



## **Fostering Innovation Within Public Sector: Antecedents and Consequences of Public Sector Innovation**

**Astri Ghina<sup>1</sup>**

**Danny Permana<sup>2</sup>**

*1 & 2 Sekolah Tinggi Teknologi Garut*

### **Abstrak**

*Today, innovation management became primary determinant for effective and efficient working in existing organizations. This article provides an overview of the key driven factors toward innovation focusing on innovation management in the public sector, and with the aim to improve the public environment and public performance, we fill the missing link from the existing model of several researchers, which it will be described by several literature review. The basic approach in this article is to juxtapose a review of existing literature regarding key driven factors toward innovation in public sector and its consequences. The idea that there is a missing link variable between leadership, organizational culture, professionalism and innovation that is called commitment. And I find the intrinsic motivation as an output of high organizational commitment.*

*An integrated approach is needed to support the innovation within the public sector, future research is needed to find the relationship between responsiveness, organizational politics, ethics & morality toward commitment as an antecedent of public innovation. The practical and scientific value of this paper is describes an integrated approach toward public sector innovation.*

*Kata kunci : Innovation management; Leadership; Organizational culture; Professionalism; Commitment; Public innovation.*

### **1 Introduction**

We live in century in which ability for innovating became primary determinant for effective and efficient working in existing organizations. Globalization that it's happening in the world provoke continuous changes which on the other hands need growing continuous and appropriate innovations in existing organizations. This kind of working leads the necessity of new way working which is different from the traditional (bureaucratic way). Entrepreneurship as a characteristic of human activity is to date long ago. People should develop the abilities for entrepreneurship for ensure its own survival. Entrepreneurship is connected with forming new businesses. Furthermore, it is a way of leaving and working. Entrepreneurs are people of a new time who are encouraging and developing business. Intrapreneurship is connected with working in existing organizations, but it can be used everywhere, also in the bureaucratic organizations. These organizations are: factories, faculty, schools, hospitals, public administrations etc.

When we talk about who is entrepreneur, we can say that there is no person who doesn't want to have his own business once in his life. Every person wants to have freedom in decision making,

be successful, have a lot of money, but these reasons are not enough for some person to be successful entrepreneur.

Entrepreneurs are people of new age; they establish and develop their own business. But, when we are talking about intrapreneurship, this term is coined in 1985 from Gifford Pinchot III. He thinks that with establishing intrapreneurship in productive and un-productive organization, they become more effective in their work. Intrapreneurs find out new ideas and make them in profitable reality (Pinchot III, 1999). For that reason Gifford Pinchot III named them “dreamers who do”. Intrapreneurship is a method of using intrapreneurial spirit where are the most good people and resources: at organization (Pinchot III, 1985). After research made on 18 organizations in Republic of Macedonia there are data that enables to get a real picture about functioning and influencing of intrapreneurship in large organization. The new principles of working are dictating the new way which is different from the way bureaucracy works (Pinchot III, 1993). Intrapreneurship is the process of entrepreneurship inside an organization. They ‘put ideas into action’. To be an intrapreneurs the ideas do not have to be new, but they do need to make a focused effort to action an idea. Staffs in the Public Service who have a significant role in driving an idea to uptake are intrapreneurs. Intrapreneurial innovation is the process of ‘staff putting new ideas into action inside their organization’.

According to the needs of the market large organization must be innovative, and open for innovating new products/ services. New product/services, can be new to the world, new to the public sector, or new to the type of use that it has been put to. An idea that is only new to the organization is better described as adoption rather than innovation, but is nevertheless a powerful process of fostering innovative best practice. New ideas can refer to new products or services like the Export Credit Office; new processes like the way the Education Review Office is now providing advisory audits in partnership with the schools; or new management systems like the way ACC is now handling claims. New ideas are only proposals or inventions until they have been put into practice the first time. Then they become an innovation. Further use of that innovation is then called adoption and diffusion.

The primary motivators to innovate for commercial firms are to maintain or increase profits and thus to survive in a highly competitive global economy. There is powerful incentive then for private enterprises to innovate to cut costs, improve market share, and create better value or quality products and services. In contrast, innovation in public service organizations has not historically featured as a critical determinant of survival, no doubt due to the fact that, compared to the private sector, these operate under a very different set of pressures, interests, restrictions, and demands. In general, the public sector is acknowledged as being a far more complex open system than the private sector. As such, innovation has not characteristically been given high priority in public services (Bhatta, 2003). To date, incentive to innovate for public sector organizations and their employees has been low and the risk associated with innovation high. It is thus not surprising that innovation in this sector has not had a high profile.

Even so, government and public services can and do innovate in order to develop new solutions to old problems; more effectively use resources and meet needs; and refine strategies and tactics. It is just, as Mulgan and Albury (2003) explain, that innovation in the public sector is typically seen as “an optional extra or an added burden” (p.5), rather than as a core activity that is both necessary and of significant value, albeit a different type of value to that sought by the private sector. Donahue (2005) points out the obvious, but perhaps overlooked, truth that, since public organizations touch the interests of so many and are often entrusted with socially important tasks, innovation in this sector is crucial. Since such innovation enables new needs to be met, and old

needs to be met more effectively, it can result in far greater value than the gains achieved in analogous improvements in corporate environments.

That said, in the last twenty years there has been a growing realization among policy makers that the public sector should learn how to innovate, if it were to respond adequately to a rapidly changing environment and citizen's/business expectations. A variety of drivers lie behind the current push for public sector innovation, among which most prominent is the need to provide prompt, improved and personalized public services to citizens.

Another key factor has been the drive to contain costs and improve efficiency both in the provision of public services and in the way the public sector operates. This has been even more pronounced in view of increasingly tighter budgetary/fiscal constraints. As Mulgan and Albury (2003) point out, cost of public services tends to rise faster than the rest of the economy because of lack of competition in the public sector and because gains in labor efficiency lag behind gains in capital efficiency. As a result, in order to avoid public service costs increasing ahead of the economy, innovation to increase efficiency must occur. Alternatively, to address the pressure to contain costs governments have tried to cut direct costs (mainly by reducing the wage bill) and restructuring the work and operations of the public sector. In view of the above discussion, and building on the framework put forward by Mulgan and Albury (2003), the summaries of the key factors driving public sector innovation are (1) to respond more effectively to altered public needs and rising expectations ["one-size-fits-all" approach outdated]; (2) to contain costs and increase efficiency, especially in view of tight budgetary constraints; (3) to improve delivery and outcomes of public services, including addressing areas where past policies have made little progress.

