Findings of the Workshop on Innovation and Quality[1]
Delivered at the
Fifth Global Forum on Reinventing Government
Mexico City, 5 - 6 November 2003

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Workshop Design and Format

The Workshop on Innovation and Quality was led by the Ash Institute for Democratic Governance and Innovation, a center at Harvard University's John F. Kennedy School of Government, in partnership with the Ford Foundation Innovations Liaison Group (of which Ash is a member), the Government of Mexico, and the American Society for Quality. It was held over two days, 5 and 6 November, as one of six workshops of the Fifth Global Forum on Reinventing Government under the auspices of the United Nations and the Government of Mexico.

The workshop was attended by over 300 participants who engaged the presenters of 12 examples of government innovation from Brazil, Chile, China, Mexico, Philippines, South Africa, and the United States. The audience was approximately 85% Mexican government officials and 15% other nationalities (diverse regional representation). They participated actively and contributed valuable insight to discussions with presenters.

The workshop was organized across six topic areas based on the Mexican Government's strategies for better government. Two cases were covered under each topic area, first an international case followed by a case from the host country, Mexico. *See Annex 1 for full agenda.*

Cases Presented		
Case	**Topic**	**Country**
Florida Department of Revenue Case Presentation	Quality	USA
Service Quality Model, National Commission of Medical Arbitration	Quality	Mexico
Interactive Participatory Budgeting, Municipality of Ipatinga	Digital Gov	Brazil
Mexican Social Security Institute	Digital Gov	Mexico
The Inter-Municipal Environment Program	Deregulation	Chile
Regulatory Simplification Tools	Deregulation	Mexico
Re-Shoma Road Maintenance Service Delivery Innovation Project	Reducing Cost	South Africa
Strategy for Institutional Transformation and Client Orientation, NAFIN	Reducing Cost	Mexico
Reinventing Public Service, Province of Bulacan	Professional Gov	Philippines
Electoral Professional Service, Federal Elections	Professional Gov	Mexico
Public Meeting of the Standing Committee of the People's Congress of Huiyang	Transparency	China
Petróleos Mexicanos (PEMEX)	Transparency	Mexico

Interactivity and Audience Polling

The workshop budgeted nearly 50% of its time for audience participation to discuss the cases and to elaborate on the broader themes. Each of the six topic sessions included audience polling whereby each participant used an input device to respond to surveys. Following each survey, audience responses were automatically aggregated and projected on a screen for moderated discussion. Polling results suggest that the majority of the audience held attitudes very much in synch with current notions of government reform. For example, 74% indicated that a citizen's right to public-sector information was the best option to promote honest and transparent government. Regarding e-government, 71% felt that e-government's greatest contribution was better coordination of public services or increasing citizen participation, well over the more "traditional" perceived value of lowering costs (19% of respondents). *See Annex 2 for all poll results.*

Main Findings

Quality Movement and Innovation

"Quality" and "Innovation" are both ambiguous terms that are only relevant in a specific context. Two of the workshop partners, the Ash Institute for Democratic Governance and Innovation and the American Society for Quality each bring specific contexts to these respective terms: Ash, focuses on government innovation leading to greater value to society while ASQ has a wider berth including government, private, and non-profit contexts to which quality management processes are applied. The chart below summarizes this comparison:

Comparison of Definitions of Quality and Innovation	
QUALITY	INNOVATION
"Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied needs." "Quality is performance excellence as viewed by all stakeholders." "Quality is meeting or exceeding your customers' expectations." *Source: "Quality: How do you Define It?"* [2]	**Novelty:** a leap of creativity **Effectiveness:** tangible results **Significance:** addresses a problem of public concern **Transferability**: replicability and scalability *Source: Innovations in American Government Awards Criteria*[3]

Many assume these two concepts –government innovation and quality management—to be either synonymous or complementary. Nevertheless, one of the most revealing creative tensions threaded throughout the workshop was their dissimilarity and sometimes lack of compatibility.

While innovation is seen as a means to a broader end –improving value to society through better government—quality's focus on the customer is more clearly defined. However, case Presenter Carlos

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[2] Quality Digest: http://www.qualitydigest.com/html/qualitydef.html
[3] Innovations in American Government Awards Criteria: http://www.ashinstitute.harvard.edu

Miguel Valdovinos, General Director of the Mexican Regulatory Simplification Project raised an issue echoed by others: in government, who is the customer? In Mr. Valdovinos' case, his concern was whether internal, back-end service delivery to internal customers was being overlooked. External customers on the other hand are so vast or diverse (e.g. "citizens" or "society") as to be too abstract for adequate definition by a Quality model. Furthermore, government customers are not necessarily consumers of the services but also those who inherit the benefits or negative consequences of government outputs.

