

Trust and Innovation: Making the Match

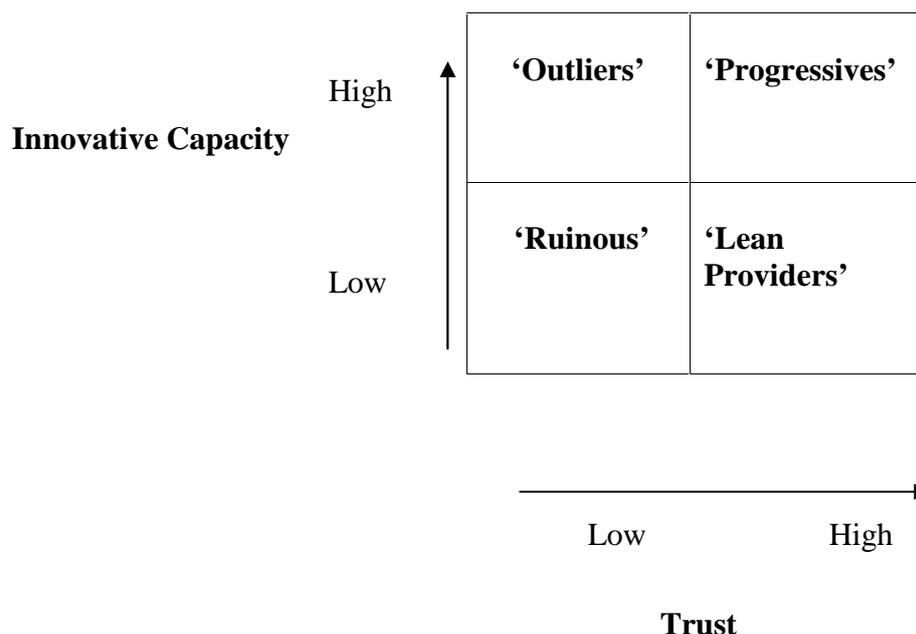
Preface:

Trust in public services and innovative capacity are vital to making progress and improving services at this time when a) public resources are more stretched than ever and b) public expectations are high. The paper gives data on which countries have higher/lower levels of trust and discusses effective teams. It also models trust levels in organisations with their capacity to be innovative. Cases from the UK public sector are also given. In essence, creating psychologically safe workplaces and an innovative culture from the bottom up are essential routes to improving and maintaining public services. The UK public sector has challengingly low levels of trust that need to be raised.

1) Setting the Scene: the match to be making... trust and innovation

If service organisations want to prosper they need to build trust between participants as well as innovate and improve services. Trust and innovative capacity are inter-dependent states of being. An organisation with *high trust levels* can take risks; experiment and test ideas. It has high levels of psychological safety that encourage critical review. High trust organisations encourage and reward staff for solving problems or creating opportunities. Conversely an organisation with poor trust levels between staff, or between the service user and the institution, will struggle to create an environment in which the necessary exploration, experimentation and learning can take place.

Trust Innovation Model™



The Trust Innovation Model™ models levels of trust with innovative capacity. By trust here we are meaning trust between participants as regards: people doing what they say they will do, i.e. reliability; openness and honesty; integrity; and performance to the standards expected of the service and the providers delivering it.

Trust relationships operate in different ways:

