

# Government Business Council

Underwritten by:

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## Creating a Federal Innovation Process

A Candid Survey of Federal Managers

January 2015

# Purposes

Faced with a difficult budget environment, federal agencies increasingly need to get creative to achieve their mission. The Obama administration has identified establishing “cost and quality benchmarks for core operations” as a cross-agency priority goal with the intention of developing a baseline for driving continuous improvements in performance.<sup>i</sup> However, challenges inherent to the federal environment complicate agency efforts to jumpstart innovative initiatives. IDEO’s 2011 *Innovation in Government* report concludes that agencies “lack an environment of grassroots innovation where new ideas can emerge at any time under any conditions.”<sup>ii</sup> The report defines innovation as “the process of improving, adapting, or developing a product, system or service to deliver better results and create value for people.”<sup>iii</sup>

GBC and Accenture undertook an in-depth study of to learn how and why federal agencies and their employees innovate, where gaps exist, and what can be done to encourage day-to-day ideation.

# Methodology

To assess the perceptions, attitudes, and experiences of federal defense and civilian executives regarding their agencies’ support for innovation, GBC deployed a survey to a random sample of *Government Executive*, *Nextgov*, and *Defense One* online and print subscribers in August 2014. The pool of 334 respondents includes those of GS-11 through Senior Executive Service levels in at least 30 different civilian and defense agencies.

i. [Performance.gov](#), Office of Management and Budget.

ii. *Innovation in Government*, The Partnership for Public Service and IDEO, 2011

iii. *Ibid.*

# Table of Contents

<b>1</b>	Executive Summary	<a href="#"><u>4</u></a>
<b>2</b>	Respondent Profile	<a href="#"><u>6</u></a>
<b>3</b>	Research Findings	<a href="#"><u>10</u></a>
	i. Drivers of Innovation	<a href="#"><u>11</u></a>
	ii. Evaluating Support for Innovation	<a href="#"><u>16</u></a>
	iii. Opportunities for Improvement	<a href="#"><u>22</u></a>
<b>4</b>	Final Considerations	<a href="#"><u>30</u></a>

# 1

## Executive Summary

# Executive Summary

## **On an individual and agency level, a desire to cut costs and improve performance motivates innovation**

Federal agencies are constantly driven by the need to reduce costs, which 46% of respondents identify as a goal of innovation. 44% indicate that agencies innovate to improve mission effectiveness. Individuals are also motivated by their desire to be productive and contribute to solutions – 60% say they are driven by their commitment to public service and 49% say they innovate to improve their sense of job satisfaction. However, respondents are divided over whether a gradual or radical approach to innovation is best.

## **Agency support for innovation could be better, especially at the leadership level**

When asked to rate their agencies' support for innovation, 55% say it is at least satisfactory, and 45% say it is unsatisfactory or worse. Cultural and institutional barriers to innovation are identified throughout the survey. Perhaps one of the more immediate challenges, 60% of respondents report that a lack of leadership support deters them from adopting new ideas.

## **Collaboration is important for innovation, but current agency culture and tools may not enable it**

A plurality (46%) of respondents say they get inspiration from their coworkers, and 40% are inspired by other departments. But their office environment and collaboration tools could better promote information-sharing. 63% of employees disagree that the physical layout of their office encourages collaboration. 42% classify their digital collaboration tools as unsatisfactory or poor, indicating that there is room for improvement.

## **Creating a process for innovation could make it easier for new ideas to survive**

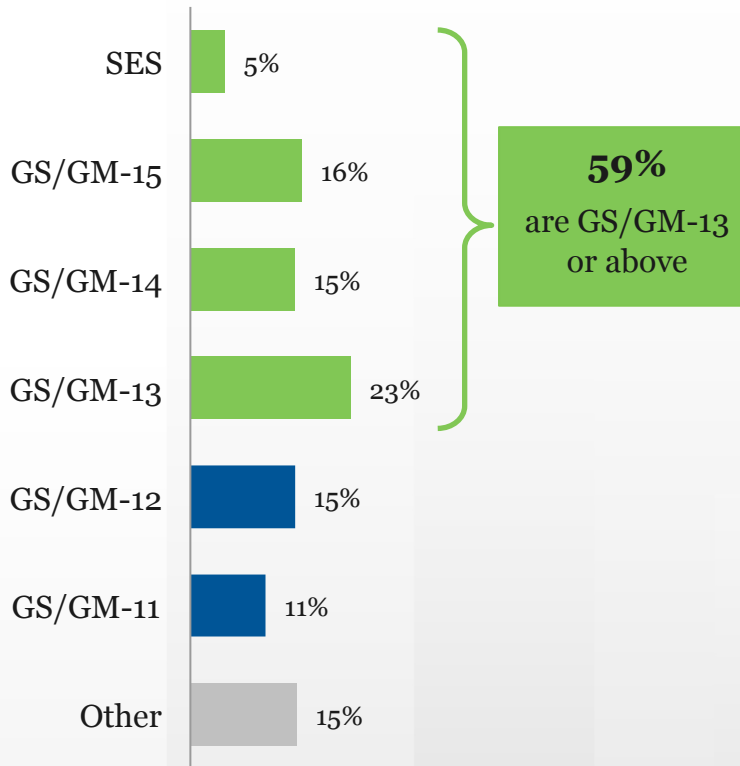
Respondents suggest that innovation is largely unstructured and unsupervised – 66% indicate that their agency does not set benchmarks or innovation goals, and nearly half (48%) do not feel that their agency effectively tracks the performance of new initiatives. When asked to identify characteristics of a successful government innovator, respondents say they are persistent, focused on the common good, and not afraid to deviate from the norm.

