

Nepal Administrative Staff College

Jawalakhel, Lalitpur

Title of Research Report:

INNOVATION IN PUBLIC SERVICE DELIVERY AT METROPOLITAN CITY OFFICES IN NEPAL: A CASE OF BAGMATI PROVINCE

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Submitted to:

Center for Research and Development

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Date of Submission: Baishakh, 2079

Abstract

Innovation is something that is new, capable of being implemented, and has a beneficial impact. Effective government and public services depend on successful innovation to develop better ways of meeting needs, solving problems, and using resources and technologies. While the government is always expected to perform better and deliver quality services, innovation is to be done to achieve it. But to innovate, the public sector of Nepal must have the conditions necessary for innovation. The objective of this study was to analyze the conditions necessary for innovation at Metropolitan city offices in Bagmati Province of Nepal. For meeting the objectives, key informant interviews were carried out. The findings suggest that the three metropolitan city offices seem to have been innovating but the deeper look into the pre-requisites for innovation-ability and motivation to innovate dimensions need to be focused for the better service delivery. It is concluded that the metropolitan city offices do not have necessary conditions for innovation, nevertheless, it can be improved via various ways.

Keywords: innovation, public service delivery, conditions

Introduction

Effective government and public services depend on successful innovation to develop better ways of meeting needs, solving problems, and using resources and technologies (Mulgan & Albury, 2003).

Innovation and technology drives everything from education to economic growth. It costs more money to run an inefficient agency, and the system not only fails the people it meant to serve, it eventually hurts them (Hoque, 2012).

Innovation improves effectiveness and problem solving ability of the organisations in the public sector (de Varies et al, 2016). In addition, even a small innovation in the public sector

may yield large outcomes or effects beyond the limits of the public sector itself (Edler & Yeow, 2016). Further, empirical evidence suggests that important conditions specific to the public organization influence the likelihood of innovative activity (Demircioglu & Audretsch, Conditions for innovation in public sector organizations, 2017).

According to Marfleet (2008,153), employees tend to work best in organizations that “encourage creativity and experimentation.” Dawson and Denford (2015) argue that government agency leaders and organizations should encourage experimentation because doing so will increase innovative behavior and innovations. Therefore, when employees are able to experiment, they feel more motivated to work, and they can create innovations (Demircioglu & Audretsch, 2017). Likewise, when employees are given a choice of how to do their work, they can improve their skills and are able to make more innovations.

Studies of innovation in private companies conclude that innovations in private sector have greatly improved. However, public sector institutions are often seen as conservative and bureaucratic in terms of innovations (Bloch C. , Measuring public innovation in the Nordic countries: Copenhagen manual, 2011).

The local governance system in Nepal

With the promulgation of the new Constitution in 2015, Nepal has adopted three tiers of government, namely federal, provincial and local government. Functional assignment of all three tiers of government is illustrated in the figure below:

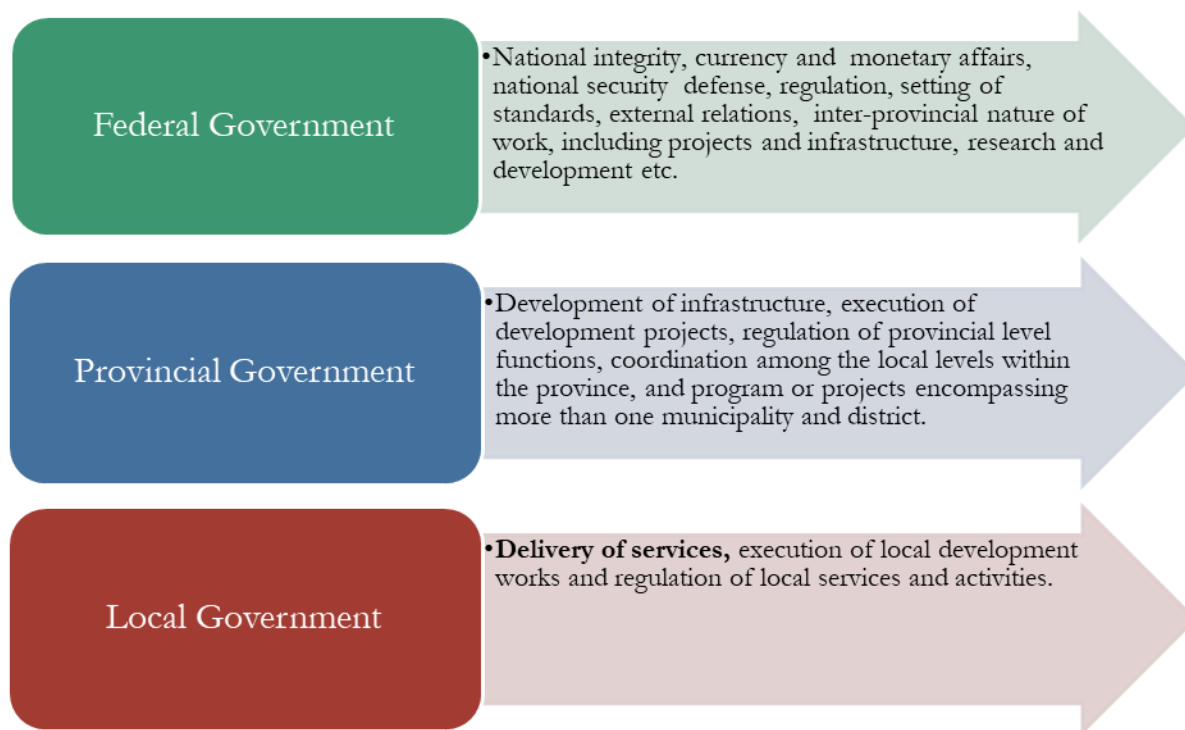


Figure 1: Functional assignment of three tiers of governments

Local governments can be divided into four types, namely metropolitan cities (6), sub metropolitan cities (11), municipalities (276) and rural municipalities (460). The local governments are assigned 22 exclusive functions and 15 concurrent functions. Schedule 8, and 9 of the Constitution of Nepal (2072) and Local Governance Operation Act (2074) assigns various functions of service delivery to the local government.

Table 1: Functions and responsibilities of Local Governments

Functional assignment (Source: (Constitution of Nepal, 2015))	
Exclusive rights	22 exclusive functions assigned to local government including management of local services, local development projects and programs, basic and secondary education, basic health and sanitation, and local economic development (Schedule 8)
Concurrent rights	15 concurrent functions between federal, province and local governments (Schedule 9)
Legal Provision related to Local Government (Source: (Inter Governmental Fiscal Arrangement Act, 2017))	
Exclusive Revenue rights	Property tax, house rent tax, business tax, land tax
Concurrent revenue rights	House and land registration charge, Vehicle tax, entertainment tax, Advertisement tax

Statement of Problem

There may be various reasons for why each country is innovative or not innovative. According to the Global Innovation Index 2021, relying on 81 indicators, Nepal is ranked 111 out of 132 countries (WIPO, 2021). Innovations in governments are affected by institutional forces, and governments throughout the world do not want to be lagging behind in their innovative endeavours (Demircioglu, 2019). While the government is always expected to perform better and deliver quality services, innovation is to be done to achieve it.

For Nepalese public sector to be more efficient and deliver quality services, public sector needs to transform via innovation. But to innovate, the public sector of Nepal must have the conditions necessary for innovation. With the results on the conditions necessary for innovation, steps could be taken accordingly to foster innovation in the public sector. Hence, to make public sector innovative, it is crucial to analyze the conditions necessary for innovation in public sector organisations in Nepal.

However, before expecting the government to innovate, it is necessary to ensure whether or not conditions necessary for public organization to innovate exists. Hence, the conditions necessary for innovation in public sector needs to be analyzed for fostering innovation in the public sector of Nepal. According to Nepal National Governance Survey 2017/18, municipality office is the most commonly accessed government office by the citizens (NASC, 2018). There are 753 local level municipalities and rural municipalities in Nepal. According to LGOA (2074), Metropolitan city offices have more functions to perform and cater more needs of citizens. Hence, this study focus on the study of conditions for innovation in service delivery at metropolitan city offices in the country.

Research Objectives

The general objective of this study is to understand the context of metropolitan city offices in Nepal if they have conducive environment for innovation. The specific objective of this study is to analyze the conditions necessary for innovation at Metropolitan cities in Bagmati Province of Nepal.

Rationale of the study

We want Nepalese public sector to be more innovative than it is today. There are change factors affecting organisations everywhere and citizens expect public sector to transform itself in response to the challenges and global competition of innovation. Hence, to enable public sector to do so, it is crucial to understand the conditions necessary for innovation in those organisations. This paper will show the status of the conditions necessary for innovation in public organisations. Furthermore, the results of the study will help policy makers and bureaucrats to take necessary actions for improving innovation in the public sector of the country.

Literature Review

What is innovation?

There are different definitions of innovation, but the most common is that it represents ‘the implementation of a new or significantly improved product (good or service), a new process, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations’ (WIPO, 2012, p. 5).

Innovation is something that is new, capable of being implemented, and has a beneficial impact. It is not an event or activity; it is a concept, process, practice, and capability that defines successful organizations (Serrat, 2012).

According to Albury (2010), “Successful innovation is the creation and implementation of new processes, products, services and methods of delivery which results in significant improvements in outcomes, efficiency, effectiveness or quality.”

Innovation is a dynamic process which identifies the problems, challenges and development of new creative ideas, and the selection and implementation of new solutions (Cankar & Petovšek, 2013).

Bloch (2011, p. 14) states innovation “comprise new or significant changes to services and goods, operational processes, organizational methods, or the way your organization communicates with users. Innovations must be new to your organization, although they can have been developed by others.”

Innovation occurs ever more frequently in rhetorics and discourses of public service improvement. Most concisely it can be thought of as ‘new ideas that work’ (Albury, 2010, p. 51). Arundel and Huber (2013, p. 146) states “Measurement requires agreement on how to define innovation in public sector”. Hence the following definition is considered as an operational definition for the study.