The problem of ambiguity facing Quality and the customer is similar to the relationship between innovation and the *value* it produces. Not all innovation, for example, leads to positive value to society. Often, for example, well intentioned innovation produces unintended negative consequences or a combination of positive and negative consequences. Some would argue this is the case with nuclear energy. The workshop participants, however, settled on a less value-driven working definition of innovation: "applied creativity" which certainly was exemplified by many of the excellent cases we reviewed.

Innovation and Risk-Taking

In her presentation on professionalizing her administration's civil servants, Governor Josie de la Cruz described how she bet her re-election on a risky set of new standards that she knew many of her employees would not meet and would resist with strikes and other challenges. In the end, she prevailed and was able to show measurable improvement in the skills levels of her employees, both through training and replacement. Unfortunately, many innovators shy from such risks, thereby perpetuating inappropriate behaviors and practices. Even worse, some take risks and fail. However, often the failure itself is not as negative as the stifling impact it has on innovation. Public institutions, for a number of well-documented reasons, are intensely adverse to risk. In contrast to the private sector, where experimentation leading to innovation is more frequently supported, experimentation is culturally viewed with immense distrust in many bureaucracies.

To encourage risk-taking for innovators, explicit support—financial and political—for pilots, prototypes, and experimental programs and processes is prerequisite.

Organizational Culture, Leadership, and Innovation

In the workshop, both presenters and participants reiterated that ***organizational culture intolerant of change and experimentation was the single most significant barrier to innovation.*** In his presentation on a strategy for institutional transformation, Steven Saide, Deputy General Director of NAFIN, Mexico's largest development bank, argued that the cultural change was predicated on achieving a shift from internal to external focus.

Several of the cases reviewed in the workshop illustrated the role played by leadership bringing about these cultural shifts. Mayor Chico Ferramenta of the City of Ipatinga, Brazil, for example, has used considerable political capital to launch the Interactive Participatory Budgeting Program, which extends Brazil's participatory budgeting model into online venues. Conversely, he also indicated that the very ability to sustain the innovation—along with his political career—is found in citizen's increased sense of the innovation. In this case, using the Internet to "hook" citizens in a positive way into the process helped accomplish this ownership that leads to sustaining the innovation.

Not all innovation is centered on one risk-taking "leader" in the traditional sense. Other innovations are more systemic, resulting in a broader, institutional response to broad political or financial pressure. Such appears to be the case in PEMEX's (Mexican Petroleum) online bidding initiative which is responding to

the Fox Administration's goal of greater transparency through a notable effort to get PEMEX's procurements open to public scrutiny.

Top-down versus Bottom-up Innovations

A common – and sometimes erroneous – assumption is that innovators are always the formal "leaders" of organization and the lower echelons are always bastions of resistance. What we heard during the presentations and from the audience was more complex: innovations and innovative ideas can come from the top and they can also percolate up from the bottom. What differs is the challenges faced by top-down and bottom-up innovations. Government organization leaders, while usually vested with greater authority and resources, often face entrenched institutional culture and the need to "permeate the layers" to implement. Bottom-up innovations face these problems along with lack of resources or the support of those controlling them. The workshop discussion concluded that better listening skills by leaders, particularly to ideas coming from front-line workers coupled with improvements along the lines of fomenting greater tolerance for risk and support of experimentation, discussed elsewhere in this document, are essential enablers to innovation.

Cross Boundary Innovation

A well established problem is the disparity between how the government is structured—into agency "silos" of health, finance, transportation, etc. within limited geographic jurisdictions—versus how the real world actually functions. Hence, innovations that integrate across these boundaries, institutional or geographic or both, are particularly significant. Chile's Pedro Mendizabal, General Secretary of the Inter-Municipal Environmental Program described the intense resistance individual municipalities showed to pooling resources in order to provide an integrated approach to environmental problems across a whole region of the country. We also observed that other innovations "evolve" into other domains and bureaucratic purviews, such as is happening with Ipatinga's Interactive Participatory Budgeting Program which is now leveraging its capacity and infrastructure for health care delivery.