# 2

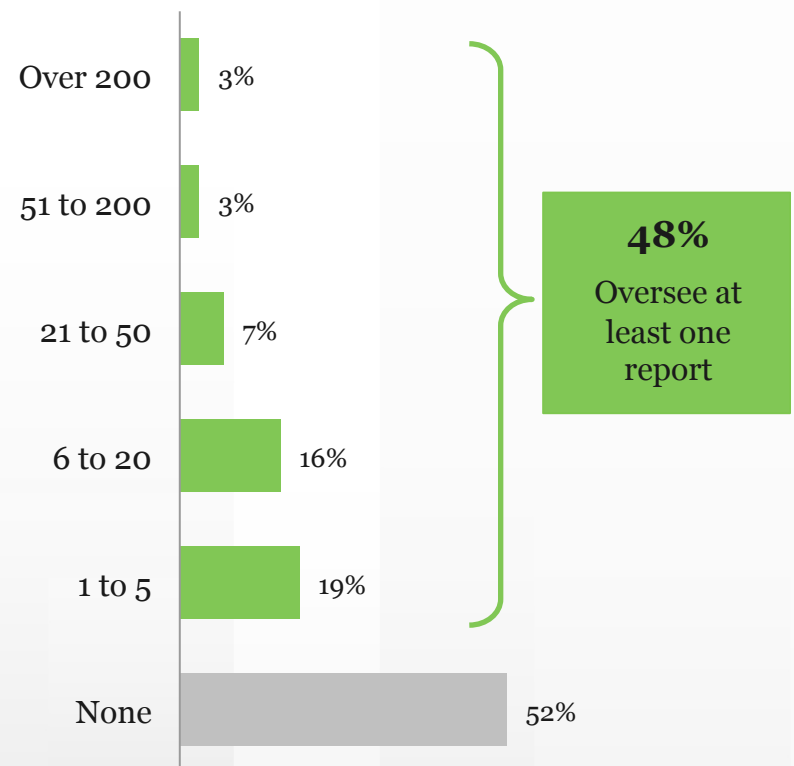
## Respondent Profile

# Respondents are largely senior federal executives

Job Grade

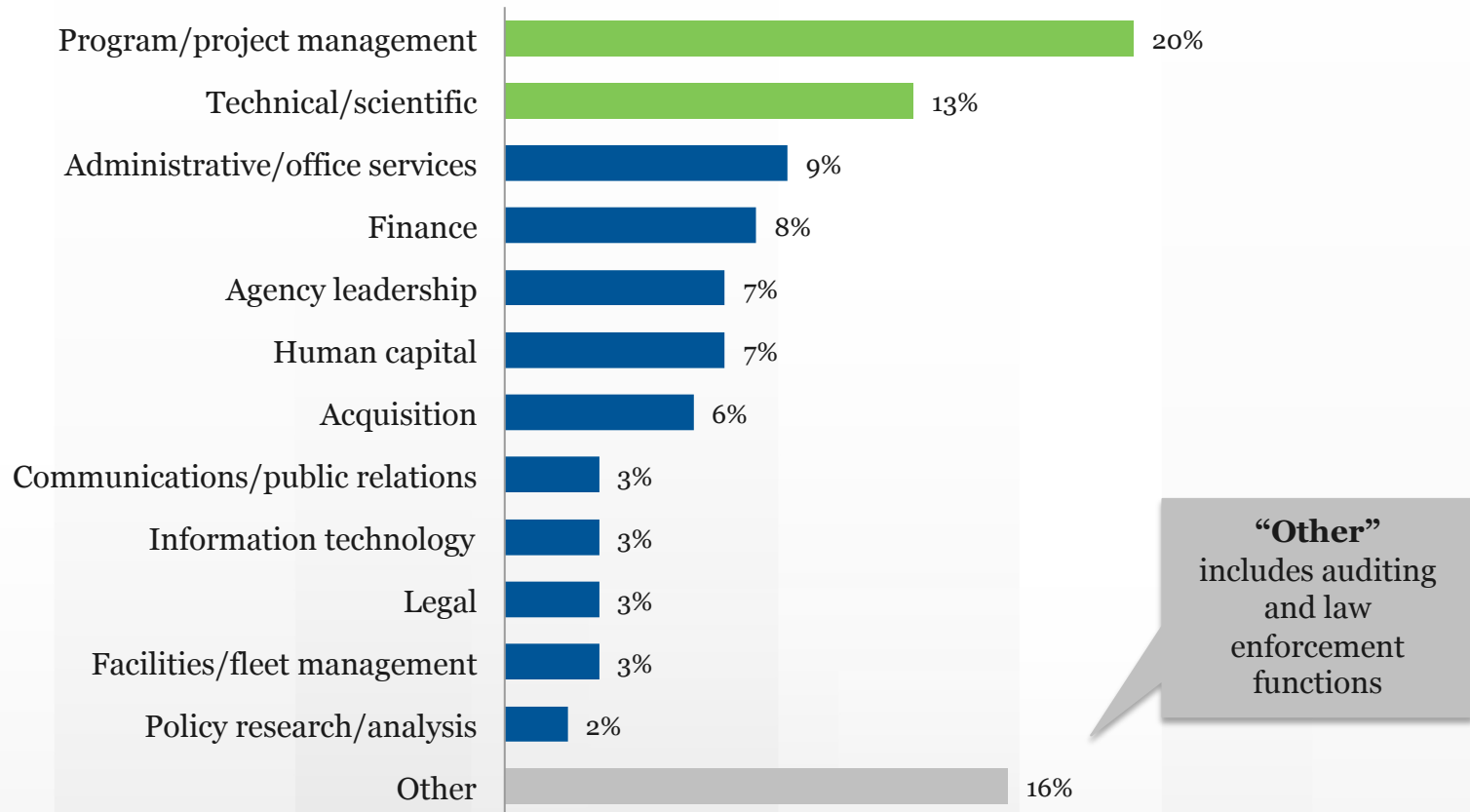


Reports/Oversees



Percentage of respondents, n=334

# Top job functions include program management and technical roles



Percentage of respondents, n=334



# Agencies represented

Department of Agriculture  
Department of Homeland Security  
Department of Veterans Affairs  
General Services Administration  
Department of Treasury  
Department of Health and Human Services  
Department of the Army  
Department of the Interior  
Department of the Air Force  
Department of the Navy  
Department of Transportation  
Department of Commerce  
Office of the Secretary of Defense  
Department of Housing and Urban Development  
Department of Justice

Environmental Protection Agency  
Department of Labor  
Department of Energy  
National Aeronautics and Space Administration  
Social Security Administration  
Department of State  
United States Agency for International  
Development  
Department of Education  
Nuclear Regulatory Commission  
Government Accountability Office  
Small Business Administration  
National Science Foundation  
Office of Personnel Management

Agencies listed in order of frequency

# 3

## Research Findings

i.

