

## Many Are Called But Few Are Chosen: Modeling the Selection Process for the Innovations in American Government Awards

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Ash Center for Democratic Governance and Innovation  
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## Abstract

The adoption of new services and practices is widespread in public organizations as they respond to demands in the external environment and internal aspirations. In order to recognize these activities and disseminate good practices, awards programs have proliferated around the globe. Given the limited empirical analysis of the characteristics of innovation award winners, this article examines the 2010 Innovations in American Government Awards (IAGA) program. Using a quasi-experimental methodology, a sample of 234 applications, of which approximately half were selected as semifinalists and half were not, was subjected to multivariate logit analysis. Analysis reveals that the selection criteria of the IAGA played varying roles in explaining progress to the semifinalist round and that some confounding effects were identified. The implications of these findings for the future conduct of awards and ongoing research in this area is discussed.

## Introduction

Twenty-seven thousand applications over 25 years, 2,300 semifinalists, 500 finalists, and 200 publicly-celebrated winners. With its distinguished panels of judges, wide range of applicants, generous resources devoted to publicizing winning innovations, and of course the renown of its supporting institution, the Harvard University John F. Kennedy School of Government's Innovations in American Government Awards (IAGA) program is undoubtedly the highest profile such program in the United States and probably globally.<sup>1</sup> Its importance is not limited to the prestige that accompanies a win. Practitioners both nationally and internationally look to the competition's highest-ranked innovations for models to emulate, while academics— attracted by the extensive database that 25 years of annual competitions has generated—take them as representative subjects of study. Given this two-pronged influence, it is fair to say that these awards matter—shaping the practice and the study of public-sector innovation.

Awards competitions seek to disseminate and promote good practice. There has been extensive growth in the number of such competitions in fields of management ranging from quality to e-government, in addition to innovation (Hartely and Downe 2007; Rashman and Radnor 2005; Wu, Ma, and Yang 2012). Studies in the public and private management literature have examined

the consequences of awards (Kapucu, Volkov and Wang 2011; Przasnyski and Tai 2002; Radnor 2009) and provided evidence on their internal logic and their design (Löffler 2001; Wilson and Collier 2000). Thus, while awards and their study are extensive, a number of questions remain unanswered about the selection methodology for competitive awards programs such as IAGA. How representative are the highest-ranking applications? Does the selection process consistently favor certain types of applicants? If it does, then are practitioners seeking to replicate not the most significant and effective new approaches, but simply (in the case of this example) what the Harvard Kennedy School judges deemed important? Similarly, researchers are not studying a representative sample of the best new practices, but a cherry-picked selection reflecting the Harvard Kennedy School's priorities.

This paper analyzes a natural experiment to explore the factors that determine the selection of the semifinalists. A random sample of 234 initial applications to the IAGA program, of which approximately half were selected as semifinalists and half were not, is analyzed statistically to determine the factors that explain selection. Potential selection factors include the four stated criteria for the award, the extent to which applicants created a narrative regarding their innovation in addition to describing its operations and impact, and other characteristics of the application. The narrative component became salient because the initial application form was changed in 2010 explicitly to encourage applicants to "tell their story." The other characteristics of the applications include such factors as the size of the jurisdiction; how long after the inception of the innovation the application was made; whether this was a repeat application and, if so, the results of the previous application, and characteristics of the application, such as its policy area and the management techniques it incorporates. The other characteristics incorporate hypotheses from the innovation literature as well as explore for biases in the sense that they would indicate that the selection of semifinalists was influenced by factors other than the stated criteria for the award. Ultimately, the analysis can be seen as creating a statistical model of the selection process.

This exploration grows out of Sandford Borins' (1998) book *Innovating with Integrity*, which studied a sample of 217 of the best (that is, semifinalist, finalist, or winning) applications to the Innovations in State and Local Government Awards<sup>2</sup> (IAGA's precursor) between 1990 and 1993 to explore characteristics of the structure and process of innovation in government. Borins' set of coding criteria have been adapted for use here. This study can

thus be viewed as an instance of the much valued but rarely undertaken process of replication of previous research (King, Keohane, and Verba 1994, 26–7). This study is not exact replication, but rather a lagged—almost twenty years after the initial data was gathered—and modified replication in the sense that it expands the database to include original applications that were not selected as semifinalists and expands the focus, to include narrative. Nonetheless, it is informed by the previous work and seeks to carry it forward in new directions.

In the following section, the literature on innovation awards is reviewed (a description of the IAGA program and its application form, are provided in the appendix). The subsequent section presents eight hypotheses that highlight factors associated with awards programs. Methods, data, and measures are then outlined. Statistical results explore the role that the four IAGA criteria, storytelling, and other factors all play in explaining the selection of semifinalists. The implications of these findings for the future conduct of award programs and ongoing research in this area are discussed in the conclusion.