## 2 What is Innovation

According to Mulgan and Albury (2003) "Successful innovation is the creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in outcomes efficiency, effectiveness or quality". Mulgan and Albury's definition appears straight forward and clear in its meaning, but as with most definitions of innovation masks the actual complexity of this subject area. Leadbeater (2003) observed that "The process of innovation is lengthy, interactive and social; many people with different talents, skills and resources have to come together". Four decades of studying innovation in the private sector and almost twenty years of interest in innovation in the public sector has shown that innovation is a multi-faceted phenomenon that emerges in the context of numerous intervening variables, with no simple universal formula existing that can be applied to ensure successful innovation (Borins, 2001).

Various categorizations of innovation have been put forward by the existing literature. A common typology applicable to both private sector and public sectors differentiates between three types of innovation (Baker, 2002), i.e. Process; Product/Service; and Strategy/Business Concept innovation. The five main types of innovation that related to the provision and delivery of public services:

- Strategy/Policy, e.g. new missions, objectives, strategies and rationales.
- Service/Product, e.g. changes in features and design of services/products.
- Delivery, e.g. new or altered ways of delivering services or otherwise interacting with clients.
- Process, e.g. new internal procedures, policies and organizational forms.

- System interaction, e.g. new or improved ways of interacting with other actors and knowledge bases, changes in governance.

Another way of conceptualizing innovation relates to its different levels which, in turn, reflect its varying degrees of impact. The most commonly accepted categorization in this regard ranges from incremental, to radical to transformative innovation. As Mulgan and Albury (2003) explain innovation can be seen:

- Incremental: here one could do Innovations that represent minor changes to existing services or processes. The majority of innovations are incremental in nature, those that do not attract headlines and rarely change how organizations are structured or inter and intra organizational relations. However incremental innovations are critical to the pursuit of improvements in the public sector, because they contribute small but continuous improvements in services, supporting the tailoring of services to individual and local needs and supporting value-for-money.
- Radical: Less frequent are innovations that either involves the development of new services or the introduction of fundamentally new ways of doing things in terms of organizational processes or service delivery. Whilst such radical innovations do not alter the overall dynamics of a sector, they can bring about a significant improvement in performance for the innovating organization and alter the expectations of service users.
- Transformative/Systemic: Most rare are transformative innovations that give rise to new workforce structures and new types of organization, transform entire sectors, and dramatically change relationships between organizations. Typically such innovations take decades to have their full effect, requiring fundamental changes in organizational, social and cultural arrangements.

Levels of Innovation (Christensen and Laergreid, 2001).

- Sustaining, i.e. organizations move on an established trajectory by improving performance of existing services/systems.
- Discontinuous/Disruptive, i.e. new performance trajectory by introducing new performance dimensions, new services and processes, etc.

### **3 Public Sector Innovation: This Time from the Citizens' Perspective**

Rogers (1983) defines innovation as 'an idea, practice, or object that is perceived as new by an individual or another unit of adoption'. His examples of innovative policies (and non-policies), and barriers to innovation in public administration and policy-making worldwide, highlight a need for systematic approaches to exploring the inhibitors and facilitators of innovation. Rogers' ideas have been discussed by Vigoda-Gadot *et al.* (2005), who developed a comprehensive conceptual framework for a system-based analysis of antecedents to and results of innovation, based on current knowledge from the business and management sciences. This system-based approach advocates new methods for studying innovation. For example, the conventional approach to studying organizational innovation is through intra-organization perspectives such as employees' and managers' attitudes, technological or financial data, or best practice comparisons across firms, cultures, or time (see, for example, Berry, 1994; Evans, 1996; Borins, 2000a, 2001). While such an approach has been valuable in studies about innovation and its evolution in the modern world, they have largely overlooked the perceptions of citizens towards innovation and innovative activities of public sector agencies.

The literature suggests several individual or organizational-level variables that can be related to innovation in the generic managerial environment context (that is, individual factors of commitment, *esprit de corps*, and openness to change, organizational factors of market orientation, sales, profitability or competitiveness).

### Antecedents to perceived innovation in the public sector

Studies by Frambach and Schillewaert (2002), Shoham and Rose (2001), Jaworski and Kohli (1993), and Narver and Slater (1990) (see figure 1).

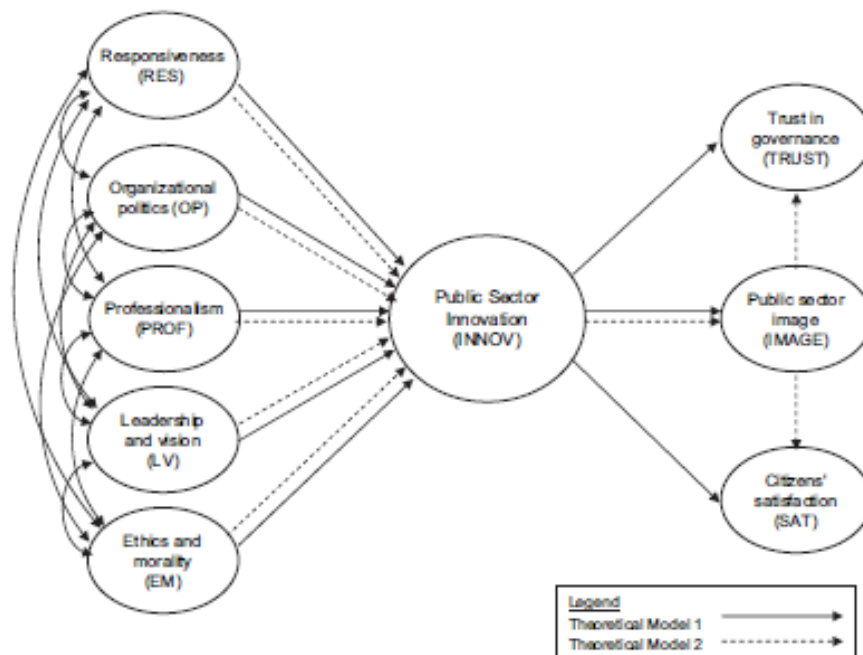


Figure 1

Multinational citizens' perceptions of public sector innovation in Europe: theoretical models.

