INNOVATION IN LOCAL GOVERNMENT:

A FRAMEWORK FOR ANALYSIS

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ABSTRACT

This paper focuses on innovation in local government, by analysing both the features of innovation and the way the process of innovation takes place in local governments.

Local government is the closest level of government to citizens and has a direct impact on their daily lives. For this reason, continuous innovation is fundamental to keep local government updated with the changing needs of individuals and the increasing demand for more efficient and effective services, in a context of decreasing resources.

The paper provides strategies to create the right context around the vision, goals and objectives of the council of the day. These strategies include the role of creativity in individuals as well as the capacity to respond to external pressure and their relative importance over time, making it necessary to focus and adapt over time.

Keywords – Innovation, Local Government, Strategies

Introduction

Over the last three decades Western governments have reviewed and reformed the way in which public services are designed and delivered. One of the cornerstones of this change has been the expectation that public services will innovate to find more efficient and effective ways of working. More recently innovation has been expected in the context of fiscal restraint. At the start of the 21st century it seems no government is immune from these pressures. While organisations, both private and public, have found new ways of working since humankind started cooperating to meet common needs, the rhetoric of innovation is a more recent phenomenon.

It was in the 1980s at Harvard University's Ash Center for Democratic Governance and Innovation in the Kennedy School of Government where public sector innovation was first identified and celebrated (Borins, 2014). Innovation awards spurned academic interest in the area of public sector innovation, which has continued over the last three decades (Borins, 2001, 2002). In several countries, such as Australia, Canada, Italy and other, public sector innovation awards have recognised different aspects of service by Local Government (LG). These awards help to identify core characteristics of an innovative organisational culture as well as those unique characteristics reflecting cultural norms in each country.

In appreciating the nature of these different awards we take as a starting point that innovation is a 'socially constructed concept, rather than an objective feature of change' (authors' emphasis) (Newman et al 2001). This idea has recently been reframed by Adolf et al (2013) who contrast culture and cognition as the overarching factors conducive to innovation. Their view is that innovation occurs both as a result of contextual factors (culture, policy, resources) and cognitive factors (knowledge, skills and capabilities).

Research into innovation in public sector organisations in the United States has been carried out since the mid 1980s when the Harvard Kennedy School first sponsored innovation awards. The applications created a source of information for research into what makes for innovation in the public sector (Borins, 2014). In his review of the use of this information Borins (2014) acknowledged the initial work of Levin and Sanger (1994) with their book: *Making Government Work: How Entrepreneurial Executives Turn Bright Ideas Into Real Results*. Levin and Sanger interviewed managers from award winning public sector organisations and from this drew conclusions about innovative management strategies. In his review of their work Light (1996, 124) recognised that 'the book remains clearly focused on what the individual manager/executive can do, not how to create organizational settings where innovation occurs more naturally'. Our emphasis in this paper is on the latter notwithstanding an eye on the role of creative individuals and organisational leaders, not necessarily one and the same.

Our focus in this paper is on innovation in LG. This level of government is pervasive throughout the world. Typically, it is the closest level of government to communities delivering, primarily, place-based services that impact the daily lives of citizens. However, as a sub-national level of government they are inevitably dependent on either state or provincial governments in federal systems (such as Australia, and Canada) or directly to the national government as with unitary systems (such as the United Kingdom and New Zealand).

LGs' relationships with local citizens on the one hand and central government on the other create challenges often placing them in a quandary as they manage competing demands. The way in which individual LGs innovate to meet the unique local needs of their communities creates a diverse range of structures and strategies, potentially the source of inspiration to other LGs around the world often struggling to meet local demands with limited resources.

This paper aims at investigating what is innovation in LGs, what are its features and what are the conditions that foster innovation in this specific setting. It does so by reviewing relevant literature on innovation in a broad sense and, more specifically, related to LGs. It is organized into five sections: the next section provides some definitions of innovation and discusses the mean elements under which innovation emerges. The second section more specifically focuses on innovation in LGs and it is followed by a section that explains what are the features of an innovative LG. Section four deals with the strategies to create an innovative culture in LG and provides a framework for analysis and it is followed by the conclusions.

