

Integrated Innovation Management for Sustainable Development

When knowledge meets creativity

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How innovations emerge in development work

Innovation emerges when we cross boundaries between academic disciplines, issues, organisational units, genders, generations, and different cultures successfully (for an excellent discussion of innovation drivers, see Taleb 2007). The idea is simple – bring people who work in different contexts together and let them exchange ideas: new perspectives emerge and help to create new solutions to old problems. Innovations, thus, seek to create an environment that stimulates changes in perspective. We cannot plan or manage innovation, but we can manage the organisational context in which innovations may emerge (von Krogh et al. 2000). Fresh ideas do not bring about change unless they are transformed into innovations. Once new ideas, products, or approaches have emerged it is crucial to transfer them into one's specific context. In this article we share two fundamental ingredients to spark innovation: (i) the creation of a formal network or community and (ii) enabling a culture of creativity.

The role of networks in innovation management

Networks can stimulate new project concepts and help project managers reflect on their approaches. Most methodological innovations can be adopted immediately and implemented by field staff as explained in the following case study of 'Networks within the German Development Cooperation' (GIZ).

In GIZ's approach to knowledge and innovation, management networks play an important role: a specific type of internal network plays an outstanding role in organisational learning. In 1990, GIZ established Sector Networks to create an internal platform for

learning, innovation, and knowledge sharing among staff and project partners, e.g., in health topics in Sub-Saharan Africa or the Transport Network in South Asia. Today, GIZ runs 18 Sector Networks in which 720 projects and more than 2,700 employees from various countries and the head office participate. Participation is mandatory for all sectoral staff.

“Networks can stimulate new project concepts and help project managers reflect on approaches”

The objectives of Sector Networks are (i) mutual learning from inter-country experiences, (ii) development of technical and regional approaches and methods to foster the impacts of GIZ projects, (iii) strengthening technical and methodological competencies of staff, (iv) development of portfolio in the region (v) facilitating sharing of business goals and information within the decentralised corporate structure of GIZ, and (vi) individual networking and career planning.

Sector Networks are GIZ's most important platforms for knowledge sharing, innovation, and learning in sectoral topics. They provide regional forums for face-to-face meetings and virtual platforms for continuous knowledge sharing. Each Sector Network is managed by a steering committee led by top managers which plays a crucial role in sustaining the commitment of senior management and relevance of Sector Network outputs for GIZ's business processes. The steering group consists

of project as well as headquarters' (HQ) staff. Sector Networks promote innovation in several ways.

- Innovation workshops with a pre-defined agenda
- Lessons learned-sessions about field experience
- Room for spontaneous innovative processes during network meetings (open-space sessions)
- Establishing change processes for innovation (e.g., roll-out of new methodologies or instruments)

Learning cooperatives

GIZ participates in more than 1,000 global and regional networks and other forms of cooperation. Partners include strategic alliances, innovation and knowledge-sharing partnerships, joint research initiatives, and local knowledge organisations. Innovation usually emerges when we cross boundaries between academic disciplines, thus networking with external partners receives a special focus within GIZ.

The benefits are multiple. First, existing networking arrangements are visible and accessible to the entire staff so that suitable, appropriate partners can be identified easily. Second, innovations emerging from networks find their way into GIZ networks. Third, lessons learned about managing networks and cooperation can

be collected and put into practice in other settings, and fourth, networks play an important role in recruitment of professional staff and bringing in new ideas.

Creating a cultural environment for innovation

Innovation is a result of many factors. First, an interesting challenge is needed to spark creativity and trigger new ideas: this requires freedom, ability, and opportunity. Second, situation-specific ideas can rarely be scaled up, so ideas will become innovations only if they can be replicated or adapted to other contexts. In development assistance this is a barrier to managing innovation because different cultures require culture-specific approaches. Third, the organisation must be willing and capable of organising this scaling up process in order to be effective. We identified three key factors for turning good ideas into sustainable innovations (see Trott 2008 and Tidd 2001 for an overview of the academic discussion).

An enabling environment (the culture factor)

Creativity will flourish only if the environment is open to new ideas. GTZ's corporate culture, networking approach, and decentralised responsibilities nurture creativity at all levels. This is not the result of isolated management measures, but rather of a steady and broad commitment. For many years, GTZ's vision emphasised

West Khasi hills, Assam, India



- building trust and openness to share knowledge (this is also part of the annual staff engagement survey);
- promoting individual networking (colleagues expect each other to participate in formal and informal networks);
- large-scale investment in internal networks (e.g., sector networks) and cooperation;
- widespread facilitation of brainstorming and exchange of ideas rather than expert-style lectures (e.g., almost 50% of time allocated to sector network meetings is reserved for brainstorming);



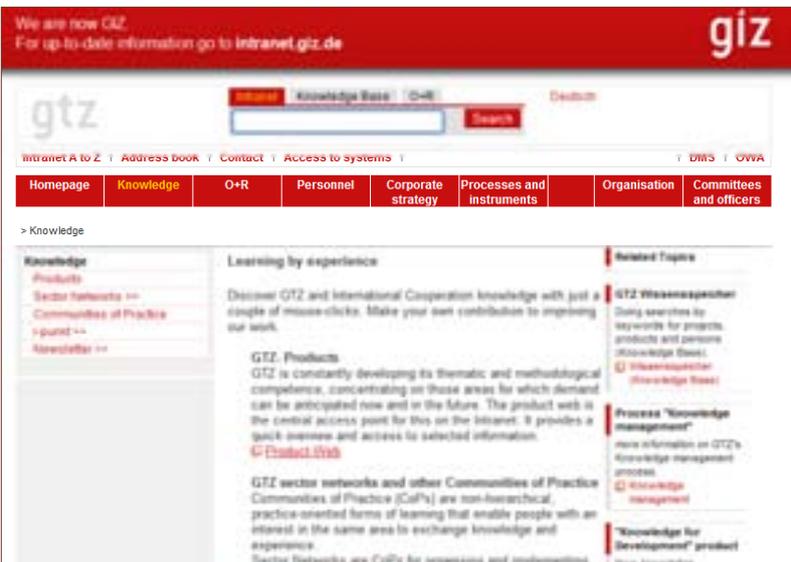
Bhattedanda, Lalitpur, Nepal

mandatory KM activities for all employees, e.g., mandatory participation in sector networks and the use of the internal document management system, (ii) participation in an introductory course for knowledge management for new staff, and (iii) KM as part of strategic controlling, monitoring and evaluation methodologies, and project management.