The first antecedent that is proposed to relate with public sector innovation is *responsiveness of public agencies to citizens' needs*. The management science literature defines responsiveness as consisting of two sets of activities: design (using information to develop plans) and implementation (executing the plans). Thus, studies such as Deshpande *et al.* (1997), Kohli and Jaworski (1990), and Narver and Slater (1990) have emphasized information management and information dissemination as strongly related with both responsiveness and building a learning process aimed at providing quality services or products based on clear and speedy timetables. Similarly, the responsiveness of public agencies may affect citizens' perceptions of their innovativeness. A responsive agency is one that is more oriented toward innovativeness as it adopts new and creative ways to address citizens' needs. Therefore the hypothesis is shown at below:

H1: *Responsiveness of public agencies will have positive impact on Public Sector Innovation.*

Another important construct that may serve as an antecedent to innovation in the public sector is *organizational politics*. This construct reflects both the level of conflict and the use of power by organizational members in their efforts to influence others and secure interests – or, alternatively, to avoid negative outcomes within the organization (Vigoda-Gadot, 2003). Studies on workplace politics and conflicts (see, for example, Ferris *et al.*, 1989; Cropanzano *et al.*, 1997) have suggested

that politics reflects fairness and justice in the organization. These studies have supported the notion that politics, fairness and justice have substantial impacts on creative organizational climate and outcomes (see Kacmar and Ferris, 1991; Ferris and Kacmar, 1992; Folger et al., 1992; Vigoda-Gadot, 2003). As such, organizational politics, especially as perceived by citizens (Vigoda-Gadot and Yuval, 2004), may potentially reduce innovativeness and creativity in any organization, including those of the public sector. Moreover, interpersonal or interdepartmental communications may actually be harmed by higher levels of conflict and politics in the organization, which may then reduce innovation and innovativeness. Finally, studies indicate that public sector agencies are those which are more exposed to intra-organizational conflicts and politics, mainly due to the nexus between the professional and the political cadres since these often have diverging interests and visions (Vigoda-Gadot, 2003). The resulting antagonism may reduce information dissemination, lessen responsiveness to citizens' needs and demands (Ruekert and Walker, 1987), and inhibit organizational innovativeness (Jaworski and Kohli 1993). Therefore the hypothesis is shown at below:

H2: *Organizational politics will have a positive impact on public sector innovation.*

Antecedents to public sector innovation also include *professionalism* and the proper implementation of policies. Public personnel, as policy implementers, are responsible for transferring innovative technology, regulations, behaviors and processes to citizens. Public service systems may be perceived to be more innovative when the professionalism of bureaucrats is high, resulting in improved responses to complex requests and increased responsiveness in delivering services. The quality, skills, and training of public personnel, as well as their understanding of their jobs and their *commitment* to their duties, was found to have a positive effect on public sector performance at the personal, team and organizational levels (see Terry 1998 ). Sapat (2004), for example, examined the adoption of environmental policy innovations by state administrative agencies *vis-à-vis* waste regulation and found that administrative professionalism is a determinant of innovation adoption. Thus, in their study, they expected that the professionalism of the public cadre, as perceived by citizens, would be positively related with perceptions of public sector innovation. Therefore the hypothesis is shown at below:

H3: *Professionalism will have a positive impact on public sector innovation.*

In line with the rationale described for employees, they further argue that *top public management and leadership* plays an important role in instituting organizational changes or innovations in public systems (Moon, 1999). Management's attitude towards change and its willingness to take risks should affect innovation positively. A risk-averse mindset, typical of many state-controlled agencies, might reduce innovativeness, and a risk oriented one might enhance it (see Damanpour 1991; Shoham and Rose 2001; Rose and Shoham 2002). Support from leaders has also been identified as critical to the success of innovations (see, for example, Webster 1988; Kohli and Jaworski 1990; Jaworski and Kohli 1993; Selneset *al.* 1996). Strong top management support increases the chance that innovations will be adopted. Top management's vision in the public sector should also stress innovativeness in order to make its importance apparent to all employees. Therefore the hypothesis is shown at below:

H4: *Leadership and vision will have a positive impact on public sector innovation.*

A potential antecedent to public sector innovation in that model is the *ethics and morality* of the public personnel cadre. More than four decades ago, and subsequently in more recent studies, this issue received the attention of influential public administration scholars such as Graham (1974) and Golembiewski (1989). Administrative ethics and morality have now become even more central in public administration studies (Gawthrop, 1976; Wilenski, 1980; Richardson and Nigro,

1991; Suzuki 1995; DeLeon, 1996; Lui and Cooper 1997). However, citizens' views about such topics are considered infrequently, particularly with regard to public sector innovation. We therefore expect that citizens who perceive public personnel as interested, honest and ethical will expect to see them as more innovative, creative and caring about the systems they serve. The citizens as clients' motif increasingly urges independent perspectives towards moral issues in public administration, and such perceptions may positively affect feelings about the innovativeness and entrepreneurship of public personnel and public agencies. Therefore the hypothesis is shown at below:

H5: *Ethics and morality will have a positive impact on public sector innovation.*

### **Consequences of perceived innovation in the public sector**

To date, most research on the consequences of public sector innovation has focused on the effect of innovativeness and innovation adaptation on organizational performance (see, for example, Miles *et al.* 1978; Frambach and Schillewaert 2002). Such research has viewed public sector innovation and innovativeness as a strategy aimed at enhancing an organization's competitive advantage and performance. This approach highlights organization-and market level consequences and focuses on the economic, business-oriented or managerial outcomes of innovation.

*Citizens' satisfaction* has been used as a core measure of high performance in public administration, local governance and other state or federal agencies (see, for example, Vigoda 2002; Vigoda and Yuval 2003; Van Ryzinet *al.* 2004). Its analysis is based on a comprehensive, distinctive, reliable and continuous assessment of governmental operations. Public administration officials also encourage the use of satisfaction measures as part of performance evaluations for public agencies (see Poister and Henry, 1994; Swindell and Kelly, 2000). Although some limitations of measuring performance by citizens' satisfaction have been recognized (see Stipak 1979, 1980), this method of performance measurement is prevalent in academic studies and considered to be an element of the use of performance indicators (PIs) in the public sector. Therefore the hypotheses are shown at below:

H6: *Public sector innovation will have a positive impact on citizen's satisfaction.*

