

Drivers and Barriers of Public Innovation in Crime Prevention

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ABSTRACT

Public managers experience a growing demand for innovation. According to the public innovation literature, the barriers and drivers of public innovation are path dependently shaped by institutions. Based on a case study of collaborative innovation in the Danish Crime Prevention Council, the article argues that drivers emerge in a process of reactive sequences and that barriers emerge in a process of increasing returns. Through increasing returns and reactive sequences a mix of institutional elements, rooted in the two dominant steering paradigms of New Public Management (NPM) and Governance, has significantly shaped the Councils ability to innovative.

Keywords: Innovation, crime prevention, institutions, path dependency

Introduction

The current credit crisis spurs a whole new and worldwide development in public management. When financial resources are scarce, governments need to find new ways of maintaining and improving public services. Not only must governments be more effective, they also need to work smarter. This has created a growing demand for public innovation (Torfing, forthcoming; Paarlberg and Bielefeld, 2009; Armstrong and Ford, 2000). In this article innovation is defined as:

an intended, but inherently contingent, process that involves the development, adoption and spread of new, creative ideas that challenge conventional wisdom and bring about a qualitative change in the established practices within a specific context (Sørensen and Torfing, 2011).

To date, project management has not been an important issue public innovation, but projects that involve several participants have become increasingly important in public innovation. Public managers need to know more about how public innovation projects emerge in a collaborative environment. In collaborative innovation projects, it is a managerial task to make the involved actors collaborate on projects to create innovation.

This article will present the results of a case study of project-based collaboration aimed at creating innovation. The purpose of the article is to describe some of the drivers and barriers connected with this type of collaborative innovation.

Even though the innovative process is often seen as dynamic, creative and complex, it is not impossible to manage. But it is a naïve assumption that innovation is simply created by giving more freedom to the involved actors. To create innovation, the creative and dynamic element of innovation is stabilized or given direction, meaning and purpose by institutions and path-dependent behavior (see e.g. March, 1991; Hagedorn, 1996: 890; Considine, Lewis and Alexander, 2009; Edquist and Hommen 1999: 65).

Institutions make innovations in the public sector different. They create a unique political context that differs from market-driven and civil society innovation (Considine, Lewis and Alexander, 2009: 27; Halvorsen et al., 2005). So not only do we have to focus on the behavior of the actors in innovative processes, must also look at the *institutional* setup these actors are embedded in. That is why this article investigates the following question: *What are the institutional drivers and barriers for project-based innovation in public governance networks?*

To answer this question we must 1. Develop a theoretical framework that can be used to investigate the institutional conditions for innovation in the public sector and 2. Investigate the institutional barriers and drivers through empirical research.

The first part (section two of the article) will be done through outlining a theoretical approach to drivers and barriers of innovation based on institutional theory, and relate this approach to the two public steering paradigms of NPM and Governance.

The second part (section three of the article) will be done through a case study of a specific strategic process facilitated by the Danish Crime Prevention Council. The Council is chosen as a case study, because of its long tradition for inter-organizational cooperation (DCPC, 2007: 7). As part of this tradition, the Council attempted to implement a new network and project management strategy. The purpose of the new strategy was to strengthen the Council's ability to develop new innovative projects relating to crime prevention. But the strategy has not yet had the expected outcome. Only one project out of eight has been properly implemented in the last two years. In that sense it is a study of failed innovation. Besides document studies, the analysis is based on two instances of participatory observation and five interviews with employees from the Council and representatives from member-organizations. The interviews were transcribed and coded in accordance with expected institutional drivers and barriers of collaboration and project-based innovation.

After the case presentation follows a fourth section in which the institutional barriers and drivers of the Council will be analyzed. The conclusion and suggestions for future research follow after the analysis.

Institutional conditions of innovation

Institutions are often defined in terms of three dimensions (Scott, 2001). The *regulative* dimension is associated with rules and laws, the *normative* with values and norms, and the *cultural-cognitive* dimension with "shared conceptions that constitute the nature of social reality and the frames through which meaning is made" (Ibid.: 57).

