of innovation
- Experimentation and learning management practices in place
- Approach to diffusion of the innovation
- Types of knowledge supporting the innovation
- The effects of the innovation at service level
- How the success, utility and values of the innovation under study were judged (if at all). Actors involved in this process.
- Where knowledge comes from, e.g. training, conferences workshops, word of mouth, etc., to inform diffusion of innovation
- The effects on service delivery ‘front of house’ and ‘behind the scenes’
- Previous evaluations of the innovation or innovation process

Policy context factors:

- The relationship between the public and private sector.
- The ‘innovativeness’ or innovative capacity of the policy system under study

Policy process factors:

- The primary rationale for the policy innovation under study. Supporting and competing rationales
- The flows of competencies and knowledge contributing to policy innovation
- The development of new policy instruments;
- Barriers and facilitative measures supporting policy deployment and implementation
- The reorganisation of publicly funded organisations as a result of such innovation policies; and also
- The effects on the policy making process within government
- The effects on service delivery
- The feedback mechanisms related to policy learning;
- How was the success, utility and values of the policy innovation under study judged

In addition, it was suggested that each case study should identify ‘*critical incidents*’, events which have played a crucial role in the innovation process [as a whole] and which could be useful to identify basic learning in the process (Den Hertog 2003). It was anticipated that four to six such incidents should be studied per case.

The case studies

In WP5, five case studies were selected in the following countries: Ireland, Israel, Lithuania, Norway and Slovakia. The examples selected were:

1. Pensions Retirements Savings Account (Ireland)
2. Regional Resource Centres of Special Education (Israel)
3. Innovation in Services for Elderly (Lithuania)
4. Innovation in Home Based Services for Elderly (Norway)
5. Residential Care for Elderly (Slovakia)

Summaries of each case study are presented in the following sections.

Ireland: (University College Cork) “Pensions Retirements Savings Account”

This case study examines the introduction of Pension Retirement Savings Accounts (PRSAs) into the Irish pensions market. Following a reform process initiated by the Minister for Social Welfare in 1996, an extensive review of the Irish pension system was undertaken which incorporated the views of the key interested parties through an extensive consultation process. The process was overseen by the Pensions Board, the statutory body with responsibility for the regulation of pension schemes and for providing advice to government on pension policy matters generally. The National Pensions Policy Initiative (NPPI, 1998) was the outcome of this consultation process, in itself a major innovation in public policy deliberation. NPPI (1998) provided a blueprint for the future development of the pension system in Ireland; it put forward a series of policy recommendations which were supported by the social partners and other interests represented on the Pensions Board. The innovative pension product marks a significant policy shift in opening up the availability of retirement savings vehicles for individuals who previously may not have had easy access to a pension. The introduction of PRSAs also represents a new way of thinking about retirement provision by encouraging individuals to take greater control of their choices in relation to planning for retirement.

This case study has been chosen for four main reasons:

- a) The significance of the development of this policy initiative using a consultative framework. The National Pension Policy Initiative (NPPI) included the formulation of a discussion document, a call for submissions, discussion and deliberation, co-operation between the key interests and the production of a consensus document on the future of pensions in Ireland.
- b) The emergence of a new product innovation (PRSAs) in this area of public policy as an outcome from the NPPI process. PRSAs were designed to meet the needs of those not currently served by the pension provision in place; it sought to acknowledge the changed

nature of employment and facilitate widespread access to supplementary pensions, either through employers or independent means.

c) Analysis of this product and policy innovation provides an insight into the policy making stages followed and the role of key actors in that process. Furthermore it permits an examination of a new way of approaching pension provision, which combines obligations on employers and also allows systems for supplementary pensions to be secured independently of them.

d) The case study facilitates an in-depth examination of a recent cross-cutting policy initiative and a preliminary assessment of the product innovation to date. The process of pension system reform in Ireland has not been the subject of in-depth research and as such this case study makes an original contribution to policy analysis in the Irish context

Israel (University of Haifa): “Regional Resource Centers of Special Education”

This case study focuses on innovation in social services through the kaleidoscope of Special Education Regional Resource Centres (RRCs). Regional Resource Centres provide educational, psychological and paramedical services for children with special needs and serve as the "executive arm" of the Law of Special Education (1988; 2002-correction). The law promises free education for children with special needs in the least restrictive environment and through mainstreaming and inclusion whenever possible.

The context of special education was selected following the State Controller's Report of 2002 that instructed the inclusion of people with disabilities into the Israeli society, work and the community as part of the welfare system, this way, considering special education a social service.

The study uses the conceptual framework of innovation and learning within the context of special education to "paint a picture" of innovation in a social service from policy and service perspectives. Innovation in RRCs aims at providing intellectual and tangible resources, instruction and training for mainstream and special education institutions in means of service improvement.

The guiding statements, in this study, hold a *‘problem driven view’* of innovation and focus on four segments that represent the innovation process: (1) design and development; (2) Organizational Learning, (3) selection, diffusion and utilization; (4) evaluation.

Lithuania (Mykolas Romeris University, Vilnius): “Innovation in Services for Elderly”

Establishment of day care centres in Lithuania were very important steps in providing community with a new model of social services, model that is oriented towards more open and cohesive society. Day care centres for the elderly people in Vilnius were chosen as the units of analysis in this case study as they represent the organizations *“doing something new”* – the trait which is important for denotation of innovation according to

Green, Howells and Miles (2001)². Pilot examination of the activity of day centres let us anticipate the presence of *new characteristics of service, new or altered ways of interacting with clients, new ways of interacting with other organisations, also new rationalities and beliefs* – i.e. almost all elements of innovation detailed in section B of the PUBLIN proposal. Those issues were under this case study.

Establishment of these institutions was a very first step in providing community with social services for the elderly on the large scale in Vilnius. It is still very important for today's community life. The number of day centres rapidly growth during recent years. The minister of Social Security Mrs. Blinkeviciute in her interview has pointed up that “the world has understood long-ago - the best way for social integration of vulnerable groups is community care, so development of community oriented services is high priority for Lithuanian social security system”.

That is why through the investigation of this pathway of social care the research team hoped to get better understanding of innovation processes present within public social service system and the learning processes underlying policy development in publicly regulated social service sector as well. Through interviewing main actors in social sector the team tried to test our hypotheses regarding the main issues of the study and phases of innovation process such as follows: initiation, design and development, selection, diffusion and utilization, evaluation and learning. In-depth interviews were conducted with 20 public practitioners, 8 of policy level (policy-makers, i.e. members of relevant Committees at the Seimas, top and middle managers, i.e. heads of departments and institutions under Ministry of Social security), and 12 of service level (frontline employees and volunteers-service providers). Additionally 18 service-users, i.e. participants of two Day Centres were interviewed aiming to get better understanding of local context.

Norway (NIFU STEP): “Innovation in home based Services for elderly”

In this report from Norway, the main focus is set on presenting and analyzing two related cases of innovations in service provision for elderly living at home:

- Managerial and organizational innovations, cf. 3.1
- Policy innovations defining standards of welfare for elderly, cf. 3.2

The first case, managerial and organizational innovations related to service provision to elderly living at home, was set in the administration of one of Oslo's districts and was initiated by introduction of what was called the “purchaser-provider”-model. Subsequent to its introduction, other innovations were developed. The basic principle in the “purchaser-provider”- model is to divide the organization of the district administration related to service provision in two: One part that has the role of purchaser, the other part has the role of provider. The purchaser part allocates services to eligible clients (helpless

² Green L., Howells J., Miles I. Services and Innovation: Dynamics of Service Innovation in the European Union. Final Report December 2001. PREST and CRIC University of Manchester.

elderly) based on requests and applications. In this, the services are specified (i.e. what kind and how much) in requests (orders) to a provider unit, i.e. a contractual relationship is established. Afterwards, the purchaser controls if and how the service has been performed (quality assurance) – and pays the provider for services rendered.

Traditionally, the provider role was bundled into the organization of the district administration. Introduction of the "purchaser-provider" model enabled the administration to unbundle itself, initially in order to enable opening for market competition in service provision. Prior to the introduction of the "purchaser-provider" model, the providers of the home based care services were themselves responsible for defining the needs of the elderly of home care services, creating a problem of subjectivity when assigning the services. Development of the "purchaser-provider" based organisation was done by a team of mid-level managers in the district administration, i.e. administrative managers and professionals with managerial responsibilities (i.e. head of nurses) who worked with providing services to the elderly in the existing organization. The introduction of this model enabled the administration to develop other managerial and organizational innovations related to providing services to elderly living at home.