WHAT IS INNOVATION AND HOW DOES IT OCCUR?

The literature is resplendent with attempts at precise definitions, but, as Adolf et al (2013, 27) note, with concepts like democracy and knowledge it is difficult to define innovation especially as it is frequently employed and, we suggest, in so many different ways. Popp et al (2014) also note that 'there are a variety of definitions of innovation, but most include the notions of innovation as both products and/or processes and of being either radical and/or incremental in nature. Innovation can be derived from existing knowledge (adoption) or generated through new creative action (origination) (Kuhn, 1985).' We accept this wide-ranging view of innovation simply because it enables a broad church for discussing innovation in LG. Our aim is to be inclusive with what is regarded as innovative for a particular LG organisation and its community, rather than to set narrow limits and to exclude.

As we have mentioned above innovation is now seen as a socially constructed process (Newman et al 2001, Adolf et al. 2013). Adam and Westlund in their compendium (2013) give weight to this idea by showing that culture and cognition are two interrelated factors influencing the potential for innovation to occur. Lewis and her colleagues (2013, 360) in their Australian study on municipal governments 'provide solid evidence that the networking patterns of recognised innovators are indeed different from those people who are not recognised as such'. This is a dimension of culture that Adolf and her colleagues (2013) assert is a counterpoint to cognition, or individual level creative characteristics contributing to innovation. Another way of conceptualizing the process of innovation is to see it as occurring at multiple levels in an organisation.

Drazin et al (1999, 286) reviewed assumptions about the levels of analysis embedded in the extant literature on creativity in organisations'. They identified how the literature on the role of creative individuals in the workplace (focused on the important work of Amabile, 1983, 1986, for example) on innovation had expanded to include group, social-psychological and the organisational level. The contemporary literature now frames innovation as a socially constructed concept capturing the individual, organisational and cultural dimensions.

Drazin et al (1999, 287) defined creativity as 'the process of engagement in creative acts, regardless of whether the resultant outcomes are novel, useful, or creative'. Their process

orientation to creativity 'focuses [their] inquiry on how individuals attempt to orient themselves to, and take creative action in, situations or events that are complex, ambiguous, and ill defined. In other words, this is an issue of how individuals engage in sensemaking in organizations.' (Drazin et al 1999, 287, referring to Karl Weick's (1993, 1995) concept of sensemaking).

The concept of 'sensemaking' also helps us to appreciate how the innovation process unfolds. Using a quote from E. M. Forsters' *Aspects of the Novel* (1956) Weick, regarded as the leading contributor to the idea of sensemaking asserts: 'How can I tell what I think till I see what I say?' He argues that as we take action we develop greater understanding of our situation, opportunities and challenges. Drazin et al. (1999) suggest that the innovation process in organisations occurs in much the same way.

If we assume that innovative outcomes are the end result of a process of learning and experimentation it is difficult to identify when the steps that led to an innovative outcome began. We think this is a pointless task. A more helpful approach is to identify the contextual characteristics that give rise to innovation. We assume there will be both individual and cultural characteristics that will shape the innovation process thus defining it differently in three different cultures.

WHAT IS INNOVATION IN LOCAL GOVERNMENT?

In the late 1990s Martin participated in the annual selection of Australian LG award winners as part of the annual Australian Government sponsored program of awards for innovation and excellence in LG. He subsequently undertook research to find out what contributed to innovation in the award-winning LGs to identify what contributed to their innovative organisation culture. Martin's (2000) research, funded by the Australian Housing and Urban Research Institute, is available on their web site1.

