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policy brief

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Innovation for basic service delivery: Enhancing municipal innovation maturity

Summary

The Municipal Innovation Maturity Index (MIMI) is a tool for assessing the capabilities of municipalities to support innovation for improved basic service delivery. The tool was developed by the Human Sciences Research Council (HSRC) in response to the general lack of appropriate instruments for understanding and evaluating the innovation capabilities of local and district municipalities in South Africa. This study was aimed at investigating the extent to which municipalities develop their innovation capabilities as a result of exposure to innovations in distressed municipalities as part of the Innovation Partnership for Rural Development Programme (IPRDP). The results reveal a marginal increase in the overall innovation maturity of the municipalities that were surveyed, suggesting that learning is taking place due to participation in the IPRDP. The MIMI results further reveal that even though municipalities are aware of and understand basic service delivery innovations, they have yet to reach a stage where innovation principles are entrenched in their organisations. The organisational enablers to foster an enabling environment for innovation maturity are generally lacking. In terms of leadership and management support for innovation, we stress that more should be done to encourage staff to learn. Moreover, local municipalities should be supported to strengthen their innovation capabilities and embed innovation in local government.

Policy context

Local municipalities are concerned with delivering basic services and improving the wellbeing of the people in their areas. The consensus among policy makers and researchers is that innovation can play an important role in enhancing the quality of and access to basic services. The question is: How ready are municipal officials, and municipalities as organisations, to foster public-sector innovation in the local government space? In other words, are the municipalities (mandated to be developmental in their approach) capable of finding and implementing innovative solutions to pressing basic service delivery backlogs or breakdowns in distressed municipalities and rural communities (see Ramoroka, Booyens & Jacobs 2017)?

The direction of the South African science, innovation and technology (STI) policy environment points to research and innovation aimed at addressing basic community needs (including service delivery) and reducing the total cost of infrastructure. Thus, the local STI policies embrace a development agenda, which provides the rationale for innovation to ensure pro-poor benefits and enhance inclusive development (see Ramoroka et al. 2017). This policy focus coincides with the constitutional imperatives to improve access to water, sanitation, education and housing, as outlined in the Bill of Rights and aligned with the Batho Pele (people first) principles of the public service.

The Department of Science and Innovation (DSI) has been instrumental in promoting policy shifts towards innovation for inclusive development. Key policies include the recent draft White Paper on Science and Technology (2018) and the Innovation for Local Economic Development Strategy (2016). In addition to the work of the DSI, a number of government departments and agencies support the advancement of public-sector innovation towards promoting development. The Centre for Public Service Innovation hosts events (including conferences, workshops and training programmes) where decision-makers and practitioners are exposed to innovative practices and experts provide guidance on building an innovative public sector. Innovation has been embraced by a number of government departments, including the Department of Cooperative Governance and Traditional Affairs (COGTA – see the Back to Basics Strategy, 2014), Department of Human Settlements (Breaking New Ground in Housing Policy, 2004), Department of Water and Sanitation (National Sanitation Policy, 2016), and the South African Local Government Association (SALGA – see Smart Cities Development Framework, 2018). The Extended Public Works Programme, which has been adopted by various government departments and provides employment and training opportunities to the poor, is considered a further example of public-sector innovation in South Africa. In addition, SALGA regards innovation as strategically important for service delivery in the context of developmental local government.

Table 1: MIMI maturity level descriptions

Maturity level 1	Maturity level 2	Maturity level 3	Maturity level 4
Limited, if any	*Define and apply*	*Manage and entrench*	*Share learning externally*
Limited, if any, awareness or evidence of innovation on the part of individual officials or the organisation.	Innovation is defined, applied and repeatable. Officials understand innovation principles, but innovation activities occur irregularly.	Innovation is managed and innovation principles are entrenched in the organisation. Officials seek to optimise and evaluate solutions, and improve on these for internal benefit.	Innovation is open and outward looking. New knowledge is applied creatively, based on evidence, in different contexts and shared with others outside the organisation.

Source: Economic Performance and Development (EPD) Research Programme (HSRC) 2016

A key consideration in the take-up of public-sector innovation is the capabilities of public officials and the maturity of organisations to learn, identify and implement innovations in order to ensure sustained organisational growth. They should also be able to share ideas (knowledge) about innovations with relevant stakeholders for greater innovation diffusion at various levels of government – be it local, regional or national. To make this a reality, appropriate measurement tools are required to obtain reliable, timely and meaningful information about the innovation capabilities of municipal officials and their organisations (Sinyolo, Booyens & Jacobs 2018). It is against this background that the MIMI was developed by the HSRC as a tool to assess and develop the innovation capabilities in the public sector. The aim of this policy brief is to outline the extent to which municipalities develop their innovation capabilities as a result of officials' exposure to the basic service delivery innovation component of the IPRDP.[1] As partners in the IPRDP, officials were engaged in knowledge exchange with universities, science councils and other implementing agencies over a period of three years. As local representatives, they were responsible for knowledge diffusion to local communities, other municipalities and municipal departments.