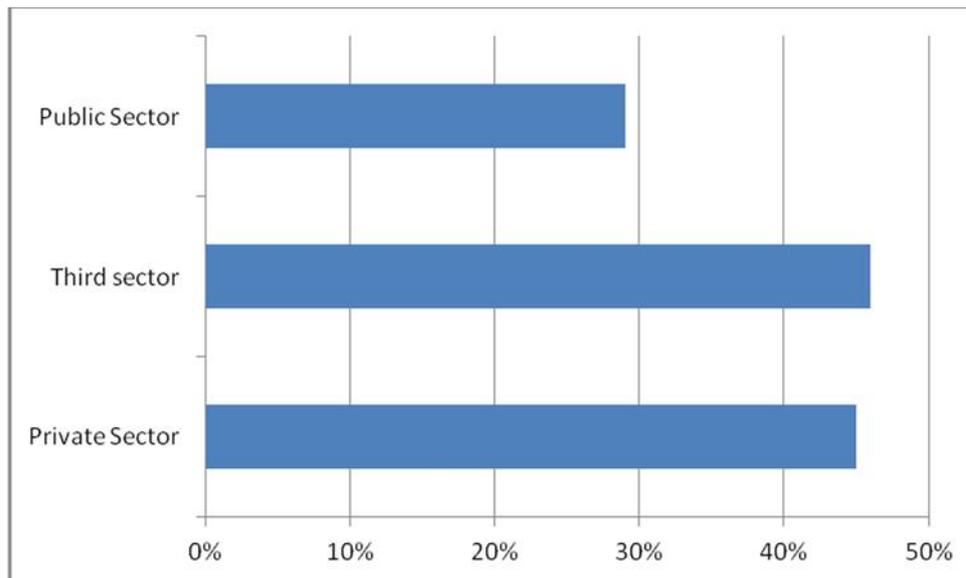
- *Intra-organisational trust: within organisations* i.e. relationships between different levels of staff and management and staff trusting (or not) one another and their respective departments.
- *Inter-organisational trust: trust between organisations* this is especially relevant where a number or separate organisations are required to deliver particular benefits or outcomes.
- *Public trust*: This is two-way – a) **trust from the public** – i.e. trust in the organisation delivering services from the viewpoint of the public, consumers or services-users and, b) **trust in the public** from the provider that the user/citizen will do what they need to do to enable the service outcomes to be met.

Trust by organisations *in the public* or the service-user is given less of an airing in the literature though it is an important ingredient to the traction of successful progress and good relationships between citizens and public services. For instance there are necessities for people to be open and honest say in a health setting, or the need for people to be prepared to make personal changes say in education, social care or criminal justice settings. These situations involve persuading people to take action therefore trusting the professional to help the person make changes is paramount. Building outward as well as inward public trust is important and transcends many other measures of public services delivery and the achievement of public good.

Does the UK have a high trust environment?

Few dependent variables of effectiveness within and between organisations could be more important than trust. Without it organisations are slow, laborious and bureaucratic and tend to uniformity; with it organisations are energetic, creative, adaptable and potentially diverse – or at least they can be. The graph below shows a lower level of trust in UK public sector organisations at 29% with higher trust levels in the private sector at 45% at and also higher in the third sector at 46%. Here managers rated levels of trust vertically with subordinates and higher managers as well as horizontal trust levels between teams and colleagues.