### **Innovation Awards**

A stream of the literature on public-sector innovation studies programs applying to innovation awards. This focus differentiates itself from research on the adoption and implementation of innovation and the characteristics of innovative public organizations (Berry 1994; Damanpour and Schneider 2006; Moon and Bretschneider 2002). Some of the research in this stream has involved case studies of award-winning programs, such as Barzelay's (1992) on Minnesota's Step program, Donahue's (1999) on several award-winning innovations in the U.S. government (1999), and Bardach's (1998) on innovative programs involving inter-organizational cooperation. Such studies have described the history and mechanics of these programs to show what makes them effective and to draw out their implications for other managers. More recent studies have taken this line of research in new directions. Donahue (2008) used award-winning innovations undertaken in the U.S. Department of Labor in the first term of the Clinton Administration to show how the senior leadership of that department created a culture supportive of innovation. Bardach (2008) revisited programs exemplifying effective intergovernmental cooperation that he had written about a decade earlier to see how they had fared and to develop a process model of the trajectory of such programs.

There have also been attempts to use the most successful applications to innovation awards to create and analyze databases. Behn's (1988) hypothesis of "groping along" as a methodology for launching innovations was tested by Golden (1990) using a sample of 17 successful applications to the Innovations in State and Local Government Awards and by Levin and Sanger (1992, 1994) using a larger sample of 29. Borins (1998) used a much larger sample of 217 semifinalist, finalist, or winning applications to the State and Local Government Innovations Awards between 1990 and 1993, another sample of 104 finalist or winning applications to the Innovations in American Government Awards between 1994 and 1998 (Borins 2000), and samples of applications to Canadian and Commonwealth innovation awards in 1998 and 2000 (Borins, 2001). Because the IAGA semifinalist questionnaires and site visit reports for finalists are so comprehensive, Borins was able to analyze a wide range of issues including the characteristics of the innovations themselves; process characteristics such as where in the organization innovations are initiated, sources of opposition, and how opposition was overcome; financial and organizational structure; and results and replication. The questionnaires used by the Canadian and Commonwealth innovation awards were not as comprehensive as that of the IAGA, so Borins sent out a comparable ex post questionnaire to applicants. More recently, quantitative analyses of applications to innovation awards in Brazil (Farah and Spink 2008), China (Wu, Ma, and Yang 2012), and Canada (Bernier, Hafsi, and Deschamps 2011) have also been undertaken.

Innovation research based on the best applications to public-sector innovation awards has been criticized for the methodological problem of selection on the dependent variable (Kelman 2008) just as has research undertaken in business schools about successful firms or successful national industrial strategies (King, Keohane, and Verba 1994, 133–5). If a researcher is attempting to determine what distinguishes government agencies that innovate from those that do not, that criticism is relevant. On the other hand, if a researcher is attempting to characterize the initiatives that innovators have undertaken, that criticism would not be relevant. Still, there are several directions in which research using data from innovation awards can and should go, beyond a narrow focus on the most highly-rated applications. Thus, applications that are selected by award programs could be compared to those that are not, which is the focus of this paper.

## Hypotheses

Well-functioning awards programs are characterized by providing clear criteria for judges to follow that are complete and that include mutually exclusive categories that are internally homogeneous. When judges make decisions, it is expected that they abide by the award selection criteria and do not include spurious variables that may reflect personal agendas. The IAGA's four criteria are each defined for both applicants and judges: novelty, the degree to which an innovation demonstrates a leap in creativity; effectiveness, the degree to which it achieves tangible results; significance, the degree to which it addresses a problem of widespread public concern; and transfer/transferability, the degree to which the program or aspects of it have been successfully transferred to other government entities or show promise of being successfully transferred. It is expected that judges attempt to determine the extent to which any program achieves these criteria. If researchers can operationalize the criteria in a way that reflects the judges' thinking, the criteria should be significant in that programs that go farther to meet any one criterion should be more likely to be selected as IAGA semifinalists.

**H1: Innovations that demonstrate better performance in terms of the criteria for the program are more likely to be selected as semifinalists.**

Detailed analytical work by Borins (2011) has examined the comprehensiveness of the narratives contained in a small subsample of IAGA finalists in 2008 and 2009. This research concluded that the judges are more likely to be persuaded by applications that provide more comprehensive narratives than those that do not. IAGA's initial application form was changed in 2010 to include question 2, which explicitly invites applicants to "tell their story." In addition, there is now considerable literature arguing that public managers and politicians are more persuasive if they incorporate stories—whether personal or organizational—into their presentations (Denning 2005, Lakoff 2008, Westen 2007).