The second case, the policy innovations defining standards of welfare for elderly, is interesting because it is very different from the first case, and, by this, the case gives an indication of the complexity and variety in innovation processes found in the study. In these innovations, the policy initiative in a "Security Contract" was basic. The idea of a "Security Contract"³ was conceived early in year 2000 by local socialist politicians in the former district of Bøler; the district of Bøler was later merged with its neighbour Manglerud (the origin of the "purchaser-provider"-model described above) and is now part of the new, larger Østensjø district. As a policy initiative, the idea of "Security Contract" was launched as an alternative to the NPM⁴-inspired policy measures that the ruling right-wing government of Oslo wanted to introduce. After winning the elections in September 2003, a majority based on a coalition of socialist politicians from the Labour Party and the Socialist Left Party in the new Østensjø District Council decided to develop further and implement the "Security Contract" as a policy measure. Designed to guarantee welfare for the increasing number of elderly citizens living in the Østensjø district, the contract describes four levels of public commitment and obligation in providing care services, responding to the needs of each individual elderly, cf. 3.2 for details. According to the socialist politicians who drafted the "Security Contract", the four levels constitute a comprehensive chain of measures and initiatives based on fundamental values embedded in the socialist democratic legacy of Norwegian society.

The goal of the system is to enable elderly citizens to stay on the lowest possible level as long as possible. The basic assumption in this is that the welfare and dignity of elderly is best served by enabling them to live as long as possible in their own homes – and that public service providers are superior in ensuring this..

³ Translated from Norwegian "Trygghetsavtale"

⁴ NPM = New Public Management

Slovakia (Comenius University, Bratislava): “Residential Care for Elderly”

The context of residential homes for elderly was selected following the changes in the Slovakian Law on Social Aid in 1998 that enabled to combine services for the elderly and a new move occurred from ‘institutionalized care’ to a more service oriented facilities of smaller and ‘family/community’ care. This trend is to be even more intensified with the preparation of a draft Law on Social Services that is currently being discussed (and influenced) by the ‘practitioners and service providers’ in the field of social care. At the same time decentralization processes both in general competencies, including social services as well as within the care for elderly meant a new distribution of responsibilities and bigger power for the residential homes to participate in the system changes from bottom up perspective.

The case study under closer investigation is a residential home for elderly in Bratislava region providing care for elderly within the field of social services in the newly established non-state facilities. Thus, the case has been chosen as it reflects an innovative approach to care for elderly. An important and decisive part of the mission of the facility was ‘humanization’ and ‘individualization’ of the social services for elderly, with the vision of providing complex services (both social and medical) tailored to specific needs and abandoning system of strict division into social and medical care. At the same time, the boarding house has introduced innovative processes in the structure of its facility in order to achieve higher standards of quality in the services provided with two ultimate aims: first, to individualize and humanize the care for elderly (as opposite to institutionalised care of the previous regime) in the service level and in this way to influence the system of financing of facilities in a way that would reflect the individualized care on policy level.

The case study represents the complex picture of ongoing transformation, search for new innovative approaches, interaction between policy and service levels in a new environment where the relations between the ‘client’, ‘service provider’, ‘facility founder’, ‘facility establisher’ and ‘policy maker’ are yet to be defined. Nevertheless, the boarding house started to work with politicians, elected representatives, as well as with the clients themselves in order to mediate and raise awareness on the new approach in the social service provision and central role of the client. The experience and newly piloted services have become part of the legal provisions in the law in 1998 as well as some of the experience in the introduction of standards of quality on the service level are now being discussed as a benchmark for introducing standards of quality on policy level (and thus national level) for the new Law on Social Services.

The Social Services Environment

The Social Services⁵

One of the main roles that the public sector takes at the present time is to develop all the activities that the Welfare State implies, which means the displacement of certain areas of the social conflict to the sphere of public action. It is a public institutional space where, by means of social policies, conflicts of interest are dissolved and collective necessities are solved. In strict sense, the field of the social policies extends, on the one hand, to public interventions in the labour market and, on the other hand, to the redistribution common goods. In summary, the welfare policies are the collective management a of the multiple axes of inequality – such as class, employment, citizenship and more– that signify the advanced societies at the beginning of the 21st century.

It is important to point out the changing context of social protection systems which has had and will have profound implications in the future. The following four major trends are of particular importance:

- The age of the population. In all Member States and the prospective increase in the rate of growth in the number of elderly people from 2010 onwards.
- The growing participation of women in the labour force and the changing gender balance.
- The persistence of long-term unemployment, especially among older workers.
- The trend towards earlier retirement.
- The increase in the number of households in relation to the population growth, with the rise of people living on their own.
- More households with no working member.

Moreover, these trends are occurring in a context of increasing globalisation and a faster pace of technical advance, which have accelerated the speed of structural change in the economy, put greater pressure on business and workers alike to adapt to changing market circumstances and new working methods, and reduced the ability of governments to manage economic developments.

At the same time, they have increased the importance of securing financial stability and have limited the scale of government borrowing, as well as constrained the growth of public expenditure. Public policies are directly affected by fiscal consolidation required by the Stability and Growth Pact, as well as by the broad economic policy guidelines, which provide a framework for reforming public policies in line with broader objectives, supporting employment and job creation in particular.

⁵ This section is derived to a great extent from papers developed earlier in the PUBLIN stages and for more details see relevant documents, such as 'Innovation in the Public Sector', 'Structure and size of public sector in an enlarged Europe', etc. PUBLIN, 2003.

Common themes in the social sector

Across Western Europe as well as transforming newly accessed countries, a number of issues are shaping the way in which social services are formulated, delivered and assessed. In essence these drivers of social services policy fall into two main groups; those that derive from changes in the characteristics and demands of the population itself and those that represent managerial responses in order to deal with such changes and demands. These drivers therefore underpin many of the changes and innovations encountered across the social services systems of Europe. The most significant include demographics, decrease in institutional care and gradual introduction of alternative social services, client empowerment, the diversification of services providers and the introduction of New Public Management techniques in the public sector.

The following sections provide further detail on these drivers for change. Much of the information is drawn from the examples in Norway and Ireland, but is typical of the situation in many other developed world economies. Examples from Slovakia and Lithuania provide an insight into social sector of transitional economies that also have a similar trajectory of drivers, however, occurring with a time shift.

Demographics

With few exceptions, globally changing birth patterns, together with a general decline in mortality rates have led to an increasingly ageing population and a commensurate rise in demand for social services. For example, in the UK in 1971, 13% of the total population were over of people over 65. By 2003 this figure had risen to 16% and by 2030, forecasters suggest that one in ten of the population will be 75 or over. Similar patterns can be observed also in transition countries where in 2002, population segment over 65 reached its historic peak of 11,6% in Slovakia, which accounted for a 6% increase since 1995 (*Government Report on Social Services*, Slovakia 2002). In the same year the proportion of economically active population dropped by 12,8% since 1995 (Statistical Office Slovakia, Report on population structure 2002). Lithuania's population declined by 5,8 percent, compared with 1989 census data, to approximately 3.45 million as for 2003. The rates of individual's aged 65 and above and children under 15 increased in the total population structure (Statistics Lithuania. *Demographic Yearbook*. Vilnius, 2003).

In addition, demographic projections suggest that the dependency ratio within the population will increase as will the cost to the state of providing social services to the elderly and of pensions (linked to wages). Over the last decade, many countries, international organizations and other bodies have focused attention on rising costs and issues associated with 'an ageing population', including the social services for elderly and the long-term future of state pensions (e.g. World Bank, 1994) and recommendations have been put forward on the need for innovation and reform.

Integration of Social Groups into Mainstream and Decrease in Institutional Care

The changing demographic profile of many countries provides the backdrop for major concerns about the viability of institutionalized care and pension systems worldwide. Additionally, at the beginning of the 1990s a philosophical shift in conceptual thinking has occurred in the provision of social services that gives bigger emphasis on home based services and integration of social groups into mainstream. This trend of deinstitutionalized care also reflects the increase in development of “care homes”. Services rendered in “care homes” are counted as home services in the cases where these apartments are bought or rented by the residents, and therefore, not regarded as public institutions. This shift can be observed with all segments of the society, such as care for elderly, integration of children with special needs into educational systems, etc.

In Norway, for example, the increase in home-based services has been attributed to a policy shift based on the recommendations in a white paper from 1992⁶. The white paper recommended that public services to elderly and physically handicapped should, as far as possible, be provided so as to enable recipients to live at ease, just as if they still lived in their own homes. This could be implemented either in the original homes of the recipients, or by allowing the elderly the choice of living in small communities of “care homes” designed for elderly or physically impaired. Similarly, in Israel the State Controller's Report of 2002 instructed the inclusion of people with disabilities into the Israeli society, work and the community as part of the welfare system, this way, considering special education of children a social service.