Australian Public Service Commission (2012, p. 32) states that innovation “comprise new or significant changes to services and goods, operational processes, organizational methods, or the way your work group communicates with users”.

Innovation in private sector

It is generally accepted that innovation is at the heart of economic growth and prosperity and that, at least in the private sector, innovation occurs through a process of creative destruction that is driven by entrepreneurial action (UNECE, 2017). Various studies have shown that

innovation in private sector has greatly improved. Motivation to improve performance in the private sector comes from the desire to reach more customers and increase profits (Christensen, Anthony, & Roth, 2004).

European Public Sector Innovation Scoreboard distinguishes four general types of innovation in the private sector: (1) 'A product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics'; (2) 'A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software'; (3) 'A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing'; (4) 'An organisational innovation is the implementation of a new organisational method in the firm's business practices, workplace organisation or external relations' (EPSIS, 2012 in Cankar & Petovšek, 2013).

From the literature review, it can be said that the innovation process is influenced by different factors. The factors driving innovation in the private sector are classified into groups of internal and external (Maldifassi, 2013). Internal driving factors of innovation includes: innovation strategy, innovation culture across the organisation, organizational structure, size, the proportion of highly educated staff, human resource management and the related competences of employees, the amount and type of resources the organisation possesses, the attitude of managers towards innovation, goal-setting and financial aspects. The external factors in the private sector are the prevailing economic state of affairs, existing government policies, market growth in the

industry in question, the price of specific inputs into the production process and the age of the industry in question, collaboration with suppliers and with other companies, the interconnection between knowledge centres, the utilisation of financial resources or support regulations, and links with academic and research institutions.

Innovation in the public Sector

While profit and price work together to drive private sector innovators (Sahni, Wessel, & Christensen, 2013), A number of economic, industrial, political, relational and personal factors can motivate public sector innovation (Cankar & Petovšek, 2013).

The drivers of public sector innovation can be divided into three groups: internal, external and political (Agolla & Van Lill, 2013; Bloch, 2011), (Rivera et. al., 2012). Internal factors are those that arise within the organisation, with the most frequent being internal problems within an agency or department. Good management and leadership can also play an important role in driving innovation, as well as human-resource-related factors, including education and training schemes for public servants, the availability of incentives to innovate, and good management and leadership. Not least, bureaucracy and organisational structure and design also influence public sector innovation. External drivers are those that exist in the external environment. These factors include collaboration between the public and private sectors, the presence of rewards for innovative public sector initiatives or units, and the existence of international good practice and international rankings, which stimulate change in internal structures, processes or services and impel them towards innovation. Political drivers are those that arise primarily in the political environment and relate to the political support and votes gained by being seen to perform better than opposing political actors. Political drivers also encompass budget reductions and the availability (or inadequacy) of funding resources; these can provide a major incentive to public

institutions to be more innovative in their activities. The availability of financial resources or the direct allocation of budget funds to innovative public sector activities are also political drivers. In Australian government, innovation is top-down as well as bottom up process. Results of a survey conducted by Australian Public Service Commission shows employees in the lower rank and general public too as sources of innovation (Demircioglu, 2019). Public sector innovations comprise new or significant changes to services and goods, operational processes, organizational methods, or the way your organization communicates with users (Bloch C. , Measuring public innovation in the Nordic countries: Copenhagen manual, 2011).

Why does Public Sector innovation matter?

Innovation and technology drives everything from education to economic growth. It costs more money to run an inefficient agency, and the system not only fails the people it meant to serve, it eventually hurts them (Hoque, 2012). In the absence of public sector innovation, the public sector becomes an increasingly entropic drag on the private sector through the accumulation of dysfunctional regulatory and policy settings and programs (Potts & Kastle, 2010).

Citizens and enterprises have lost confidence in the administration because they still suffer under excessively complex and expensive rules and procedures rooted in tradition (Waintrop & Dennielou, 2017). Hence, Waintrop and Dennielou (2017) states that at the beginning of the 21st century the goal of public sector innovation was more efficient public management and more strategic public spending. However, today, the aspiration of public sector innovation is to better respond to the expectations of users, to understand them by using novel methods - immersion into local conditions, collaborative platforms,

design thinking – to identify the complexity of the situation and to find fast, cheap and consensus-based solutions (Waintrop & Dennielou, 2017).

Innovation and creativity in the public sector are even more important given the current financial and economic crisis; this means that countries should focus more on promoting innovation in the public sector (Cankar & Petovšek, 2013). Below listed are reasons that shows importance of promoting public sector innovation to the economy (Potts & Kastle, 2010):

1. Size of the public sector: In OECD countries, public sector ranges between 20-50% of GDP. Hence it is understood that the public sector innovation reduces cost and increases output there by fostering productivity and government performance.
2. Public sector is tasked with specific objective: Public sector innovations can achieve various objectives by solving various problems through new institutional arrangements
3. Establish indices, benchmarks, and other such measures: Public sector doesn't have competitors, thus there is need for benchmarking to evaluate innovation performance. Hence to guide innovation objectives in the public sector, comparison with best practice
4. To Adapt with technological change: Today the globalized world is evolving with technological change. Hence to move on with the technological change, an institution must undergo changes within an organization by developing and adapting new policy so as to move on continually. Hence an evolving economy requires evolving policy (Pelikan and Wegner 2003).