Trust levels reported by managersⁱ

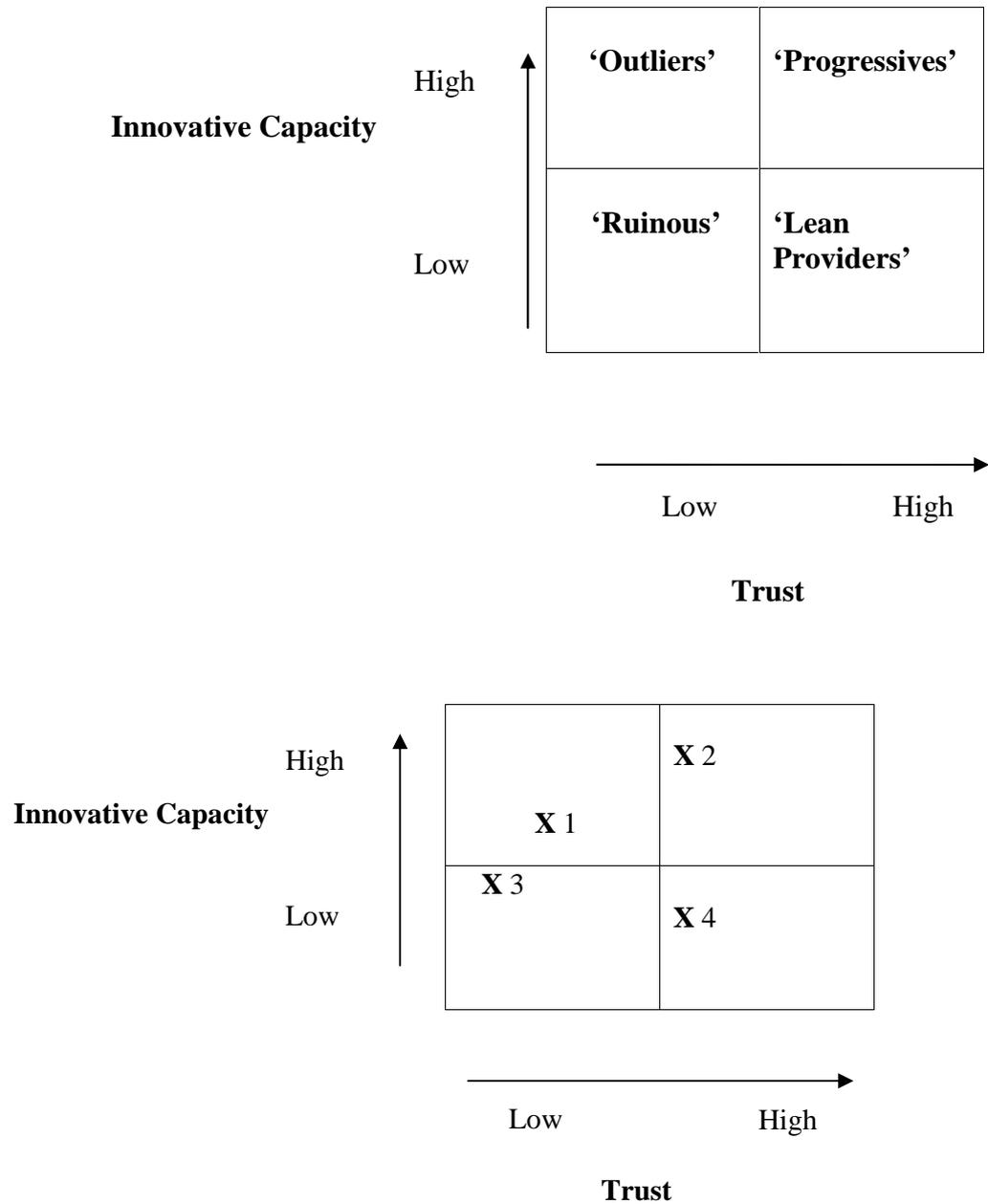


Another study by the OECD reported a **46% public confidence rating in government for the UK** as rated by the general public. There is more detail on this below in section 3. This pattern is not untypical – that is higher trust ratings in public services from the public than from the staff and managers in the organisations delivering services. For instance the public typically rates trust highly in health workers and teachers. Yet these same staff trust their colleagues and their organisations less. All told, rates of trust are not high and this has implications for the ability of services to deliver outcomes or to navigate for themselves new ways of meeting needs so outcomes and value can be improved.

This paper models four organisation types and invites the reader to model and assess their own organisations or ones they care about using the key measures of ‘trust’ and ‘innovative capacity’. On a scale of 1 to 10 for each of the 2 where would you rate you organisation?

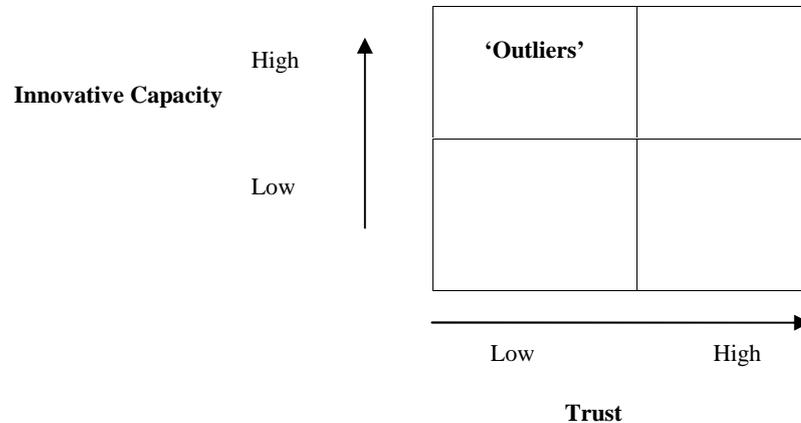
Innovation is about doing things better and making small or large changes in service delivery to meet current and future demands and needs. In today’s world standing still in public services is no longer an option even if the organisation is delivering a consistently good service.

2) The Trusting Innovation Model



The Trusting Innovation model develops a bi-variate approach to understanding two dynamics. The two variables of *levels of trust* (low to high) in the organisation and the *innovative capacity* (low to high) are modelled. The model infers a relationship between these two manifestations – i.e. the capacity to innovate is in part dependent upon good trusting relationships. The model produces 4 organisation types which are described below with examples (for more discussion on trust and innovation and some data of these topics see sections further on). This version of the paper concentrates mainly on the public and third sectors whilst the Trusting Innovation Model™ is equally valid and useful for modelling companies in the private sector or voluntary organisation in the charity sector.

