

A photograph of a middle-aged man with a receding hairline, smiling and leaning over a person whose back is to the camera. The man is wearing a red Puma t-shirt and a lanyard. The background is a plain, light-colored wall.

Balancing innovation and risk in social services

Booklet Two

Balancing innovation and risk in social services

Despite a strong history of innovation and improvement in Scotland, some organisations have many structural and cultural features that impede its development by limiting risk taking and imposing tried and tested standardised solutions.



I introduced the topic of risk and innovation with a colleague the other day who managed to summarise some of the main challenges in a quick anecdote:

“ I know what you mean; we’re all about enabling risk in our organisation. In fact, we were all at a risk enablement panel thing the other day. It was really good because we talked about some of the things that

could be holding us back from working in new ways with the people we support. It all boiled down to being scared to make mistakes. The end result was a sort of ‘take risks’ and ‘learn from mistakes’ manifesto, which was kind of inspiring!

We came back and pinned them on our wall so that we didn’t forget when we got a bit stuck in the day-to-day work.

The trouble was, some of our other colleagues went on a training course the following week that was all about ‘quality’.

They came back with a similar manifesto to pin on the wall that was all about ‘get it right first time!’ We can’t win.”

How do we manage the trade-off between getting things right first time and trying things out?

Mulgan and Albury (2003) highlight a small number of publications that have been produced to try and address how public sector agencies might manage risk whilst not stifling innovation (NAO, 2000; Audit Commission, 2007) but, as yet, there is a gap in bringing this knowledge to the social services sector.

There are a number of different factors relating to innovation and risk in the social services sector which make the process more difficult in this context.

The associated risks of introducing a new service or model of practice in social services are many and variable. At its worst, innovation has the potential to impact adversely upon the lives of some of the most vulnerable people in society; it may also turn out to be more costly, to have unintended consequences or to simply just not work. Accordingly, this avoidance of risk in social

services has to some extent become synonymous with avoiding innovation (Kemshall, 2002).

Writers such as Munro (2011) argue that audit and regulation have heightened this fundamental tension within policy and practice. The blame culture that exists in the sector has contributed to a risk averse environment where practitioners are unwilling to try new approaches or think outside the box for fear that they will be reprimanded, publicly shamed, or indeed sacked, if mistakes are made (Petts et al, 2001).

When trying out pioneering new ways of doing things that could radically change people's lives, there is always the risk of failure (NCVO, 2010). Borins (2001) argues that the promotion of innovation within organisations will only be successful if staff believe they will be supported from the top, should failure occur. Part of accepting failure is in recognising that some of what has gone before is not as effective as it once was (Newman, 2011).

These restrictions are not exclusive to the public sector. Researchers have argued that there has also been a decline in innovative capacity in voluntary organisations (Osborne, 2007).

In recent years, the voluntary sector has faced significant changes in funding patterns that have been found to significantly reduce innovation (Brown, 2010). Previously, much voluntary sector activity was delivered through a mixture of grant funding arrangements, contracts with local authorities and fundraising. However, this is becoming increasingly less viable, with more and more charitable organisations struggling to secure sustainable funding that will enable the development of new projects or the scaling up of smaller innovations.

Retendering has emerged as a significant issue challenging the stability and capacity of the sector (Cunningham and Nickson, 2009). This retendering landscape (a consequence of implementation of the Public Contracts Regulations

Act 2006) has resulted in a narrower scope for innovation (Hopkins, 2010) leading to [the perceived] reduced commissioning of quality/specialist services (CCPS, 2008).

For the voluntary sector to be able to truly offer innovative services which provide real choice for citizens, there needs to be space within contracts to do so. Indeed, the Social Care Procurement guidance outlines that public bodies should ensure that service specifications are sufficiently flexible to take account of redesign and innovation, particularly where the contract will be for a longer duration (Joint Improvement Team, 2010).

“Innovation is the ability to see change as an opportunity – not a threat”

Perhaps we can learn from the voluntary sector of the 19th and 20th centuries. At that time, it was believed that so much innovation had its roots in this sector because organisations:

a) were generally smaller, and, as such, could react more quickly to changes in policy/demand from people using services. This links to the idea that greater decentralisation and increased flexibility can improve innovation capacity in organisations.

b) were intrinsically linked to the users of services, often set up by the specific users of service that they were seeking to support. As such, they were adept at sharing the problems they were trying to solve and were keen to use ideas generated from people who were using services. Using this open approach can provide a firm foundation for innovation and development.

c) were mission driven and focused on the outcomes of the services

they provided, with less focus on budgets and targets as providers in other sectors might be. This can be a challenge for organisations who are fighting to achieve a range of competing objectives for a large variety of people using services.

d) tended to have much of the risk of innovation transferred on to them by other agencies. As such, they were seen to have perceived freedom away from statutory requirements and were able to deliver services in new and innovative ways (Osborne et al, 2008).

At IRISS, we think that these factors help organisations to be more innovative – but we don't think it only happens in the voluntary sector. We believe that there are a number of things that you can do to understand risks that are associated with any new idea.

The challenge of risk is to manage it, rather than to eliminate it. Risk savvy entities are more likely to innovate because they understand both the threats and opportunities

and are unafraid to act. Creating this balanced view of risk will be essential for innovation in any organisation (Murray, Caulier-Grice and Mulgan, 2010).

Key to generating this balanced view is to have a **strategy** – this can make way for successful innovation.

Hughes, Moore and Nimesh (2011) conducted a pilot to measure innovation in the public sector. The survey results suggest that, overall, those participating organisations with innovation strategies were more innovative (across all indicators) than those organisations without. This appears to be due mostly to higher 'leadership and culture' factors (including the prioritisation of innovation) but also capabilities in the 'management of innovation'.