Barriers to Innovation in Public service

There are barriers to innovation in public sector which have to be lowered or removed if high rates of successful and systemic innovation are to be maintained (Albury, 2010). Further,

Borins (2001) stated that there are challenges within public sector organisations that has resulted into innovations in the public sector.

Bloch and Bugge (2012) emphasized ‘lack of funding’, ‘inadequate time’ and ‘lack of internal incentives’ as the three most important barriers to innovation. Cinar, Trott and Simms (2018) lists out organizational barriers to public service innovation: Ineffective administration of process activities, resistance or lack of support from specific actors, lack of available resources, rigid organizational structure/culture and lack of skills/knowledge/expertise.

Nothing breaks down barriers better than making sure that the people affected by an innovation are aware of and in agreement with the change. Various authors (Bloch, 2011; Carstensen & Bason, 2012; Cankar & Petovšek; 2013) discuss on different barriers that hinder innovation in the public sector:

1. Absence or inadequacy of resources (finance, skills, human resources or opportunities to enlist other support services), which is identified as a main barrier to innovation.
2. Risk aversion (risk for users and civil servants due to implemented changes) and accountability constitutes another barrier.
3. Public resistance to change, as the public is often resistant to reorganisation and to changes in the way public services are delivered, especially when it is not sufficiently informed of the benefits of the changes.
4. Size and complexity: the public sector has complex, large-scale organisational entities that can develop internal barriers to innovation.
5. Shortages of localised skills and gaps
6. Lack of cooperation within the organization
7. Lack of clear agreement

8. Communication difficulties
9. Lack of incentives for staff to innovate, and inadequate time allocated to innovation.
10. Lack of structures and mechanisms for the enhancement of organisational learning and the diffusion of good practice.
11. Technical barriers
12. Lack of flexibility in laws and regulations.

Research Methodology

Christenesen, Anthony and Roth (2004) suggested that two primary factors create an environment for innovation: ability and motivation. However, the framework was derived from the data which was limited to private sector only. But Sahni, Wessel and Christensen (2013) discovered underlying conditions inherent to private sector innovation that was needed to be replicated in the public sector.

For analyzing the conditions necessary for innovation in metropolitan city offices of Nepal, questionnaire tool developed by Demircioglu and Audretsch (2017) was followed.

For the study, both primary and secondary data were needed; primary data were collected via Key Informant interviews (KII). For KII, semi-structured checklist was used. Further, relevant books, journal articles, reports published by government and non-government organisations, etc were reviewed for collecting secondary data.

There are six metropolitan cities in the country and among those, three lies in Bagmati Province itself. Hence, this study focused on innovation in service delivery at Metropolitan city

offices in Bagmati Province.

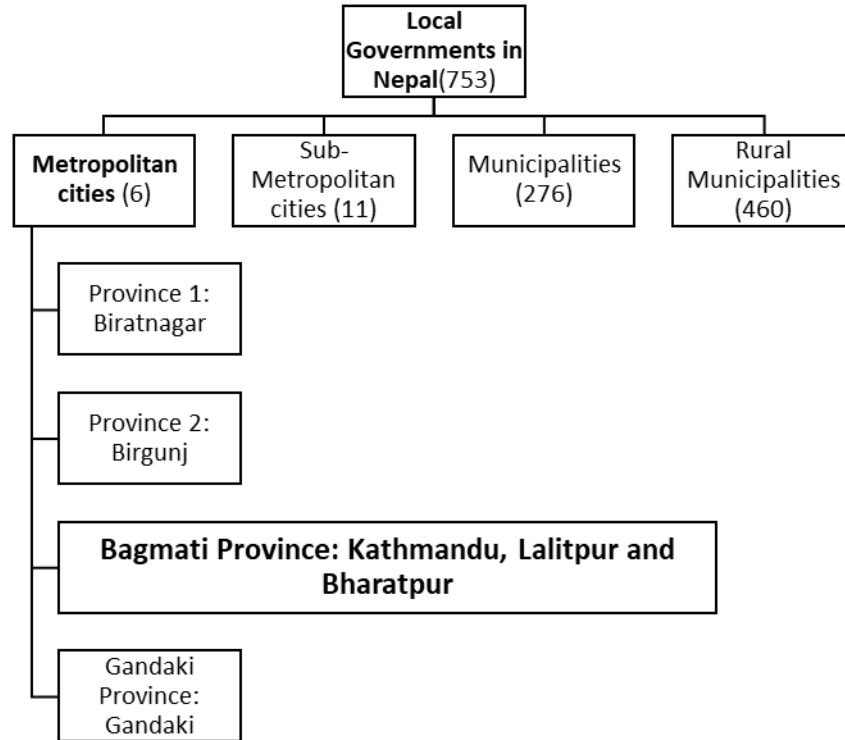


Figure 2: Study area for the research

Sampling

Chief Administrative Officer of the chosen government offices and deputy mayor were the key informant for the study. Furthermore, Gazetted officers deployed at the six metropolitan cities of Nepal were also interviewed to cross verify the information from the CAO and deputy mayors.