**H2: Innovations that provide more comprehensive narratives are more likely to be selected as semifinalists.**

Awards are expected to be given on the basis of the selection criteria and consequently the policy area the innovation is located in should not influence selection as an IAGA semifinalist. If there were no bias among policy areas, then we would expect the coefficients of all policy areas to be zero and

insignificant (actually, all but one, because the policy areas are mutually exclusive and collectively exhaustive, so that one area must be excluded from the regression equation to prevent singularity). Indeed, IAGA staff's guidance to judges that roughly the same proportion of the applications in each area should advance to the semifinalist stage would reinforce the expectation that the process is not biased with respect to any policy area.

**H3: Policy areas will not influence the likelihood of being selected as an innovation semifinalist.**

The research evidence on the impact of organizational size on innovation is becoming more robust, particularly in relation to process innovation (Walker, 2011). Larger organizations are associated with access to more complex and diverse facilities, more professional and skilled workers, more slack resources, and higher technical potential and knowledge (Hage and Aiken 1970; Damanpour, Walker, and Avellaneda 2009; Rogers 1995). Berry (1994) argues that even holding these variables constant, it is likely that larger organizations will innovate more than smaller ones. These arguments have been shown to have relevance beyond the public sector (Camison-Zornoza et al. 2004; Damanpour 1991, 2010). Given the growing body of evidence on size, it can be hypothesized that IAGA judges would view larger governments—whether the U.S. government, the larger states, or the larger cities—to be more innovative than smaller governments. This fourth hypothesis confounds our presumption of a well-functioning awards program because it suggests that a spurious variable will cloud the judges' choices.

**H4: Larger governments are more likely to be selected as innovation semifinalists.**

Hypothesis five looks at diversity among governments not by size but by level of government. Level of government is not the same as size because the state and local government categories incorporate great diversity themselves. Our hypothesis is that there is nothing intrinsic about the level of government that would lead any of the three levels to be more likely to be selected than the others (when controlling for size).

**H5: Innovations from any level of government are equally likely to be selected as semifinalists.**

Prior experience has been shown to be an important variable influencing the adoption of an innovation (Boyne et al. 2005; Rogers 1995). Prior experience is likely to have an effect on the probability of being selected as a semifinalist. This argument points towards some bias inherent in awards programs. The IAGA selection process tells judges only if a program applied previously, not the result the previous time (Marchand 2011). Nevertheless, because there is some carryover in the composition of judging panels from one year to the next, at least some judges will be aware of which applications were selected previously. Second, it would be expected that if a program was selected previously, the people who prepare its new application have some experience with, and possibly feedback from, the process that will enable them to prepare a stronger application. Thus we expect that applications that were selected as semifinalists or finalists previously were more likely to be selected as semifinalists this time.

**H6: Prior experience as semifinalists or finalists will be positively associated with selection as a semifinalist.**

Age of the program is likely to be a further factor influencing the chances of being selected as an IAGA semifinalist. This relationship is anticipated to be nonlinear, because the programs that apply when they have just begun operations are at a disadvantage as they will not have demonstrated results, and thus show weakness in terms of the criterion of effectiveness. Conversely the programs that were initiated a considerable time before they apply will be considered by judges to be “yesterday’s news,” and thus show weakness in terms of the criterion of novelty. We operationalize this by hypothesizing that the best time to apply would be between two and four years after a program has been initiated.

**H7: Both recently initiated and longstanding innovations are less likely to be selected as semifinalists.**

Innovations encompass services and organizational and technological processes. While knowledge on innovation has been driven by a technological imperative, public service innovation research points toward the importance of service and process innovations as well as the mutual reinforcement derived from the adoption of multiple innovations (Damanpour, Szabat and Evan 1989; Walker 2008). Reform movements such as New Public Management have emphasized process improvement as manifested by changes within individual agencies. However, the most recent literature on

interorganizational cooperation or networked government has emphasized innovations that cross organizational boundaries, both within the public sector and between the public sector and civil society (Goldsmith and Eggers 2004; Bingham, O'Leary and Carlson, 2008; Provan, Fish, and Sydow 2007). While these trends are of great interest to both scholars and practitioners, we hypothesize that the IAGA judges will focus their attention on the extent to which innovations meet the stated criteria.

**H8: Innovation type or characteristics of innovations will not affect their likelihood of being selected as a semifinalist.**

## **Methodology**

### **Data**

An awards program makes an ideal candidate for a natural experiment: some applicants' progress through rounds of judgment and others fall away. The research design took advantage of this and selected roughly equal proportions to ensure that the two subsamples were of comparable size through the following stratified sampling process. Two-thirds of those chosen as semifinalists (108) and one-third of those not chosen as semifinalists (126) were randomly selected by IAGA program staff. All applications were listed in alphabetical order by the IAGA staff, which then separated those selected from those not selected, and then chose every third applicant from the non-semifinalist group and excluded every third applicant from the semifinalist group. The non-semifinalists and semifinalists were then put back together into one list, ordered alphabetically. This ensured that the researchers could not distinguish between semifinalists and non-semifinalists while coding, so as to minimize attribution bias. After the coding was completed, the IAGA program staff notified the authors as to which applicants had been chosen as semifinalists and which had not.