Both the behavior of collective actors as well as individuals are regulated by a long list of institutional factors that on the one hand make it possible to act assertive and strategically, but on the other hand limit what and how it is possible to act, reflect and think. Even though actors are able to reflect upon themselves and the institutional design that conditions innovation, they may not be able to act innovatively, because they are not aware of the alternatives. In these ways institutions produces both drivers and barriers for innovation.

The institutional perspective is often criticised for not being able to explain how change happens. Institutions connote stability and conservatism, not change and dynamics: “[T]he theory is silent on why some organizations adopt radical change whereas others do not” (Greenwood and Hinings, 2002: 1023; Hinings et al., 2004: 304).

But the literature on *institutional dynamics* focuses on evolutionary changes of institutions (Campbell, 2004; Hinings et al., 2004; Scheuer and Scheuer, 2008). In other words, it focuses on the kind of normative, cognitive and regulative change that comes with the creation and introduction of new ideas, beliefs and convictions. Institutional dynamics can be defined as “the movement from one institutionally prescribed and legitimated pattern of practices to another” (Hinings et al., 2004: 304). In this perspective institutions are not stable and enduring. They are always relatively dynamic. New institutions created on old ones are similar but different (Campbell, 2004). Institutions are thus the subject of path dependent development (see also Hartley, 2005: 33; Considine et al., 2009: 6). So an analysis of institutional embeddedness in innovation must investigate the formal organizational conditions, value systems, political programs and meaning providing models that condition behavior in an empirical field.

Path dependency can be defined as a reactive sequence (chains of temporally ordered and casually connected events) or as increasing returns (positive feedback mechanisms) (Mahoney, 2000; Pierson, 2000). In a world of increasing returns, innovation arises from critical junctures, which influence organizations as exogenous shocks. But increasing returns would prevent organizations (and their sub-units) from taking the revolutionary consequences of the shocks (e.g. in the form of innovative behavior). In other words *barriers to* innovation emerge in processes of increasing returns. Innovative change can only be created during a long evolution (Pierson, 2000: 264). In a world of reactive sequence actors are more knowledgeable of existing institutions and consequently of how new ideas can be combined with existing institutions (Campbell, 2004). In that sense *drivers* emerge in processes of reactive sequences.

The macro-institutional landscape

Before we turn to the case study, it is a good idea to take a closer look at the macro-institutions that characterizes the Danish public sector. The public sector in Denmark has in the last 20-30 years been dominated by two paradigms of public administration, NPM (Lynn, 1998; Christensen and Lægreid, 1999; Hood, 1995; Grootand Budding, 2008) and the Governance-paradigm (Klijn, 2008: 300). These two paradigms shape and set the macro-institutional drivers and barriers for public innovation.

The NPM paradigm has been criticized for lacking the ability to prioritize organizational learning and innovation (see e.g. Stacey and Griffin, 2006). In an institutional perspective, NPM connects public organizations to a behavior that path-dependently prioritize efficiency on the behalf of innovation. Despite this critic the claim here is that the institutional conditions for innovation are much more entangled. Institutional settings rooted in NPM can also act as drivers (in the form of reactive sequence), and institutional settings of Governance can also act as barriers (in the form

of increasing returns). What matters in the promotion of innovation is the mix of the macro-institutional settings. The mix will always contain some sort of path-dependency, but the mix (or design) can more or less enable innovation. So some institutional designs are better than others. They are not better in a general sense, though. The right mix depends on the organizational context, the type and form of innovation and problem the innovation is supposed to solve.

The drivers and barriers of NPM

NPM can be described in the form of a range of NPM doctrines and reforms that have influenced the public sector in the Western World since the 1980s, including Denmark (Pedersen, 2010). As in the rest of the Western World the purpose in Denmark was to fight state bureaucracy and promote innovation through increased competition and new forms of management that rewards efficiency and innovative capacity (Melander, 2008). Originally NPM was seen as a model for seeking out new solutions (Christensen and Lægreid, 1999: 172). Different forms of contract steering and incentive steering have been among the suggested steering programs. NPM also promotes innovative corporation between organizations and sectors in the form of public-private partnerships. According to NPM innovation can be achieved by pressing the system to satisfy customer needs, focus on results and use competition and budgetary discipline that can be used to new developments (Peters and Pierre, 1998: 227; Hood, 1995: 96). The institutional perspective would claim that such innovation could only be created through a process of reactive sequence.