Data management plan and Data Analysis

Firstly, the interviews were transcribed and information was according to the checklist prepared as per the questionnaire that was followed.

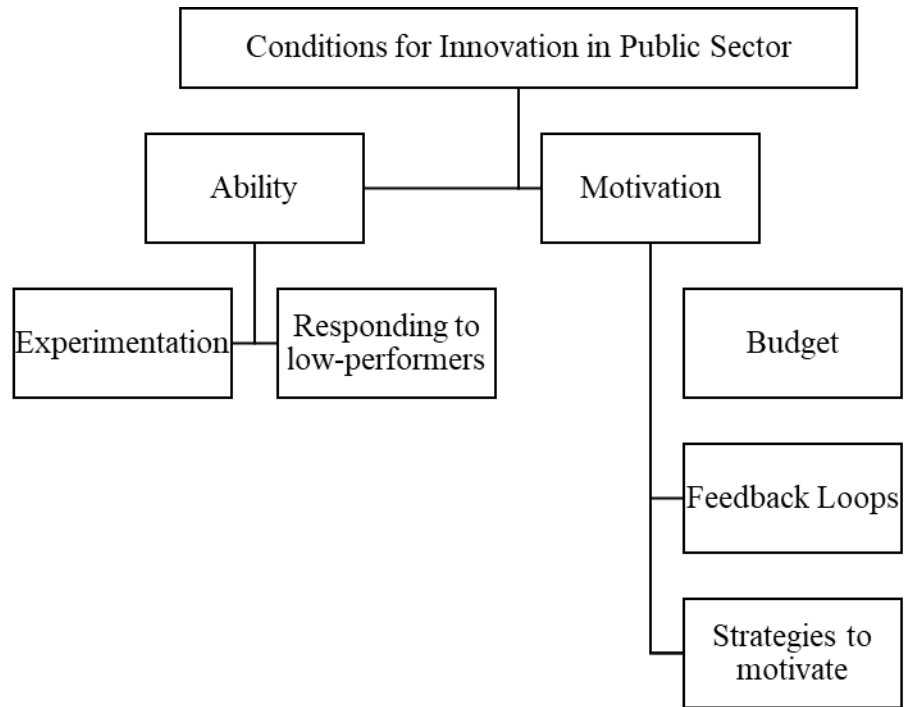
Theoretical framework

Sahni, Wessel and Christensen (2013) studied instances of successful and unsuccessful innovations in government. Further, the difference between success and failure was the ability to create or preserve most if not all of these five conditions for breakthrough innovation: (i) ability to experiment, (ii) ability to sunset outdated infrastructure or in other words, responding to low performers, (iii) existence of feedback loops, (iv) existence of incentives for product or service improvement, and (v) existence of budget constraints for end users (Sahni, Wessel, & Christensen, 2013).

Sahni, Wessel and Christensen (2013) concluded that the ability to innovate is derived from the first two conditions and motivation for government innovations was derived from the third, fourth and fifth conditions. The five conditions together allow innovators in public sector to try, test, adopt and reject new technologies and service models.

This framework has been chosen for the study because it is systematically analyzed, theoretically supported, and empirically grounded for practical research on public sector innovation (Demircioglu & Audretsch, 2017). Sahni et al. (2013) conclude that their framework is supported by contributions from research groups at the Harvard Kennedy School, the Harvard Business School, many municipalities, and the White House Office of Science and Technology Policy. Further they have surveyed hundreds of people in government, interviewed public sector innovators, and collaborated with many academics in the United States.

Figure 3: Theoretical Framework: Conditions for innovation in public service



This study applies the framework developed by Sahani et. al which has been slightly revised in terms of naming the elements. The conditions for innovation in the framework is defined in two dimensions namely ability and motivation to innovate.

Ability to innovate is determined by the scope of experimentation enjoyed by employees and how the institution is responding to the low performers at the office.

On the other hand, motivation for innovation is determined by three elements- budget, feedback loops and strategies to motivate the employees.

Findings

Five conditions stated by Sahni et al. (2013) that foster innovations in public sector has been studied in the metropolitan city offices of Bagmati Province- Kathmandu, Lalitpur and Bharatpur

Metropolitan City Offices. Prominent features identified in each of the conditions from the key informant interviews has been illustrated below:

Experimentation

Heads of all the departments and divisions have authority to utilize budget under 20 million.

Hence, they have choice on deciding on how to work and what to prioritize. However, the civil service team work following legal documents and definite procedures which acts as a barrier for putting forth ideas to improve service delivery.

While discussing about innovation, chief administrative office of Kathmandu Metropolitan city office expressed that innovation could be considered as a relative term. He said, “For Kathmandu Metropolitan city today, multistoried parking, electric vehicle charging stations, public toilets constructions at different places could be considered as innovative efforts. However, no such programmes have been designed.” In his opinion, though staffs are given authority to prioritize work, political leadership should drive for change.