Conclusion

Through the active engagement between workshop participants and case presenters from around the world, we were able to draw out a number of valuable conclusions regarding current trends, challenges, and opportunities related to reinventing government in the 21st Century. As we saw in this report, getting public institutions to realign themselves in synch with the pressing needs of today's citizens in a globalizing society will require a major shift in organizational culture. The new organizational culture must be more tolerant of trial and error and more capable of cross-boundary (institutional and jurisdictional) integration. Accomplishing this requires a new form of leadership capable of risk-taking and of listening to and empowering all levels of hierarchy.

Annex 1
Workshop Schedule

Agenda
Workshop on Innovation and Quality in Government
for 5th Global Forum on Reinventing Government
Mexico City, 3-6 November 2003

Ash Institute for Democratic Governance and Innovation, Harvard University
Ford Foundation Innovations Liaison Group
Government of Mexico
American Society of Quality

**Wednesday, 5 November**

9:15-9:45	**Introduction and Analytical Framework**

Innovation and Quality in Government: A Theoretical Framework, Dr.
Enrique Cabrero, CIDE

1. What do we mean by "innovation?"
2. Drivers
3. Enablers and Blockers
4. Intended and Unintended Consequences

9:30-10:30	**Session 1 - Quality Government**

1. **Strategic Theme Overview and Moderator**, _Leopoldo Pompa, American Society of Quality (US)_

2. **Florida Department of Revenue Case Presentation**_, Greg Watson_, former Chair and President, American Society of Quality (US)

10:30 - 10:45	**Break**
10:45 - 11:45	**3. Implantación de un Modelo de Calidad de la Atención,** _Celina Alvear, General Director of Innovation and Quality, Comisión Nacional de Arbitraje Médico (CONAMED)_

4. Polling of Audience

5. Discussion

11:45 -13:30	**Session 2 - Digital Government**

1. **Strategic Theme Overview and Moderator**, *Gonzalo de la Maza, Citizenship and Public Management Program, University of Chile*

2. **Interactive Participatory Budgeting, Municipality of Ipatinga**, **Brazil**, *Chico Ferramenta, Mayor*

3. **Instituto Mexicano del Seguro Social (IMSS)**, *Luis Miguel Chong Chong, Director of Innovation and Technical Development.*

4. Polling of Audience

5. Audience-Panel Moderated Discussion

13:45-15:15	**Lunch**

15:10-17:00	**Session 3 - Deregulated Government**

1. **Strategic Theme Overview and Moderator**, *Tito Bracamonte, Director, Participation and Local Government Program, University of Peru*

2. **The Inter-Municipal Environment Program**, **Chile**, *Pedro Mendizabal, General Secretary*

3. **Las Herramientas de Simplificación Regulatoria (HSR),** Carlos Miguel Valdovinos, General Director for Regulatory Simplification, Ministry of Civil Service, Mexico

4. Polling of Audience

5. Discussion

17:00– 17:45	**Analytical Framework – Part II**

"The Role of Open Invitation Awards Programs in Accelerating Impact in Local and State Government," *Michael Lipsky, Ford Foundation, Demos, New York, and Georgetown University Public Policy Institute*

9:00-11:30	**Session 4 - Government that Costs Less and is Professional**

1. **Strategic Theme Overview and Moderator**, *Yu Keping, Director, Innovations and Excellence in Chinese Governance, China Center for Comparative Politics and Economics, China*

2. **Re-Shoma Road Maintenance Service Delivery Innovation Project, Limpopo Province, South Africa,** *Dr. Sean Philips, Head of Department of Public Works*

3. **Estrategia de Transformación Institucional y Orientación al Cliente**, *Steven Saide, Deputy General Director, Nacional Financiera (NAFIN)*

4. **Strategic Theme Overview and Moderator**, *Rhoda Kadalie, Executive Director, Impumelelo Awards Trust, South Africa*

5. **Reinventing Public Service, Province of Bulacan, Philippines**, *Governor Josie de la Cruz*

6. *El Servicio Profesional Electoral, Marco Antonio Baños, Executive Director at the Electorial Civil Service, Instituto Federal Electoral (IFE)*

7. **Polling of Audience**

8. **Discussion**

11:30-13:15	**Session 5 – Honest and Transparent Government**

1. **Strategic Theme Overview and Moderator**, Luz Lopez Rodriguez, Director, Galing Pook Foundation, Philippines

2. **Public Meeting of the Standing Committee of the People's Congress of Huiyang Municipality,** Tang Guangzu, Director, People's Congress of Guiyang Municipality, Guizhou Province, China

3. **Petróleos Mexicanos (PEMEX),** *Othon Canales, Coorporative Director of Competitivity and Innovation, PEMEX*

4. Polling of Audience

5. Discussion

13:15-13:45	**Analysis and Wrap-up**

Moderated Panel Discussion with Audience with Winthrop Carty, Kennedy School of Government, Greg Watson, American Association of Quality, and TBD, Government of Mexico

Workshop concludes.