## Drivers of Innovation

# Agencies seek both greater efficiency and enhanced mission effectiveness

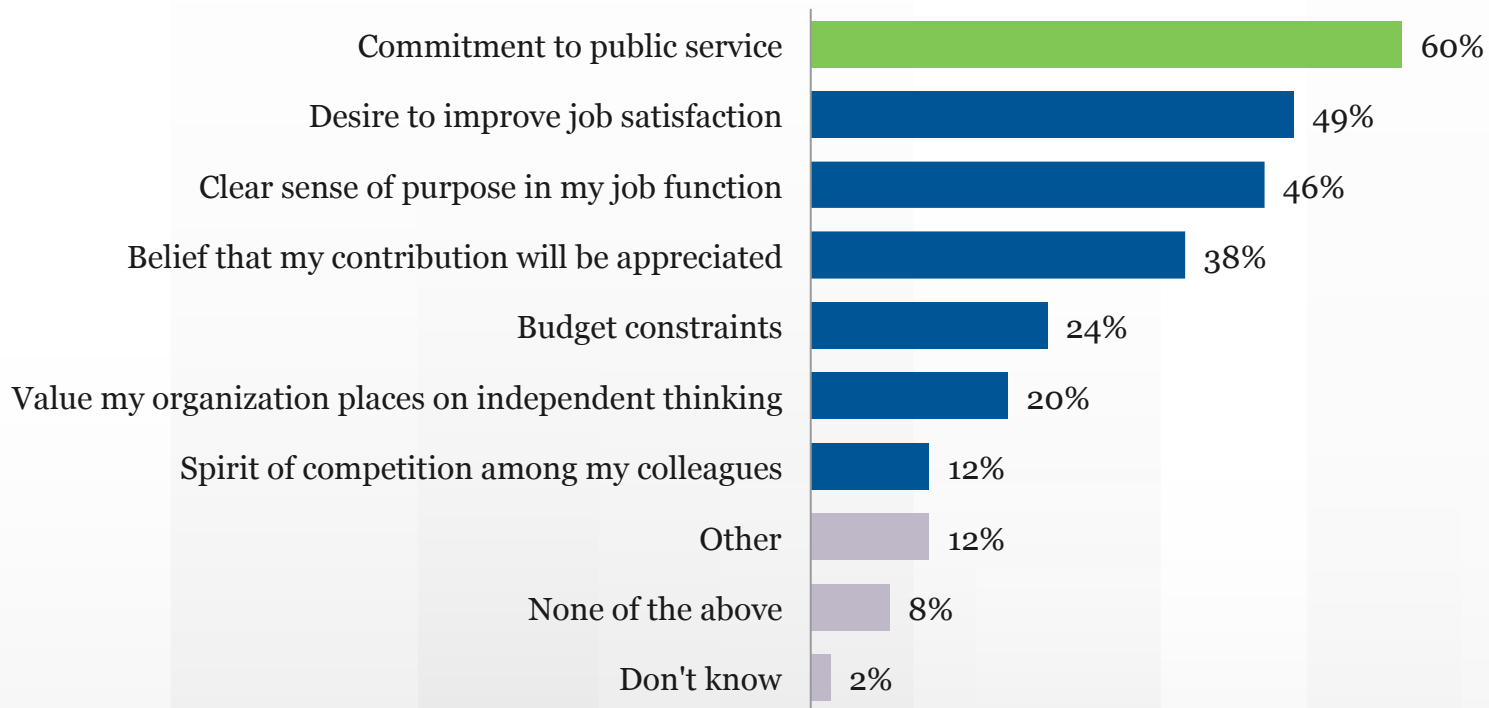
*What, in your opinion, is the goal of innovation within your agency?*



Percentage of respondents, n=333  
Respondents were asked to select all that apply

# Federal managers are motivated by their commitment to serving the public

*Which of the following, if any, motivates you to develop new ideas or practices?*



Percentage of respondents, n=331  
Respondents were asked to select all that apply

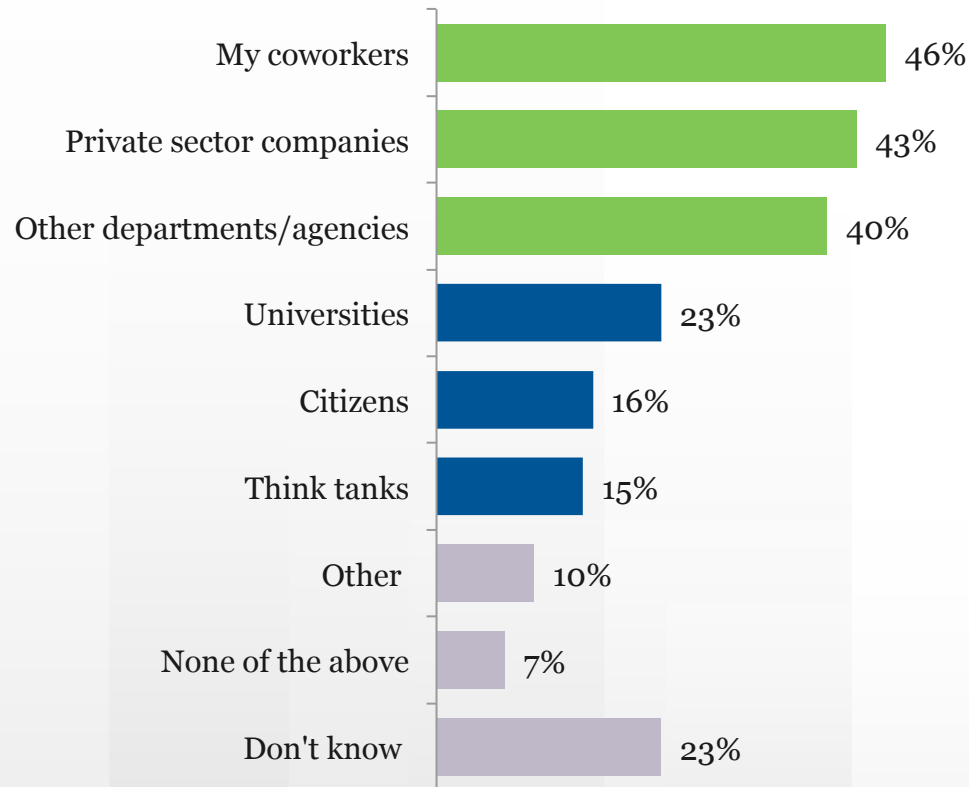
# Respondents indicate that risk tolerance and persistence help individuals innovate



Sampling of open-ended responses to the question: what individual qualities are most important when innovating in government?