The applications were coded by one author and by a student research assistant. The coding categories were based on those used in Borins (1998). The initial questionnaire is much shorter than the semifinalist questionnaire (Borins 1998, 295–7). The applications provided considerable information about the essential characteristics of the innovation, but much less about the innovative process. The question asking applicants for their story, however,

did provide considerable information that could be coded about the content of their narrative, something that had not been done in Borins (1998). Inter-coder reliability between the author and research assistant was very high, in excess of 90 percent. Instances of disagreement were resolved by discussion between the two.

### Measures

The dependent variable in this study is dichotomous: non-semifinalist = 0 and semifinalist = 1. Some 45 variables are used to measure the eight hypotheses. The explicit *IAGA awards criteria* were operationalized by creating one measure for each. *Novelty* was coded on a four-point scale: zero for no answer, 1 for a restatement of the nature of the innovation, 2 for either an explanation of how the innovation is novel *or* making the case that their innovation isn't being done elsewhere, and 3 for both explaining how the innovation is novel *and* making the case that it isn't being done elsewhere (mean 1.7, standard deviation 0.6). *Significance* was coded on a three-point scale: zero for no answer, 1 for arguing that this is a problem in other places *or* that this is a major problem, and 2 for arguing that this is a problem in other places *and* that it is a major problem (mean 1.1, standard deviation 0.6). *Transfer/transferability* was coded on a five-point scale: zero for no transfer, 1 for an argument about potential transferability, 2 for expressions of interest in transfer, 3 for evidence of actual nearby transfer, and 4 for either widespread nearby transfer or some transfer to distant locations (mean 2.0, standard deviation 1.4). For these three criteria, the authors used the coded results to develop a scale that would represent an increasing degree to which the criterion is fulfilled.

The fourth criterion, *innovation effectiveness*, was the most difficult to operationalize, and it was not possible to establish a unidimensional scale. Innovations in different policy areas tended to have different types of results and they were not commensurable. Rather, the following seven measures of effectiveness emerged from the coding: the program is making its clients better off (80 percent of cases), increasing use is being made of the program (52 percent), service is improving (15 percent), costs are being reduced (28 percent), the program has set goals and is meeting them (10 percent), satisfaction with the program is being shown in user surveys (12 percent), and the program has received recognition other than from IAGA (20 percent).

*Narratives* were operationalized by specifying six characteristics, each of which was observed in some cases. The characteristics were based on Borins's (2011) analysis of a small sample of finalist applications as well as the literature on narratives in social science (Boje 2001; Czarniawska 1998) which defines two essential characteristics of narratives as the presence of a sequence of events and of a protagonist. We thus derived the following six narrative characteristics: the application discusses the initiation of the innovation, the application discusses the establishment or implementation of the innovation, and the application discusses opposition or challenges to the innovation (all aspects of the story), the application provides a timeline (the sequence of events), the application has a named protagonist, and the application uses cases or examples of how the innovation affects individuals. The use of cases or examples can be seen as personal stories embedded within a larger innovation story. It is also comparable to policy advocates' practice of using individuals' experiences to dramatize their arguments, for example proponents of universal health insurance telling stories of uninsured individuals being driven into bankruptcy by major medical expenses.

The IAGA staff divided the applications into the seven *policy areas* (see appendix). Dummy variables of the policy areas were created for multivariate analysis. If the process is biased in favor of any policy area, the dummy will have a significant and positive coefficient and if biased against any policy area, a significant and negative coefficient. The transportation, infrastructure, and environment policy area was the referent and not included in the multivariate analysis. Dummy variables were also used to examine *level of government*. Level of government is mutually exclusive and collectively exhaustive, so only two of them can be used in a regression equation, and to this end, federal and local were included and state omitted from our models.

*Organizational size* was operationalized by using the logarithm of the population of the jurisdiction. The population of a jurisdiction is a proxy for the size of its government. Population was used because it is readily accessible.<sup>3</sup> Using a logarithm reduces the disparity in size between the federal government, which serves a population of over 300 million, and any state or city.

*Prior experience* is a categorical variable. Therefore, dummy variables were created for programs that applied previously and were not selected and for programs that applied previously and were selected as a semifinalist or finalist. *Time* between the program's initiation and its application to the IAGA

program was operationalized in two ways. First, a dummy for programs initiated two to four years ago was specified. Second, the number of years since inception was recorded and a quadratic term was also derived from this. The coefficients estimated determine the nature of the relationship, so a negative coefficient on the square of the age of the program would indicate a hyperbolically decreasing likelihood older programs would be chosen and a positive coefficient would indicate a hyperbolically increasing likelihood they would be chosen. The nonlinear specification requires two steps, first testing whether the number of years ago a program was initiated was significant and, if it was, rerunning the equation with the squared term added.