Establishment of day care centres in transition countries were very important steps in providing community with a new model of social services, model that is oriented towards more open and cohesive society. Between 1992 and 1998 particular growth was observed in the establishment of stationary social services institutions for old people and children: for example, the number of care institutions for old people increased by 9 times, and of childcare institutions twice in Lithuania and similar trend can be observed in Slovakia. It's worth noting that during this period the founders of social services institutions were municipalities and NGOs.

Personalization of Social Services

A key phenomenon in western countries is the gradual personalization of social services, regardless of the type of service. Thus, services for elderly, special education or pension reform, all have features of search for tailoring the services to the needs of individual person, with the possibility of choice. This trend has its roots in New Public Management where the responsibility for person's own social status is shifted towards the citizen and

⁶ The first publicly financed system for home based care in Norway was introduced in the 1950s. It was not until the 1970s that the development of home services for elderly and other groups began on a large scale. The only alternatives before this time were either nursing homes or publicly provided homes for elderly (Christensen and Næss 1999).

his/her ability to choose among various possibilities. In special education, the specially designed instruction and services provided by the school district or other local education agency aspire to meet the unique needs of students identified as disabled. Special education may include instruction in a general education or special education classroom. The pension reform in Ireland was designed to deal with the more immediate problems associated with supplementary pension coverage in order to bridge the gap in coverage in a way that was accessible, flexible and responsive to the needs of individuals. This was to be a major new vehicle through which supplementary pension cover could be improved. The development of an individual retirement savings account product in the form of PRSAs marks a significant policy development and product innovation in the context of the Irish pension system.

In transition countries, the shift in philosophy – i.e. the new orientation towards the client⁷ - became the center of all innovative efforts that focused on the ‘humanization’ of the environment, gradual de-institutionalization of social care and improvement of the relations between the staff / facility and the client. This innovative approach in the transition context, though common in the developed countries, was reflected in both Slovakia and Lithuania in a range of new features ranging from creation of alternative services, physical improvements in the facilities, introduction of new (personalized) services according to the clients’ needs and related free-time activities for senior citizens, to the introduction of quality standards and performance management to secure minimum standards in the services provided.

Diversification of Social Services Providers

In the traditional welfare state model (such as Norway), provision of health and social care became a public sector responsibility long time ago. Although most of social service provision is public, NGOs also provide and operate social care services and are an important stakeholder in the provision of social services particularly on local and communal levels. The size and role of NGOs is significant and have a traditional role. Private actors and NGOs receive a considerable part of their income from public funding, for example in Norway the National Insurance Scheme being the most important source in this.

An important part of the trend of diversification of social services providers is shifting the responsibility to lower levels of governments and thus the primary health and social care has been the responsibility of the municipalities since early 1980s in most of the EU countries.

In post communist countries, on the other hand, the diversification of social services providers occurred only with the reform of the whole sector at the beginning of the 1990s. Prior to that the public sector and state were identical terms where state dominated and interfered into all aspects of society. Thus during the transition period, the state, as an

² Orientation towards clients (and philosophical shift) is reflected in the language use in Slovakia as well. For example, the term ‘client’ gradually replaced terms such as ‘patient’ or ‘inhabitant’ which were more common during the communist regime.

owner of the public sector, initiated a top down reform, primarily focusing on the process of separation and decentralization of powers. At the beginning of transformation, social service reform in most of post-communist countries has been a very chaotic process with too many changes at the same time with drastic self-limitation, i.e. not dealing with socio-economic crisis and the ensuring economic reconstruction and focusing only on the political or policy side as well as the administrative side of social service transformation. From 1 July 2002, the obligation to provide social services was transferred to municipalities, which had to assess the needs and accordingly establish facilities providing such services.

As a result, not only alternative forms of service providers were formed (ranging from church, non-profit organizations to private sector), but also self-governing municipalities and other levels of territorial self-governments were strengthened in their autonomy. The functional and fiscal decentralization brought power and competencies to the municipalities, which formerly had been exercised directly by the state ministries or state territorial offices. The municipalities were given freedom to design and organise the elderly services in ways they considered proper for achieving the service goals.

Influence of New Public Management

The relationships among diverse actors providing social services (NGOs, for profit organizations and public sphere) and the community have existed for a long time in Western countries and have, until recently, evolved as a stable symbiotic co-existence between the city's public service provision system and the system of NGOs. The influx of NPM (New Public Management) ideologies, thus, in Western countries has introduced reorganization of service provision to achieve management and financial efficiency via hours and resource allocation, transparency, expansion of services, etc. The NPM impact on the governments increased their search for introducing contestability among their social service providers. In this process, many of the NGOs have been classified as private firms, and they have been forced to submit tenders for their services, just as any other for-profit company. Still, as will be explained, the NGOs, because of their independence and organizational flexibility, have been able to adjust to this new political climate, and by this continued being innovative.

In tandem with the reforms under NPM influence, the case studies document seek for better public private mix, for example in pensions product, social services, etc. the objective of which is to promote risk diversification, balanced burden sharing between the generations, and greater flexibility for individuals in making their retirement/service decisions. The reform process undertaken in Ireland and the introduction of PRSAs might be seen to be broadly in keeping with these broadly neo-liberal objectives. Thus, the Irish case study provides an insight of a key element of Irish welfare provision, which maintains an essential state input and an increasingly important role for private providers. Similarly, the introduction of the purchaser-provider model and the reorganisation of the provider units of the city district in Oslo, Norway illustrate shift to private organizations providing social services.

Reforms in the public sector in transition countries were also inspired by New Public Management (NPM) principles in both increasing management and financial efficiency and in introducing diverse actors into provision of social services, such as NGOs and private sector.

However, many times these reforms that were inspired by NPM were introduced by copying Western models without governments (or other stakeholder such as NGO) realizing why or for what purpose.⁸ In practice this meant diversification of providers of services and search for efficiency in the provision of services from the very beginning of the 1990s. For example, the providers of services became independent legal units with freedom to decide within set limits about the direction and scope of services provision. It was an institutional change without having a prior coherent strategy on how to effectively and efficiently manage processes in the public sector. As a result, the post-communist countries like Slovakia or Lithuania attempted to introduce the Western models of public administration (particularly the New Public Management thoughts) through their public sector reforms, although sometimes overdoing its reduction because of budget constrains.

From the functional and institutional aspects, the decomposition of the old and the composition of the new social services was a process of functional differentiation at various levels of administration and paralleled by intergovernmental coordination at each level. In the period of 1990-2004, a new administrative organization of the entire public sector system and its financing had to be introduced which had immense impact on the overall philosophy, mechanism and quality of organization and provision of public services, and the social system in particular.

Drivers, facilitators and barriers to innovation

Innovation involves pressure groups' politics and resistance to change at all levels of the organization. Focusing on driving and hindering forces, both policy and service level interviewees agreed that people are the major 'factor' that affects innovation, rather than non-human, external forces. People who support the innovation idea seem also willing to take the extra step. Those who oppose it are likely to raise obstacles and barriers.

Barriers

Size and complexity: Typically, the public health/social sector is an extremely complex system of interconnected levels both horizontally and vertically, composed of multiple-tiered interlinked organizations and actors, such as founders (governments, municipalities, church, etc.), providers of social services, central level coordination and supervision by ministries, etc. This size and complexity can generate additional factors that hinder the innovation process, such as lack of information flow, communication and

⁸ EU institutional models that occurred within the existing EU were adapted to CEE institutions and policies as part of the accession process, with very limited scope for negotiations. See vast literature on 'Europeanization' of CEE countries on the discussion of EU influence in governance development in CEE countries (e.g. H. Grabbe, Goetz and others).

coordination (as was the case in transition countries where information flow between service and policy levels collapsed during decentralization).

Heritage and legacy: Public sector organisations are prone to entrenched practice and procedures – that which has worked in the past is seen as good practice and there is frequently an attitude of “if it isn’t broke, don’t fix it”. No systemic incentives to innovate exist within the current public sector set up, regardless whether we talk about transitional or non-transitional country. Innovations are highly personality and belief driven and depend on public entrepreneur’s initiative.

‘Professional’ resistance: Social service systems comprise a number of distinct professional groupings, with their own communities of practice, rationales, and perspectives. On the local level, staff resists innovation from fear of increased work burden and middle management resist innovation of fear to lose their jobs, control and status. These tend to adhere to their established roles, and associated policy agendas. Parts of the social service system may operate according to differing command and control structures. A lack of dialogue between different parts of the social service system, horizontally or vertically, may also hinder innovation and its dissemination. A further barrier concerns problems of non-ownership of ideas and resistance to disseminate “good ideas” that may be appropriated by others. At the technical level, this may translate to problems over the ownership of IP.

