

## **TITLE PAGE**

### **Collaborative Innovation in Labour Market Inclusion**

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# **Collaborative Innovation in Labour Market Inclusion**

## **Abstract**

This article deploys the concept of “collaborative innovation” to discuss key stakeholders’ and service users’ experiences of innovative labour market inclusion services. We draw on work by Sørensen and Torfing (2011, 2016, 2017) to frame collaborative innovation as a distinctive approach to the co-production of services that respond to user needs, and highlight the importance of governance and leadership practices that foster mutual learning and boundary spanning innovation. The article reports on 102 interviews with service users (in this case, unemployed lone parents) and 117 interviews with key stakeholders involved in local partnerships. We identify benefits from such collaborative approaches in terms of innovative service design and positive outcomes for service users. We conclude that policymakers should consider the potential added value of collaborative innovation in labour market inclusion.

## Evidence for Practice

- Collaborative innovation provides a useful framework for understanding public policy stakeholders' responses to wicked problems – in this case, the need for innovative labour market inclusion programmes to respond to the needs of vulnerable unemployed jobseekers.
- Collaborative governance and distributive leadership practices that empower local managers and employees may be important in laying the groundwork for multi-stakeholder collaboration and service innovation in labour market inclusion.
- Boundary spanning managers and “keyworkers” can be important in building trust, joining-up services, and (crucially) empowering service users.
- As policymakers seek innovative solutions to high unemployment in post-COVID-19 labour markets, there is value in considering the benefits of collaborative innovation as a route to more efficient and effective services.

Policymakers acknowledge the need for innovation in public services, including labour market inclusion programmes targeting the unemployed (Ellison and Van Berkel 2014). The growth of interest in public service innovation has been driven by: pressure from an increasingly demanding public that values personalized services; financial crisis and/or a lack of resources due to changing economic conditions; and the need to respond to “wicked problems” – the complex policy challenges associated with issues such as the ageing of the population, the dislocation caused by pandemics such as COVID-19 and other public health emergencies, the uncertainties created by globalization, and concerns about both the threats and opportunities that come with new technologies such as AI (Bekkers and Tummers 2018).

Various streams of research have sought to conceptualize public service innovation. A challenge for these literatures has been to escape from the shadow of dominant theories of New Public Management (NPM). The legacies of NPM have shaped and constrained thinking on innovation in various ways. First, the critique often offered by advocates of NPM, that “traditional” models of public services are incapable of innovation, remains potent; and this led for some time to the dominance of NPM-inspired approaches to promoting public service innovation. Furthermore, the failure of many such NPM reforms to deliver *genuinely new* innovations, and the unhelpful fragmentation and other managerial challenges sometimes thrown up by NPM, need to be acknowledged (Ansell and Torfing, 2014).

Given this context, our research instead draws on the concept of collaborative innovation to frame a discussion of facilitators, challenges, practices and outcomes associated with an innovative labour market inclusion programme in Scotland. Collaborative innovation is less closely aligned with the tenets of NPM than with a concept of new public governance

(Osborne 2010) that acknowledges: the emergence of plural (involving multiple stakeholders) and pluralist (involving multiple processes) models of organization and service delivery; a resultant need to focus on inter-organizational and inter-disciplinary relationships in public services, and; an increasing interest in the role of service users as co-producers. The core principles of collaborative innovation are that innovation can be supported most effectively through: the creation of spaces for mutual learning among stakeholders and from service users; joint ownership of programme design, development and implementation; and empowered participation among stakeholders, through the sharing of risks, resources and decision-making (Torfing 2016). We are interested in the extent to which these principles informed the governance and delivery of a local labour market inclusion programme, Making it Work (MIW), which was effective in supporting progress from welfare-to-work among many lone parents. Accordingly, our research questions are: Did MIW embody collaborative innovation in line with the principles described above? And if there was evidence of effective collaborative innovation, what were the facilitators in terms of governance, leadership and the roles of street-level programme workers?

Following this introduction, we discuss the components and potential benefits of collaborative innovation. We then describe the context for our research – the labour market policy agenda in the UK, and the innovative MIW programme – and methods. We then present the findings of interviews with key stakeholders and service users, highlighting the decisive role of collaborative innovation in delivering effective services and positive employability outcomes for lone parents. Finally, we discuss implications for policy, particularly in the field of labour market inclusion.