Similarly, *trust in governance* is another aspect of a well-performing bureaucracy. Trust is a psycho-political concept. To trust a person, a group or an institution, is to assume their reliability to believe that they will act 'as they should' (Barber 1983; Citrin and Muste, 1999). Psychologically, trust is an informal contract between at least two parties that brings some certainty into their relationship. Trusted people are expected to fulfill unwritten agreements, and thus allow the trusting person to plan under the assumption that the agreement will be honored. Hence, trust has political implications that are relevant for national- and community-level relationships such as those between citizens and central and local government or other public administration agencies (Nye *et al.*, 1997; Vigoda and Yuval, 2003). Nonetheless, the linkage between trust and innovation in public administration has received little empirical consideration. Previous studies have suggested that citizens' trust is related to innovative knowledge sharing through inter-organizational networks (Hartley and Benington, 2006), to positive attitudes towards new and innovative healthcare technologies (Calnan *et al.*, 2005), and to innovative e-government initiatives (Hazlett and Hill, 2003). Yet others discussed the relationship between creative personnel development and citizens' trust in non-Western cultures (Caspar, 1993). These relationships may be based on social exchange theory (Blau 1964), where people react to the efforts of modernization and the improvement of services by having confidence and faith in the systems that develop such services. It is thus possible that trust is a reflection of the legitimacy

that citizens confer on the bureaucratic system in response to innovative changes and reforms that try to make better use of public money. Therefore the hypotheses are shown at below:

H7: *Public sector innovation will have a positive impact on trust in governance.*

Finally, *organizational image* has been shown to impact private firms' outcomes (see, for example, Gatewood et al., 1993; Dutton et al., 1994; Fombrun, 1996). The public sector's image and organizational outcomes (efficiency, customer satisfaction, intention to join/stay in the organization) are positively related (Vigoda-Gadot et al., 2003; Vigoda-Gadot and Ben-Zion, 2004; Cohen et al., 2005). To the best of our knowledge, the relationship between public sector innovation and its perceived image in the eyes of citizens has not yet been fully explored. In addition, image may be an outcome of innovation or a mediator leading to outcomes such as citizens' satisfaction and trust in governance. The rationale is that citizens' reactions to public sector innovation may be based on the accumulated process of image building (Dutton et al., 1994), something which only later leads to satisfaction and trust in governance. Consequently, they propose two versions of the theoretical model: one for 'image as a direct result of innovation (Model 1) and the second for 'image as a mediator between innovation and satisfaction and trust (Model 2). Therefore the hypotheses are shown at below:

H8: *Public sector innovation will have a positive impact on public sector image.*

H9: *Public sector innovation will have a positive impact on trust in governance with public sector image as a mediated variable.*

H10: *Public sector innovation will have a positive impact on citizen's satisfaction with public sector image as a mediated variable.*

#### **4 Discussion**

According to Figure 1, I think there was a limitation on their studies, because they ignore the potentially important variables that mediated between Leadership and Public Sector Innovation that is about 'Commitment'. The results suggested by Steyrer, Schiffinger, Lang (2008) that desirable leadership behavior is positively related to subordinates Organizational Commitment, and that Organizational Commitment contributes to company performance, even when analyzed in conjunction with crucial contextual variables. The literature suggested by Jing & Avery (2008) that variables such as using a vision, organizational climate, and trust between leader and followers may mediate the relationship between leadership and organizational performance. Therefore the hypothesis is shown at below:

H11: *Leadership will have a positive impact on organizational commitment.*

According to Amabile et al. (1996), Woodman et al. (1993), Sackmann (2003, 2006), Ulwick (2002), Anand et al. (2007), leadership creates an entrepreneurial organization culture that fosters innovative behavior, in other words leadership as an antecedent of the organizational culture. Therefore the hypothesis is shown at below:

H12: *Leadership will have a positive impact on organizational commitment with organizational culture as a mediated variable.*

And the study contributed by Boon & Arumugam (2006) provide a better understanding of the influence of corporate culture on organizational commitment among employees within the context of the Malaysian semiconductor sector. In an entrepreneurial culture members of the organization identify opportunities and risks based on their perceptions of the internal and external organizational environment, integrate available resources, and bring in other individuals to enable



them to undertake creative and innovative ventures (Sternberg, Kaufman & Pretz, 2003; Mumford & Licuanan, 2004; Chen, 2007). Therefore the hypothesis is shown at below:

H13: The organizational culture will have a positive impact on organizational commitment.

Organizational culture has been defined as the basic beliefs commonly held and learned by a group, that govern the group members' perceptions, thoughts, feelings and actions, and that are typical for the group as a whole (Sackmann, 2003). It represents a complex pattern of beliefs, expectations, ideas, values, attitudes, and behaviors shared by the members of an organization that evolve over time (Trice & Beyer, 1984). This line of research (Amabile, 1997; Farson & Keyes, 2002) suggests that leadership plays an instrumental role in fostering innovation by affecting the organization's culture, within which individual behavior is manifested. Amabile's research (1997), e.g., suggests that leadership is crucial to provide the inclination for innovation in an organization. Leaders play an important role in developing an innovation-oriented company by supporting creativity through providing resources, e.g., sufficient time, training, coaching, and money. Leaders also play an important role in encouraging new idea generation by providing individuals with the freedom to try new things and with challenging work. In this sense, creativity is the seed of innovation that requires watering by leaders.

Bounded delegation leaders also foster innovation by creating a sharing culture that facilitates interaction and information sharing among individuals across the organization (Damanpour, 1991; Ahmed, 1998; McDermott, 1999; Menzel et al., 2008). This interaction and information sharing is an important means of allowing organization members' views and opinions to be heard and for knowledge to be transferred (Menzel et al., 2008). Damanpour (1991) also suggests that internal communication is helpful to organizational innovativeness, while McDermott (1999) emphasizes that it is important to develop existing knowledge communities to facilitate information sharing. The results of the study revealed by Boon & Arumugam (2006) that communication; training and development, reward and recognition, and teamwork are positively associated with employees' commitment. Also, communication was perceived as a dominant corporate culture dimension; it was associated with significant improvements in employees' organizational commitment.

One of the most ambitious research programs ever done in the area of innovation and creativity was the Minnesota Innovation Research Program led by Van de Ven, Angle, and Poole (1989) at the University of Minnesota. Although only one of the chapters in the book reporting on the research is focused explicitly on elements of organizational culture, the scope and depth of the research has had a significant impact on the innovation body of knowledge. Angle's (1989) chapter on psychology and organizational innovation is supported by the data collected in the larger research program and contributes the most to the topic of organizational culture and innovation.