What is the MIMI?

The MIMI measures the capabilities of individual employees and the organisation to learn and implement innovation. The tool determines the innovation maturity (see Table 1) of municipalities to adopt innovations aimed at improving the delivery of basic public services, particularly water, sanitation and energy.

The MIMI framework consists of 33 items (or indicators), organised into four constructs, assessing the extent to which:

- the organisation (municipality) offers an enabling environment for innovation;
- municipal management provides leadership and support for innovation;

1. This brief is part of a series of policy briefs. Two other policy briefs focus on lessons learned in the demonstration of IPRDP technologies in rural settlements (see Hart et al. 2018) and the experiences of communities exposed to IPRDP technologies.

- individual officials learn and expand their innovation capabilities; and
- innovation is regarded as important for the municipality's activities and processes.

The process of developing the MIMI instrument involved several steps. The first step was to design the tool based on literature regarding innovation capabilities, government maturity, public-sector innovation and capability maturity models. The instrument was then tested by interviewing 18 officials from six local municipalities, not participating in the IPRDP, after which the instrument was revised. The final instrument was used to conduct two surveys. Officials involved in the IPRDP, and their managers, were interviewed in a sample of IPRDP districts. The first round of data was collected in November 2016 and included interviews with 34 municipal officials from six municipalities. The second-round survey was completed in November 2017 and 30 municipal officials from four of the original six municipalities were interviewed.[2]

MIMI results: The effect of IPRDP exposure on innovation maturity

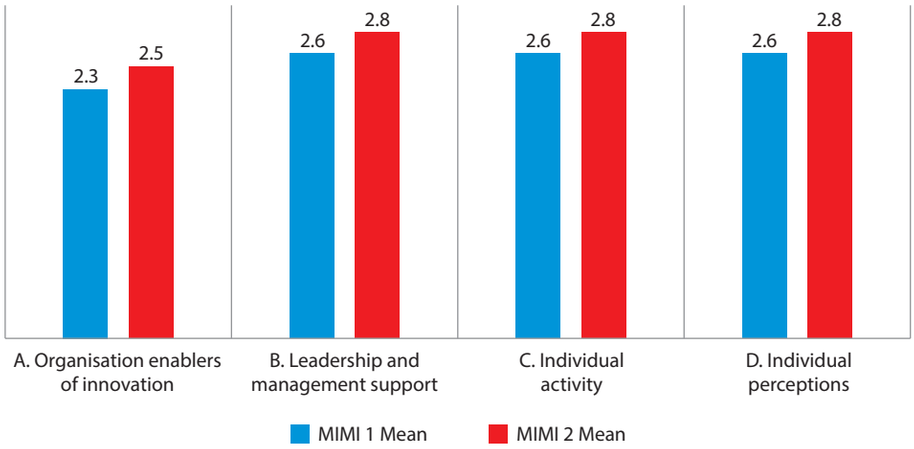
In terms of the simple average scores for both survey rounds, a marginal increase in the overall innovation maturity of municipalities is observed. In round one of the survey (MIMI 1), the total average score was 2.5 – increasing to 2.7 in round two (MIMI 2). The increase in the maturity levels suggests that learning is taking place due to exposure to the IPRDP. However, none of the municipalities surveyed reached maturity level three or four in either of the survey rounds, indicating that innovation principles and practices have not been adequately entrenched in the municipal operations, nor have the municipalities begun to actively share knowledge with other stakeholders to diffuse innovation for wider impact. This is not unexpected, since the development of an innovation orientation along with innovation capabilities at organisational level are long-term strategic objectives.

Figure 1 shows the average scores for the MIMI constructs. To determine the effect of IPRDP exposure on organisational innovation capabilities, Construct A (Organisational enablers of innovation) and Construct B (Leadership and management support for innovation) are unpacked further. Marginal increases are observed in both constructs, in line with the overall increase between MIMI 1 and MIMI 2. However, Construct A scored lower than Construct B in both rounds, which indicates that municipal officials felt that the innovation maturity of their managers was higher than the organisational maturity of the municipalities to provide an enabling environment for innovation.

Further analysis was done to indicate the specific items that were scored the lowest or highest in order to make recommendations for specific interventions by these municipalities to improve their innovation capabilities. For this purpose, the data from the two surveys were pooled and analysed. Construct A is considered first (Figure 2). Whether innovation is linked to the overall organisational strategy and the allocation of human resources for innovation scored the highest. This suggests that the municipalities which have been exposed to innovation through the IPRDP are making an effort to align their strategies and staff with their innovation objectives. However, physical resources, knowledge management tools and staff incentives for innovation emerge as areas for improvement. These indicators scored the lowest (2.2 or below). At the same time, the effectiveness of municipalities in delivering basic public services and financial resources for innovation also scored quite low (2.3 and 2.4 respectively).