NPM is also criticized for lacking incentives for knowledge sharing. Any actor is for himself. NPM is grounded in the belief in economic responsibility, instrumental rationality and rational planning. Rational planning builds on the belief that change is predictable, and that it is possible to enhance the inherent rationality to the whole organization through top-down steering (Paarlberg and Bielefeld, 2009: 238). Instrumental rationality is based on the conviction that processes of innovation can be planned, or in other words that innovation is guided by timeless laws and a linear relation between cause and effect, resource, routines and relevant actors. According to the institutional perspective, these beliefs emerge in a process of increasing returns. The stronger the instrumental rationality is, the more increasing returns in the form of extent and means of control the actors gain. On the other hand rigid, rational planning can inhibit entrepreneurial behavior. A firm belief in instrumental rationality can make the actors less open to the fact that innovative solutions can emerge in nonlinear and conditional relations between cause and effect (see e.g. Stacey and Griffin, 2006).

The drivers and barriers of Governance

The Governance-paradigm is based on the need for developing new and problem oriented forms of inter-organizational steering between different public authorities and organizations. Not least are different forms of network governance essential (Peters and Pierre, 1998: 231). The purpose has been to counteract top steering and a public administration split into silos, where useful knowledge may be lost. The Governance-paradigm is often used to develop new policies that can be used to solve wicked problems (Koppenjan and Klijn, 2004).

Since the 1950s Danish public administration has developed a “system of governance” where “coordination is achieved through organized negotiations among autonomous actors in both the public and the private sector” (Pedersen, 2006: 246). The Governance-paradigm wants to contribute to the creation of a society with a strong cohesiveness (Peters and Pierre, 1998: 231). That is why the steering process must include a range of actors in the decision-making process as well as the implementation of these decisions.

The Governance-paradigm builds on the belief that increased inclusion of actors in networks creates knowledge sharing and ownership of innovative solutions. The inclusion of these actors is assumed to promote trust, ownership and exchange of knowledge through negotiations. In an institutional perspective such inclusion must follow a process of reactive sequence, where already recognized knowledge is combined with new ideas on a step-by-step basis.

The Governance-paradigm also builds on the belief that the included and relevant actors are interdependent and horizontally connected. No single actors have enough power to dominate the others (Marsh and Sharman, 2009: 275). If this belief dominates the actors of the network, a managerial vacuum can emerge in process of increasing return, since no one takes sufficient initiative to create new solutions (Bland et al., 2011).

Table 1 provides a summary of the possible institutional drivers of and barriers to public innovation that the two steering paradigms contain.

Table 1: Possible drivers of and barriers to innovation in NPM and Governance

	Drivers	Barriers
NPM	Increased focus on strategic management, goals, results, and customer satisfaction can create innovative pressure. Rational planning and instrumental rationality can be used to identify causes of innovation.	Competition gives no incentive to share knowledge development. Rational planning and instrumental rationality can inhibit entrepreneurial behavior and makes it difficult to see that innovative solutions can be created by coincidence.
GOV	Transverse negotiations between actors can promote trust and ownership. The involvement of actors can increase knowledge sharing.	Horizontality can create a managerial vacuum. Focus on consensus can lead to lowest common denominator and can bloc new ideas.

The empirical case: the Danish Crime Prevention Council

The Ministry of Justice founded the Council in 1971 (see textbox 1 for organizational data) and it incorporated members from all parts of society. The broad incorporation of actors can be seen as part of the Danish Governance tradition mentioned above.

The Council's focus in the first years was on preventing theft and robbery. A central part of the work was to develop technical standards for bicycle locks and safes. Later the 'softer' efforts were introduced, e.g. the attempt to prevent children and young people from getting into crime. The purpose was also enhanced from crime prevention to safety creating initiatives.

The most profound change in recent years was the restructuring process from 2006 to 2008. There were several sources for this change. The background was huge administrative reforms of the Danish police and municipalities. These reforms were largely grounded in the NPM-paradigm and focused on slimmer, more efficient and professionalized administrative systems. The Council saw these reforms as an opportunity to strengthen local crime prevention work (DCPC, 2007: 3-5).