One other literature review conducted by Tesluk, Farr, and Klein (1997) was identified. Their search focused on how organizational culture and climate influenced creativity at the individual level. Drawing on the work of the scholars described above, among others, Tesluk et al. identified five dimensions of organizational climate that influence creativity, including goal emphasis, means emphasis, reward orientation, task support, and socio-emotional support. Therefore the hypothesis is shown at below:

H14: The organizational culture will have a positive impact on public sector innovation.

Since Professionalism related as well as their understanding of their jobs and their commitment to their duties, was found to have a positive effect on public sector performance at the personal,

team and organizational levels (Terry, 1998), in other word the professionalism will create commitment. Therefore the hypothesis is shown at below:

H15: Professionalism will have a positive impact on organizational commitment.

Innovation is driven by motivation, in particular intrinsic motivation. Some of the numerous sets of theories on motivation are briefly discussed with the implications for the Public Service. Intrinsic motivation implies that people are motivated from within. Angle (1989) first reviewed the literature related to how motivation is important for creativity and innovation, noting that intrinsic motivation for creativity is much more powerful in producing creative behavior than extrinsic motivation. The three main drivers of intrinsic motivation are: Collaboration, Context, and Choice

Collaborating in a well performing group creates excitement and commitment. However poorly performing groups can be very demotivated. Group performance can be improved through developing individual skills in groups, structuring groups to perform well, and through organization norms and expectations.

Context is the ability to see the bigger picture of what is trying to be achieved. Organizations that lack the ability to see context are often concerned with such things as internal politics, office size, and access to harbor views. Better performing organizations will focus on effectiveness and efficiency. Excellent organizations will also focus on the real purpose of what they are achieving. Many public servants have a deep commitment to the purpose of the organization, but this can be eroded through poor management and bureaucracy.

Choice enables people to feel in control of their lives. Choice can be offered in terms of what staffs do, how they do it, or when they do it. People are very adept at fitting into the prevailing norms. The key to successful management is to build a chosen culture. It is powerful, enduring and will colour every other action taken within the organization. Based on above explanation about motivation, we may conclude that one of the key factors that drive motivation is commitment, in other word 'commitment of employee will create positive effect, called motivation. Therefore the hypothesis is shown at below:

H16: Commitment will have a positive effect on public sector innovation with intrinsic motivation as an intervening variable.

According to the literature review above, we may fill the gap from The Model in Figure 1, as seen below in the Figure 2.

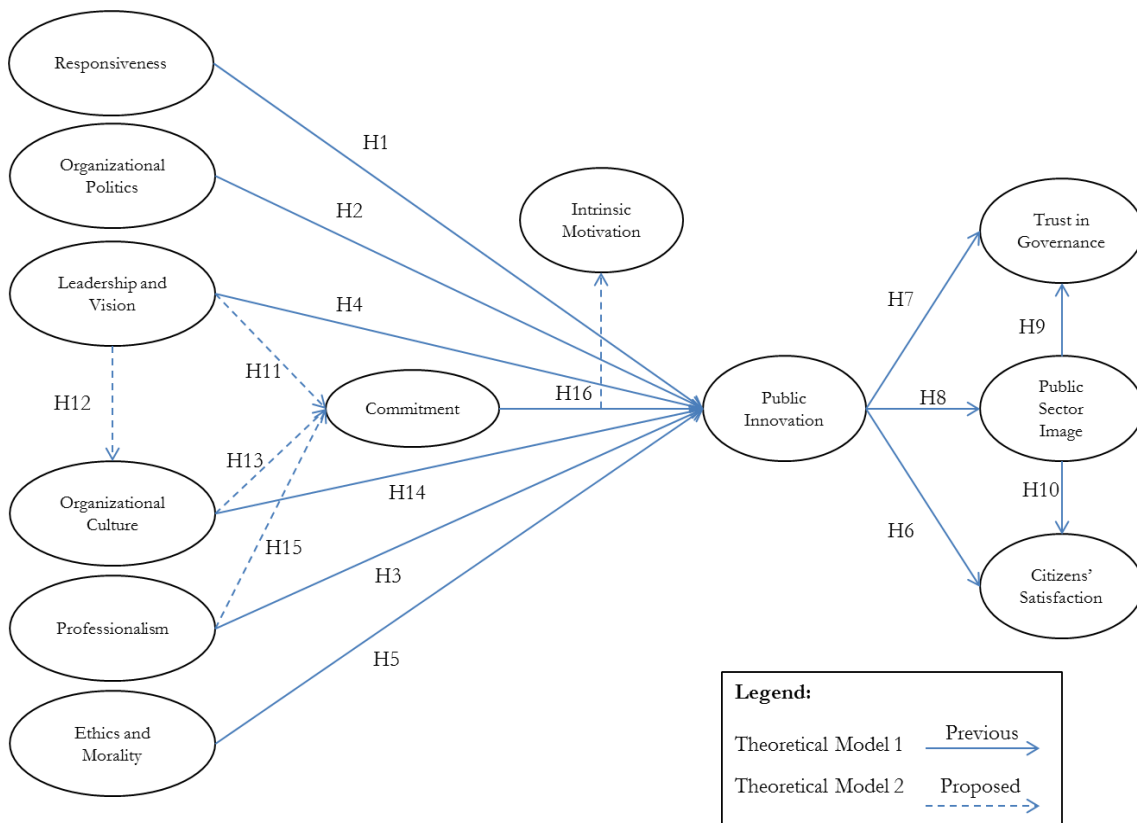


Figure 2.  
Key factors as antecedent and consequence of public innovation (modified by writer)

## 5 Conclusion and Implication

The theoretical models examined both the antecedents and possible outcomes of innovation in public sector. The findings, based on these models, led us to believe that the theoretical models are useful but can be improved by narrowing the explanatory set of variables and striving to create an integrated model. For this purpose, and based on literature review, another author was suggested five alternative models that emphasize three major antecedents of innovation (responsiveness, leadership and vision, and organizational politics) as well as three citizen-oriented outcome variables (image, trust, and satisfaction). While I am add Organizational Culture as a creation of Leadership, and Commitment as a mediated variable between leadership or organizational culture and public innovation. In other words, commitment role as a variable that fill the missing link between leadership/organizational culture and public sector innovation, which others often ignore it. Besides, I also add intrinsic motivation variable as the consequences of employees' high commitment.