Attention now turns to Construct B. Figure 3 shows that leadership and management support for the assessment of the physical environment and community needs for innovation interventions are at a high maturity level. However, support from managers in terms of encouraging staff to learn, deepening their understanding of innovation processes, and promoting accountability and transparency are issues of concern.

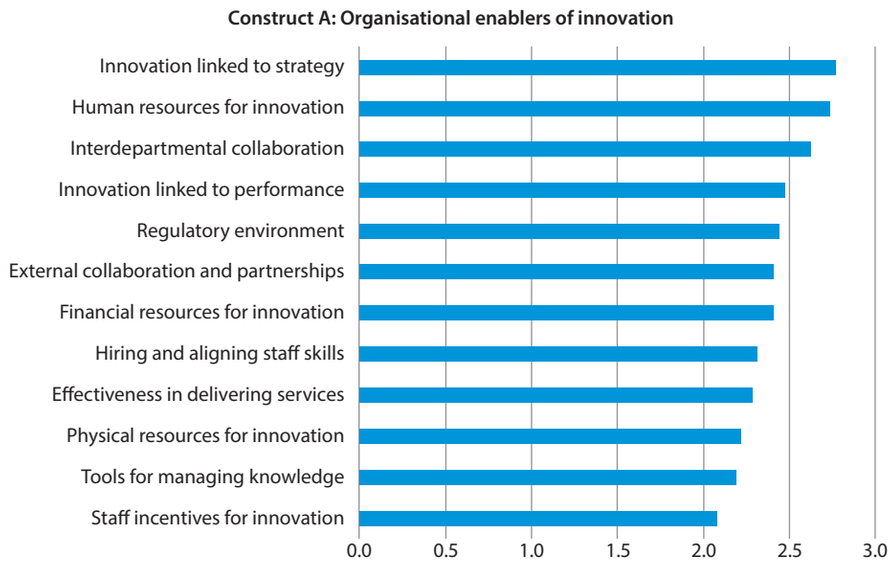
Figure 1: Average (mean) scores per MIMI construct



Source: EPD (HSRC) 2018

2. Two of the six municipalities fell out in round two because they withdrew from the IPRDP.

Figure 2: Average scores per item in Construct A



Source: EPD (HSRC) 2018

Figure 3: Average scores per item in Construct B

Source: EPD (HSRC) 2018

Conclusions and policy actions

To improve basic service delivery, municipalities no doubt require new or improved ways of doing things (i.e. an innovation orientation). Yet, the level of innovation maturity and the extent to which municipalities learn and improve their innovation capabilities are largely unknown. The findings of this study indicate that while the municipalities are beyond the maturity level of awareness and understanding of innovation, they have not reached a stage where innovation principles are entrenched in their organisations. Also shown is that exposure to the IPRDP has resulted in a positive increase in innovation maturity, albeit marginal. This increase indicates that learning is taking place due to exposure to IPRDP activities and that this learning should lead to further innovation maturity in the medium to long term. Therefore, it is recommended that municipalities should continue to be exposed to innovation projects such as the IPRDP to foster and nurture innovation-driven basic service delivery. In particular, the learning forums, held as part of this research, in which municipalities and other organisations involved in the IPRDP participated, is a powerful example of self-reflective learning towards fostering innovation maturity. At these learning forums, participants from different municipalities, in different positions and with different perspectives, shared their experiences and collectively learned about the multiple realities of implementing the IPRDP in different locations across South Africa.

The study also shows that the organisational enablers to create an enabling environment for innovation are generally lacking. In terms of leadership and management support for innovation, the results indicate that more should be done to encourage staff to learn about innovation. In addition, a key policy insight is that local municipalities need the support of organisations in the local government system (like SALGA and COGTA), and other STI actors (like the DSI), to strengthen innovation capabilities and embed innovation at the local government level. It is recognised that there are broader governance and supportive factors which impact the innovation ability and performance of municipalities. Indicators from secondary sources should be incorporated in future refinements of the tool to contextualise the external environment in which municipalities operate.

Recommendations

Specific recommendations to enhance distressed municipalities' organisational capabilities to foster innovation maturity include the need to:

- Provide access to and allocate physical and financial resources for innovation outcomes.
- Develop management tools for innovation purposes (in other words put systems in place to record, store and retrieve learning and knowledge about potential innovations).
- Incentivise staff members based on performance targets for introducing innovations.
- Encourage learning by providing management support to individual staff members to explore new ideas and different options and to learn about innovation processes.

These recommendations are illustrated in Figure 4.

Figure 4: Enhancing organisational capabilities for municipal innovation maturity

Source: EPD (HSRC) 2018

References

Hart TGB, Booyens I, Fakudze BD & Jacobs PT (2018) *Innovation for basic service delivery: Key lessons for the demonstration of technologies in rural settlements*. HSRC Policy Brief. Cape Town: HSRC

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