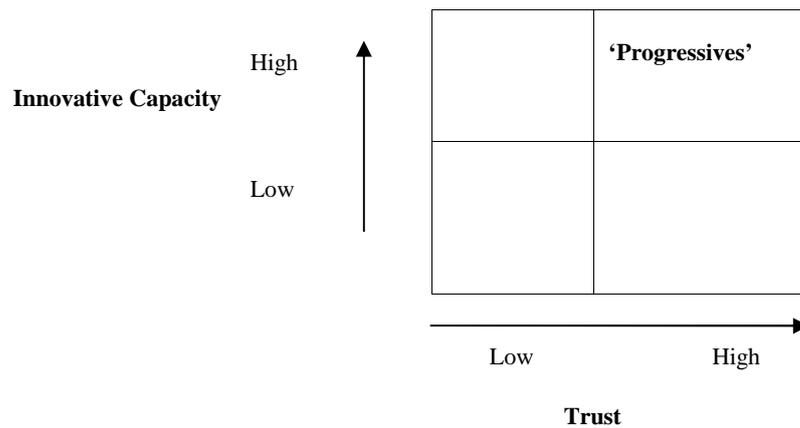
Type 1 – Outliers (X1 above)



Trust levels are not high in the organisation and its working environment, yet it does manage to create a level of innovation and change. Innovative change will, to an extent, be checked by low levels of trust. Contractual obligations and transaction costs will be far higher in an attempt to mitigate lower trust levels. In a public service context here the organisation is far more likely to depend upon contracting out with more services subject to competitive tendering and contracting terms. The organisation will be limited to only certain types of innovation. Without building and improving trust it can't use internal resources and creativity fully to innovate and develop as well as some other organisations. Outliers are often concerned with making cost savings and delivering highly specified outcomes more cheaply.

Example: The National Treatment Agency (as was) now part of Public Health England took a very innovation-led approach to tackling addiction, this helped with some successful improvement in treatment approaches and services. Certainly the most important change was that services were better focussed and delivered better outcomes. NTA deployed a highly contractised and commissioning-led approach. Providers were not so able to operate and be part of a high trust environment within and between the networks of service providers and this placed some limits on innovation.

Type 2 – Progressives (X2 above)



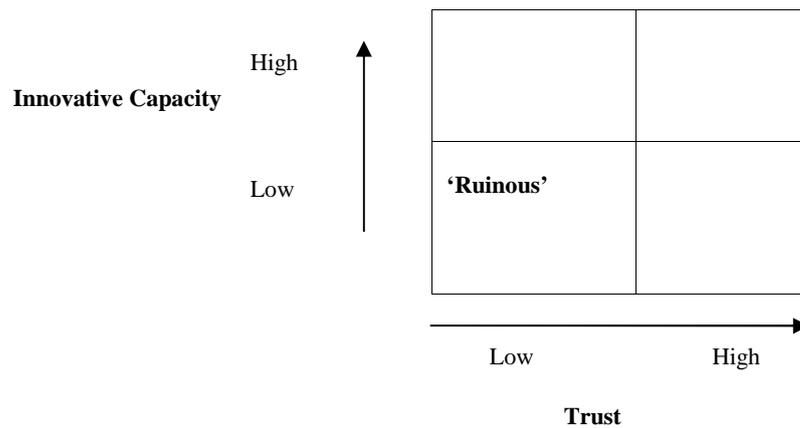
Here we have the best of both worlds - higher levels of trust and higher levels of capacity for innovation. Building upon trust and good reputation the organisation is able to innovate broadly and experiment. It is able to discover new and better ways of doing things and can afford to fail. The organisation is able to innovate and reach higher levels of service provision through experimentation, assessment and development. Attention is constantly paid to nurturing trust, reputation and openness, plus taking measures to foster a culture of embracing change and improvement. 'Progressives' are more genuinely concerned with outcomes and (better) value rather than only cost.ⁱⁱ

Example: Some areas of healthcare have been continuously innovative such as NHS cancer services. Areas such as obstetrics and general surgery have significantly changed over a generation especially in the speed and efficacy of many procedures. At a smaller scale social prescribingⁱⁱⁱ is one example of an innovation that has the capacity to change unhealthy behaviours. Day-to-day health workers and managers are trying to improve and innovate service processes. Yet there are huge strategic gaps in health services requiring innovative thinking, such as the £820 million cost to the NHS^{iv} in delayed discharge from hospital.