In general, the front line officers are expected to bring ideas for improving service delivery. However, there are very rare incidences where in front line officers come up with service improvement ideas. Chief Administration Officers of Kathmandu and Lalitpur both had an opinion that the front line officers hardly bring in innovative ideas for service delivery. However, Chief Administrative Officer of Bharatpur did express that there are few employees who share ideas for improving service delivery. For example, compilation of all projects and its details in software was an idea shared during a meeting by a frontline officer.

Chief Administrative Officer shared that the elected representatives expected employees to be proactive and put forward innovative ideas to improve service delivery. Similarly, an officer at

Bharatpur Metropolitan City Office shared that the employee's ideas could be implemented if they put forward their ideas along with the benefits and tried to convince it. Deputy Mayor at Bharatpur Metropolitan City Office added, "the employees had been performing while the elected representatives were not there and still working today. They are free to work".

Furthermor, Chief Administrative Officer had shared that the Ward offices are authorized to spend budget up to 20 lakhs. He also added that the metropolitan city office which had not done things during the 20 years period has been done in this 5 years.

An officer from Lalitpur Metropolitan City Office shared that the office has not yet been able to control crowd. In fact, the crowd was not controlled during COVID time too.

Responding to low performers

In an organization, there are different type of performing employees- high performers, mid-performers and low-performers. The high performers try their best to ensure that the service receivers are not confused and put in effort to simplify service procedures via delegating authority to subordinates in written form. One form of low performs in public service context are the ones who delay service receiving process. Hence, one way of innovating in an organization could be dealing with low performers or in other words, making low-performers perform to an expected level.

Chief Administrative Officer believed that people in Nepal cannot resisit to the negative feedback which is reflected in the employees working in the organization too. However, the officer shares that providing constructive feedback should be focused rather than providing negative feedback only.

All the three metropolitan city's chief administrative officers have implemented different mechanisms for responding to the low performers. Chief Administrative Officer of Kathmandu has made it compulsory for all the desk officers to submit a report on what works they completed and could not complete in a month. In Lalitpur and Bharatpur, providing feedback to and asking for updates with low performing employees. Chief Administrative Officer of Kathmandu Metropolitan city office said there can be different types of low performers and dealing with each differs. He stated, "One reason for delaying services by the employees could be because they lack proper skills required for quick delivery of services." Hence, providing need based training would help enhancing performance of employees who lack necessary skills to do their job effectively. Furthermore, he also added that low performers could be the ones who are not punctual and other types could be the ones who are involved in illegal activities. They need to be dealt by the department head of the respective units. Ones who are punctual are recognized on Metropolitan city day in Kathmandu metropolitan city office.

Deputy Mayor of Bharatpur Metropolitan City Office has shared that the elected representatives want to service receivers to get prompt and easy services. But the employees want the procedures to be followed. They do not want to delay the process intentionally."

Feedback

While feedback is provided to deal with low performers, it is also given whenever needed to improve performance. All the key informants shared that whenever they provided feedback to the employees, they took it positively and worked as per feedback.

Chief Administrative Officer of Kathmandu Metropolitan City office mentioned that constructive feedback should be considered as incentives as well as rewards.

Deputy Mayor of Bharatpur Metropolitan city office stated, “we give feedback to get certain results. Had we not received the result as we expected, we could assume that the employees have not implemented our feedback or taken it otherwise. However, we have always received expected results upon providing feedback. Hence, I am sure they have taken the feedback positively.”

An officer at Bharatpur Metropolitan City Office also shared that the chief administrative officer and elected representatives gave feedback in a positive way whenever needed.

Chief Administrative Officer at Bharatpur Metropolitan City office mentioned that the divisions organized meeting twice every week and during feedback and suggestions are shared.

Motivation

One of the most important factor that affects performance and innovation in public sector is how motivated the employees in an organization are. Furthermore, there are many factors that affects motivation of an employee, for example: family situations, working environment, after retirement benefits, etc.

Chief Administrative Officer of Kathmandu Metropolitan City Office said, “there are enough works to do in this office, people with integrity work and we need to reward them. One way of motivating employees is reducing work load if they are overburdened and capacitate if they lack skills.” The three metropolitan city offices have different types of employees- permanent employees of local level in the past, new employees of local level, adjusted civil servants, government employees currently working on ‘*kaaj*’ contractual staffs, health workers, police, contractual staffs, daily wage workers. Further, an employee at Lalitpur Metropolitan City Office shared that most of the employees are not motivated because the work they do is not as per their

job description. Furthermore, trainings were also not organized. Recently, the office organized training for technical staffs-engineers.

Chief Administrative Officer at Bharatpur Metropolitan City Office shared that they have organized specialized need based training on contract management. Further they have identified training gap and are making efforts to provide skill based training on procurement.