Risk aversion: Civil servants may avoid risk as failure may be detrimental to their careers. In order to get around this, innovators in social services may use various strategies: start small, move incrementally [small number of centres first], do pilot testing, make detailed planning, create new nominations, arrange meetings to convince, convene conferences on the topic, initiate training sessions, use international precedents as symbols [no matter how successful the international innovations are], use the media to ‘voice’ the innovation. In transition countries, in addition, NGOs play an important role of facilitating and disseminating innovations.

Public/political profile and accountability: Public service managers and politicians are very wary of enacting changes that may result in negative outcomes, particularly if these attract media focus. There may be a tendency towards a blame culture, with its associated high levels of accountability. Added to this is the risk of litigation in the event of adverse impacts. To this end, the involvement of all actors (municipalities, political representatives, etc.) is crucial to raise a public debate that highlights main issues. Accountability appears at different levels: publicly, via the media to recruit support and trust, within the organization through meetings, training, and report requirements and within municipality through meetings with politicians.

Need for consultation, and unclear outcomes: The large range of stakeholder involvement generates a strong requirement to consult and review any planned changes and modifications and to attempt to identify all the potential consequences of such actions. This is exacerbated by the complexity of the system and difficulties with obtaining a clear picture of all the eventual effects of these actions. Thus diffusion or roll-out of new innovations forms a major management issue. A related problem concerns the

possibility that the introduction of one innovation may shift the underlying problem to another, downstream, part of the system.

Pace and scale of change: Many public administrations, for a variety of political and policy reasons (such as the introduction of New Public Management approaches), have been subjected to a large number of often radical changes, as is the case on policy level in transitional countries and their overall reforms in public administration (decentralization) and social sector. The pace of change has also been dramatic and this has led to an environment of shifting targets and the absence of adequate opportunity to reflect upon and assess the consequences of many of the innovations introduced. The introduction of new political ideologies, new 'world views' etc. may also accelerate the pace at which policy makers (at all levels) wish to see change implemented. On social service level, incremental and gradual changes are introduced with thorough accommodation of local needs.

Capacity for organisational learning (at all levels): There may be a lack of structures and mechanisms for the enhancement of organisational learning on systemic level, exacerbated by their scale and complexity. Although, meetings and conferences happen, the difficulty lies in 'translating' them into practice. Strong feedback loops on organizational level (with staff and clients) exist, however, dependent on a personality rather than systemic. Frequent reorganisations will also promote a lack of corporate memory. This problem can operate at all levels from the top of the policy-making hierarchy down to the service delivery level.

Public (and end-user) resistance to change: It is assumed that the public forms the typical end-user, although it may be represented by various lobby and interest groups. There is an assumed general resistance of the public to reorganisation and changes in public services. This is particularly true, when there is a risk that funding the innovation might inhibit other services. Various factors may operate here such as age, ethnic background, personal wealth, access to ICT, etc. The public that was involved with the innovation was supportive and the innovation had high public acceptance. Support or resistance among the public involved was more on a philosophical and ideological basis ['right or wrong']. In some cases, perhaps where the mode of delivery is changed with no discernible change to the service or 'product' from the public user's perspective, the end-user may be the service deliverer.

Absence of resources: In top-down initiated innovation process, the government provides general support but the funding is usually scarce. Even when the finances are legally bound to be provided (e.g. Supreme Court decision in Israel or anchoring in law), still money from the ministry or municipality is slow to arrive. In bottom-up initiated innovation process, pilots are anchored in bigger projects to secure adequate funding.

Other barriers: Resistance from professional unions for fear of losing control and their grasp of employees fear of changing the status quo.

Drivers and facilitators

Problem-oriented drivers: Many innovations are introduced in response to one or more specific problems. Typical causes are demographic factors, ageing population and dissatisfaction of clients and end users (relatives) with existing services. The education centres in Israel, quality standards in Slovakia, home-care centres in Lithuania and Norway and pension reform in Ireland were responses to improve the service provision and tackle the demographic issues. Moreover, in transition countries problems with financing due to fiscal decentralization became a driver resulting in a wish of changing the system of financing.

Non-problem oriented improvement: The philosophical and ideological debate, influenced by global trends provided impetus to the innovation, coupled with the need to address end users' concerns. The belief in humanization of the services, improvement of quality of services and gradual decrease of emphasis on institutionalised care is a key driver for public sector entrepreneurs.

Political push: Process of decentralization, new models in social sector/welfare and other changes in legislation provided professional autonomy and opened up possibilities for innovations in both transition and traditional welfare countries.

Growth of a culture of review: Western countries have a well anchored culture of evidence-based practices: evaluation of the policy plan during the implementation period, evaluation by the staff in each phase of the innovation process and outcomes and practice evaluation by reporting and documenting. This is gradually being introduced into transition countries and is still more public entrepreneur dependent. Evidence-based practices are more frequent with staff and end-user evaluation. Policy evaluation (including measures of success and failure) are many times subject of innovations per se.

Support mechanisms for innovation: Entrepreneurial personalities are the most important factor in all countries. At service level, the skills and enthusiasm of the staff can be increased by awareness raising activities and creation of 'agents of change' from within the staff (case of Slovakia). In transition countries, the presence of NGOs in learning and dissemination process as well as in the role of a facilitator among service providers and policy levels were crucial, due to the collapse of information flow and training system.

Capacity for innovation: Capacity for innovation was high if international networking and learning occurred (e.g. partnerships with German sister organization in Slovak case study or experience exchange in other case studies) or if NGOs facilitated and provided trainings and seminars (transition countries).

Competitive drivers: Public sector slowly moves towards new public management practices, and thus autonomy provided to professionals, decentralization of main tasks to local founders and providers opened up competition in the service production. However, since the system is still relatively monopolist and demand is higher than supply (transition countries), there is no real competition.

Analysis of the case studies

Analytical frameworks

As may be seen from their summaries, the case studies exhibited significant variation in their national and public sector contexts, institutional or system level settings, and with regard to the type and nature of the innovation they represented. In order to derive a common approach to the analysis of the case studies, the above sets of barriers, drivers and facilitators were used as the basis of an analytical framework by which each case study could be examined and common themes and areas of resonance identified.

An analysis of the occurrence, impact and relevance of each of the barriers, drivers and facilitators is presented in the following sections.

Barriers

Size and complexity of system

Generally, this feature was shared by all of the case studies although its impact was perhaps greatest in the transition countries, where not only the system exercised complex features but simultaneously it was experiencing systemic changes on both policy and service levels.⁹ The complexity of the system together with the transition process is best reflected by words of one of the interviewees on policy level in Slovakia: *“while introducing innovations in the public sector the continuity of service provisions has to be preserved although the reforms change the overall concept and philosophy and thus adjustment period would be necessary”* and *“transition country has accumulated a number of problems that have to be dealt with simultaneously”*. It was perceived that the unavoidable adjustment period of mixing old “routine” and new “innovative” elements on big scale complicates the process of innovation implementation.

Although the case studies in both Slovakia and Lithuania occurred within a single institutional environment – residential home for elderly and service centre for elderly, respectively – the size and complexity of the system was found to act, to varying extents, as a barrier to innovation dissemination, particularly due to the collapse of information flow (communication channels, trainings, seminars, etc.) among service institutions; between service institution and policy level and between individual policy levels (municipality, territorial self-government and central level). This barrier was overcome to some extent in Slovakia through the use of pilots and bottom-up push of a set of actors and stakeholders who created an informal network of providers and NGOs who acted as facilitators. Similarly, in the Norway’s case study, the size and complexity of the social

⁹ Two parallel processes were influencing the provision of social services: a) public administration reform that introduced new self-governing units with the power to found and supervise facilities providing social services with the subsequent fiscal decentralization that changed the financing system of the facilities; b) transformation of social system with the ultimate aim of increasing the responsibility of the citizen for his or her own social situation and only if the circumstances are unfavorable the state would intervene to offer assistance and services in order to sustain adequate quality of life.

service system was also reflected in several innovation processes and systems of innovations, i.e. innovation in the elderly policy at governmental level and at the same time at local level in municipalities.

In the Irish case study the innovation of a new type of pension product was debated and implemented at a nationwide level because the optimum provision of pensions is central to issues of work, retirement, economic growth and poverty avoidance and as such is relevant to all citizens. The problems of overcoming the barrier imposed by a large and complex set of organisational hierarchies and inter-linkages was significant and partially tackled by a long and thorough consultation process with all stakeholders through a so-called Pension Board. This approach effectively scaled down the problem by dealing with a more restricted set of social actors and stakeholders. It also enabled the introductory phases to respond to regional and local problems and conditions.