The finding about the relationship between responsiveness and perceptions of innovativeness is consistent with several studies from the field of management and marketing (see, for example, Kohli and Jaworski, 1990; Narver and Slater, 1990; Deshpande et al., 1997). In addition, and to the best of our knowledge, the finding about the relationship between leadership and vision and perceptions of innovativeness is less common and has received less attention in previous studies. Other variables, such as the professionalism of public sector officers, the perceived level of ethics

and morality among public sector employees, and internal politics, as perceived by citizens, seem important, but according to their empirical findings, demonstrated very little or no relationship with perceptions of innovativeness. Most of these relationships were found only in the bivariate analysis and diminished in the more complex, multivariate analyses. We conclude therefore that these variables, although highlighted extensively in previous management and public administration studies (see Webster 1988; Kohli and Jaworski 1990; Jaworski and Kohli 1993; Selnes et al. 1996; Moon 1999; Shoham and Rose 2001), are only secondary to responsiveness and to leadership and vision in their effect on public sector innovation in Europe. Nonetheless, they believe that they still deserve attention in future studies.

Their findings in the Figure 1 is that public sector innovation has a main effect on image, but that in the same vein it has a secondary, relevant effect on trust in governance and also on citizens' satisfaction with services. This latter interpretation is more consistent with other studies that put stronger emphasis on citizens' satisfaction (for example, Poister and Henry 1994; Swindell and Kelly 2000; Van Ryzin et al. 2004), or on citizens' trust in governance (for example, Caspar 1993; Gabris et al. 2001; Calnan et al. 2005; Carter and Bélanger 2005; Hartley and Benington, 2006) as major outcomes of the innovative/well-performing public sector or as outcomes of the image and reputation of the public sector in the eyes of citizens.

The theoretical implication of this study is that a primary theoretical contribution can be made in the general context of innovation studies in public management. The citizens-as-clients perspective enriches the customer-marketing perspective by adding a dimension of the public marketing arena to the business-oriented studies on innovation. In the opposite direction, this study exemplifies how managerial thinking contributes to our knowledge in public administration, in line with the prevailing philosophy of New Public Management (NPM). Therefore, this study makes a cross-disciplinary contribution both to managerial and business thinking and to the specific field of public administration and public policy, as well as to public opinion and communication studies.

In addition, the study contributes to our understanding of public sector innovation by adding variables – such as organizational culture, commitment, and intrinsic motivation – that have not yet been studied in this context.

Beyond its theoretical and regional contribution, this study may also have some practical implication. First, the study emphasizes several factors that can enhance innovation in public sector. Beyond the attention already paid in many countries to the quality of leadership and vision, to the creation of an appropriate ethical and moral climate, and to the improvement of professionalism among public servants, this study suggests two other variables that deserve more attention: responsiveness and internal politics. The practitioners in the public sector realm should pay more attention to the improvement of responsiveness to citizens by various techniques (technological, sociological and psychological). The stronger the sense of responsiveness, the stronger the perception of the specific public sector agency as innovative. This recommendation is also much in line with the interest in recent years in the NPM doctrine. Another practical implication is the idea that internal politics in public administration may damage the innovative climate as perceived by citizens and thus may have a negative effect on other organizational outcomes such as image, satisfaction and trust (Vigoda, 2003). Whereas the findings in this regard were rather not perfect, it still encourages future studies to replicate and re-test the model in figure 2.

## Referensi

- Ahmed, PK. 1998. Culture and Climate for Innovation. *European Journal of Innovation Management* 1(1): 30-43.
- Amabile, TM et al., 1996. Assessing the work environment for creativity. *Academy of Management Journal* 39: 1154-1184.
- Amabile, TM. 1997. Motivating creativity in organizations: on doing what you love and loving what you do. *California Management Review* 40(1): 39-58.
- Anand, N, Gardner, HK, Morris, T. 2007. Knowledge-based innovation: emergence and embedding of new practice areas in management consulting firm. *Academy of Management Journal* 50(2): 406-428.
- Angle, H. L. (1989). Psychology and organizational innovation. In A. H. Van de Ven, H. L. Angle, & M. S. Poole (Eds.), *Research on the management of innovation: The Minnesota studies* (pp. 135-170). New York: Harper & Row.
- Barber, B. 1983. *The Logic and Limits of Trust*. New Brunswick, NJ: Rutgers University Press.
- Berry, F.S. 1994. 'Innovation of Public Management – the Adoption of Strategic Planning', *Public Administration Review*, 54, 322 – 30.
- Bhatta, G. (2003), "Don't just do something, stand there! - Revisiting the Issue of Risks in Innovation in the Public Sector", *The Innovation Journal*.
- Blau, P.M. 1964. *Power and Exchange in Social Life*. New York: Wiley.
- Borins, S. 2000a. 'Loose Cannons and Rule Breakers, or Enterprising Leaders? Some Evidence about Innovative Managers', *Public Administration Review*, 60, 6, 498 – 507.
- Borins, S. (2001): *The Challenge of Innovating in Government*, The PricewaterhouseCoopers Endowment for The Business of Government, February 2001.
- Borins, S. 2001. 'Encouraging Innovation in the Public Sector', *Journal of Intellectual Capital*, 2, 3, 310 – 19.
- Boon, O.K., Arumugam, V. (2006). The Influence of Corporate Culture on Organizational Commitment: Case Study of Semiconductor Organization in Malaysia. *Sunway Academic Journal* 3.
- Calnan, M., D. Montaner and R. Home. 2005. 'How Acceptable are Innovative Health-care Technologies? A Survey of Public Beliefs and Attitudes in England and Wales', *Social Science and Medicine*, 60, 9, 1937 – 48.
- Caspar, S. 1993. 'Trust is a Prerequisite for Innovation', *International Journal of Public Administration*, 16, 11, 1693 – 8.
- Chen, MH. 2007. Entrepreneurial Leadership and New Ventures: Creativity in Entrepreneurial Teams. *Creativity and Innovation Management* 16(3): 239-49.
- Christensen, T. and Lærgreid, P. (2001): *New Public Management: the Transformation of Ideas and Practice*. Aldershot: Ashgate.
- Citrin, J. and C. Muste. 1999. 'Trust in Government', in J.P. Robinson, P.R. Shaver and L.S. Wrightsman (eds), *Measures of Political Attitudes*. San Diego, CA: Academic Press, pp. 465 – 532.
- Cohen, A., Y. Zalamanovitch and H. Davidesko. 2005. 'The Role of Public Sector Image and Personal Characteristics in Determining Tendency to Work in the Public Sector', *Public Administration Quarterly*, 29, 3, 445 – 80.
- Cropanzano, R., J.C. Howes, A.A. Grandey and P. Toth. 1997. 'The Relationship of Organizational Politics and Support to Work
- Damanpour, F. 1991. 'Organizational Innovation: a Meta-analysis of Effects of Determinants and Moderators', *Academy of Management Journal*, 34, 3, 555–90.
- DeLeon, L. 1996. 'Ethics and Entrepreneurship', *Policy Studies Journal*, 24, 3, 495–510.
- Behaviors, Attitudes, and Stress', *Journal of Organizational Behavior*, 1, 2, 159– 80.