The current leader of the secretariat was appointed in 2003. She saw opportunities for creating increasing efficiency. At that time all subcommittees' new initiatives were encouraged. This was a challenge to the leader, since she was responsible for personal resources and budgets making it difficult for the secretariat to coordinate and prioritize across committee budgets (DCPC, 2007: 3 and 44). At the same time the members expressed a lack of clarity, when it came to the goals and responsibility of the single committee.

This organizational reform was planned to occur in 2005. But this plan was postponed when, that year, the Council initiated a member survey among the member organizations. In this survey there appeared to be a broad interest among the members to look at the organization of the entire Council. According to the member survey, the Council was focusing too little on coordination and too little on holistic thinking (e.g. in the form of cross-sectored initiatives). The members wanted the secretariat to develop a formalized method of networking among the members that should identify and include the relevant members in close dialogue. The members also broadly requested that the secretariat become better at planning, organizing, coordinating and managing projects (DCPC, 2007: 25) for example collaborating more actively on specific subjects, and formulating ways to measure and follow up on initiatives (DCPC, 2007: 42). All these requests led to the restructuring process.

This process was also reflected in the 2007 strategy plan. Here the declared goal of the Council was to be seen – and to see themselves – as the “crime preventing project organization of society” (DCPC, 2007). The more formalized project organization also has a more internal, strategic function. According to the secretariat leader formalizing the project organization was an attempt to solve a huge problem with balancing interests among the members. In this sense the Council sees a close connection between network and project organization.

But the purpose of the new strategy has not been fulfilled. In the last two years eight projects have been started, but only one has so far resulted in a new initiative. The activity and committed cooperation around the different projects has not increased.

Despite the strategic changes, the Council still seems to fight the same barriers as was already mentioned in the 2007-survey. This has created frustration among the actors that requested change. According to the secretariat leader there is a real risk that new project will be outdated during the process. One of the network coordinators even thinks that the project process was faster before the restructuring of the Council, when projects were tied to the individual committees, though it was difficult to coordinate goals and means.

Box 1: Organizational data of the Council

The Council is a member-based organization under the Ministry of Justice. Fifty different organizations (ministries, business organizations, NGOs) are members. According to the Council they are the “central actors of society”, with the “common goal of preventing crime, even though each member has their own incentive to do so” (DKR, 2007: 7).

The Council is organized with a plenary session, an executive committee, four sub-committees, and a secretariat. The plenary session meets twice a year. The sub-committees consist of member-organizations, supporting members and experts. They meet and discuss new initiatives and problems in their field. The role of the secretariat is to gather information, facilitate and manage projects, facilitate committee meetings and communicate externally. In particular the network unit, within the secretariat, is supposed to play a key role in the integration of the network and the project organisation.

List of actors in the case study:

The secretariat:

- The secretariat leader
- The network coordinators/project managers (The Network Unit)

The Network organization:

- The subcommittees
- The member organizations and their representatives

Analysis

This section describes the institutional drivers and barriers for project-based networked innovation in the Council. The description is related to path-dependency of the macro-institutional landscape, while the Council’s strategic changes have drawn upon a combination of the mindsets and toolboxes of the NPM- and the Governance-paradigm. The question is, how the macro-institutional landscape has path-dependently influenced the Council’s attempt to develop their method of networked and project based innovation. An overview of the analysis findings can be seen in Table 2.

Institutional drivers

The Council has created a wide range of changes as part of the network and project strategy: The projects and budgets do not belong to the committees anymore, but are now anchored in the network unit of the secretariat. The committee structure has been changed, the number of subcommittees has been reduced from five to four, and the chairmen of the subcommittees must now be elected from among the members. The Council has also enforced knowledge sharing among member representatives and employees. The secretary of the committee has also got a stronger role as network-coordinators. The network coordinators are now responsible for spreading information to relevant members, as well as interviewing members to gain new, relevant information.