Building progressive public service systems requires both trust building and incentives for innovative and inventive behaviours and activities.

A note on financing innovation: There is not necessarily a predictable, causal relationship between innovative ability and abundant finance though innovation does require some resourcing. Where abundant funds have been available some public organisations can end up doing more of the same and fail to improve. For instance one local council and police authority in the North has recently been found wanting in this regard after many years of repeated innovation and development funding.

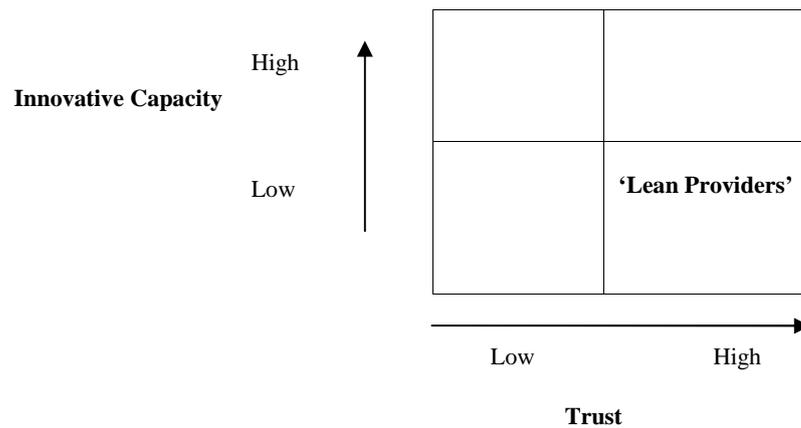
Type 3 – Ruinous (X3 above)



No organisation wants to be ruinous nor are these staff and managers in these organisation hell-bent on a ruinous strategy! However if trust is low and the building of trust is being undermined innovation is not possible to achieve. Bring in to the mix outside cost pressures, long-run austerity, or/and challenges to the quality of service provision and the organisation will retreat into highly routinised and predictable paths of service delivery that discourage innovation.

Example: the level of diminished resources and spending in some areas of homecare has rendered some social care services almost worthless. Homecare that is too threadbare may provide so little help for service-users that the services are barely worth having. Here social care can be costly overall but with very poor levels of support provided. Delivering fewer but better activities might be a better option. Many commissioners have not incentivised better ways of meeting social care needs but instead salami sliced services continuously. Some local authority departments have such a culture of low trust and no ability or commitment to innovation that they have become ruinous. Describing public organisations and their strategies as 'ruinous' might seem like hyperbole but we are seeing some organisations consistently failing to deliver good value services with diminishing trust and co-operation between staff constantly hindering good service delivery.

Type 4 – Lean Providers (X4 above)



Here the organisation has medium to high levels of trust. Staff, service-users and leaders have confidence in what the organisation provides. However it is not able to innovate well and build capacity for change and improvement. Typically it will focus more on cost reduction attempting to innovate cheaper means of service delivery in ways that are cost beneficial. Innovative ideas will not easily see the light of day whilst the focus for change is restricted to cost saving alone. Cost and quality pressures on services providers are constant - standing still in public service delivery is not an option. Providers who stand still sadly find their budgets shrinking as they are required to make efficiency savings, do more, or increase quality levels with no uplift resources.

Example: here the better local authorities in the UK have better trust and cooperation within their structures and between themselves and other providers. There are more open to scrutiny and more prepared to consider innovation and different ways of doing things.

Where are you now?