# Respondents look within public and private sector organizations for inspiration

*From where do you draw inspiration when developing new ideas or practices?*



Percentage of respondents, n=331  
Respondents were asked to select all that apply

**ii.**

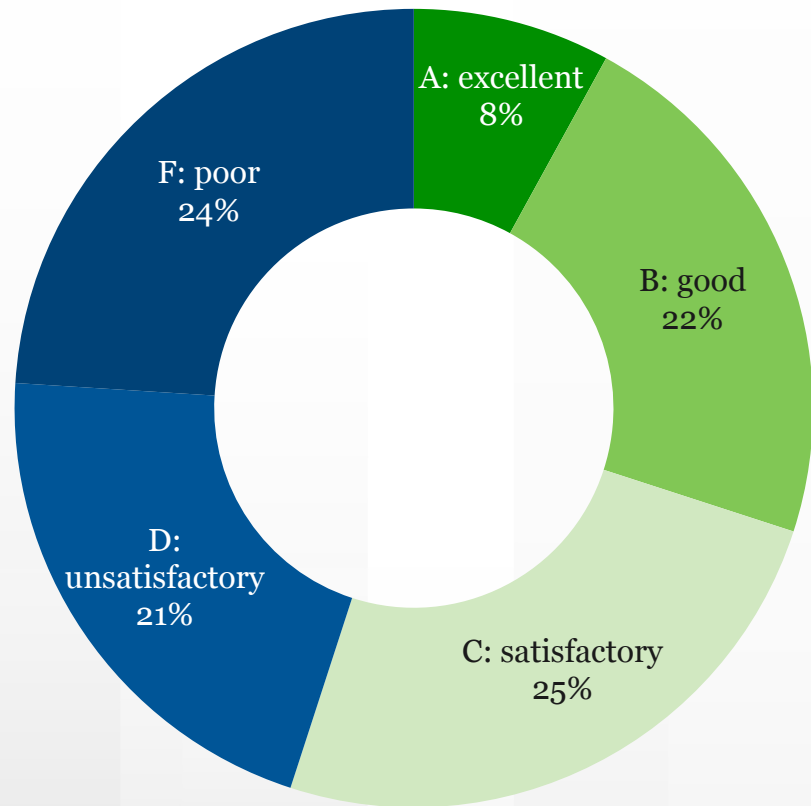
## Evaluating Support for Innovation



# A majority says their agency's support for innovation is at least satisfactory

*How would you grade support for innovation in your department/agency?*

But **45%** rate innovation support as unsatisfactory or poor



Percentage of respondents, n=332

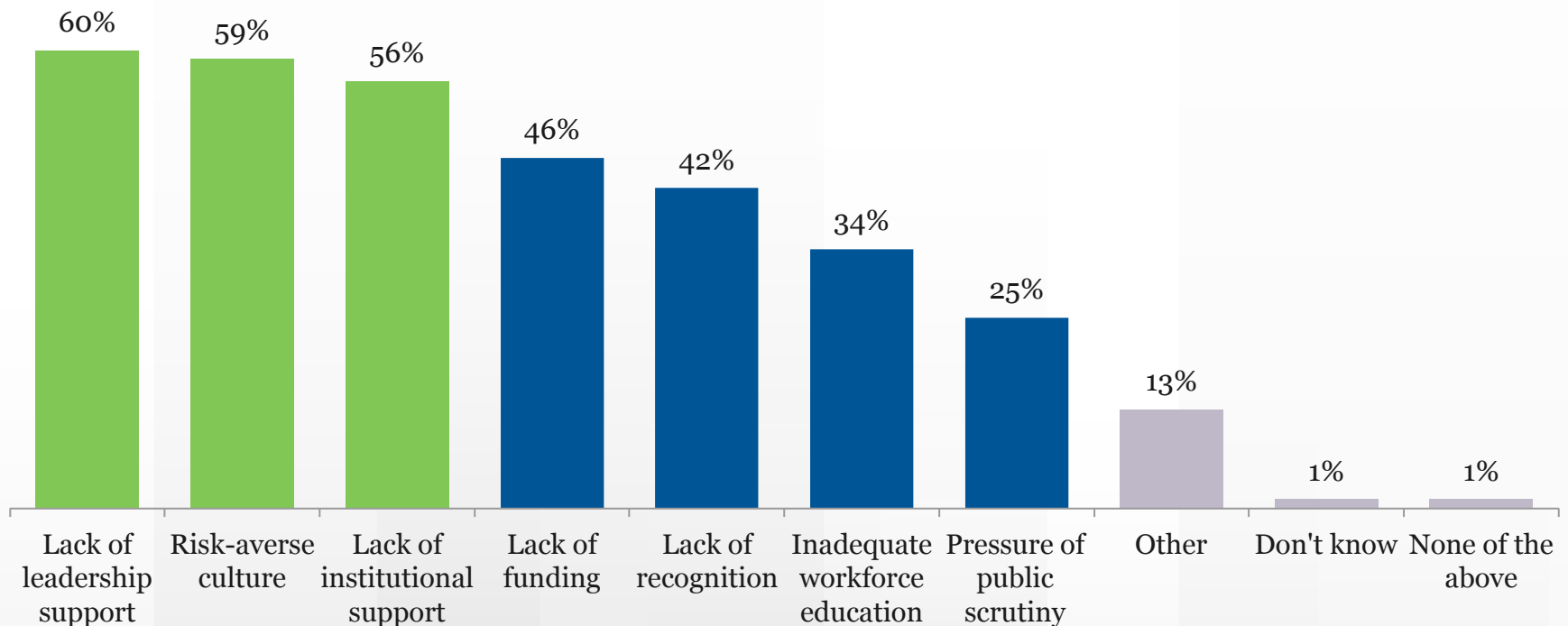
# Respondents elaborate on their frustration...