Unlocking the resources that are currently tied up in ineffective ways of working will only come through trialling bold new ideas, which relies on the process of iteration. Your innovation strategy should include iteration

as an integral process step, deciding how to revise and refine an initial idea into a successively more satisfying concept. Testing ideas and learning from the experience means that you can consider the outcomes associated with the idea stage by stage, helping to leave the organisation less susceptible to risk.

Understanding the risks of innovation requires intimate knowledge of the organisation, the market in which it operates, the legal, social, political and cultural environment in which it exists, as well as its strategic and operational objectives (Institute of Risk Management, 2002). Knowing how your organisation currently works is vital – but an understanding of where your organisation aspires to be is similarly important.

What kind of organisation are you?

Please choose one of the statements from each of the categories outlined below. Please be as honest as you can. It is often illuminating to allow other members of your organisation to also complete this exercise. A useful discussion can then take place as to the differences in perceptions between different individuals and different parts of the organisation.

Ideas	Creativity and learning	Leadership
<p>a. I believe that I am part of an organisation that values collaborative learning, shared leadership, innovation and the sharing of ideas</p> <p>b. It can be a struggle to develop new ideas/ approaches in the organisation as there are few opportunities to suggest improvements in service delivery</p> <p>c. New ideas/approaches are based on what has been tried and tested elsewhere – I am encouraged to build on that and share with others</p> <p>d. Although we have little time to think about developing new ideas/approaches – I am sometimes able to take ideas forward</p>	<p>a. We are actively encouraged to go out and seek new sources of inspiration and learning, bringing something that is new from other sectors</p> <p>b. At the moment, opportunities for learning and thinking of ideas are limited to sharing practice from other organisations like ourselves</p> <p>c. Some people push to find opportunities to go out and about and see what is happening elsewhere, and in different fields but this is based on their own motivation</p> <p>d. Opportunities for training/shadowing are identified, but rarely taken up</p>	<p>a. Managers are constantly inspiring us to come up with new, big ideas</p> <p>b. Our manager is bogged down with managing the day-to-day tasks of the team with little time for encouraging new methods and ways of working</p> <p>c. Top managers are hands-ready knowing when and when not to get involved – they always ask us for ideas for service improvements</p> <p>d. Our manager is interested in small changes that will make subtle differences to the way we work</p>

(continued on following page)

Autonomy	Mistakes	User voices
<p>a. We have lots of discretionary power with strong support from the top - as long as we are contributing to the defined objectives of the organisation, we can work in the way that they see is most appropriate</p> <p>b. I do things the way they have always been done because I don't want to make the wrong decision or do something that doesn't work</p> <p>c. I am confident in my ability to perform in complex and demanding situations and also often support others</p> <p>d. I am quite confident in my ability to perform and quite often seek support if necessary</p>	<p>a. When mistakes are made, managers immediately act to provide appropriate support</p> <p>b. When mistakes are made, managers seek to find out who is to blame</p> <p>c. When mistakes are made, managers seek to find out what went wrong and what could have gone better</p> <p>d. When mistakes are made, they are rarely recorded</p>	<p>a. We involve people who use our services very stringently so that we can fully understand their needs – there are lots of ways they can provide feedback and get involved</p> <p>b. Often I feel the service user involvement in our organisation is tokenistic</p> <p>c. We have a few ways that people using services can get involved in the organisations work and provide their views</p> <p>d. The same people who use services give us their opinion every time. Little effort is exerted to encourage more people to have their say</p>

How did you fare?

Mostly a's – Ahead of the pack

Your organisation is enthusiastically embracing a move towards innovation. You believe that the principles of innovation match the organisations ethos, values and strengths. Consistently identifying your organisation with excellent behaviours indicates a highly supportive culture for innovation. You could well share the practice from your organisation to help others follow your lead.

Mostly b's – In need of inspiration and encouragement

Your organisation takes a traditional approach towards service design and development, and is at the very beginning of its journey towards innovation. Staff and colleagues in your organisation are the main vehicle to help you on your way to change; helping them to realise this should be your first task. Change is inevitable for survival – think about areas where you could make some quick wins, then think strategically about where you would like your organisation to be in the future.

Mostly c's – On the right track

Your organisation seems to be performing well, with your responses indicating that you relate to a fair number of good and excellent behaviours. You might be able to find a few areas for improvement or it could be that your approach is to take a broad look at a range of organisational aspects that will help you to develop the innovation potential in your organisation.

Mostly d's – Making a tentative start

You are making progress and you identify yourself with some of the better behaviours that promote innovation. But there is definitely still some room for improvement. Try to identify specific areas of poor performance and look for advice in these areas. What can you measure that will help you to chart your progress? What simple things could you change right now to get an quick win?

Innovation Matters: how being open to ideas can make your organisation more effective

<http://www.ncvo-vol.org.uk/innovation>

The Social Innovator

<http://www.socialinnovator.info/ways-supporting-social-innovation/public-sector>

Taking Chances: finding ways to embrace innovation, risk and control in public sector organisations

<http://www.ccaf-fcvi.com/IRCSymposium/english/IRC-TakingChances.pdf>

Innovation in Public Services: engaging with risk

http://www.grupcies.com/boletin/images/stories/PDFBoletin/articulo_i_edic_90.pdf

Supporting Innovation: managing risk in government departments

http://www.nao.org.uk/publications/9900/managing_risk_in_gov_depts.aspx

Learning to take risks: learning to succeed

http://www.nesta.org.uk/library/documents/Learning_to_take_risks.pdf

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