Coding of *innovation types* resulted in the identification of 14 categories. Four interorganizational innovation types were distinguished: partnerships within one level of government (that is among departments in a given state, among states, or among municipal governments), partnerships across levels of government (for example between federal and state), partnerships with nonprofits, and partnerships with the private sector. Six innovation types deal with internal program design, of which five are organizational process innovations (use of volunteers in program delivery, improved marketing of a public service, improvement of a management or production process, organizational change, and empowerment of the public sector workforce) and one is a technological process innovation (use of information technology). Four types pertain to the interaction between the program and its context or environment: using market incentives in place of regulation; empowerment of, or consultation with, citizens; solving a problem or preventing a problem from worsening; and changing public attitudes. These categories are not mutually exclusive, and Table 1 (below) shows the percent of each innovation type, and also makes comparison to innovation types recorded a decade earlier. The data in Table 1 show that interorganizational innovations are the predominant type of innovation, reflecting broad changes in the ways in which policy is made and public management delivered. It is broadly supportive of the literature observing that the extent of networked government has increased. The multifaceted nature of innovation types is also shown by the mean number of types (3.4) per applicant. Hypothesis eight that the characteristics of an innovation will not affect its likelihood of being selected requires using each of the 14 characteristics coded as an independent variable, equal to one for an observation where the characteristic is present in an application and zero when it is not.

**Table 1: Innovation Types, 2010 and 1990–1993**

	2010			1990–93
	All %	Semifinalists %	Non-semifinalists %	All %
Partnerships within government	58	59	58	21
External partnerships	65	67	63	28
Use of information technology	36	37	35	28
Process improvement	29	28	30	34
Citizen empowerment	16	14	22	26
Use of volunteers	13	10	16	7
Use of market incentives	10	13	7	8
Change of public attitudes	11	9	12	13
<b>N</b>	234	108	126	217

Note: Column entries are percentages of N and add to more than 100 percent because innovations may have several characteristics.

Sources: for 2010, this innovation survey. For 1990–93, Borins (1998, Table 2.1 p. 20 and Table 2.2 p. 22).

## Results and Discussion

The multiple regression equation is estimated as a logit, the standard method for handling dichotomous variables because it transforms the interval between 0 and 1 to an infinite range of numbers. We used non-marginal rather than marginal coefficients, because the latter require cardinality, and the value of the majority of the independent variables is either zero or one, except for novelty, significance, and transfer/transferability, which are measured on scales, and log of population, which an absolute number.

Simple correlations among most independent variables were small (less than 0.2). The one exception was that the correlation between the log of population and federal government was 0.58 and between log of population and local government was  $-0.56$ . This is not, however, the classic pattern of multicollinearity encountered in economic modeling using time series data where there are high correlations among all the independent variables so that, even if the R-squared for the model is close to 1, the coefficients on most independent variables are unstable and insignificant.<sup>4</sup>

Table 2 (below) shows four regression models.<sup>5</sup> Model 1 includes both the log of population and level of government, as well as a dummy for applications made between two and four years after inception. Model 2 drops the latter variable and includes time since inception. Because time since inception was not significant, we did not add time since inception squared to any of our models as an independent variable. Models 3 and 4 deal with the correlation between log of population and level of government by dropping the level of government variables because they were insignificant in models 1 and 2, while retaining the log of population, which was strongly significant.<sup>6</sup> Model 3 includes the two-to-four-year time since inception variable and model 4 substitutes time since inception. Presenting four similar specifications of the model shows the impact on the coefficients of slight differences in specification. If a variable is robust, its coefficient and significance level will not change much from one equation to another: the overall pattern of results for the four equations supports this notion. For ease of presentation only those variables that attain statistical significance are shown, but full results are available from the authors.

Hypothesis 1 examined the importance of the criteria used to guide decisions in this award program. If other matters did not influence the awards, it would be expected that all these coefficients would be positive and statistically significant, and all other variables should be insignificant. As the statistical results in Table 2 (below) show, this is not entirely the case. While there is strong support for the IAGA's novelty and transferability criteria, the significance criterion is insignificant. The innovation effectiveness measures do not add much to the models: five are insignificant; one (recognition other than from IAGA) is at the margin of significance with the expected (positive) sign; while another (satisfaction with the program as indicated in surveys) is significant, but negative. The result for the significance criterion may be the result of measurement error on the part of the authors or of a lack of clarity on the part of the judges as to how to operationalize the concept, something suggested to us by the IAGA staff. It is also possible that the innovation effectiveness measures performed poorly because they differ among policy areas, and reflects wider questions about the assessment of the performance of programs (Walker et al. 2010). The natural response to this problem—estimating separate models for each of the seven policy areas—is not possible because the areas have approximately 35 observations, which would provide insufficient degrees of freedom given the large number of independent variables in our models.