Currently, the employees in all three metropolitan city offices enjoy higher salaries compared to other local government offices in the country. Chief administrative officer of Lalitpur metropolitan city office said, “One of the motivating factor for employees is salary. Employees here are given transportation allowance, lunch expenses and other allowances as a result of which they enjoy wider finances as salary and benefits from office. Hence employees here are motivated.” Further he added, “Every department and divisions have clear job description and terms of reference for making their work smooth. Furthermore, staff meetings are held on a regular basis during which grievances of employees are addressed. Therefore, we have taken as many initiations as possible to motivate staffs.” Besides, “We have also removed drunk driver from job to show that we do not tolerate unethical staffs. This sort of actions also makes employees to work in an ethical way,” the chief administrative officer of LMC added. Reward system exists in Kathmandu Metropolitan City Office too. Employees receive incentives on the basis of whether they have worked for more than 40 hours, 20 hours or 1 hour. According to the Assistant Director at Kathmandu Metropolitan City Office, the incentive system on the basis of hour system has helped motivate employees at work.

Chief Administrative Officer of Bharatpur Municipality Office said, “Employees need to do a monotonous job which will definitely lower their motivation level. There are few staffs who are highly motivated, have caliber and integrity too. But when it comes to not motivated staffs, it is

quite complicated. Despite the fact that different types of employees have different motivation level. employees in these metropolitan city offices are motivated to work especially the new employees. However, it is observed that the employees posted from federal to the local level during employee adjustment and the old staffs of the office are not motivated to work.

Furthermore, daily wage staffs have grievances that they do not have facilities that the permanent employees get.” Further he also added that the employees at ward office have no exposure to the trainings as the nature of work is such that they cannot participate in trainings for even few days.

“While there are many factors that affect motivation level of employees like working environment, relationships, justice, facilities, resources, it is obvious that the motivation is quite complicated matter to discuss on,” said the chief administrative officer of Bharatpur

Metropolitan City Office. Furthermore, Deputy Mayor of Lalitpur Metropolitan City Office state that though the salary provided by Metropolitan City Office is higher compared to that provided by other local government offices, it is yet not sufficient compared to the increase in the rate of inflation in the country. Nevertheless, officer at Bharatpur Metropolitan City Office express that improvements have been made which has been possible only because the staffs are motivated.

Besides, the decision of increment in salary has also motivated the staffs.

An officer at Bharatpur Metropolitan City Office shared that employees have no other options for better career opportunities except taking exams for higher positions and those who are preparing for it are granted with leaves. Furthermore, grade has been increased for the employees on the basis of the work they have been performing. The similar case is in the Lalitpur metropolitan City office too and the officer working there shared that the grades are decided by the board.

Budget Constraint

Budget is always limited and never enough. However, the amount of budget the three metropolitan city offices have been provided have enough budget to show their performance and do result oriented works. However, all the three chief administrative officers have the same statement that they have enough budget but the problem is in planning or budget allocation. They said, “Budget is never enough. However, in our context, we have enough financial resources for result oriented activities. But the issue here is that most of the budget have been already been allocated in non-productive sector. Hence the problem is in planning process of budget.” Chief Administrative Officer of Kathmandu Metropolitan City Office stated, “Result oriented projects could not be designed.” Similarly, Chief Administrative Officer of Bharatpur Metropolitan City Office shared that the office has major issue of prioritization for utilizing budget.”

Job Satisfaction

In general, no satisfaction survey has been carried out in these metropolitan city offices.

However, deputy mayors, chief administrative officers and other interviewees have stated that the employees in metropolitan city offices are satisfied with their salary as they receive more than employees in other local level offices.

Deputy Mayor of Bharatpur Metropolitan City Office shared that work load is high in the office because of which they need to work beyond office hours (10AM-5PM). However, the salary they receive is not enough for the time they have contributed for work.

However, they are not satisfied with the career opportunities because no act has been formed yet for the career advancement of employees for local level. “Career growth in metropolitan city office is mismanaged,” said Assistant Directors in Kathmandu Metropolitan City Office. Federal civil service act has not been drafted yet as a result of which salary and benefits differs from

organization to organization. Despite this, employees are proud to work in the metropolitan city office. While there are many instances when an individual has to visit the metropolitan city office. When they have *aafno manchey* the work becomes easier and faster too. Hence, the employees are approached by their neighbors, relatives and friends for help at getting the required service which makes them earn prestige and thus feel proud to work at metropolitan city office.

For better Performance of office, according to deputy mayor of Lalitpur Metropolitan City Office, system should be followed. For instance, in a five-year plan of Lalitpur metropolitan City Office, one of the plans was to black top roads. Many of the roads as per plan has been blacktopped. However, many have not yet been completed due to the brokers. The main reason for this is they take installment but mobilize it in completion of other projects. Number of labors available is less compared to the work that need to be done. Furthermore, monitoring is not as effective as it should have been.

Discussion

There were some consistent patterns that emerged across key informants. Three salient themes emerged from the analysis from the speakers' transcripts, namely: innovation characteristics; drivers of innovation; and barriers to innovation. Each theme has been discussed with an explanation supported by quotations extracted from the transcripts.

a. Innovation characteristics

Innovation plays a crucial role in improving service quality and its characteristics could be determined by how innovations were developed and diffused within the organization (Deschamps, 2005). Bloch (2010) shared that the innovation in the

public sector has been considered ‘ad-hoc’ since long time back. However, Borins (2006) revealed that innovation in the public sector also occurs mostly in terms of top-down and bottom approaches.