- “ *Administrative processes prevent practical idea development and effectively discourage innovation.* ”
- “ *High level agency leaders support and encourage employee engagement and innovation. It’s the first line supervisors who hinder progress.* ”
- “ *If upper management is protective of their positions and their perceived power and control, then they will not likely recognize an innovative idea that they think will reduce their perceived power or control.* ”

Sampling of open-ended responses

# Federal innovation would benefit from greater leadership support and risk tolerance

*In your opinion, which of the following hinder innovation within you department or agency?*



Percentage of respondents, n=331  
Respondents were asked to select all that apply

# Respondents speculate on explanations for government's risk-averse culture...

*“People often are reluctant to disrupt routine, or in some instances – if they’ve undergone continuous reorganization– they want stability instead of still more change.”*

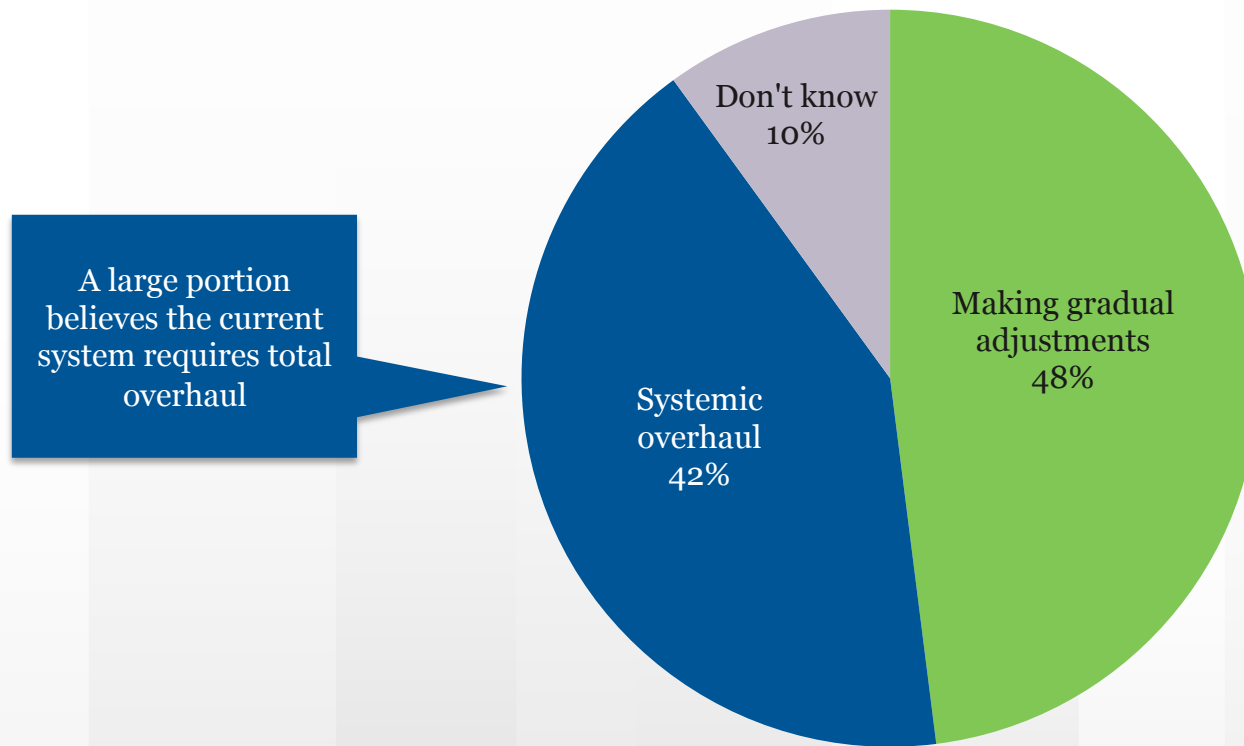
*“I think employees fear they will provoke an adversarial or defensive reaction, because some leaders perceive challenges to the status quo as reflecting poorly on them.”*

*“People tend to over-engage legal counsel– they are paranoid about the potential for negative press coverage.”*

Sampling of open-ended responses

# Respondents are divided over whether a radical or gradual approach to innovation is best

*Which of the following approaches to innovation do you think would be more effective in your department/agency?*