The committee meetings are seen as important forums for enacting the new strategy. This is where the members meet, share experiences, and interests are balanced. Here we also find a significant normative driver: According to the network coordinators the committee meetings must create *added value* for the individual member organizations, but added value depends on increased endorsement from the members. This normative orientation is in line with the governance tradition of the Council as well as the governance paradigm, which values horizontality and interdependence. Horizontality has clearly shaped the new strategy, because the purpose of the new strategy is to include the member-organizations' knowledge and experience. So horizontality works as a driver if it supports the formulation of new ideas for projects, creates ownership and commitment among the members.

The belief in interdependence as a driver for collaboration is also an important part of the Governance-paradigm. Interdependence makes it legitimate and reasonable to make different (interdependent) actors from different parts of society work together on crime prevention. To the extent that interdependence motivates member organizations and local partners to take part in projects, this belief works as a driver for the project-based collaboration.

Projects in all forms and shapes were already a part of the Council's work before the 2007 strategy plan. The plan describes how project collaboration should be conducted. The project organization has been more formalized. New projects must be based on project descriptions and pre-defined milestones. Each project must also have a project manager affiliated from the network unit. One of the network coordinators describes the role of the project manager as a 'midwife'-role. So project-management has become a stronger normative orientation of the Council. The formalized project organization is an outcome of the increased focus on management and the belief in instrumental rationality, which is related to the NPM-paradigm. The Council assumes that there is a clear connection between a stronger formal organization and more and better projects.

The strategic changes described above can also be seen as an attempt to create a reactive sequence, where the Council combines its governance tradition, in the form of the network organization, with a new NPM-oriented project organization. The purpose is to create new innovative solutions for crime prevention.

Increased evidence based work was profoundly requested in the 2007-survey. Evidence-based work is a part of the NPM-paradigm. In the debate that followed, the survey other member organizations argued that the Council should put more emphasis on experience-based knowledge. According to the secretariat leader this was a clear conflict, but the evidence-based work has a much stronger position today. "We do not feel a dilemma anymore," the secretariat leader says as a comment to the conflict between evidence-based and experience based work. This is supported by one of the network coordinators. But she connects evidence-based work to the political games of the Council. She believes that evidence-based work can create endorsement behind new initiatives and give access to more resources. So it is not used as an instrument that optimizes efficiency in the spirit of NPM, but rather as a political instrument. It can be an institutional driver, when it is connected to the political games of the Council through a reactive sequence.

Summing up, the tools and mindset of both the NPM- and the Governance-paradigm have been combined in processes of reactive sequences and thereby are able to act as drivers of innovation in the Council.

Institutional barriers

The institutionalization of the two paradigms has also created some barriers for networked, project-based innovation. Already in 2007 several committee members was worried that they would spend too much time on projects (DCPC, 2007: 43). This barrier still exists. The committee members are simply too occupied with work in their own organization. "The effort never gets whole-hearted," as one of the representatives of a member organization, says.

The lack of commitment could be caused by the absence of sufficient added value in the projects. One of the network coordinators believes that the membership to some extent resembles voluntary work. It is something at least some of the members are expected to do besides their job. For these members there may not be a direct connection between their jobs and the work of the Council, so besides knowledge sharing they are not able to harvest any added value from their membership. The member representatives are primarily embedded in the institutional universe of their own organization, and do not see themselves in any significant interdependent relation to other members. The member representatives mostly take part in the Council-meetings to share information and not to enter into specific projects. Since the founding of the Council this way of networking has been institutionalized through a process of increasing returns (in the form of knowledge sharing).

Another important barrier is the huge amounts of time spend on balancing interests. According to the leader this makes it difficult to start up new projects based on the network. She says:

The problem is that since 2008 we have hardly ever reached the point, where we could start a project. It is in the formulation of new projects the balancing of interests take place. [So] we haven't been able to use the tools of project work, because our formulation of projects is open and democratic.

Over the years the open and democratic balance of interests has created an important normative orientation of the Council through a process of increasing returns. But it has also created a dilemma: On the one hand it strengthens the network, when the members spend time building legitimacy around specific projects. On the other it is so time demanding that the innovative element in the project may be outdated during the process. "There are so many stakeholders to swear in," as one of the member representatives says. The problem even gets bigger, because some of the members are uncertain of what sort of backing they have from their own organizations in concrete matters. The continued problems of interdependency, ownership and ambiguous mandates can be seen as barriers originated in the Governance-paradigm.