In the Israeli case study, the size and complexity of the system was portrayed through the existence of progressively thinking institutions (where innovation occurs) that function in a bureaucratic, hierarchical and stagnated system, and managed by people who hold traditional views.

Heritage and legacy

All of the case studies reported lack of incentives to innovate within the system as a key legacy barrier. The case studies noted the existence of rigid bureaucratic and financial systems together with entrenched management procedures and viewpoints. Thus, innovativeness is bound to personalities (entrepreneurs with leadership skills) rather than coming from the sector per se. As a result the institutional case studies (such as district studied in Norway or residential home studied in Slovakia) may be highly innovative while other city districts or residential homes are quite rigid. Such a situation where old public practices of rigidity and bureaucracy and hierarchy prevail create paradox as it was reported in Israeli case: on one hand the management initiates and innovates and on the other hand, the very innovation may create a rigid regulation to enforce innovation, and which however, are likely to increase the workload and block creativity.

The heritage and legacy effects form a strong feature of some areas of the social service system. In the transition countries special role in overcoming this barrier was played by non-governmental organisations (non-formal Association of Aged People “Bočiai” with a strong leader in Lithuania and non-governmental Council for Advice in Social Services and Tabita in Slovakia). In Lithuania, the NGO made an important impact on the initiation of a particular innovation (day care centre), whereas in Slovakia the NGOs were influential in dissemination of the innovation and facilitation between service and policy levels.

‘Professional’ resistance

The case studies that were big in nature (either implemented on national level such as pension reform in Ireland and regional resource centres for special education in Israel or were in bigger institutional settings such as home based care for elderly in Oslo, Norway)

experienced bigger professional resistance against innovation and change than those where innovation was initiated in a relatively small environment (residential home for elderly in Slovakia and center of services for elderly in Lithuania). In Israel the middle management has resisted innovation of fear to lose their jobs, to lose control, or status. Furthermore, fiercest resistance came from the professional [teachers'] unions that feared losing their grasp of the teachers, once they professionally 'belonged' to an outside institution as originally planned [meaning, the Regional Resource Centers]. In Norway the staff at the service level in general was sceptical to change in fear of increased work load. In the organizational reengineering, the politicians encountered opposition from the nurses of the elderly home; this group of employees felt that the new organizational structure would devalue their power and prestige. At one point in the reorganization process, they were asked either to cooperate (i.e. accept the changes) or resign. Most of the nurses agreed to cooperate, which was crucial for the success of the reorganization – and proved beneficial for the nurses themselves, according to the politicians.

The resistance was not always a “blind” objection to implement change: there was genuine concern over some of the apparently unrealistic restrictions on the service delivery conditions. As such, professional resistance need not always represent a negative barrier to change for its own sake but a way of expressing professionally based reservations over new, untried, ways of operating.

An analysis of the strategies stated in the individual case studies for overcoming resistance to change, there is a need to emphasize the difference between the policy and service-level innovation management; the former, focusing on the macro and the latter, on the micro. The implementation of both Regional Resource Centers for Special Education in Israel and Quality Standards in Residential Home for Elderly in Slovakia proved that one way of overcoming these effects was by appointing ‘agents of change’ among the staff and focus on their understanding of the innovation to empower them and in this way co-opt the remaining staff. In both these cases, additional intrinsic need was targeted for overcoming professional resistance, that of seek for knowledge and creativeness among professional staff.

The Irish case study that dealt with professional resistance on macro-level, developed a strategy to avoid this barrier by large scale consultative and participative process as well as consideration of the reform options that dominated the latter part of the 1990s and which were documented before the planning and implementation of PRSAs. The consultation document set out a number of key questions relating to the overall objectives of the national pensions policy, and detailed existing arrangements, second pillar coverage, the involvement of the state and examples of pension arrangements in other countries. In addition, the Pensions Board organized internal workshops and meetings with various representative groups in increase awareness.

Risk aversion

Bureaucracies and the public services tend to stabilize in institutionalised ways of doing things, hence they become change averse. The issue of risk aversion exhibited large variations between different levels of individual case studies. In Norwegian case study,

the service level case study examined was particularly innovative and served as a pilot in introducing new models in the health and social service sector. Similarly, in Slovakia the case study was relatively innovative and piloted the introduction of quality standards. In both countries the public administration at regional levels seemed very risk-averse and rigid while policy level innovation was a part of overall governmental approach and strategy.

In Israeli case study risk aversion is portrayed through attempts to rigidly coerce the innovation top-down. The strategies used in this case study were a series of phased pilots: it started with a pilot project which was then expanded. The success of this pilot was then showed in a way that had not endanger envy and made innovation part of the perceptual school system. Similarly, the NGO in Slovakia played a crucial role in overcoming risk aversion by introducing the initiative of quality standards as a series of phased pilots in several residential homes, the overall level of risk was minimised and contained to a regional or local level and successes reported to the policy level for further dissemination. These initiatives in the above case studies also embodied strong feedback loops at the local level, thus these could detect and respond to problems quickly, if required. Also, there was a strong emphasis on the implementation of safety checks.

Public/political profile and accountability

Public accountability appears at different levels: a) public and political profile (via media and pressure) to recruit support and trust; b) within the organization to overcome professional resistance.

Particularly the public and political profile accountability seems to be critical. As stated by one of interviewees on policy level in Slovakia *“the accountability system between the two sectors [public and private] is different. While in the private sector the internal accountability is profit making, in the public sector only external accountability exists: parliament, media and public”*. This has profound consequences on the way how innovations are being introduced and implemented as *“they [public, media and parliament] need to be discussed when policy innovations are to be legitimate and this takes a lot of time, effort and different skills, such as communication and negotiation”*.

The public accountability on general level is particularly important with national level high profile reforms such as the introduction of Pension Retirement Savings Accounts (PRSAs) into the Irish pensions market. The National Pension Policy Initiative (NPPI) included the formulation of a discussion document, a call for submissions, discussion and deliberation, co-operation between the key interests and the production of a consensus document on the future of pensions in Ireland. In other case studies, it was also noted that, with regard to political accountability, politicians were often more inclined to enact major “headline” reforms and initiatives that would contribute to their political legacy rather than instituting a series of minor incremental changes. Whilst such an approach carried a certain degree of political risk, it was felt that politicians were able to move to new portfolios with little attendant ‘memory’ of their previous mistakes. In transition countries, some system innovations on policy level have been facilitated by different forces: pressure from outside (for example EU requirements or UN), and inner ones (for

example “personal ambitions of politician”). Some of the respondents on policy level, however, said that they use the reference to other countries for bigger accountability and negotiations rather than source of inspiration.

At the organizational level accountability has been achieved in several case studies by organizing a forum for meetings, planning conferences, publishing articles and scheduling meetings with trainers, key stakeholders and clients (and their relatives); by using internet web-pages and a surfing community to diffuse the innovation.

Need for consultation, and unclear outcomes

In a top-down process due to the presence of the external accountability factors in the public sector (need for consultation) “*the probability of pushing forward reform and structural innovation in the original form is much lower*”, as it was noted by a policy level interviewee in Slovakia. First of all, policy goals become generally ambiguous because of the number of actors and interests trying to influence the decision-making process. This ambiguity is amplified in large systems because policy goals are more complex and intertwined with large, interdependent bureaucratic systems. In addition, in transition countries several fundamental reforms and innovations are taking place simultaneously with interfering factors that mutually influence the outcomes and which are very difficult to predict.

In order to overcome this barrier, most of the case studies employed two strategies: excessive consultation process (e.g. introduction of PRSA in Ireland, discussed in sections 4.2.5 and 4.3.3) and research and reviews. A process combining some or all of the elements of research, review and evaluation was utilised in several case studies as a means of overcoming the inherent uncertainty associated with change and novel approaches. The research, review and evaluation in many case studies were conducted by external bodies rather than the organization implementing the innovation. For example, in Norway evaluation was conducted by a management consultant firm. The mechanism for this was the “Efficiency Network”, where employees from another district administration worked with colleagues in local and municipal administrations introducing innovation to develop what they termed “best practice”. This type of interaction was considered beneficial by informants. Academic research institutes were not involved in any of the innovations in our study. In Slovakia, on the other hand, a critical role was played by non-governmental organization which eventually assumed a role of a research institution as the organization conducted initial analyses of the problem (low quality in social services), published the results, prepared discussion where various indicators of quality have been discussed and started phased out piloting of quality standards in some of the providers of services.