## **Theoretical Background: The Promise of Collaborative Innovation**

### **Conceptualising collaborative innovation**

The perceived need to respond to complex, wicked problems has been seen as a key driver of collaborative innovation in public services (Hartley et al. 2013). An additional, important driver of interest in collaborative innovation may be the failure of NPM to deliver transformation in public services, and indeed some of the additional barriers associated with the dominance of NPM “that hamper innovation in general and collaborative innovation in particular” (Torfing 2016, 308). For example, far from tapping the power of markets to drive innovation, it has been suggested that NPM contractualism displaces resources due to unnecessary competition. In contracted-out public services, tenderers have often experienced the “winner’s curse” – making low bids to secure contracts and then finding themselves without sufficient resources to deliver even the most basic provision, let alone drive innovation. There is evidence of such problems of inappropriate competition and bureaucratization in contracted-out labour market services in the UK, as well as countries like Australia and Denmark (Andersen et al. 2017; Considine et al. 2018). It has also been suggested that neither frequent organizational restructuring nor repeated waves of efficiency projects driving down costs – both central tenets of NPM – are conducive to innovation in public services (Ansell and Torfing 2014).

It is within this context that there has been increasing interest in more collaborative approaches to innovation across public services in the UK and beyond, including in the field of labour market inclusion (Ellison and Van Berkel 2014). We acknowledge the value of a broader literature that points to the potential of, for example, open innovation platforms (Mergel and Desouza 2013) and networking with external organizations (Demircioglu and



Audretsch 2020), intensive engagement with local stakeholders to respond to specific needs (Barrutia and Echebarria 2019), and/or digital transformation projects (Bekkers and Tummers 2018) as a means of driving change in public services. Nevertheless, we argue that the concept of collaborative innovation is well suited as a means of framing both the policy challenges and innovative responses discussed below.

Sørensen and Torfing (2011, 848) define collaborative innovation as “an intentional process that involves the generation and practical adoption and spread of new and creative ideas, which aim to produce a qualitative change in a specific context”, while emphasizing that “collaboration is what actually produces innovation by stimulating mutual and transformative learning and generating support for the realization of new disruptive ideas” (Sørensen and Torfing 2017, 828). Genuine newness, and a degree of radical change, is seen as important. Stevens and Agger (2017, 155) add that collaborative innovation “entails a clear break from the past, and thereby the radical transformation of existing and failed policy practices, ideas and solutions... innovative policy solutions are meant to act as game changers and radically alter the way in which a policy problem is addressed”.

Torfing (2016), reviewing evidence from examples of collaborative innovation in practice, views three processes as playing an important recurring role:

**Mutual and transformative learning** is facilitated through inter-disciplinary, inter-organizational and intra-organizational networks that circulate knowledge. Torfing (2016, 162) argues that collaborative innovation can be supported by the creation of spaces and interactions that allow for mutual processes of sharing different interpretations and forms of knowledge by way of “a joint transformation of preferences, ideas and visions into new and

better solutions” (Torfing 2016). It is suggested that we can co-create such learning by engaging directly and/or sharing experiences via virtual or workplace learning environments. Thus, a shared process of “critical reflection questions tacit assumptions [and] challenges acquired habits” (Sørensen and Torfing 2011, 859).

**Joint ownership** through participation and dialogue can improve the “implementation of new and bold solutions... when different resources are mobilized, exchanged, and coordinated” (Hartley et al. 2013, 826). Torfing (2016) advocates for forms of collaborative decision-making and street-level teamworking that enable: the integration of ideas and a consensus-based approach to the selection of most promising solutions; and joint ownership of risks and benefits and a shared commitment to the implementation of new solutions.

**Empowered participation** is facilitated through processes that manage power and resource inequalities among stakeholders, defined as policymakers, funders and other “meta-governors” (public, private and non-profit organizations involved in the governance and management of services), and user groups and communities. While some forms of power inequalities remain inevitable, governance and management arrangements can empower relevant communities and stakeholders by “endowing them with relevant knowledge, rights, and resources” to participate in driving innovation (Sørensen and Torfing 2011, 832).