There are limits to what the secretariat can do to ensure the positive effect of the network. Each member-organization must also be active and clarify the purpose of their membership. It is also seen as a problem that the members seldom have clearly defined problems or ideas for new projects. Instead most meetings are spent on expressing needs and exchanging experiences. An unclear institutional framing of the authority relations in the Council can cause such a lack of initiative. "Who is in charge here?" as the secretariat leader asked rhetorically, pointing to the complex character of the Council. Here we find an uncertainty about the secretariat's role, and more generally about who takes new initiatives in the Council. It is a result of the horizontality orientation rooted in the Governance-paradigm, which has developed as part of a process of increasing returns along with the Governance tradition of the Council. But the problem for the Governance-inspired approach is that when everybody is responsible for new initiatives, very often no one really feels responsible resulting in a lack of efficiency.

Finally, there is also evidence that the firm belief in the project organization has become a barrier for innovation. One of the network coordinators says:

We have been so busy creating eight projects, so we haven't had the energy to do the networking or to coordinate networking and project work. It might have been a good idea just to start a few projects to create some good results, but [...] it has completely paralyzed the network unit to run these projects at once, on such a loose basis.

What is found here is a normative barrier rooted in the NPM-paradigm and its focus on goals and results. This goal-orientation has created a process of increasing returns in the form of increased legitimacy in the eyes of members and stakeholders, but in consequence the Council has focused less on the process of making projects. The normative belief in evidence-based work has not made the job easier. According to one of the network coordinators the increased focus on written documentation and evaluation is time consuming. So despite that the secretariat has developed a more positive attitude towards NPM tools like result- and evidence based work, it also has increasing returns that work as a barrier for collaborative innovation.

Summary of the case study

As described the institutional landscape the Council exists it can be seen as a mix of steering elements from both the NPM- and the Governance-paradigm. The analysis shows that both paradigms promote network-driven innovation in the form of reactive

sequences, but both paradigms have also created barriers for innovation, in the form of a range of increasing returns. An overview of these drivers and barriers can be seen in Table 2.

The table shows the mix of barriers and drivers that condition the Council's ability to create collaborative, project-based innovation. This mix can explain why the new strategy has not yet provided the wanted result. Among the barriers we find a time demanding balance of interest among the members and a profound uncertainty about managerial responsibility when it comes to the launch of new initiatives.

Table 2: Drivers and barriers for innovative project management in the Crime Prevention Council, distributed between NPM- and Governance-paradigms.

	Drivers	Barriers
NPM	<p>Increased focus on strategic management in the form of more strategic work.</p> <p>Increased focus on goals and results through evidence-based work.</p> <p>Increased formalization in the form of a new committee structure and project organisation.</p>	<p>Evidence based work and evaluations take time.</p> <p>Too strong a focus on results and goals (instead of process) in the form of a massive investment in the project organisation.</p> <p>Top-down oriented managerial thinking among the members inhibits cooperation and weakens ownership.</p> <p>Rational planning inhibits entrepreneurial behaviour.</p>
GOV	<p>The experience of interdependence creates some support among the member organisations.</p> <p>The experience of added value for the single member organisations promotes ownership to a certain extent.</p> <p>Inclusion of the members strengthens knowledge sharing and trust to a certain extent among the members.</p>	<p>Managerial vacuum in the form of uncertainty about authority and managerial responsibility.</p> <p>Consensus-thinking blocs new ideas, because balancing of interest is time demanding.</p> <p>The facilitation of the network cannot in itself create increased interdependence or hinder the ambiguous mandates the member representatives are given by their organisations.</p>

Conclusions

At first glance the Council has a well thought out strategy for innovation based on network and projects: The network organization holds opportunities for creating new ideas through knowledge sharing, and the project organization holds opportunities for testing new ideas in concrete collaboration. But the strategy has yet to prove that it works. There is no productive connection between the network and the projects. Even though the actors have tried to change the institutional design strategically, the effect on the project management is limited. Networks and projects seem to conflict instead of interacting positively.