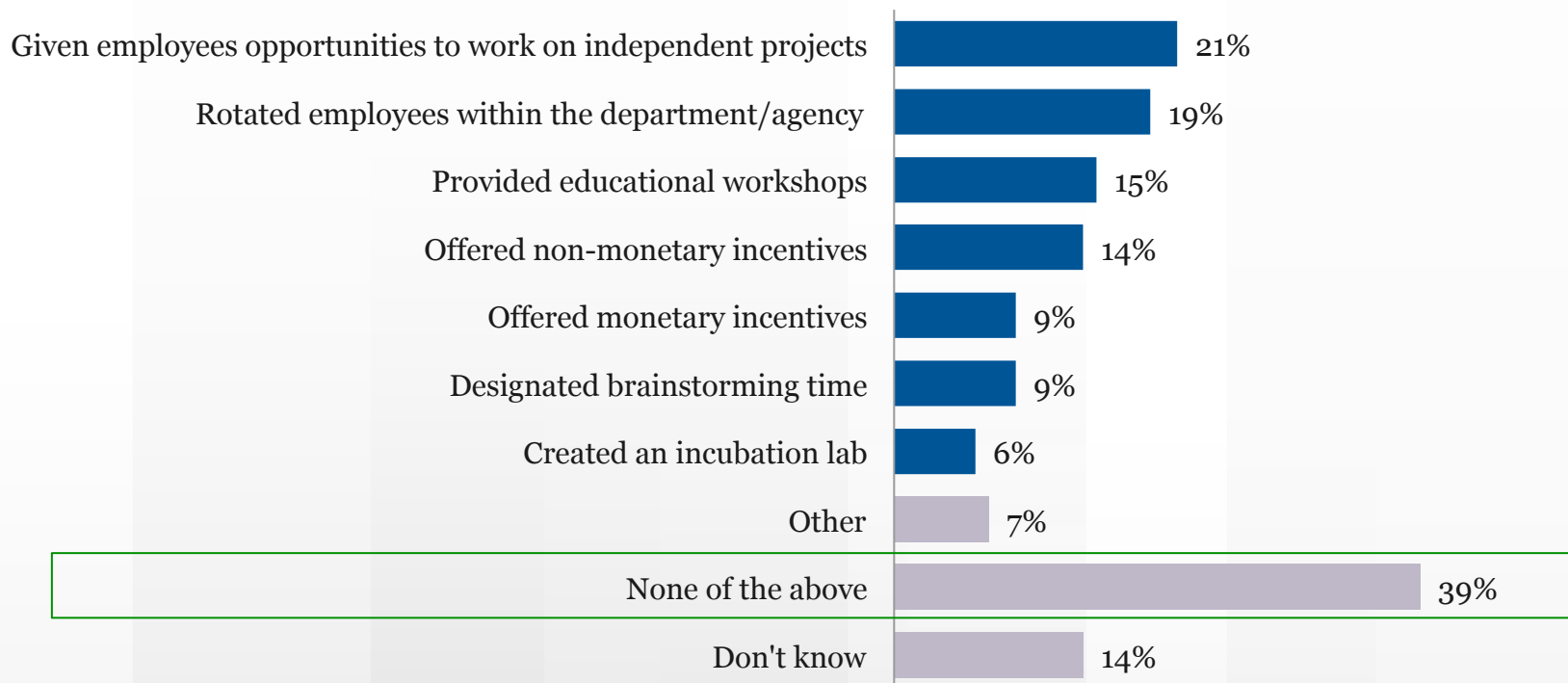
Percentage of respondents, n=333

iii.

## Opportunities for Improvement

# Agencies have not taken many concrete steps to support innovation

*Which of the following steps, if any, has your department/agency taken to encourage innovative thinking?*



Percentage of respondents, n=334  
Respondents were asked to select all that apply

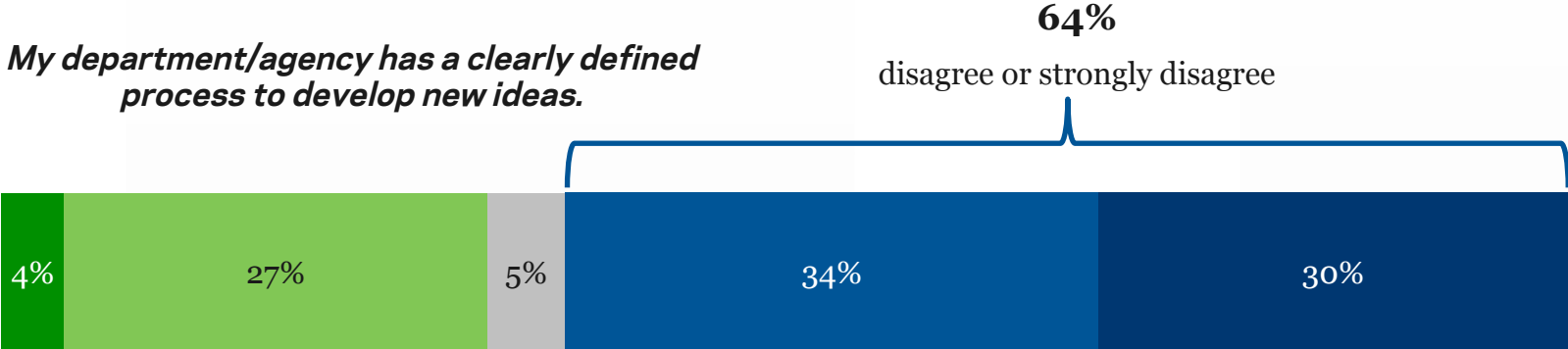
# One respondent explains a particular agency's innovation process...

“ We have a site called Switchboard -- similar to the President's idea bank -- where employees are encouraged to share ideas and then teams work together to try to implement the ones that are doable or get the most votes. The ideas that get 100 votes or more are passed on to the Deputy Secretary. ”



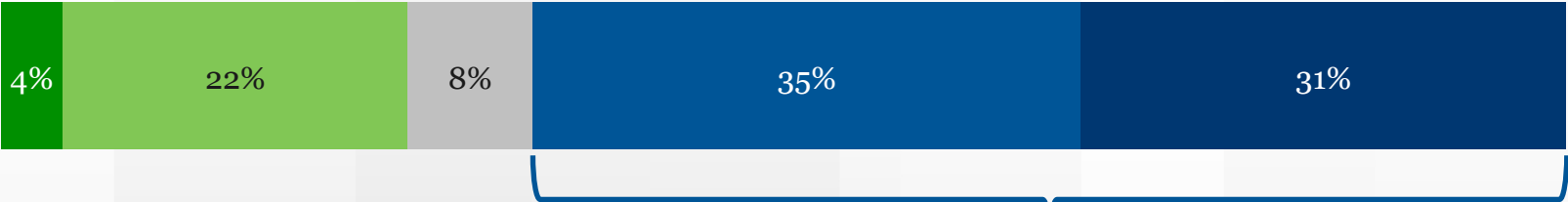
# Many agencies do not have an innovation process or set definite goals

*My department/agency has a clearly defined process to develop new ideas.*



■ Strongly agree ■ Agree ■ Don't Know ■ Disagree ■ Strongly disagree

*My department/agency sets specific innovation targets (i.e., concrete benchmarks).*