When Martin's (2000) research was first undertaken in the late 1990s there was little, if any such research on innovation in Australian LG. This is largely the case, with a few exceptions including Professor Mark Evans' (Director of the Institute for Governance and Policy Analysis at the University of Canberra and previously Councillor with York City Council in the United Kingdom) research report for the Australian Centre of Excellence in Local Government (Evans et al, 2012). It is telling that from his focus group interviews with LG CEOs that the word itself – innovation - was often seen as a barrier to genuine innovation and change:

'one of the main obstacles to innovation in local government is the use of the term 'innovation' itself which has become a synonym for stagnation. Hence, the first step in building an innovation culture is to ban the use of the term 'innovation' and

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1 https://www.ahuri.edu.au/__data/assets/pdf_file/0025/7297/innov_localgov.pdf, accessed 21 July, 2018

replace it with a language that reflects the needs and aspirations of the community. The evidence from our focus groups is that this is best located in the language of problem-solving and learning.' (Evans et al, 2012, 6).

We agree with this view from the CEOs. Innovation, like sustainability and resilience, and democracy and knowledge as we have mentioned above, has been overused in many ways such that their true meaning is lost.

Our earlier and continuing focus on the factors that contribute to an innovative culture in LG would concur with this finding that problem-solving and learning are fundamental processes of effective management and change, However, subsequent research (Kloot & Martin, 2000) revealed that LG organisations in Australia did not manage problem-solving and learning in a planned, strategic manner with very little, if any, information collected on these processes in council organisations.

An innovative organisation culture is a place where individuals are open to and seek new ways of working. They are interested in finding both efficient and effective ways of working. The implied belief system is one of good service in finding the best way to provide LG services to individuals and the community. In some cases, innovation implies the search for new solutions to problems, in other cases it implies a new design of production processes that avoid those problems. The rhetoric of public value is espoused and realised. We have all experienced organisations that surprise us from our first interaction at the reception through to discussions with executive management. In truly innovative LG organisations there is a seamless transition regardless of whether it is through an interaction with a community member or with a major developer seeking advice. All comers are assisted with their enquiries. This does not always happen as a matter of course. In innovative organisations this level of service is thought through and planned for, and ideally measured so that the organisation can assess its performance against standards, most importantly of their own making so that changes can be made as appropriate. The Business Excellence Framework2 in Australian Local Government is an example of this process in action; a program being adopted by councils across the nations seeking to innovate and improve service delivery.

Our review of the innovation literature over the last decade reveals that the fundamental principles of innovation have not changed dramatically. We have had variations on the idea with Christensen et al's (2006) 'disruptive innovation, and a growing interest in 'open innovation' loosely defined as the way in which organisations embrace innovative practices from elsewhere and making them their own are two examples of variations on the theme.

However, before we review the strategies Martin's (2000) identified as creating an innovative culture in Australian LG – which is our starting point in diagnosing innovation in LG - we need to identify what an innovative LG would look like when we observe it in action. There is an important distinction between what contributes to innovation and

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2 http://www.saiglobal.com/business-improvement/process/excellence/local-gov.htm Accessed 21 April 2015

what innovative outcomes actually look like. Innovation award programs usually focus on the latter whereas it is the former that local leaders are interested in as they seek to shape their organisation to achieve these outcomes.

WHAT WOULD AN INNOVATIVE LOCAL GOVERNMENT LOOK LIKE?

From the academic literature and our own observations we have identified seven propositions about innovation in LG. Literally defined as 'the action or process of innovating'[3] innovation has been claimed by many, from the mundane to those that are truly inspiring. From improvements in service delivery, for example, to transformational strategies using information technology changing citizen access to information making for more democratic decision making in LG. Importantly we recognise that innovation is ongoing in the public sector, faster in some parts than others. As to why is of interest to our ongoing research in this area. These propositions are that innovation:

1. Is a socially constructed concept. What is seen as innovative in one organisation may not be seen so in another, and vice versa. This is most obvious with cross-cultural comparisons. There is also considerable variation within nations states as to what constitutes innovation (*What is valued in this organisation, society, broader culture?*).

2. It is ephemeral; short lived and transient over time, fleeting in an organisation's history (*When did this innovation occur and what has followed it*), unless:

3. It is sustained by an appropriate style of leadership. One that encourages creativity and the resulting innovation (*Where is the leadership for this innovation?*).

4. The characteristics of such a leadership style are known and can be observed. It is possible to manage an organisation such that individuals closest to the work can experiment and explore new ways of working (*What are these characteristics and can they be accounted for/measured?*).