The current horizontal structure has developed in a process of increasing returns as part of the Council's Governance tradition. The success of this tradition is conditioned by the experience of interdependency among the members. The main problem is that a lot of the members do not experience a sufficient degree of interdependency. The Governance tradition also has consequences for the managerial conditions of the secretariat. From a formalistic view the secretariat has gained more influence in the Council, but since the horizontal balancing of interest takes so much time, it has become difficult for the Council to take any form of leadership. The secretariat waits for the members to get involved, and the members wait for the secretariat to include them. The consequence is a lack of leadership.

To create a new institutional design the Council has implemented NPM-elements in the form of increased focus on evidence, goals and results. These elements have increasing returns in the form of improved legitimacy in the eyes of the members that requested them, but they have not improved the project management. On the contrary these elements seem to overburden the network coordinators. The design is obviously not easy to change. The Council has not introduced any strategic changes since 2007. The reason is that path dependency in the current design excludes useful alternatives.

The key for a solution lies in changing the institutional design and improving the integration of network and projects. Such a solution should contain institutional elements of both NPM and Governance, which should be combined with the existing institutional settings through a process of reactive sequence. This means that future strategic adaption must be combined with the strong Governance tradition and acknowledge the political gaming of the Council. Two new institutional elements should be promoted: *Authority* and *interdependency*. *Authority* should be promoted in the form of a more active secretariat that intensifies the facilitation of the network, priorities and sees to that new project initiatives get started and create results in proper time. Such change will of course depend upon the member's acceptance of a stronger facilitation conducted by the secretariat. *Interdependency*, both among the members, and between the members and the secretariat, could be promoted through a stronger, common vision of the future. Here the Council must be more concrete and targeted in the attempt of integrating the member's perception of goals and wanted results.

The analysis contributes to the literature of public innovation by explaining how the mix of institutional elements of NPM and Governance path dependently influence innovation in project-based collaboration. Through processes of increasing returns the two steering paradigms create barriers for innovation, and through processes of reactive sequences the two paradigms improve the innovative capability of project-

based collaboration. The strategic challenge for public organizations is to be aware of their path-dependency and to find an appropriate mix of institutional elements that enables innovation in the field.

Future research

Since the case study deals with some complex and particular conditions in a case organization, the findings of the analysis are contextual. Some, but not all findings can be transferred to similar contexts. In this case that would include other public networks with a broad range of participants in specific policy fields.

In general there is a need for more research in diversified collaborative innovation. For example, it would be relevant to research if similar networks experience the same lack of interdependency among the participants. Could it even be that there is a tradeoff between network diversity and efficiency? Do similar networks have the same strong tradition for horizontal balancing of interests, and how do they handle it?

The Councils dilemma is that despite a range of strategic changes that aims for increased innovation, innovation has not emerged. But is this a well known situation in similar networks? There is a need to research how widespread the dilemma is, and as part of this what connection there is between expected innovation and path dependency.

Public organizations in general are placed in an institutional landscape, where there is an increased number of performance standards, tools, paradigms, organizations recipes and political expectations. Combined with the huge public sector reforms in Western countries, this landscape might have created a belief among public employees that they are subjects of constant change.

On the other hand, and as the analysis in this article show, there is still a lot of path dependency in the public sector. Such path dependency prevents innovative processes from going too fast and to be as far-reaching as we sometimes think or expect them to be. So the question is how other public organizations attempt to handle the path dependency of innovation. Is it possible to describe an organizational capability that handles the path dependency of innovation?

The focus of the analysis in this article has been to describe the current institutional conditions of the Council. The Council has been working with these conditions for two years as part of the new strategy. But basically two years may not be enough to determine, if the new strategy is successful or not. The detected frustration among the actors can be temporary and the current institutional barriers may vanish. That means that there is a need to do a long-term case study of the Council to see if the strategy in time will turn out to be successful, and what might make it successful. Since the summer of 2011 the Council has started a new process to renew its strategy. We are yet to see the outcome, but the secretariat has taken several steps to overcome the barriers and integrate network and projects.

About the Author

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