Certainly there are examples of each of these 4 model-types in the UK public sector. Examples touched on above are referred to anonymously. Rather bizarrely the UK public sector dialogue is not always robust and trusting enough to take constructive criticism! In any case, for our purposes it is better to avoid finger pointing and instead ask the reader to evaluate honestly their own organisational experience against these types. So you might want to:

- a) score your own organisation on a scale of 1-10 for trust levels and innovative capacity
- b) following this see which model fits your organisation
- c) identify what behaviours or processes enable or diminish trust in the organisation
- d) identify what behaviours or processes enable or diminish the capacity to be innovative

3) Trust matters -

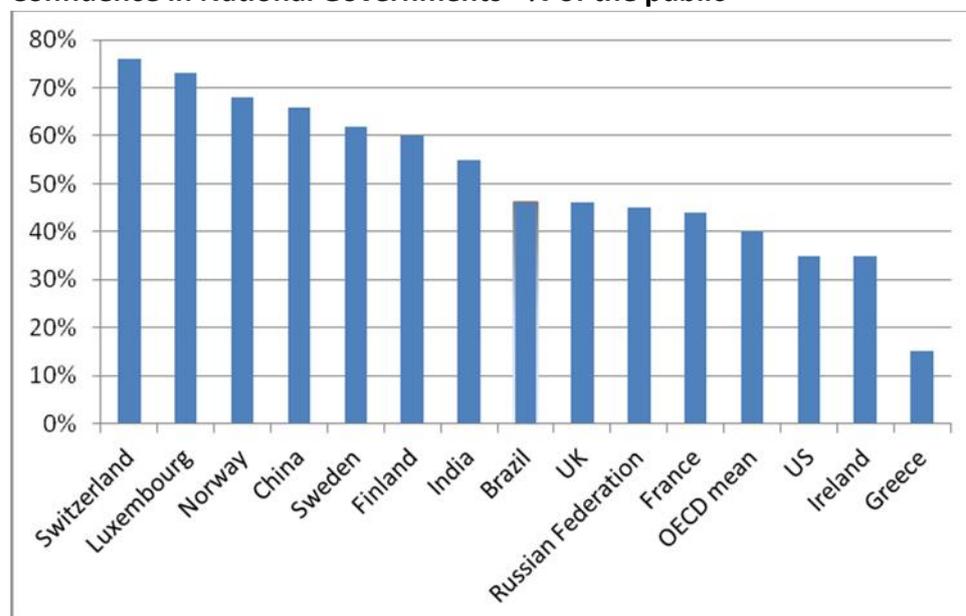
Returning to some of the evidence on trust here are some survey finding.

Is the public sector and government trusted in the UK? – the short answer is not enough.

OECD data on public perceptions of trust:

The Organisations for Economic Co-operation and Development (OECD) provided a systematic and comparative study of trust levels. *Trust in government, policy effectiveness and the governance agenda*^v compared public views on trust and confidence in government from the public's point of view mainly using data from the *Gallup World Poll*.

Confidence in National Governments - % of the public



In the above data we see the UK with a 46% confidence rating^{vi} so a minority of the public trusts government. Trust in government in the UK and the rate here of 46% has been on an upward path. The UK compares well with the OECD average but poorly with many of its near neighbours. It also does not compare well with BRIICS countries - such as Russia and China featured here - where the comparative levels of democratic openness are lower and the levels of corruption are higher. This OECD study also made the point that, on average, citizens scored higher satisfaction ratings for public service at the micro-level than they did at scoring 'government' at a more removed, macro level – some satisfaction here for the public service provider.

What comprises public trust?

The *process components* to trust and confidence are:

- a) **Reliability** - minimising uncertainty, acting consistently and reliably
- b) **Responsiveness** - efficient and citizen orientated public services that address need and expectation
- c) **Openness and inclusiveness** – useable information is provided; communication is 2-way
- d) **Integrity** - safeguarding the public interest above all; high standards of conduct
- e) **Fairness** - consistent treatment of citizens and a sense of equality of stated outcome

How can public bodies increase levels of trust? Designing in measures and processes that can be shown to produce this environment needs to be built into the processes, procedures and accountability mechanisms of services providers. This is especially important at the *point of use* as this is the critical point at which government, policy and practice is made real and manifest for people.

Trust on the inside:

As the data earlier shows managers on the inside of public services don't trust one another enough, with the public sector at a low score for high net trust at 29% set against a better rating of 46% in the third sector and 45% in the private sector.

In the UK we have challenging examples of untrustworthy public services. Take the treatment of football fans by the Yorkshire Police after Hillsborough or the treatment of crime victims by the same authority and by Rotherham Council. In health we have had shocking treatment of patients at Stafford and significant failures in delivering GP services as GP shortages that were predicted years ago have come to pass. In Birmingham we have seen failed children's services put out to new management by a private trust after constant struggles to reach good standards. These are not isolated examples and they illustrate a difficulty in getting struggling organisations to face up to the truth of their shortcomings.