5. These characteristics must occur at all levels within the organisation for an innovative culture to flourish. Executive leadership matters but for innovation to occur it is much more than simply at this level (*How has the organisation as a whole embraced the process of innovation?*).

6. The external environment will drive change and subsequent innovation within organisations. Legal and technical change, for example, demand organisations change or die (*What are the external drivers for change and how has the organisation adopted and innovated around these drivers?*).

7. Only a few organisations within any industry are truly innovative in the sense that they create something that is entirely new and genuinely revolutionary

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3 https://en.oxforddictionaries.com/definition/innovation, Accessed 10 August 2018

causing others to follow (*What have been the consequences of this innovation across the organisation's industry?*).

STRATEGIES TO CREATE AN INNOVATIVE CULTURE IN LOCAL GOVERNMENT: A FRAMEWORK FOR ANALYSIS

In order to analyse specific organisational behaviour we need to provide a framework for analysis. What was it about the organisational setting that contributed to their success? What did they do to display these characteristics? How is the organisation structured and managed to facilitate an innovative culture?

In his research on innovation award winners in the National Awards for Excellence in Australian Local Government Martin (2000) identified eight strategies contributing toward an innovative culture in LG organisations:

1. The key role of creative individuals
2. Responding to external pressure for change
3. Encouraging experimentation and the search for new ideas
4. Networking with other organisations
5. Building on absorptive capacity
6. Building Innovative Capacity
7. Managing flexible organisation structures
8. Having a long-term community focus

In this section we will revisit these strategies updating them in terms of the contemporary literature, applying - as best we can - to the institution and organisation of LG.

1.   The key role of creative individuals

An important first principle is the need for creative people to push the imagination of colleagues such that they can conceive of new ways of working. Harvard's Therese Amabile (1988, 1998) has been most helpful in developing our understanding of the nature of individual creativity. She asserts that 'within every individual, creativity is a function of three components; expertise, creative-thinking skills and motivation. Can managers influence these components? The answer is an emphatic yes – for better or for worse – through well placed practices and conditions' (Amabile 1998).

Martin (2000) noted the paradox that individuals are central to the innovation process in organisations. In the innovative councils, he observed a tolerance for individual creativity. In fact, it was the norm that managers encouraged a process whereby creative

ideas and initiatives were allowed to be played out. The organisation culture was such that creative discussions were commonplace and tolerated by managers and colleagues alike. In contrast to this encouragement of creativity we recognised Staw's (1990) suggestion that 'creativity results from the combination of high variation and high selectivity. To have a creative response requires widely varied input to the problem. Yet, the wider the variety of input the more selectivity must be used to decide which of the alternatives to retain' (p. 289). The managerial role is imperative here: to give focus to creativity without stifling its source.

In a more recent summary of current research and theory on the sources of innovation and creativity, both in individuals and organisations, Adams (2005) reviews the literature on Amabile's three components; knowledge, creative-thinking skills and motivation to give us a more nuanced understanding of these components and how they interact with each other.

Being knowledgeable requires both specific knowledge and contextual knowledge. In LG we expect the civil engineer, for example, to have quite detailed professional knowledge related to the design, construction and management of the physical infrastructure. Working in a 'political management' organisation where limited choices are decided by the elected councilors, each with an agenda trading votes with others to ensure they achieve as much as they can for their constituents within the political process, the engineer must also have a good general knowledge of these political processes: to appreciate them but not become entrapped by them. This requires a whole different level of understanding and a set of social and diplomatic skills to negotiate their way through.

Adams (2005, 5) suggests 'the best profile for creativity is the T-shaped mind, with a breadth of understanding across multiple disciplines and one or two areas of in-depth expertise. She notes that 'one way to improve breadth is to team up with people with different knowledge bases (Adams 2005, 6). This happens across innovative LGs as they team up to address issues which require a comprehensive approach across the functions of LG.

Importantly it is not enough to have creative people working in the council organisation. It is essential that creativity is celebrated such that the mix of creativity across the council is brought to bear on the issues and challenges before the council and its community. The leadership role of elected members in recognising and celebrating creative approaches to problem solving combined with the managerial role of designing the organisation to allow for cross fertilisation of ideas across council function is an essential combination for the overall leadership of LG in communities.