**Table 2: Logit Regression Results Predicting IAGA Semifinalists**

	Model 1	Model 2	Model 3	Model 4
<i>IAGA Award Criteria</i>				
Transfer or transferability	.53 (3.9)***	.46 (3.4)***	.53 (3.8)***	.46 (3.4)***
Novelty	.86 (2.6)**	.82 (2.5)**	.87 (2.6)**	.82 (2.5)**
Significance	Insig	Insig	Insig	Insig
Satisfaction in surveys	-1.13 (1.9)*	-1.35 (2.2)**	-1.09 (1.9)*	-1.32(2.1)**
Recognition	.75 (1.7)*	.71 (1.6)	.75 (1.7)*	.70 (1.6)
Other effectiveness measures (5)	Insig	Insig	Insig	Insig
<i>Narrative</i>				
Timeline provided	2.29(2.8)***	2.15(2.7)**	2.28(2.8)***	2.14(2.7)***
Discusses opposition to innovation	-.87(2.0)**	-1.00(2.2)**	-.87(2.0)**	-1.00(2.2)**
Uses cases or examples	-1.00(1.9)*	-.97 (1.8)*	-1.03 (2)**	-.99 (1.9)*
Other narrative features (3)	Insig	Insig	Insig	Insig
<i>Policy areas (6)</i>	Insig	Insig	Insig	Insig
<i>Size</i>				
Log of population	.18 (2)**	.21 (2.2)**	.22 (3)***	.22 (3.1)***
<i>Level of government</i>				
Federal government innovation	Insig	Insig	-	-
Local government innovation	Insig	Insig	-	-
<i>Time</i>				
2-4 yr. since inception	Insig	-	Insig	-
Time since inception	-	.04 (1.5)	-	.04 (1.5)
<i>Prior experience</i>				
Previous unsuccessful application	Insig	Insig	Insig	Insig
Previous semifinalist or finalist	1.19 (1.9)*	1.11 (1.8)*	1.19 (1.9)*	1.13 (1.8)*
<i>Innovation types</i>				
Partnership within a level of government	.55 (1.5)	.60 (1.64)	.54 (1.5)	.60 (1.65)*
Uses information technology	-.71 (1.8)*	-.72 (1.8)*	-.69 (1.7)*	-.71 (1.8)*
Organizational change	-2.86 (1.8)*	-2.90(1.9)*	-2.74 (1.8)*	-2.79 (1.8)*
Other types (11)	Insig	Insig	Insig	Insig
Constant	Insig	Insig	Insig	Insig
N	234	234	234	234
R <sup>2</sup>	.258	.263	.257	.263

Note: T-ratios are in parentheses.

\* = p < .1; \*\* = p < .05; \*\*\* = p < .001 (two-tail).

The coefficients for the six variables that operationalize H2 about the contribution of narrative to selection as a semifinalist are lackluster: providing a timeline is positive and strongly significant, discussing opposition to an innovation and using cases or examples are negative and significant, and the three remaining ones are insignificant. Perhaps the judges consider an admission in the initial application that there was opposition to an innovation to be an admission of weakness, and the use of cases or examples an attempt to mask the absence of objective evidence regarding the selection criteria.<sup>7</sup>

Hypothesis 3 is supported because none of the dummies for the policy areas are significant. This finding indicates that when judges make decisions about which innovation award candidates will progress to the semifinal stage they are not unduly influenced by the policy realm of the innovation. In H4 we anticipated that organizational size would be a predictor of semifinalists. While this is not a stated criterion, and should not be influencing the judgment process, it is an important determinant of the adoption of innovation. The IAGA draws applications from governments of diverse sizes, from small municipalities up to the United States government. It was expected that judges would view applications submitted by larger governments more favorably because they have more organizational complexity, can access more slack resources to fund innovations, and face more significant policy and management challenges. The statistical results show that this variable was significant, indicating support for H4. This finding provides additional evidence on the role of organizational size as a determinant of innovation in public agencies. Hypothesis 5 was tested in Models 1 and 2. Neither federal nor local government were statistically significant so hypothesis 5 was confirmed.

Neither approach to the operationalization of time (a dummy for years two to four, or actual time and a quadratic term for time) led to statistically significant results. Hypothesis 6, therefore, is not supported. Prior experience of the IAGA program is an important explanatory variable. The coefficient for previously unsuccessful applications is never significant, suggesting that it matters little if governments have applied to the program on earlier occasions. However, the coefficient for applications that were previously semifinalists or finalists is always positive and significant in a two-tail test at close to five percent, so H7 is supported.<sup>8</sup>

Finally we consider H8, that the characteristics of an innovation do not affect whether it is selected. Eleven of the 14 characteristics are never significant and thereby offer strong support for the hypothesis. This includes three of the interorganizational innovation types—partnerships across levels of government, with the nonprofit sector and with the private sector. One cooperation variable—partnerships within a given level of government—is barely significant at 10 percent in a two-tail test (model 4). It is interesting that, while our data confirm the growth of networked government over the last two decades (see Table 1), the judges of the 2010 competition did not favor applications characterized by this type of innovation.