Pace and scale of change

The case studies from Ireland, Norway, Slovakia and Lithuania all report that the social service system for elderly has been subject to widespread and rapid changes over recent years due to the demographic changes. In Ireland, the changing demographic scenario and the diversity in supplementary pension coverage rates provided the impetus for

consideration of policy and legislative reform in this area. The climate for pension system reform was informed by the wider international context but shaped by the issues specific to Ireland.

The Innovation in Special Education (Israeli case study) followed the law of 1988 and originated by parents' lawsuit of Yated (a Non-profit organization) v. Minister of Education (2000). The implementation of the Law was studied by "Margalit committee" of 2000, which made recommendations that pointed at the need of funding. This led to the 2003 claim at the Supreme Court by parents and two parliament members who demanded the funding transference to the Ministry of education in order to meet the needs of the innovative reform. This was approved by Supreme Court Judge Dorner (Marsiano v. Minister of Finance, 2003). A response claim by the Ministry of Finance who tried to lower the funding was rejected by Supreme Court Judge Matza. (Minister of Finance v. Marsiano, 2004). Although the Ministry of Education did not file claims or petitions against the Ministry of Finance, it supported the plaintiff realizing that the success of the case would grant the office with the desired funding.

Absence of a capacity for organisational learning

This appears to be a common feature across the case studies, although the transition countries seem to have bigger problems with organizational learning due to the past legacy and transition overload. The process of learning (regarding innovation) was not evaluated as permanent or systematic enough on the policy level and seemed to be more reactive than anticipative. In Slovakia, there is an absolute lack of trainings and relevant seminars, in Lithuania “training courses usually are responsive to the past or present instead of future”, “high position often is confused with high competence”.

Also it was noticed that top managers are not interested in analysing failed innovation, but rather "good practice" is spread out. Mistakes or failures in the implementation of innovation usually are “covered from public eyes”, and they have negative consequences only for “executors or front-line managers”, and the lack of personal responsibility on the top level was noticed. All this weakened the motivation for innovation on operational level and decreased the effectiveness of policy learning. Moreover, fundamental changes in the system resulted in the collapse of traditional feedback loops (collection of data, flow of information, communication, etc.) between policy and service levels which has not yet been recreated. Within the organization itself, however, a strong entrepreneur (which was the case of both case studies in Slovakia and Lithuania) operated strong feedback loops on staff and client side.

Public (and end-user) resistance to change

All of the case studies showed no specific incidence of public resistance, quite contrary, the introduction of innovations was met with high public acceptance. However, it is important to note that the public had to be involved in the innovation process to become supportive, otherwise public in general is relatively passive. There is a potential risk of resistance from the side of public if there is a risk that funding the innovation may inhibit

other services, as the experience from the Israeli case showed, however, this has been overcome by involving public in the process.

Absence of resources

A lack of resources, either across the entire social sector or specifically for the support of or incentives for innovation, was noted as a strong barrier in all the case studies. The only exception was the Irish case study where adequate funding has been secured. The wider economic environment of the late 1990s might be said to have been broadly favourable to considering longer term public policy issues in Ireland. At that time, Ireland was enjoying a period of unprecedented economic prosperity, with average growth rates in excess of 8% between 1993 and 1998 (O'Connell, 1999). This provided a climate in which issues of a more long-term nature were perhaps not as daunting as they might otherwise have been. This economic transformation required that projections of demographics and costs needed to be re-visited. However, in short, the favourable economic circumstances meant that commitments to reform and their cost implications were taking place at a time when the objectives may have been seen to be more realizable.

However, at the same time, as it was stated in the Slovak case study, lack of financial resources can act as a driver of innovation as resource constraints prompted the facility to secure additional financing and improvement of working environment for the staff in order to simplify the working procedures and increase the quality of services provided.¹⁰

Drivers and facilitators

Problem-oriented drivers

The dynamics that initiate innovations at the service level are multifarious – a great variety in sources is observed in the material. Some of these are clearly responses to problems or crisis in existing system of service provision, some reflect changes in the overall belief system and others emerge primarily as political countermoves, however, these may be accompanied with goals that are designed to amend inadequacies or dysfunctions in existing systems. These formed a common driver in the set of case studies, although the problems ranged from the generic system level down to the specific. Introduction of the provider-purchaser model in the Norwegian case study was initially an attempt at coping with pressures and crisis related to provision of home based nursing and care services. In Israel the innovation responded to the need to solve specific problems that arose from the field, such as, the need to ensure an equal treatment to children with special needs in response of global social beliefs, or the need to fight lawsuits and respond to legal claims. At the service-level too, innovation arose of a need

¹⁰ The drive for innovation in Slovakia was to improve the system of redistribution of finances from self-governments to facilities. Here, the system of redistribution was perceived to be non-transparent and rigid as it was anchored on the number of patients in the facility, regardless of what type and quality of services does the facility provide. She wanted to introduce a system that would take quality into consideration and be a prime criterion for the redistribution of finances as well as quality services would attract additional finances.

to solve specific problems or needs, such as the need to prepare the specialized tailored curriculum as required by law, or of the need to submit reports for transparency. The staff has collaborated with teachers and special education personnel out of the need to find solutions to problems that arose. The introduction of Personal Retirement Savings Accounts (PRSAs) in Ireland emerged in a wider reform agenda devised for the future of the pension system in Ireland.

Innovation in both transition countries - creation of quality standards in residential home for elderly in Slovakia and creation of alternative day care centres for elderly in Lithuania - reflect a combination of shift of philosophy in the provision of services (belief system) and need to solve specific problems that arose in the transition period (decrease of finances flowing into the social services on one hand and increase of demand for social services). The shift in philosophy - orientation towards client became a centre of all innovative efforts that focused on the 'humanization' of the environment, gradual de-institutionalization of social care and improvement of the relations between the staff / facility and the client – a senior citizen. This innovative approach in the transition context, though common in the developed countries, was reflected in both countries in a range of new features ranging from creation of alternative services, physical improvements in the facility, introduction of new (personalized) services according to the clients' needs and accordingly free-time activities for senior citizens, to the introduction of quality standards and performance management to secure minimum standards in the services provided. At the same time, innovations focused on the efficiency and effectiveness of the resources used.

Non-problem oriented improvement

Many of the case studies examples (although they exhibited elements of problem-driven innovations) were simultaneously directed at and were a result of a general belief to improve the quality and standard of care or humanization of care (e.g. Slovakia, Lithuania and Israel) or in response to a general pressure for long-term financing (e.g. Ireland and Norway). These values and beliefs are driven by the support or resistance of pressure groups, who pull the innovation in their direction of fear to lose control, status or merely their position at both the policy and the service levels. Examples are the global trend of openness to multiculturalism and social differences, which also affected Israel in the quest of social equality for children with special needs, and the recognition of the need to accept them as different but equal. Similarly, this impact also reached the service level that following similar global trends place the client at the center and open itself through transparency and accountability measures.

Political push

The case studies provide examples of mixed direction initiatives, top-down and bottom-up, and impacted by inner organizational and external factors. Inherent innovation models (variously labelled as "reforms", "initiatives", etc.) in policy articulate political interests, this being the "strong" dynamic in innovations in public sector. Still, in terms of implementations, some of these policies advocate solutions that assume participation and even leadership of actors outside the political sphere.

Two case studies were initiated in a bottom-up process and the political push was necessary only for the innovation dissemination. In both Slovakia and Lithuania, however, the overall system innovations in the transition period (decentralization, autonomy given to the facilities, etc.) brought about environment that provided bigger incentives for innovations.

An interesting case that highlights the strategy of consultative process for the introduction of a new policy type of innovation is that of Ireland. Political debate over the various elements of the reform and wider ideological positions held by various political parties was relatively limited owing to the consultative social partnership process through which the NPPI (1998) report was produced. A change of government in 1997 did not detract from the consultation process underway. It is interesting to note that subsequent parliamentary questions about pension policy asked in Dáil Éireann (Irish House of Parliament) were frequently responded to by way of reference to what had been agreed between the various social partners and the Pensions Board. The relative strength and implications of this participative model of policy making is the focus of some discussion in Ireland, particularly in the context of its potential impact for representative democracy (O’Cinnéide, 1998).

Growth of a culture of review

As already noted under Section 4.2.6, the need for appraisal, review and evaluation formed a major element in a number of the case studies. In one of the case studies (Irish introduction of a new pension product) *ex ante* assessment was employed into the possible implications and outcomes of the prospective innovations. In this case study this took the form of baseline research studies and focus groups tasked with the identification of opportunities for flexible work practices. Also, the introduction of the product was preceded by an extensive consultation and participative process amongst stakeholders that lasted for several years.