4) Innovation matters-

Innovation in the provision of public services matters for many pressing reasons:

-) increased demand and expectations
-) ageing populations
-) persistent health threats such as obesity or anti-biotic resistance
-) lack of affordable housing
-) persistent social immobility

These are a few of the problems that public service and third sector provision have to tackle and work with. Finding new and better ways of tackling such problems requires innovation and invention as well as *co-development* between service-

providers and their many publics. At the same time austerity and diminishing public funds in economies across the world also require providers to do more with less and, in turn, do things differently.

Whilst some public services might remain constant and predictable in character the means of delivering them may not. Take medicine. Identifying and combating ill-health and disease has a measure of constancy to it. The patient needs medical diagnosis and treatment and the expertise of the medic provides this. We all see doctors in clinics and surgeries and we find demand on these services is out of control. Innovation in service delivery is long overdue. For instance face-to-face appointments as the only choice is hugely inefficient and medics are way behind the curve as regards skype or phone consultations that can benefit both the service provider and the patient.

Another example is policing or, more broadly speaking, public safety. This has been through enormous change and *disruptive innovation*. Though the public likes the perceived security of police patrolling the streets instead their role is fast changing into specialist public order, arrest, investigation and prosecution. Secure technology in the home and the vehicle; managed public spaces (via CCTV, private security and public reporting) and the innovative crime laboratory (DNA identification and the like) have fast reduced crime and increased clear up rates. Community policing is carried out more by a new cadre of Community Support Officer. Here both technological and social innovations such as public reporting and neighbourhood watch have contributed to reductions in crime and a landscape of public safety quite incomparable to the bobby-on-the-beat of past times.

Interestingly innovation is taking place all the time at the grassroots of public service. For instance home sharing schemes meeting the care needs of some older people by sharing their spare rooms with a lodger in return for some support or care. In addiction and treatment services arrest referral that gets offenders into treatment at a critical point has become a mainstream option from the innovation of the service by the third sector on the ground in Sussex. The third sector is innovating better ways of supporting families who have children with special needs.

No doubt many involved in public services can identify better ways of doing things but it is hard to get these ideas articulated, explored and tested or mainstreamed when they've proved their worth. Certainly the better public service organisations are doing this whilst promoting cultures of innovation and invention. Yet also we have other organisations resisting any kind of meaningful change however much the environment demands it.

So what can be done to build trust and innovative capacity?

5) What is to be done?

It all seems so simple: get staff teams building on and improving trust; take measures to create trust; incentivise staff to innovate; surface good ideas. However there are personal and social-psychological complexities that we need to be mindful of in the task of creating trust and building innovative capabilities.

Failures make us better?:

Yes they do.... or rather, at the very least they can make us better at things! Organisations need to know when and where they are in error or wanting; encourage the unravelling of activity that is not good enough; and make improvements. Performance metrics that show *higher levels of error* could mean simply that error is better revealed. Often more errors are reported in better performing organisations^{vii}

Make the workplace psychologically safe:

It is critical to make changes in the many situations where the workplace and workforce is silent yet voice is necessary to make improvements. None of us want to appear ignorant, incompetent, intrusive or negative at work. If we are then this only disadvantages are ability to get on at work. Avoiding judgement in the workplace can make us lose voice and fall victim to the biases of our own, natural process of *impression management*.

We need to encourage curiosity and questioning. Asking about what is compliant is not defiant! We need to conquer the natural process of impression management at work and loosen up these kinds of protective behaviours.

Potential judgements of others	Protective behaviour
ignorant	DON'T ask questions
incompetent	DON'T admit weaknesses or make a mistake or be complicit in any team mistake
intrusive	DON'T offer up ideas
negative	DON'T criticise the status quo

Motivate and incentivise:

Psychologically safe workplaces model curiosity from the top and evaluate *what* they are doing as well as *how* they are doing it. Here is one example of modelling effective and motivated teams from Google . Their results chime well with the attributes of the effective teams literature.