From the interviews it was identified that most of the innovations in metropolitan city offices in Bagmati Province are done through the top-down approach. Plans, programs are already made and the employees work to get it done as planned and instructed. “It was not difficult to identify priorities and implement efforts of innovation because we followed e-governance master plan prepared for the Kathmandu metropolitan city office,” said the Assistant Director at Kathmandu metropolitan city office. Having said that, there are few traces of bottom-up approaches for innovation, e.g.: in Bharatpur metropolitan city office, a software for compilation of details of all project is being developed which will especially help in monitoring.

b. Low experimentation opportunities for employees

It is quite evident in all the three metropolitan city offices that the bureaucratic rules and procedures act as barrier to adopting new approaches initiated by self. Furthermore, the offices are observed with mostly top-down approaches. Despite of the fact that the top-down innovation approaches has limited the ideas from frontline officers, it has helped the implementing staffs to be clear on what they need to do and how (eg: implementation of e-government master plan by Kathmandu Metropolitan City Office).

Another aspect that needs to be discussed on this theme is that the number of employees actually responsible for trying new approaches is less as compared to the total number of staffs. For instance, in Bharatpur Metropolitan City Office, there are 755 employees.

Among them, 415 are permanent staffs, 198 are contractual staffs and 142 are daily wage staffs. Permanent employees further can be classified into employees at office and health related staffs. While the health related staffs are 135, among the employees at office, employees posted during employee adjustment are 83, the then employees of the past local government are 127, new employees of local government are 56 and local government permanent employees currently for temporary basis at office are 14. Hence from the interviews with the key informants, employees who are expected to innovate are only about 7% which is too less.

c. Motivated employees

Demircioglu and Audretsch (2019) suggest that the motivation to work in the public sector is strongly associated with innovation. Public managers in the Australian public service are expected to encourage innovation and creativity, and it is expected that organizations motivate employees to make improvements and inspire them to do their best in their job (APSC, 2012).

The three metropolitan city offices provide higher salaries by ensuring various allowances to the employees resulting into higher salary compared to those employed at other local level offices. Further, the employees working at metropolitan city offices consider the job to be prestigious as they are able to facilitate their relatives, friends and neighbors for getting the services. Hence, the bureaucratic leaders and elected representatives consider the employees to be motivated mainly because of these two reasons.

However, except providing higher salaries, no further strategies have been taken to motivate the staffs. Social determination theory emphasizes the satisfaction of basic

human needs for autonomy, competence, and relatedness as a key driver of motivated behavior (Ryan & Deci, 2000). And these aspects seem missing for employees at metropolitan city offices especially for old staffs and those posted to the offices during employee adjustment. Hence, the scenario that the employees are not motivated must be realized by the higher authorities and necessary measures should be adopted to improve their motivation level.

d. Harmony among elected representatives and civil staffs

In these three metropolitan city offices of Bagmati Province, harmony was observed among the elected representatives and civil staffs. Deputy Mayor of Lalitpur, Bharatpur and chief administrative officer of Kathmandu and Lalitpur Metropolitan city office stated that there was harmony among the two different groups of people in the office. In fact, chief administrative officer of Bharatpur metropolitan city office expressed that the elected representatives encouraged employees to bring innovative ideas for service delivery as they wanted to create good impression among people with great works

e. Individual approach to deal with low performers and provide feedback

While there are low performing staffs in all the three metropolitan city offices, different leaders have adopted their own individual approach for dealing with such employees. Furthermore, all leaders and supervisors have different ways for providing feedback. Hence, there is no institutional mechanism to deal with low performers or provide feedback.

f. Inadequate skill based training

While capacity development trainings have been organized for employees of the metropolitan city offices, need and skill based training is still not sufficient for the employees to perform better.

Capacity development is necessary for every employee. In this study, it is evident that the ones involved in budget planning process is a must in all three metropolitan city for designing and prioritizing result oriented projects.

Conclusions

This study examines the effects of the five conditions for innovation suggested by Sahni et al. (2013) on the likelihood of organizational innovation at metropolitan city offices of Bagmati Province in Nepal. The findings suggest that the three metropolitan city offices seem to have been innovating but the deeper look into the pre-requisites for innovation-ability and motivation to innovate dimensions need to be focused for the better service delivery.

While the opportunities provided to employees for trying new approaches is limited due to the existing bureaucratic rules and procedures, strategies adopted to respond to low performers and motivate employees as well as feedback loops are on ad-hoc basis or individual approach is being taken. Furthermore, rather than budget constraint, the major problem lies in the planning process where the plans, programs and projects are not result oriented. Hence, it is concluded that the metropolitan city offices do not have necessary conditions for innovation. It can nevertheless be improved via legalization of feedback loops and strategies to motivate and dealing with low performers. Similarly, capacity development of employees involved in budget planning process seems vital. Finally, the environment should be created for employees to put forth ideas and implement it.

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