- Deshpande, R., J.U. Farley and F.E. Webster, Jr. 1997. *Factors Affecting Organizational Performance: A Five-country Comparison*. Marketing Science Institute Working Paper Report. Cambridge, MA: Marketing Science Institute, pp. 97 – 108.
- Dutton, J.E., J.M. Dukerich and C.V. Harquail. 1994. 'Organizational Image and Member Identification', *Administrative Science Quarterly*, 39, 239 – 63.
- Evans, K.G. 1996. 'Managing Chaos and Complexity in Government: A New Paradigm of Managing Change, Innovation, and Organizational Renewal', *Public Administration Review*, 56, 5, 491 – 4.
- Ferris, G.R., G.S. Russ and P.M. Fandt. 1989. 'Politics in Organizations', in R.A. Giacalone and P. Rosenfeld (eds), *Impression Management in the Organization*. Hillsdale, NJ: Lawrence Erlbaum, pp. 143 – 70.
- Folger, R, M.A. Konovsky and R. Cropanzano. 1992. 'A Due Process Metaphor for Performance Appraisal', in L.L. Cummings and B.M. Staw (eds), *Research in Organizational Behavior*, 14. Greenwich, CT: JAI Press, pp. 129 – 77.
- Fomburn, C.J. 1996. *Reputation: Realizing Value from the Corporate Image*. Boston, MA: Harvard Business School Press.
- Frambach, R.T. and N. Schillewaert. 2002. 'Organizational Innovation Adoption – A Multi-level Framework of Determinants and Opportunities for Future Research', *Journal of Business Research*, 55, 2, 163 – 76.
- Gatewood, R.D., M.A. Gowan and G.J. Lautenschlager. 1993. 'Corporate Image, Recruitment Image, and Initial Job Choice Decisions', *Academy of Management Journal*, 36, 2, 414 – 27.
- Gawthrop, L.C. 1976. 'Administrative Responsibility: Public Policy and the Wilsonian Legacy', *Policy Studies Journal*, 5, 1, 108–13.
- Gilbertson, D. (2002). *Public Service Innovation Concepts*. Innovative Processes Ltd.
- Golembiewski, R.T. 1989. *Men, Management, and Morality: Toward a New Organizational Ethic*. New Brunswick, NJ: Transaction Publishers.
- Graham, G. 1974. 'Ethical Guidelines for Public Administrators', *Public Administration Review*, 34, 1, 90 – 2.
- Hartley, J. and J. Benington. 2006. 'Copy and Paste, or Graft and Transplant? Knowledge Sharing through Inter-organizational Networks', *Public Money and Management*, 26, 2, 101 – 07.
- Hazlett, S.A. and F. Hill. 2003. 'E-government: the Realities of Using IT to Transform the Public Sector', *Managing Service Quality*, 13, 6, 445 – 52.
- Jaworski, B.J. and A.K. Kohli. 1993. 'Market Orientation: Antecedents and Consequences', *Journal of Marketing*, 57, 1, 53 – 70.
- Jing, F.F. and Avery, G.C. (2008). *Where Have The Mediating variables In Leadership-Performance Research Gone?* Australia: Macquarie University.
- Kacmar, K.M. and G.R. Ferris. 1991. 'Perceptions of Organizational Politics Scale (POPS): Development and Construct Validation', *Educational and Psychological Measurement*, 51, 1, 193 – 205.
- Kohli, A.K. and B.J. Jaworski. 1990. 'Market Orientation: The Construct, Research Propositions, and Managerial Implications', *Journal of Marketing*, 54, 2, 1 – 18
- Lui, T.T. and T.L. Cooper. 1997. 'Values in Flux: Administrative Ethics and the Hong Kong Public Servant', *Administration and Society*, 29, 3, 301 – 24.
- McDermott, R. 1999. Why information technology inspired but cannot deliver knowledge management. *California Management Review* 41(4): 103-127.
- Menzel, HC et al., 2008. Developing Characteristics of an Intrapreneurship Supportive Culture, In: A. Fayolle and P. Kyroe (Eds.), *The Dynamics between Entrepreneurship, Environment and Education*, Cheltenham (UK): Edward Elgar, pp. 77-102.

