



Innovation for the Public Good: The Importance of Leadership in Social Innovation

Leadership is the First Key to Unlocking an Innovation Culture in Government

Jitinder Kohli October 2011

"Being innovative starts with having the guts to take risks. And whenever you try new things, chances are you are going to fail some of the time."

— New York Mayor Michael Bloomberg, July 16, 2010

Public-sector leaders like talking about success not failure—but Mayor Michael Bloomberg of New York City is different. He helps build a culture of innovation across the city's agencies by encouraging his staff to take calculated risks.

Leaders have a pivotal role in promoting innovation in agencies. They should give their staff permission to try new approaches even though the media are often critical when innovations don't work out. Leaders also need to signal clearly their willingness to challenge traditional methods that have mediocre outcomes.

Giving staff permission to try new approaches

Agency staff can be reluctant to try new approaches. In part, they know that where something novel does not work out, the media will quickly point the finger of blame. And agency leaders who talk about the importance of innovation on a good day often join in the blame game on a bad day.

Leaders therefore need to be highly vocal and visible about the importance of trying out new ways of doing things. In New York, Bloomberg charged the <u>Center for Economic Opportunity</u> with finding transformative ways to reduce poverty. From the very start, the center was designed to promote innovation and experimentation. It scours the globe for innovative strategies that might help reduce poverty and then invests in pilots to see which ones actually work in New York.

Family Rewards, for example, is a program modelled on a successful project in Mexico. It offers families cash incentives for health, education, and workforce development. The model proved successful at increasing high school achievement, and that outcome is now the focus of a second-generation pilot being rolled out across New York as well as in Memphis. Payments focused on middle school and elementary school attendance and achievement were ineffective, so they were dropped in the second phase.

Challenging traditional approaches that have mediocre outcomes

Leaders who want to promote innovation need the courage to challenge established methods that often lead to mediocre outcomes. In New York, where high school graduation results were unacceptably low, Bloomberg in 2002 centralized power away from 32 largely autonomous school districts. Principals now have considerably more power over their schools. They can now decide which teachers to hire and what support they want from the education department. In return, schools are more accountable, including responsibility for a public report card summarizing test results and how fast they are improving.

The New York education department has also fostered innovation by creating an "innovation zone," or a select group of schools encouraged to experiment with new approaches. A concrete example is the groundbreaking "school of one" where each student receives a personalized learning schedule in math tailored to his or her needs.

The result: a <u>rapid increase</u> in high school graduation rates from around 50 percent a decade ago to almost 70 percent now.

There are plenty of public-sector leaders who say that promoting innovation is important to them. But leaders have to do more than that. They need to use their personal energy to build an organizational culture that embraces calculated risk taking and looks beyond traditional ways of working. That requires enormous effort and commitment as well as skilled leadership.

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Next week's installment in our series looks at another crucial ingredient for promoting a culture of innovation: dedicated funding for innovation.

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