



WHAT DRIVES INNOVATION IN THE FEDERAL GOVERNMENT

How innovative is the federal government?

What drives innovation in federal agencies? And, what can leaders do, if anything, to promote innovation within their agencies and teams? Given the importance of improving government effectiveness and delivering better results for the American people within today’s budgetary constraints, these are the questions the Partnership for Public Service and the Hay Group set out to explore. Our analysis underscored that innovation depends on the total environment leaders create for employees.

How Innovative Is Federal Government?

Building upon the *Best Places to Work in the Federal Government*[®] rankings, we examined these questions from the perspective of federal employees, identifying three survey questions that best reflect employee opinions on innovation and using them as the basis for creating an innovation score (figure 1).

The overall government-wide innovation score of 63 percent favorable shows considerable opportunity for government to improve. On the positive side, our analysis found that 91 percent of employees are looking for ways to perform their jobs better. However, far fewer federal

FIGURE 1
Percentage of employees responding positively to innovation-related questions in the Federal Employee Viewpoint Survey



employees feel they are encouraged to initiate new ways of doing things, and only 39 percent believe innovation and creativity are rewarded. This suggests federal workers are motivated to drive change through creativity, but need stronger support from their organizations and leaders to do so.

According to 2010 Employee Viewpoint Survey results¹, the top large agency on innovation was the National Aeronautics and Space Administration with a score of 75.9, followed closely by the Nuclear Regulatory Commission. NASA and NRC are also among the five highest ranking agencies on the Best Places to Work list. Rounding out the top five was: General Services Administration; Department of State; and the Department of the Army.

TABLE 1
Top innovation agencies

National Aeronautics and Space Administration	75.9
Nuclear Regulatory Commission	75.6
General Services Administration	68.3
Department of State	67.7
Department of the Army	67.2

Six Conditions That Drive Innovation

To better understand what drives the innovation in government, we analyzed a set of EVS questions to determine which were most closely related to the three questions that comprise the innovation score. Our analysis identified six workplace conditions² that have a disproportionately high impact on the overall innovation score. It tells us that federal leaders can improve innovation within their agencies by creating an environment in which each of these conditions thrives:

- Employees are recognized for providing high-quality products and services
- Employees are given real opportunities to improve their skills
- Employees are involved in decisions that affect their work
- Employees are given a sense of personal empowerment with respect to work processes
- Employees are provided with opportunities to demonstrate their leadership skills
- Leaders work to gain employees' respect
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1 The Federal Employee Viewpoint Survey is administered annually by the Office of Personnel Management

2 The six conditions that drive innovation are based on questions 1, 30, 31, 43, 61, and 63 in the 2010 Federal Employee Viewpoint Survey

What Can Leaders Do?



Leadership is key to employee satisfaction and commitment, and ultimately to innovation and results. Understanding this equation and how to leverage it is especially important, because it suggests that the negative impact of today's pay freezes and shrinking budgets on employee satisfaction can be mitigated as long as employees feel they are being listened to, engaged in decisions and are recognized in other ways for their hard work.

Employees are at their most creative and engaged not only when they respect their leaders, but when they in turn feel respected, are given the responsibility and flexibility to take initiative and make decisions, and when they can develop their own skills and leadership abilities. Leaders who are most successful in engaging their employees rarely rely on their own technical expertise or positional power, but instead understand that creating an environment where employees are empowered and engaged will generate the most innovative results.³

Conclusion

Well-defined processes and systems support innovation, but they cannot create it; that is the role of leaders. Leaders will get the most innovative results from their teams if they view their role as providing their teams with the environment they need to be effective, and then giving them the respect, responsibility, and freedom to do good work. Agency leaders can use the innovation score and the six drivers of innovation outlined here as a concrete framework for evaluating the innovation climate they are creating, and measuring their progress over time. Making these investments in employees will result in more satisfied and committed employees, a more innovative team, and ultimately, in better results for the American people.

This Best Places to Work in the Federal Government® snapshot was made possible with the generous support of Hay Group.

3 Findings detailed in Partnership for Public Service-HayGroup report "Leading Innovation in Government"