More common was the use of ongoing monitoring processes and evaluation. In some of the case studies (Norway and Israel), these involved regular stakeholder dialogues and feedback coupled with a strong technocratic evaluation of the process. For example, several ex-post evaluations have been undertaken to study the impact of service provision privatization in Oslo. In Israeli education case study, the implementing team had a large degree of flexibility in formulating their approach, whilst this autonomy was combined with a strong system of feedback loops and consultative arrangements intended to minimise risks and uncertainty.

In the case studies from transition countries, the reviewing process was not yet part of a system but rather a constant scrutiny that arose from the leadership of the entrepreneur within the organizational setting. Thus, on the service level the staff and its needs were considered to be the prime source of information for the improvement of the implementation processes. In Slovak case study it has been noted that having trust and showing respect to every employee is the most important facilitating force. To this end staff is being included into a bigger circle of managerial considerations in regular meetings to discuss objectives, new procedures, what needs to be tackled and improved

and in this way the acceptance of the proposed innovations is much higher. Also, the director of investigated case studies in Slovakia and Lithuania pay regular visits and talks to the staff to have a better idea of what works or does not work and what possibilities there exist for improvement. Not always individual opinions are the same and interpersonal conflicts arise. But group discussion and searching for consensus is usual practice that helps to find the most appropriate decision in conflict situation. All these functions of the end users are in the facility incorporated in its “inner life”. The head of Day centre (Lithuania) and the director of the residential home (Slovakia) is mediator between clients and staff and in many situations she played double role of “hammer-anvil”.

Support mechanisms for innovation

As might be expected, the range of facilitative factors across the case studies was quite extensive and varied from those which were broad and systemic to those which were highly localised. However, one support factor was shared by all case studies – the role of the entrepreneur (discussed later). Without these ‘entrepreneurs’ the innovation would not be possible, although external ‘top-down’ processes were necessary to take place in order to enable innovations. In Lithuania, the project of the first Day centre for the elderly appeared in response to demands of state programs and strategic orientations of social policy – to increase social cohesion and to improve the quality of social services for old people. It can be concluded also that the development of non-stationary social services and support to operating institutions was promoted mainly through government programmes implemented by the Ministry.

The important note made by the majority of interviewers in most of the case studies was that the level of organizational culture and readiness for change played the crucial role in the innovation design and development. Innovation process is damned if there are no relevant organizational culture or personnel of the organization is not prepared for acceptance. Development of innovation in large degree depends on ability of managers and personnel “to cope with uncertainty and being involved”. So, it can be conclude that involving personnel into innovation processes, facilitation and support of informing and training impact the readiness for innovation and innovation success. Also, regardless, whether policy or service levels were observed in the case studies, innovation process was influenced by the ability of the actors to negotiate, lobby and communicate with stakeholders, such as politicians, media, founders, establishers etc. The director of the case study stressed that it was important to “*make members of city council and facility board be interested and take part in solving the problem*”.

Networking patterns represent a major support mechanism and was noted by Israeli, Norwegian, Slovak and Lithuanian case studies. Networking is essential for making alliances and partnerships, obtaining information (e.g. ideas and inspiration for alternative, lateral thinking and creativity) and negotiations, etc. – skills that are also essential for successful entrepreneurship. Networking has developed for two purposes: Service improvement and management efficiency improvement. (1) Networking for improvement of service-provision internally and externally to the organization aim at promoting the innovation objectives, i.e., reaching professional agreements and

settlements regarding innovation-related improvements and staff's work conditions. (2) Networking for management efficiency improvement at the policy-level involves all stakeholders and aims at generating and exchanging new ideas that would lead to new programs and management initiatives and reports. Networking at the service level is important too as conferences, conventions or meetings, mandatory or optional, yield sight to further learning and collaboration in benefit of the service provision. In these networks, sharing experience and learning, i.e. a kind of competence building, was one of the goals that would simultaneously contribute to diffusion of "best practice" In Slovakia, a crucial role in networking was played by NGO.

Capacity for innovation

Irrespective of the organisational capacity for innovation, one of the most striking features common to most of the case studies was the key role played by the presence of highly skilled and committed "entrepreneurs" or champions, able to drive forward the innovation process. Such people were found to have played key roles both at the national and regional level in all of the case examined. The cases also shared that individual traits and cognitive schemas of the manager (i.e. skills, creativeness, self-awareness, etc.) shape the innovation process under his competence. It is possible to make a conclusion that the investment in human resource development could have an added value to the organizational efficiency, therefore, politicians as well as managers need to be trained. The degree of success of such entrepreneurs and innovations was also found to be highly dependent on a number of organisational features.

Competitive drivers

Traditionally, the service providers have not been expected to take innovative initiatives, but rather to implement the ideas framed at the policy level. However, the cases presented contradict most of these assumptions. This can be attributed to the pluralism or heterogeneity (that means autonomy in action) among the service providers which are important in the system because this generates variety in different approaches of developing and improving service provision, i.e. the climate for innovation activity is better than in a homogenous, non-experimental or monolithic political environment.

The transition period, however, brought about changes in the beliefs and overall organization of society which had influence on the innovation features in the studied cases. The devolution of power from the central state to lower levels of self-governing authorities (decentralization of competencies to self-governments) and to independent agents (creation of new founders – church) together with introduction of legal independence of facilities created an environment where the providers were formally enabled and motivated to introduce innovations. The scarce finances available to the facilities further accelerated this process despite the fact that the field is not yet competitive enough. However, the internal perception of the 'entrepreneurs' in innovations resides chiefly in the altruistic dedication and belief that the innovation will bring positive results to the client. Client satisfaction thus became the biggest driving force on the service level.

Conclusions

Overview of the case studies

The case studies presented in this report offer a diversity of innovations in social services in terms of the type of innovation, the scale of the innovation, the context and environment in which it took place, the relationships impacted by the innovation and the level of involvement between the public and the application of the innovation. Using the types or elements of innovation characterised in Section 1.2.1, it is possible to offer a summary overview of the innovations encountered in the case studies. This is presented in Table 3.

Table 3. Overview of the case studies

Case study	Type(s) of innovation (primary)	‘Associated’ innovations	Context/ environment	Relationship impacted by innovation	Public involvement
1. Ireland	Technological	Organisational Conceptual System interaction	National	Service product (pension) for clients	Wider debate and consultation
2. Israel	Delivery	Conceptual System interaction Organisational	National	Between service providers and clients	Indirect
3. Lithuania	Conceptual	Delivery Organizational	Institutional (single service center for elderly)	Between service providers and clients	Direct (clients and staff)
4. Norway	Delivery	System interaction Organisational Technological	Institutional (local home service)	Service purchaser-provider model	no
5. Slovakia	Conceptual	Organisational System	Institutional (single residential home for elderly)	Between service providers and clients	Direct (clients/ staff)

Although this overview presents a highly diverse picture and is based on a very small sample of the potential total population of innovations in the social services, it does suggest a number of broad conclusions that may be drawn on the nature of innovation in the social services. Additionally, the analysis of the case studies serves to highlight a

number of important lessons concerning the factors which may contribute, at least in part, to the success of innovation in the sector. These conclusions and lessons are detailed in the following sections.

Nature of social service innovations

The findings from our, admittedly limited, set of case studies are:

1. Unsurprisingly, the innovation frequently involves interaction with the public, usually as it impacts or affects the delivery of services by part of the system of social service provision. However, the impact of the innovation on the public need not be direct. Indeed, as was the case of Quality Standards in Slovakia or Purchaser-Provider model in Norway, the public may not be aware of the innovation or even the effects of its introduction. The public would only be affected through the very indirect, second or third order impact of the innovation. At the other extreme, in both the Irish and Israeli examples in particular, the public would be fully aware of the innovation and would experience its impact at first hand.
2. Innovation in the public sector is complex. It typically involves multiple stakeholders (which implies that any intermediation processes required for the acceptance and negotiation of the innovation will be correspondingly complex) and encompasses a range of types of innovation – conceptual, organisational, delivery, system interaction and technological. In fact, in the majority of cases there was no one single innovation but rather a mixture or blending of two or more innovations, or at least, changes in stakeholder behaviour. In the same way, although the innovation may be implemented in a single institution or locale, it is likely to have impacts far beyond this immediate context on other stakeholders, resource providers, clients and other service recipients. Furthermore, such impacts may well extend beyond those initially planned or sought (and may be negative as well as positive, or even both but to different audiences or in different contexts).
3. Further to the above point, the implementation and development of an innovation in the public sector frequently requires the adjustment of relationships and forms of behaviour. Such adjustments highlight the need for close and ongoing dialogue between stakeholder groups, who may be more diverse than initially envisaged. Resistance to such adjustment can form a major barrier to the successful adoption of an innovation. In this respect the key roles of professional groups, who paradoxically may be at the forefront of (accepted) practice whilst adhering to traditional beliefs and norms, are also important
4. The systemic nature of innovation, which is a feature in both the public sector and the private sector, leads to the promotion of or even requires further innovation.