Slightly troublesome are the two other innovation characteristics that were negatively associated with likelihood of proceeding to the semifinals. Organizational change and information technology are negative and significant at better than 10 percent, suggesting that entrants to the IAGA program would be less likely to be selected as a semifinalist if they focused on these innovation types. Delving into the bivariate data shows that the policy area with the highest incidence of both these variables is management and governance. (Organizational change was coded in only three percent of the applications and its highest incidence is in the management and governance policy area at eight percent.) These coefficients indicate that management and governance innovations are less likely to be chosen, not per se, but because they most embody these least favored characteristics.

### Conclusions

This study was motivated by a desire to understand decision-making processes in innovation award programs, given the recent growth in the number of such programs. It examined the factors that influence the likelihood of progressing to the semifinals of one of the most prominent innovation awards in the world using a natural experiment research design. The results of this analysis would suggest the following advice to prospective applicants to the IAGA. Be sure to demonstrate novelty and transferability. While an argument for significance should be made and evidence of innovation effectiveness presented, it is not clear what impact the latter two criteria have. Regarding narrative, make sure that your story has a detailed chronology, but don't discuss opposition to change or present cases or examples of individual service recipients. It helps if the application comes from the federal government, a more populous state, or a large city. Innovations that include information technology or organizational change are at a disadvantage. Finally, do not be concerned whether your innovation is new or old (in terms of time since implementation), and if you don't succeed the first time, try and try again.

Looked at from the standpoint of the organizers of the IAG Awards, these results are good news, but they also raise some areas of concern. Two of the four stated selection criteria variables explained which applications are selected—novelty and transferability; however two—significance and innovation effectiveness—did not. This may be due to measurement

error on the authors' part, or it may be due to difficulty operationalizing these concepts on the judges' part. We would suggest that the organizers begin a dialogue with the judges about what they mean by significance, and a second dialogue with the judges in each area about how to operationalize innovation effectiveness in that particular area. There were a number of sources of concern in terms of potential bias. Applications from larger jurisdictions are more likely to be selected, and applications involving information technology and organizational change efforts—often falling within the management and governance policy area—are less likely to be selected. Again, it would be useful to initiate a dialogue among the judges about whether they are tending to bias their selections in favor of the former and against the latter. Despite these concerns, the program can take some satisfaction from the fact that there appears to be no bias with respect to policy area, level of government, most innovation characteristics, when programs apply, and programs that applied previously and were not chosen.

For academics interested in studying the applications to the IAG Awards, the message is that the semifinalists are broadly representative of the entire applicant pool, particularly with respect to innovation types (Table 1). The trend to networked government characterizes the entire pool, rather than being the result of a preference on the part of the judges to favor what researchers believe is in vogue. Where the semifinalists differ from programs that were not chosen is that they have more to show in terms of the stated criteria for the awards. If researchers then focus on the semifinalist applications, which provide more information than the initial applications, they are nonetheless studying programs that, in their characteristics, are broadly representative of the entire applicant pool. Clearly, these arguments are subject to further tests of external validity from awards programs in other countries, for example the Local Innovation Awards Scheme in England (Hartley and Downe 2007, Hartley 2008).

This paper has used the initial applications to the IAGA for the first time as a database, examining both the incidence of coded characteristics and the factors leading to selection for the semifinalist round. After achieving semifinalist status, applicants were required to provide more detailed information. Thus the 150 semifinalist applications in 2010 could also be coded to examine the nature of the innovations, characteristics of the process, organizational and financial structures, and results and transfer. Comparisons could

be drawn with the results of previous studies (Borins 1998) to examine, for example, if the high incidence of initiation of innovations by frontline workers and middle managers persists (a finding incorporated into the book's sub-title "how *Local Heroes* [italics ours] are transforming American government"). More recent evidence based upon a sample of 31 finalists (Borins 2011) found a much lower incidence of initiation by frontline staff and middle managers and suggested that interorganizational partnerships require top-level authorization and are thus more likely to be launched at the senior level of public-sector organizations.

More detailed and fine-grained analysis could attempt to explain the factors that lead some semifinalists to be selected for the next round. In 2010, 25 of the 150 semifinalists were selected as finalists. Examination of this group of 25 and the unsuccessful 125 semifinalists could seek to determine if achievement reflected the formal criteria (novelty, significance, effectiveness, transferability), or if there were other factors, such as characteristics of the program, characteristics of the jurisdiction applying, or characteristics of the narrative provided, that explain them. Such a study would replicate this one, thus providing additional evidence.