2. Responding to external pressure for change

In his 2000 paper on innovation in local government Martin highlighted the broader policy context in which Australian LG had to respond. At that time, the provision of public services via the private sector was centre stage in intergovernmental relations with the National Competition Policy agenda. While LG have a uniquely local focus it is both

their strength and their weakness. A strength because they are able to relate to individuals and households on a daily basis through the delivery of services. A weakness because they must always have an eye towards what is happening in central government (state or provincial and the federal government) and to be prepared to respond to these broader agendas.

Over the last decade there has been a shift in attention from government away from a preoccupation about the optimum mix of public and private sector provision of public services to concerns about citizen engagement and involvement in local decision making. New Public Management (NPM) has faded in the shadow of New Public Governance (NPG) as central governments extol the virtues of deliberative democracy techniques of citizens' juries and local polling. Early on this shift was met with some cynicism about the true intentions of governments with these approaches (Herbert-Cheshire, 2000).

There are also many other changes impacting LG from world economic change, such as the Global Financial Crisis (GFC) in 2007, as well as technological change and the rise of social media and online services. Structural changes such as an ageing population, a more mobile society, pressure to take more refugees from troubled states are externalities that impact LG policy.

Council and municipalities that are externally oriented are continually monitoring the political, economic, social and environmental context in which they operate. Those who take seriously the possibility of external shocks have comprehensive strategic processes such that they receive early warnings as to the policy storms over the horizon.

In many developed countries sub-national governments are mandated that they engage in strategic planning and management as part of their electoral cycle updating council's strategic and corporate plans as well as performance reporting and evaluation of the LG effort. As with innovation everywhere the early adopters in LG were using these techniques seeing them as worthwhile management practices well before central state governments mandated they be done. How effective they are, remains a function of the preparedness of elected councillors and senior managers working together to appreciate the circumstances surround their community and to plan accordingly for sustainable outcomes. In innovative councils we would expect to see a proactive attitude to comprehensive strategic and corporate planning backed up by effective performance measurement and management practices down through the council organisation (Martin & Spano, 2015).

Councils open to the opportunities and challenges of external changes would also be working with the state/provincial representatives as well as member of the national government. Many councils, certainly through the work of their mayors, meet regularly with representatives from central government to ensure they are informed of the changes coming from this level of government as well as ensuring they are updating their representatives on the situation facing their communities and the LG administration. A first step in responding to external pressure for change is to know what that pressure is as soon as it starts to rise.

3.   Encouraging experimentation and the search for new ideas

Consistent with Weick's (1993, 1995) notion of 'sensemaking' innovators experiment in their search for new ideas and ways of working (Martin, 2000). The challenge is how to take measured risks and to monitor and evaluate progress to ensure the best outcomes. Innovators run comparative programs such that they can see which ones are most efficient and effective. In Canberra, for example, in the Australian Capital Territory, in the mid 1980s in early days of NPM the ACT Government decided to run an in-house waste collection for northern suburbs of the city and through competitive tender invite the private sector to provide a service to collect waste on the southern side of the city. The performance of both the public and private approaches was monitored over time. Both groups effectively competed to provide a sustainable waste collection service such that the ACT now has one of the most sustainable waste collection, recycle and reuse systems in the country. A model on which many other urban waste collection systems are now based. The improvements in the ACT waste collection service have been the basis of ongoing experimentation in service improvement over the last two decades. Importantly it is performance based being subject to community scrutiny.

The academic literature highlights the central role of leadership in creating the opportunity for experimentation in organisations. The work of Kottler (1994) and his notion of 'productive risk taking' (Martin, 2000) is still relevant today, reflected in the ACT Government's waste collection improvement strategy outlined above. The innovator successfully balances the productive outcome in the long run against measured risk taking. To do this they must be able to monitor their performance in such a way that they receive relevant and timely information (Martin & Spano, 2015).