In Google the organisation is driven by an innovative urge and a desire to improve all the time. When they assessed ^{viii} 250 attributes of successful teams 'psychological safety' came a runaway top of the list followed by 4 other high ranking essentials:

- 1 Psychological Safety - able to take risks
- 2 Dependability - counting on each other
- 3 Structure and Clarity – goals, roles and execution plans are clear
- 4 Meaning – personally important work
- 5 Impact – the work we are doing matters

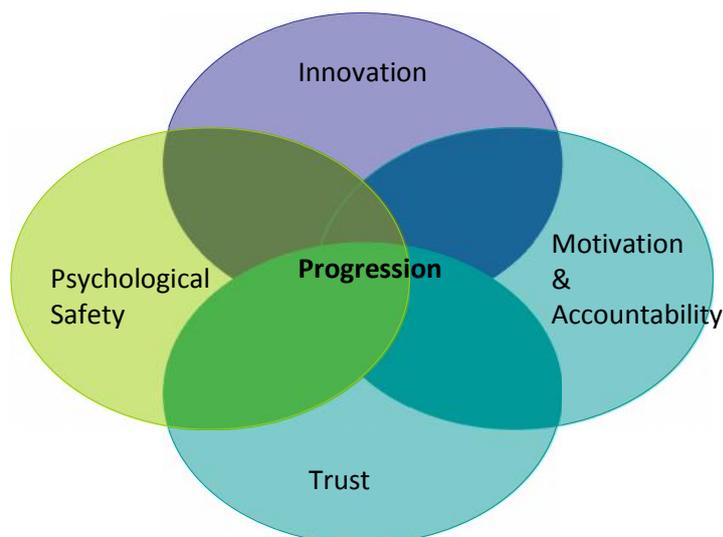
Try new things

Trialling and piloting new ways of doing things enables change to be surfaced, made possible and tested - and if it doesn't work then try something else. The cases mentioned in this paper from the public and third sectors like arrest referral (now well established) and social prescribing (new and showing excellent promise) started with small, local and manageable projects tackling old problems with new methods.

So to return to the Trusting Innovation Model at the start of this paper becoming a progressive organisation requires effort in:

-) building and absorbing innovation
-) motivating people
-) nurturing a psychologically safe workplace and
-) above all else creating high trust for its own sake

Building Innovation



6) Conclusion:

Organisations need a capacity and appetite for innovation to help them progress in a challenging world. They also need to align creativity and inventiveness amongst their people with their corporate culture and objectives. Building trust within and between organisations can enable innovation to take place and create benefits in better service delivery and good morale. We need to transfer the cultural build, organisational design and service operations of the progressive organisations into the ones that are just getting started on innovation.

This paper invites you to assess where your organisation is at now with honesty and integrity. That is an excellent start!

©Jim Simpson

More articles and resources for reference, browsing, learning and downloading at:
<http://jimsimpsonconsultancy.co.uk/resources-library/>

ⁱ This data is from a survey of 1,647 respondents commissioned by the Institute for Leadership and Management (ILM) – *The Truth about Trust: - Honesty and Integrity at Work* 2009

ⁱⁱ Management and commissioning in public services all too often gets ‘cost’, ‘value’ and ‘price’ confused or fudged. Value here is referring to the best outcomes at a given cost as opposed to the cost of a given activity irrespective of the outcome. Value keeps a focus on doing the right things and delivering changes, benefits and outcomes that are desired whereas cost only approached tends to focus on the price of inputs and delivering cheaper services and doing things right. Here ever cheaper homecare at threadbare cost is an example of a service that is in some instances delivering more service inputs and outputs for less unit price but the quality of outcomes of care are deteriorated.

ⁱⁱⁱ ‘social prescribing’ is a way of offering patients with chronic conditions non-medical support that may improve their health – such as advice with money matters, exercise activities or social support and participation

^{iv} The National Audit Office estimates that delayed discharge costs the NHS £820 million a year. This is estimated using ‘bed days lost’. Reported in *the Guardian* 26.5.16

^v OECD (2013), “Trust in government, policy effectiveness and the governance agenda”, in *Government at a Glance 2013*, OECD Publishing. http://dx.doi.org/10.1787/gov_glance-2013-6-en

^{vi} confidence questions are used as a proxy for measuring trust. This has been developed in use as a questioning method as the concept of confidence is a strong indicator of trust – i.e. perceiving that the institution (here being government) will be open, honest and do what it says it will do..

^{vii} See *Building a Psychologically Safe Workplace*, Amy Edmondson
<https://www.youtube.com/watch?v=LhoLuui9gX8>

^{viii} The Five Keys to a Successful Google Team <https://rework.withgoogle.com/blog/five-keys-to-a-successful-google-team/>