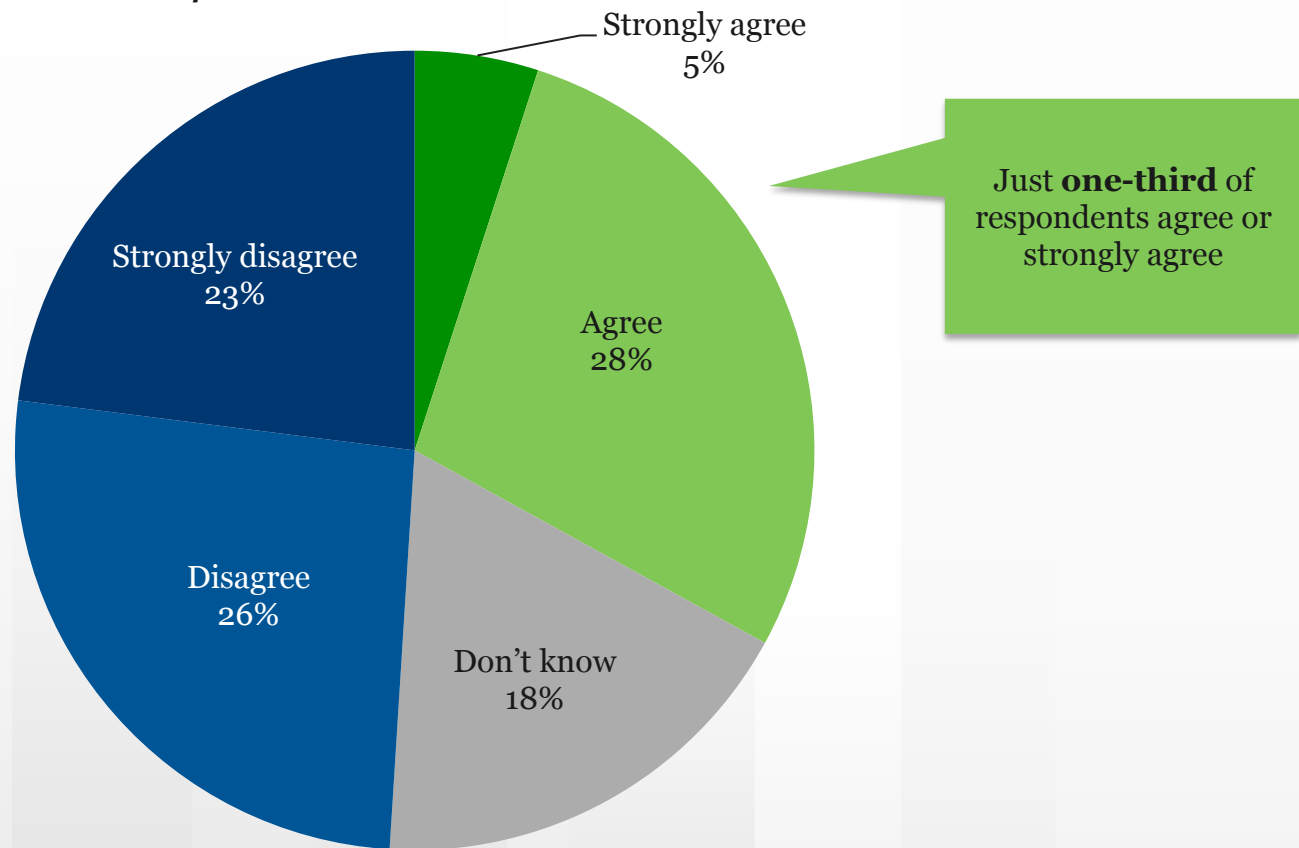


**66%**  
disagree or strongly disagree

Percentage of respondents, n=333

# Few respondents say their agencies gather data to monitor new initiatives

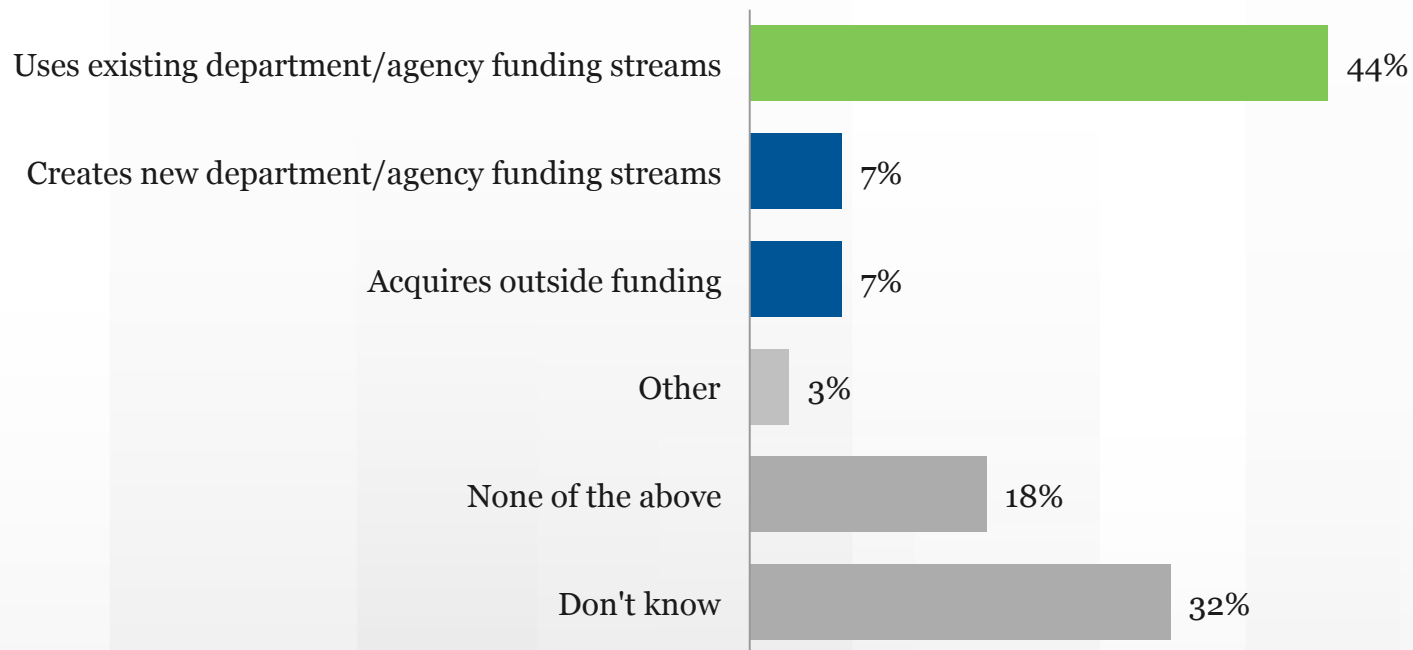
*My department/agency effectively tracks the performance of new initiatives after implementation*