- Miles, R.E., C.C. Snow, A.D. Meyer and H.J. Coleman. 1978. 'Organization Strategy, Structure, and Process', *Academy of Management Review*, 3, 3, 546 – 62.
1. Moon, M.J. 1999. 'The Pursuit of Managerial Entrepreneurship: DPINCHOT III, G.; PELLMAN, R. (1999). *Intrapreneuring in Action: A Handbook for Business Innovation*. San Francisco: Berrett- Koehler Publishers, Inc., p.176.
- Mulgan, G. and Albury, D. (2003): *Innovation in the Public Sector*, Strategy Unit, Cabinet Office, October 2003.
- Mumford, MD, Licuanan, B. 2004. Leading for innovation: Conclusions, issues and directions. *Leadership Quarterly* 15: 163-171. *Administration* Vol. 86, No. 2, 2008 (307–329). Journal compilation © 2008 Blackwell Publishing Ltd.
- Narver, J.C. and S.F. Slater. 1990. The Effect of a Market Orientation on Business Profitability', *Journal of Marketing*, 54, 1, 20 – 35 .
- Nye, J.S., P.D. Zelikow and D.C. King (eds). 1997. *Why People Don't Trust Government*. Cambridge, MA: Harvard University Press.
2. PINCHOT III, G. (1985). *Intrapreneuring: Why don't have to leave the corporation to become an entrepreneur*. New York: Harper & Row Publishers, p.368.
  3. PINCHOT III, G.; PINCHOT, E. (1993). *The End of Bureaucracy and the Rise of the Intelligent Organization*. San Francisco: Berrett - Koehler Publishers, p.399.
- Poister, T.H. and G.T. Henry. 1994. 'Citizen Ratings of Public and Private Service Quality: A Comparative Perspective', *Public Administration Review*, 54, 2, 155–60.
- Richardson, W.D. and L.G. Nigro. 1991. The Constitution and Administrative Ethics in America', *Administration and Society*, 23, 3, 275 – 87.
- Rogers, E.M. 1983. *Diffusion of Innovation*. New York: The Free Press.
- Ruekert, R.W. and O.C. Walker, Jr. 1987. 'Marketing's Interaction with Other Functional Units: A Conceptual Framework and Empirical Evidence', *Journal of Marketing*, 51, 1, 1 – 19.
- Rose, G.M. and A. Shoham. 2002. 'Export Performance and Market Orientation: Establishing an Empirical Link', *Journal of Business Research*, 55, 3, 217 – 25
- Sackmann, SA. 2003. Cultural complexity as a challenge in the management of Global Companies. In Mohn, L. (ed.), *a Cultural Forum Vol. III, Corporate Cultures in Global Interaction*. Gütersloh: Bertelsmann Foundation, 58-81.
- Sapat, A. 2004. 'Devolution and Innovation: The Adoption of State Environmental Policy Innovations by Administrative Agencies', *Public Administration Review*, 64, 2, 141 – 51.
- Selnes, F., B.J. Jaworski and A.K. Kohli. 1996. Market Orientation in United States and Scandinavian Companies: A Cross-cultural Study', *Scandinavian Journal of Management*, 12, 2, 139 – 57.
- Shoham, A. and G.M. Rose. 2001. 'Marketing Orientation: A Replication and Extension', *Journal of Global Marketing*, 14, 1, 2 –25.
- Shoham, A., A. Ruvio, E. Vigoda-Gadot and N. Schwabsky. 2006. 'Market Orientations in the Nonprofit and Voluntary Sector: A Meta-Analysis of Their Relationships with Organizational Performance', *Nonprofit & Voluntary Sector Quarterly*, 35, 3, 453 – 76.
- Slater, S.F. and J.C. Narver. 1995. 'Does Competitive Environment Moderate the Market Orientation – Performance Relationship? *Journal of Marketing*, 58, 1, 46–55.
- Stipak, B. 1979. 'Citizen Satisfaction with Urban Services: Potential Misuse as a Performance Indicator', *Public Administration Review*, 39, 1, 46 – 52.
- Stipak, B. 1980. 'Local Governments ' Use of Citizen Surveys', *Public Administration Review* , 40 , 5 , 521 – 5 .Sternberg, RJ, Kaufman, JC, Pretz, JE. 2003. A propulsion model of creative leadership. *Leadership Quarterly* 14(4-5): 455-473.
- Steyrer, J., Schiffinger, M., Lang, R. (2008). Organizational Commitment-A missing link between leadership behavior and organizational performance? *Scandinavian Journal of Management*.

- Suzuki, P.T. 1995. 'Public Sector Ethics in Comparative Perspective', *Annals of the American Academy of Political and Social Science*, 537, 173 – 83.
- Swindell, D. and J.M. Kelly. 2000. 'Linking Citizen Satisfaction Data to Performance Measures: A Preliminary Examination', *Public Performance and Management Review*, 24, 1, 30 – 52.
- Terry, L.D. 1998. 'Administrative Leadership, Neo-managerialism, and the Public Management Movement', *Public Administration Review*, 58, 3, 194 – 200.
- Tesluk, P. E., Farr, J.L, & Klein, S. A. (1997). Influences of organizational culture and climate on individual creativity. *Journal of Creative Behavior*, 31(1), 27-41.
- Thomas, P. and C. Palfrey. 1996. 'Evaluation: Stakeholder-focused Criteria', *Social Policy and Administration*, 30, 2, 125 – 42.
- Thompson, J.R. and P.W. Ingraham. 1996. 'The Reinvention Game', *Public Administration Review*, 56, 3, 291 – 8.
- Trice, HM, Beyer, JM. 1984. Studying organizational cultures through rites and ceremonials. *Academy of Management Review* 9(4): 653-669
- Ulwick, AW. 2002. Turn customer input into innovation. *Harvard Business Review*. January.
- Van Ryzin, G.G., D. Muzzio, S. Immerwahr, et al. 2004. 'Drivers and Consequences of Citizen Satisfaction: An Application of the American Customer Satisfaction Index Model to New York City', *Public Administration Review*, 64, 3, 331 – 41.
- Vigoda, E. 2002. 'Administrative Agents of Democracy? A Structural Equation Modeling (SEM) of the Relationship between Public Sector Performance and Citizenship Involvement', *Journal of Public Administration Research and Theory*, 12, 2, 241 – 72
- Vigoda-Gadot, E. 2003. *Developments in Organizational Politics: How Political Dynamics Affect Employee Performance in Modern Work Sites*. Cheltenham: Edward Elgar.
- Vigoda-Gadot, E. and E. Ben-Zion. 2004. 'Bright Shining Stars: The Mediating Effect of Organizational Image on the Relationship Between Work Variables and Officers' Intentions to Leave the Military Service for a Job in Hi-Tech Industry', *Public Personnel Management*, 33, 2, 201 – 23.
- Vigoda-Gadot, E., N. Schwabski, A. Shoham and A. Ruvio. 2005. 'Public Sector Innovation for the Managerial and the Post managerial Era: Promises and Realities in a Globalizing Public Administration', *International Public Management Journal*, 8, 1, 57 – 81.
- Vigoda-Gadot, E., H. Vinarski and E. Ben-Zion. 2003. 'Politics and Image in the Organizational Landscape: An Empirical Examination among Public Sector Employees', *Journal of Managerial Psychology*, 18, 8, 764 – 87.
- Vigoda-Gadot, E. and F. Yuval. 2003. 'Managerial Quality, Administrative Performance, and Trust in Governance: Can We Point To Causality? ', *Australian Journal of Public Administration*, 62, 1, 12 – 25.
- Vigoda-Gadot, E. and F. Yuval. 2004. 'The State of Bureaucracy: Public Opinion about the Performance of Government Agencies in Israel and the Role of Socioeconomic and Demographic Variables', *International Journal of Public Opinion Research*, 16, 1, 63 – 80.
- Webster, F.E., Jr. 1988. 'The Rediscovery of the Marketing Concept', *Business Horizons*, 31, 1, 29 – 39.
- Woodman, RW, Sawyer, J, Griffin, RW. 1993. Toward a theory of organizational creativity. *Academy of Management Review* 18(2): 293-321.