Turning good ideas into sustainable innovations (the management factor)

Innovations need time to develop, grow, and become effective. The biggest challenge (and risk) is that new ideas quickly lose attraction when taken to corporate level. KM measures entail a change of routine, e.g., to apply a new debriefing instrument. If this is not embedded in a regular change project, initiatives will fail half-way. Corporate KM change projects require 3-5 years to become effective and yield the benefit expected in medium-sized organisations. From GTZ experience several lessons emerged.

- Top management is in for the long haul and must pay more than lip service. They must be willing to support change processes (even unpopular ones) over a long period.
- Innovations require careful planning and implementation using modern change- management methodologies. Stakeholder views and participation are important for acceptance and success.
- Many technological innovations fail despite management enthusiasm, because the organisational environment is not considered. New technologies will only be effective, if (i) there is a real and lasting business need (e.g., in Operations), (ii) they are fully integrated into core processes, and (iii) they facilitate day-to-day work rather than just altering it.
- Triggering many changes at the same time can place a huge burden on the organisation. The implications of KM initiatives are often underestimated often and seemingly simple changes like introducing a new document repository can result in large-scale



- including sharing methodologies, stakeholder participation, and change of perspectives in all management methodologies (e.g., Capacity-WORKS); and
- clear orientation and rules for intellectual property rights.

The general methodology is summarised at www.gtz.de/en/leistungsangebote/28379.htm

Balancing push and pull incentives (the organisational factor)

In GIZ, special focus is placed on identifying and reducing disincentives to knowledge sharing and innovation. Disincentives emerge when (i) access to information creates individual power, (ii) good ideas are not rewarded by managers or colleagues, (iii) change projects are hampered by administrative barriers, and (iv) processes turn into regulations. In such cases, beneficial pull incentives for knowledge sharing, innovation, and learning result from (i) sharing and learning activities as part of annual staff goals, (ii) participation at international conferences and presentation of work results in the HQ, which increases individual visibility and hence boosts career options, and (iii) orientation on impacts and highest quality of services.

Additionally, there are push incentives to intensify knowledge sharing, innovation, and learning: (i)



Rangeland community discussion, TAR, China

changes for many people and create a lot of work in communicating with stakeholders, and changing requirements and behaviour. In particular, innovations 'not invented here' should be explained, accepted, and prove their benefits before they can be implemented.

Scaling up new ideas to fully-fledged innovations requires experienced management. Therefore, innovation management initially is a top management task. Creating commitment and maintaining change can be delegated only partially. For practical purposes, innovation initiatives should be designed and organised by a core team, appropriately staffed, managed (change-management methodology), and guided along the corporate strategy (reporting to top management).

Promoting innovation in GTZ

As GTZ operates worldwide, the question arises of how to transfer innovations from different regions throughout the organisation through sector networks. To achieve this GTZ 'products' are introduced or common archetypes of a range of specific projects: a product describes the common basis of a sector's project approaches (e.g., to urban air quality management). When designing a specific project, the standard approach is adapted to local needs.

GTZ identified 100 product managers or subject matter experts to harvest experiential knowledge from networks and individual experts and distribute lessons learned and other information to internal and external recipients. Continuous development, innovation, and learning maintain the quality of knowledge and keep it up to date. 'Learning from evaluations' closes an important organisational learning loop for sectoral, regional, and methodological knowledge. Innovations from project level are identified, selected, and promoted at corporate level. This process takes the GTZ evaluation system as a basis and establishes a scaling up model for new ideas.

The idea behind using the quality management approach is to mainstream quality within the organisation as an integrated, decentralised process implemented along the line structure. It is designed to maintain quality in the core and support processes of service provision. The company-wide added value of a quality management system can be summarised as follows: quality assurance by using and linking existing instruments and initiatives; optimising quality-related use of existing data sources to reinforce learning processes throughout the organisation; and supporting and promoting quality initiatives in departments and business sectors

An internal Quality Award is given on GTZ's 'Quality Day'. The winning and best practice entries are presented at a forum ('Marketplace of Opportunities') where participants engage in dialogue with their colleagues. The initiatives presented have emerged from daily work and have improved the quality of GTZ's core and support processes. The criteria used for selecting and awarding initiatives include replicability on a corporate scale, impact generated, and creativity and support of internal collaboration.

Lessons learned and conclusions

Finally, innovations matter if quality really matters and, in the development context, they support inclusive development. This means that innovation generates new and contextual solutions and ideas that are suitable for solving societal problems at scale and with impacts. In mountain areas of the developing world, marginalised and vulnerable populations suffer from many types of poverty: lack of knowledge being among them. These issues should take priority. Innovations fail if there is no incentive to improve work and results. Functioning innovation management is crucial for competitiveness and it should be well-embedded in core management processes of development organisations. Innovations only emerge in a trusting, creative environment and business culture. 'Making things happen' should be the leading principle of innovation management rather than planning and dictating.

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