To conclude, this paper has extended the analysis of applications to the IAGA found in the literature by looking at initial applications that were not selected as semifinalists. It has found that the selection process focuses on the stated criteria of the award and some of the characteristics of the program or jurisdiction applying. By providing a measured vote of confidence in the selection process, this paper supports the continued use of the semifinalist and finalist applications for ongoing research. Future research could usefully locate innovation award-winning organizations in the wider innovation literature. This could fruitfully focus upon questions of their organizational characteristics and examine if public agencies that win awards are high-performance organizations.

## **Appendix: Innovations in American Government Awards Program**

This program, which began in 1985, is open to applications by all levels of government in the U.S. and all types of innovations are eligible as long as they were implemented 12 months prior to the date of submission and are still in operation. The application must come from a governmental entity; applications involving partnerships with civil society are eligible if they have significant governmental involvement and oversight. The IAGA have generally been given annually and currently receive over 500 applications. The application form used in 2010 is below.

The semifinalist selection process works in the following way. Applicants self-identify in one of seven policy areas: children and family services; community and economic development; criminal justice and public safety; education and training; health and social services; management and governance; and transportation, environment, and infrastructure. IAGA staff select panels of two or three judges in each of the seven policy areas. The judges are either academics or practitioners with expertise in that area. In any given year, some judges will have been involved before and others will be new. The panels are then charged with assessing all the applicants in their area in terms of four evaluation criteria: novelty, significance, effectiveness, and transfer or transferability. The judges are not required to produce numerical scores nor are the criteria assigned numerical weights. Rather, the judges use their own discretion in evaluating the applications. The staff tries to ensure that the percentage of the original applications that is selected as semifinalists is comparable for all seven policy areas (Marchand 2011).

### **Application Form**

- Name, title, organization, postal address, phone number, and email address of primary contact
- Program name and start date
- Level of Government
- Jurisdiction name, unit, and population
- Website
- Applied previously?
- Policy area

### Questions

1. Please provide a two sentence summary of the innovation. This description should accurately and succinctly convey the essence of the innovation. (50 words or less).
  
2. Please tell the story of you innovation, including the circumstances of its conception (such as previous efforts to deal with a particular problem), the initiation of your program (for example how it was designed and launched), and the program's ongoing operations (for example how it has been modified in response to obstacles or opposition). Dates would be helpful in anchoring the narrative. (500 words or less).
  
3. The IAGA's four selection criteria are
  - i) novelty, the degree to which the program or initiative demonstrates a leap in creativity
  - ii) effectiveness, the degree to which the program or initiative has achieved tangible results
  - iii) significance, the degree to which the program or initiative addresses an important problem of widespread public concern
  - iv) transferability, the degree to which the program or initiative, or aspects of it, has been successfully transferred to other government entities or shows promise of being successfully transferred.

Please show how your program meets each of these criteria (500 words or less).

## Endnotes

1. The Innovations in American Government Awards are managed by the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University. The awards were initially funded by annual grants from the Ford Foundation, which it replaced in 2001 with an endowment of \$50 million. Additional endowment was provided by Roy and Lila Ash. For a history of the Innovations in American Government Awards, see Walters (2008).
2. In 1985, the Ford Foundation established the Innovations in State and Local Government Awards program at Harvard Kennedy School to honor exemplary programs. In 1995, the program was expanded to include innovations from the federal government, and the name of the program was changed to Innovations in American Government.
3. Walker's (2011) review of innovation in local government shows that operationalizing organization size by population or actual number of employees offers very comparable results.
4. Because there are approximately 45 independent variables, we did not include here a full matrix of correlation coefficients which are available from the authors on request.
5. We also tested variance inflation factors (VIFs), and initially those for log of population and novelty were greater than 10. We centered these two variables and re-ran the equations. All the coefficients and their significance levels were virtually identical, but all VIFs were below 10, and the average VIF for all models in Table 2 was reduced from 3.5 to 2.5. The models with the two centered variables are presented in Table 2.
6. The level of government variables were not significant when the log of population was excluded.
7. A number of efforts were made to modify the narrative and innovation effectiveness variables. For narrative we created an index equal to the sum of all the scores on the six narrative variables for a given application and for effectiveness we created an index equal to the number of different innovation effectiveness variables coded for a given application. Neither was significant and, by reducing the number of variables, both reduced the goodness-of-fit for the regression equation. We then undertook a factor analysis for both the effectiveness and the narrative variables. In both cases, the first three factors had no evident interpretation and were not significant.
8. It could be argued that our expectation is that having previously been a semifinalist or finalist couldn't hurt an application, so the appropriate test would be one-tailed, which would allow this variable to clear the hurdle of significance at five percent.

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