Councils encouraging experimentation and the search for new ideas would be structuring the internal dialogue such that people from across the organisation would be able to focus on how their respective roles could help address contemporary issues. They will be asking; is there clarity around the outcomes that LG is wanting to achieve? Has the council engaged in a constructive and purposeful way with key stakeholders? And, do they have an effective information system in place that provides valid and reliable information related to outcomes?

4.   Networking with other organisations

Our early work (Martin, 2000) focussed on Kraatz's (1998) research on the learning that occurs through inter-organisational networks. These connections mitigate uncertainty and promote adaptation. They also promote social learning of adaptive responses. Subsequently, Keast et al (2004) found that innovation is an important function of networks because it is critical to addressing complexity.

For LGs it is important to have structures that facilitate interorganisational networks. The recent literature typically focuses on network governance (see Provan & Kenis' 2008 typology). Our research suggests that networks based on mutual interest in LG service

delivery are just as influential if not more so than those more formally constituted. Popp et al. (2014) in an extensive review of the inter-organizational network literature found benefits and limitations, the latter related to the transaction costs associated with participation. Martin (2000) found that innovative councils discounted this overhead cost of engagement and worked proactively on the basis of trust, goodwill and mutual benefit. Innovators are driven by their spirit of inquiry, not limited by their concerns about time spent or the likelihood they will be let down. Popp et al. (2014) note that the benefits of an innovative culture, one where councils are open to networking with other organisations, are realised in these organisations where they develop more nimble (flexible) structures and as such are able to change as needs arise. They cite benefits such as shared risk, advocacy, positive deviance, innovation, flexibility and responsiveness (Popp et al, 2014, 10).

5.   Building on absorptive capacity

Martin (2000) citied the work of Cohen and Levinthal's (1990) explanation of the concept of 'absorptive capacity' (a paper that has now been cited over 25,000 times). They noted that 'the ability of a firm to recognise the value of new, external information, assimilate it, and apply it to commercial ends is critical to its innovative capabilities'. They referred to this as the 'firms absorptive capacity and suggest that it is largely a function of the firms level of prior related knowledge' (Cohen & Levinthal, 1990, 128).

In a review of the concept of absorptive capacity Zahra and George (2002, 185) redefine it as the 'dynamic capability pertaining to knowledge creation and utilization that enhances a firm's ability to gain and sustain a competitive advantage'.

Zahra & George (2002, 198) reconceptualise absorptive capacity as:

'a set of organizational routines and strategic processes by which firms acquire, assimilate, transform, and exploit knowledge for purpose of value creation. Emphasis on dynamic capabilities geared toward strategic change and flexibility wherein firms create and exploit new knowledge by transforming acquired knowledge'.

This view is helpful in that it requires agreement on value, also a recent debate in LG that has been taken up in the Australian context. Stoker (2006) argues a focus on public value helps facilitate network governance, also a process, which we would expect, facilitates absorptive capacity. He asserts that:

'networked governance is a particular framing of collective decision making that is characterized by a trend for a wider range of participants to be seen as legitimate members of the decision-making process in the context of considerable uncertainty and complexity. The pressure is on to find new ways to collaborate as the interdependence of a range of individuals and organizations intensifies. (Stoker, 2006, 41).

The opening up, if you like, of our public organisations in this way demands direction around principles and values if these new ways of working are to be purposeful and effective. This opening up facilitates absorptive capacity (Zahra & George, 2002). If it is part of a conscious managerial strategy it is knowable, measurable and can be changed.

6. Building Innovative Capacity

A more structured process supporting innovation in LG is the way in which education, training and development is conducted in council organisations. The higher the level of awareness across the organisation the more likely it is that new ideas will be framed and considered. Research by Kruger and Johnson (2011) revealed a correlation between knowledge management and organisational performance, and vice versa. Building innovative capacity through staff development program and effective knowledge management will create the context for innovation.