17:00	**Analysis and Reporting Back**

Analysis and Reporting back to Plenary Session on Workshop's Critical Findings, Winthrop Carty

Annex 2
Polling Results

Polling Questions for Innovations and Quality Workshop

Topic Session: Quality in Government
Moderator: Leopoldo Pompa

The government organization is a unique entity with processes that provide results of unique characteristics. Some special characteristics are politic (characterized by shrewdness in managing, contriving, or dealing; sagacious in promoting a policy;: shrewdly tactful) heterogeneous groups interaction management deployment of rules; public exposure of members and civil services to population.

Quality is a scientific practice to optimize (do effectively what you are supposed to do) and improve (make it better) that have proven high level achievements in industry and services sector.

1) Do you think that this practice in Government should be…?

    71%   a) Mandatory
    23%   b) Convenient
     5%   c) Nice to have
     1%   d) None

2) When should this practice be implemented in Government performance?

    76%   a) immediately
    22%   b) after some more investigation
     2%   c) never, Government should not be considered as a manufacturing facility

3) Government performance and effectiveness should be objectively assessed?
    96%   a) yes
     4%   b) no

Topic Session: Digital Government
Moderator: Gonzalo de la Maza

1) What is the principal contribution of the actual experiences of e-government?

    19%   a) lessening of the costs of administration
    42%   b) greater coordination and management of public services
     7%   c) Networking and linking with organizations
    29%   d) Expanding citizen participation
     3%   e) other

2) In the field of citizen participation, e-government

- 16% a) efficiently substitutes participation through assemblies and groups
- 41% b) incorporates sectors not closed by other methods
- 5% c) is a system slightly efficient for increasing participation
- 27% d) has had exclusionary consequences for groups lacking access to the technology
- 11% e) none of the above

3) The principal challenge for e-government from a democratic perspective is to today:

- 18% a) increase the technological infrastructure and connectivity
- 38% b) fortify the capacities of the social networks in order to utilize the technology
- 34% c) redesign institutions and the procedures of public administration
- 9% d) stimulate wide debate about positive and negative consequences in order to adopt the politics most inclusive in the matter
- 1% e) other

Topic Session: Deregulated Government
Moderator: Tito Bracamonte

1) Which of the two outcomes would most likely to occur, or is occurring, in your country as a result of deregulation:

- 82% a) a decrease in corruption
- 18% b) an increase in corruption

Topic Session: Government that Costs Less
Moderator: Yu Keping

1) Which in the following listed is the most related to productivity of government?

- 12% a) cost accounting
- 70% b) performance based budgeting
- 13% c) flexibility among budget accounts
- 5% d) capturing savings for the organization

2) What is the foremost element for the government that costs less?

- 6% a) wage bill
- 83% b) productivity
- 9% c) budgeting
- 2% d) auditing

3) Do you think which block's countries' governments cost comparably less?

- 50% a) Western developed countries
- 4% b) former Soviet and East European post-communist countries
- 39% c) East Asian countries
- 2% d) other developing countries

Topic Session: **Professional Government**
Moderator: **Rhoda Kadalie**

1) **Which is the biggest barrier facing governments as they try to develop a skilled and professional workforce?**

   6%   a) competition with private sector and NGOs for talent
   27%   b) lack of training resources for its existing workforce
   31%   c) workers lack performance rewards
   36%   d) political patronage leading to high turn-over and low motivation
   0%   e) other not addressed above

Topic Session: **Honest and Transparent Government**
Moderator: **Luz Lopez Rodriguez**

1) Are you satisfied with the level of transparency and accountability practiced by your government?

   13%   a) yes
   87%   b) no

2) What is the level of corruption which might happen in your country?

   1%   a) very low
   43%   b) significant
   56%   c) critical

3) What is the international group that publishes annual corruption ranking to create international pressure on nations to try and reduce corruption?

   14%   a) United Nations
   81%   b) Transparency International
   5%   c) Convention on Combating Bribery

4) Choose the best answer: "To promote honesty and transparency in government, citizens must exercise their right to…

   74%   a) right to public sector information
   6%   b) right to vote
   20%   c) right to redress of grievances