Percentage of respondents, n=332

# Agencies do not designate funding specifically for innovative initiatives

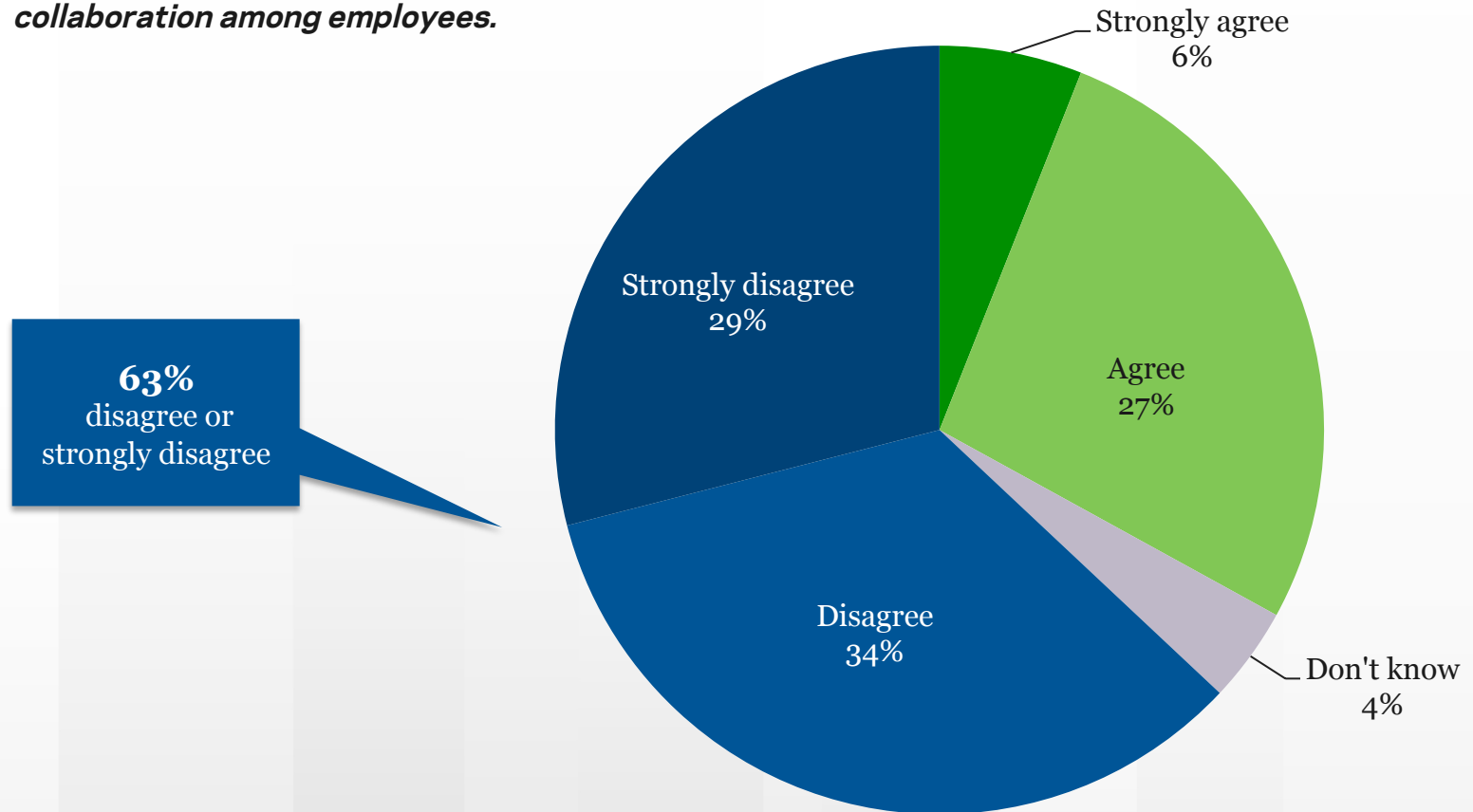
*To your knowledge, how does your department/agency fund innovative initiatives?*



Percentage of respondents, n=334  
Respondents were asked to select all that apply

# Government office spaces are generally not designed for collaboration

*The design of our office space facilitates collaboration among employees.*



Percentage of respondents, n=330

# Respondents indicate that their digital collaboration tools could be better

*How would you rate your department/agency's digital collaboration tools (e.g., social media, mobile apps, cloud-based live sharing tools)?*



Percentage of respondents, n=333

# 4

## Final Considerations

# When considering how to improve innovation in the federal government...

## **Acknowledge that spontaneous innovation may be unlikely in the federal environment**

While the capacity to innovate is often attributed to individual characteristics (such as open-mindedness, creativity, and optimism), the government's emphasis on following procedure may stifle this model. But government may actually be able to leverage its process-oriented culture to build guidelines that help employees raise and implement new ideas.

## **Build in a more risk-tolerant culture from the top down**

A formal approach to innovation will allow the creativity of federal employees to get off the ground, while maintaining the level of oversight required for agency leadership to successfully operate in the public eye. After creating a process, leaders should ensure the message is effectively passed on to employees. Private sector companies skilled in attracting talent do not take innovation for granted, and federal agencies should not either. They can begin by implementing a system that encourages collaboration and ensures employees are not afraid to speak up when they have ideas on how to improve their agency's performance

## **Take practical steps that will enable and maximize the culture shift**

Greater leadership support and encouragement will not generate innovation by themselves – an innovation process also requires that employees get the resources and tools they need to implement their ideas. Ensuring that employees have access to effective digital collaboration tools, setting concrete benchmarks for task completion, and using data to track new initiatives can aid the process. Employers can also schedule brainstorming time, give employees opportunities to work on their own projects, and designate some common workspace as free to all.

# Underwritten by

**accenture**

High performance. Delivered.

Thomas R. Griener  
Managing Director,

Tel. 703.682.5786  
thomas.r.greiner@accenturefederal.com

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# About GBC

## Contact

**Zoe Grotophorst**  
Manager,  
Research & Strategic Insights

Tel. 202.266.7335  
zgrotophorst@govexec.com

govexec.com/GBC  
@GovBizCouncil

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