Martin (2000) referred to the seminal work of systems theorist Fred Emery (1974) who with Eric Trist were instrumental in the development of socio-technical systems of organisation design in the 1960s and 70s (Emery & Trist, 1965). Their view of effective work design was to ensure there was a degree of overlap in the knowledge and skills of team members such that if one person was away the team would still be able to function. It also means that as overlapping and complementary skills developed in a work organisation there was more opportunity for innovation to find new ways of working. But this was not a by chance happening. Emery was of the view that this was part of the managerial role to organise in such a way that people supported each other and worked to together to find the best use of new technology.

7. Managing flexible organisation structures

As local service organisations LGs are typically designed as functional matrix organisations with functions dominating around resource considerations. These functions work together in a matrix arrangement when new projects are proposed and being development when different skills: planning, design, engineering, costing and budgeting, for example, are required to develop a new piece of physical or social infrastructure. Hobday (2000, 871) found that:

'The [project based organisation structure] is able to cope with emerging properties in production and respond flexibly to changing client needs. It is also effective at integrating different types of knowledge and skill and coping with the project risks and uncertainties common in CoPS projects. However, the PBO is inherently weak where the matrix organisation is strong: in performing routine tasks, achieving economies of scale, coordinating cross-project resources, facilitating company-wide technical development, and promoting organisation-wide learning'.

The challenge for LG managers, responsible for both efficient delivery of routine and the development of new ways of working, is when and how to make the switch from functional to matrix structures. Contingency theory is the basis for much discussion of organisation design: form follows function. Yet there are things managers can do as part of the routine nature of LG service delivery to create opportunities for innovation via the cross pollination that comes through the mixing of functional interests.

Most LG councils will have weekly executive team meetings at which whole of organisation issues are discussed along with specific functional projects and services. It is at these meetings that opportunities arise whereby initiatives can be taken to introduce organisational flexibility.

It might be, for example, through staff rotations (to fill longer term absences where staff are exposed to the workings of other sections, and vice versa). Larger urban councils in Australia provide quarterly job rotation for new professional staff such that they get an overview of the whole organisation. For smaller rural councils these opportunities do not exist, however, the paradox is, they have the benefit in that being small people will have a better idea of what is happening across the council organisation than if they were in a much larger council where such awareness is masked by the size of the organisation.

It must not be ignored that some specific elements, such as the LGs size, or the existing legislation may hinder the possibility to be flexible. However, LGs may and should act to increase their flexible adaption to a changing context.

8.   Having a long-term community focus

The challenge for LG around the world with its typical four-year electoral cycle is to meet immediate community needs while planning and investing for long-term outcomes. Building infrastructure that is safe and efficient and lasts beyond the expected life of such investments is a challenge for all levels of government, especially LG with its focus on place-based services.

LGs in different states are required by law to determine community, strategic and corporate business plans. In some states they are also required to do integrated planning. That they are required to do what would appear to most people to be common sense recognises the political expediency of the doing things within the four/five year electoral cycle. It is rare for an elected body to make long-term decisions at the choice of shorter-term ones. Effective leadership, both political and managerial take actions that allow them to balance these perspectives. The most effective outcome is not always the most expensive, which is where our interest in innovation intervenes. It is possible that a transformation of a service means that community needs are met but in a new and more efficient manner. This might include public private partnerships, for example, in areas previously provided in-house. The possibilities are endless.

Some LGs have also developed long-term rolling plans with say 25 or 30 year time lines in addition to the formal requirements of annual plans within a four year community and

corporate planning process. Importantly, the latter also provide information which can help the organisation manage its performance over time (Martin & Spano, 2015).

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CONCLUSIONS

In reviewing Martin's (2000) earlier work identifying the characteristics of innovative LG organisations our ongoing observations working with a range of LGs suggests that the original eight tenets hold true in contemporary LG. Those factors that create the environment for innovation to occur are the same today as they were two decades ago.

The process of innovation waxes and wanes over time as these tenets become prevalent and interact in a myriad of ways. Managers wanting to create an innovative LG culture would need to focus on all eight creating the context for innovation around the vision, goals and objectives of the council of the day. This is, we believe, the leadership and management challenge in contemporary organisations.

The papers that follow in this journal demonstrate how these various tenets interact leading to innovative local governance solutions to a myriad of different local challenges.

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