There is also evidence that the innovating organisation often shows a high capacity to absorb or utilise complementary and parallel innovations. Whether this is promoted by the process of innovation itself or is due to the characteristics of the successfully innovating organisation, which is likely to be more ‘open’ to new ideas and ways of operating, is not clear, although it was noted in the case studies that innovating organisations were open to experimentation and to trying new approaches.

Lessons learned

From the case studies, it has been possible to identify a number of factors, or shared characteristics, that, at least partially, may contribute to the initiation, development and implementation of innovations in the social service sector. It should be stressed that while all the evaluations studied were successful the pathway to implementation was not always smooth. Thus, the following lessons are not a recipe for successful innovation but only indicators of potential contributory factors. They may also be interpreted as a set of broad policy recommendations.

1. **Pluralism in different approaches** to improving service provision to the client groups (elderly or children with special needs in our case studies) is important and should be encouraged. As seen in the case studies from Norway, Slovakia, Lithuania, and Israel the pluralism in terms of many different service providing organizations (NGOs, stakeholders’ associations, etc.) has generated many different models and “experiments” for service provision. Similarly, autonomy left to the municipalities and service providing organizations for the implementation of the national Action Plan (Norway, Slovakia) or fulfilment of the national goals leads to innovative environment. Although this is not a result of design, the situation is beneficial in terms of public debates and political awareness – and ultimately, for policy learning
2. There was a marked tendency for innovating organisations or for key personnel to demonstrate **openness to ideas** and a willingness to think ‘outside of the box’. This was found to be equally important in the development of novel solutions to problems, or in the identification of solutions to previously unrecognised problems or issues. It was also an important factor in the acceptance of new ideas and new operational practices, both from the perspective of management and from the perspective of those expected to deliver or utilise the innovation.
3. In some cases it was clear that it was important to **seize opportunities** in order to implement change and to gain the acceptance of new ideas. Such opportunities could relate to the availability of resources, the need to respond to enforced change or new circumstances, and the timing of political or organisational events. The coalescence of two or more factors might also be seen as an opportunity, such

as in the Irish home help innovation where the availability of funding and a new agreement on working practices assisted in the development of the new process.

4. The role of **“champions” or entrepreneurs** was clearly significant. The presence of individuals with sufficient vision and determination to push the innovation process was a characteristic shared by all of the case studies. Entrepreneurs are important in development of innovations in public services. Although entrepreneurs always are emerging, in the public domain (such as service provision and care for the elderly) the challenge is to leverage their creativity and channel their energy into activities that give them a sense of meaning. If possible, policy should be able to recognize these persons and bestow them with resources – and responsibilities.
5. As noted above, champions were important, but also required support. Many of the innovations relied, at one level or another on positive attitudes towards **teamwork and independent thinking** in order to take forward the innovation concept through a process of development to fruition. In some cases, innovations required an entirely new approach, thus the supporting team also had to be fully committed to the idea and able to deliver it in what were often novel, rapidly changing circumstances. It is also beneficial to co-opt staff members and create “agents of change” to overcome potential resistance from the (professional) staff.
6. **NGOs and the civil society** they represent are very important for a number of reasons: Being agile and flexible, they seem to have a type of creativity and climate for entrepreneurship which is not possible in public organizations. Although one may possibly claim that these are not representative, they nevertheless represent interests that are committed to public causes. In this, they have networks to dedicated people and local chapters which represent potentially powerful resources of human capital and creativity. Also, NGOs (as proved in transition countries) may have access to additional financial resources and in this way be crucial in the research, evaluation or piloting of the innovation. In Norway, some of the private charitable funds (old family fortunes) function as “venture capital” for development projects in NGOs. This model – venture capital logic - is very interesting and public money should be used in a similar manner. In a policy perspective, the significance of civil society should be recognized and given opportunities for development.
7. The **engagement of stakeholders** and extensive and ongoing **consultative and participatory process** were key factors in initiating, sustaining and implementing innovations. In many cases, a range of stakeholders had to be convinced of the utility of the proposed innovations and resistance (to change procedures, to provide resources, to engage in practices with a higher perceived risk, etc.) had to be overcome. Once innovations had been put in place, it was essential to ensure

all stakeholders still shared the same vision, that expectations were being met and that the lessons learned were being disseminated quickly (see below).

8. Innovating organisations need a **high degree of reflexivity** – essential an ability to demonstrate organisational learning. In concrete terms this behaviour was evidenced through practices such as *ex ante* appraisal, assessment and ongoing monitoring processes and evaluation of the outcomes and impacts, often within very short timeframes. In some cases these processes were carried out directly by the ‘project team’ itself whilst in others they were a feature of the broader innovation environment. Reflection and appraisal could occur at all levels. Coupled with such reflexivity, a high degree of responsiveness – an ability to react quickly to the outcomes of the review process – is also important: there is little point in monitoring if it does not prompt reaction.
9. Linked to the above point it seems, from some of the case study evidence, that the **demonstration of the utility** of implemented innovations is an important factor in terms of developing further support either for the innovation itself or for the implementing team or organisation. In cases where the innovation was problem-oriented, this is less critical as the success becomes self evident.
10. Again linked to the previous two points is the need to **generate recognition and support** for innovation, both for the innovating organisation itself but also more widely across the social services system. This was the remit of the Norwegian case study where the challenge was to construct arenas or institutions for sharing knowledge and learning, e.g. some mechanism for demonstrating “best practice” (or “worst practice”). These should be action oriented, i.e. demonstrate to actors what kind of measures, approaches or techniques that are efficient, etc. A number of the case studies mention the need to provide incentives for innovation, particularly in terms of persuading various stakeholders to adopt new practices.
11. The **retention of momentum** is another important factor. Of particular relevance is the need for organisations and systems to exhibit flexibility and work actively on the identification of further opportunities which may assist their particular innovations or which may benefit from it. To some extent, these features are linked to a culture of organisational learning and exploit the complex nature of innovation.

Bibliography

- Den Hertog F. (2003) Doing Case Studies in PUBLIN, Publin Eroom
- Den Hertog, J.F., Groen, M. And Weehuizen, R. (2005). Mapping health care innovation: Tracing walls and ceilings. Maastricht: MERIT.
- Guogis, Arvydas (2003). On the Lithuanian Social Policy Model and Factors Influencing It: Social Work 2(4), 2003: Law University of Lithuania (p.5-15).
- Green L, Howells J, Miles I, *Services and Innovation: Dynamics of Service Innovation in the European Union*, Final Report December 2001 PREST and CRIC University of Manchester
- Gjærvold, Olav, *Trygghet – Verdighet – Omsorg [Security – Dignity – Care]*, NOU 1992:1, Oslo: Ministry of Social Affairs, 1992
- Inclusion in Mainstream Education – Updating Management Report, 32- 1.2 (2003)b
- Kemp, René and Rifka Weehuizen. 2003. "Policy Learning: what does it mean and how should we analyze it?" *PUBLIN papers*.
- Koch P, Hauknes J and Roste R et al (2002) *Rationalities and Innovation Policy Learning* <http://www.step.no/goodnip>
- O’Cinnéide, S. “Democracy and the Constitution” *Administration* 46 No. 4 Winter 1998-1999 41-58.
- O’Connell, P.J. “Astonishing Success: Economic growth and the labour market in Ireland Employment and Training Papers” 44, Geneva: ILO, 1999
- ONS (2004), *Population Ageing*, National Statistics Online, 9th September 2004, available at <http://www.statistics.gov.uk/cci/nugget.asp?id=949>, December 2004
- Pensions Board “Securing Retirement Income: National Pensions Policy Initiative Report of the Pensions Board” Dublin: The Pensions Board, 1998.

Republic of Lithuania Government Resolution No. 171 of 6 February 2002 on Approval of the Concept of the Social Services Provision Reform. (Official Gazette), 2002, No. 15-564).

Røste, R. *Studies of innovation in the public sector, a literature review*, PUBLIN Working Paper, STEP, Oslo, June 2003

Yin R (1989) *Case study research: Design and Methods*. Sage

World Bank “Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth” Oxford University Press, 1994.