Torfing’s (2016, 142) vision of empowered participation encompasses “attempts to empower citizens so that they can master and optimize their involvement in the co-production of public services”. Indeed, much of the literature sees co-production as a “conceptual sibling” of collaborative innovation (Wengrich 2019, 12), and there are clearly connections to themes of asset-sharing and participation that are common in extant studies of co-production (Nabatchi

et al. 2017). In this context, co-production allows citizen-service users to contribute their “assets” in the form of knowledge about their needs and their own innovative capacity, to complement the expertise street-level workers (Agger and Lund 2017).

Collaborative innovation, thus conceptualized, has been deployed in studies of: crime prevention (Sørensen and Torfing 2016); spatial planning (Agger and Sørensen 2018); elder care services (Sørensen and Torfing 2017); and robotics-enabled healthcare (Lindsay et al. 2018a). Similar processes have been identified as potentially important in “innovation labs” that have tested policy experiments using “design thinking” (McGann et al. 2018). There has been some criticism of the collaborative innovation literature as being normative in nature (Wengrich 2019). But these criticisms seem somewhat unfair given that the literature often ventures into “How To...” territory by offering advice on what has worked in specific public service environments. Our discussion below particularly highlights two areas of practice: first, the importance of collaborative governance in providing the framework and impetus for distributive leadership and multi-disciplinary, inter-agency service design and delivery; and second, the crucial role played by “boundary spanning” managers and keyworkers in ensuring opportunities for co-production and empowerment at street-level.

### **“Doing” collaborative innovation I: collaborative governance and distributive leadership**

The collaborative innovation literature suggests that a key challenge lies in establishing institutional arenas for collaborative governance that can help in mobilizing and organizing the expertise and assets of different stakeholders (Sørensen and Torfing 2016). The assumption here is that the defining characteristics of collaborative innovation will not emerge from traditional “command and control” forms of public administration, and *have not*

*emerged* from NPM; rather, there is a need to support the establishment of interactive arenas that allow for self-regulated processes of collaboration based on mutual inter-dependency and trust (Sørensen and Torfing 2017). Collaborative governance emphasizes arrangements “where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative” (Ansell and Gash 2008, 544), and where the assets of the public, private and non-profit sectors and the communities that they serve are brought together in “shared, negotiated” spaces as a means of arriving at inclusive programme design and delivery (Bingham 2011, 388). Collaborative governance – which includes a range of stakeholders in resource-sharing and programme planning, in turn allowing for multi-stakeholder, co-produced services to emerge at street-level – would appear to be a “better fit” for innovative labour market inclusion services than NPM practices that privilege marketization, inter-organizational competition for resources, and target-oriented performance management (Brodin 2011).

Finally, there needs to be a shift away from top-down management, and/or the “entrepreneurial” leadership that came to dominate under NPM, towards distributive leadership models that can support collaboration: “... a new kind of distributive leadership that encourages public leaders and managers to direct others in ways that enable them to lead themselves” (Torfing 2016, 253). Case study research has highlighted the importance of this final point – the value of public leaders and funding managers “holding the risk on behalf of others but dispersing leadership to others” (Hambleton et al. 2012, 18). Providing leadership opportunities to individual stakeholders to advance collective interests means establishing relationships of trust (Siddiki et al. 2017) and decoupling leadership roles from senior positions of formal authority and centralized locations (Ospina 2017).

## **“Doing” collaborative innovation II: boundary spanning jobs and roles**

Drawing on evidence from health services, we have previously argued that “for collaborative innovation to succeed... employees must be enabled to take action beyond the specific constraints of their roles... and to engage in problem-solving in flexible and responsive ways” (Lindsay et al. 2018a, 256). Torfing (2016, 249-250) also notes the value of job roles that allow public employees to “translate the overall innovation strategy into everyday practices” through measures to “institutionalize the use of problem-driven, inter-disciplinary project work”. So, job roles and workplace practices that allow for information sharing and problem-solving and, as noted above, facilitate voice and “empowered participation” are important.

A potentially crucial aspect of work design relates to boundary spanning jobs and roles. The boundary spanner role has been defined as delivering a range of functions, including: providing coordination as an anchor point between organizations; managing tensions and conflicts; building trust and shared values; promoting inter-disciplinary approaches; and networking to facilitate shared learning (van Meerkerk and Edelenbos 2018). Torfing (2016, 133) calls for support for boundary spanners in “translating and linking different kinds of knowledge and expertise and creating synergy between different skills and competencies”. Finally, while boundary spanners can play a key role in connecting practice across different organizations/professions, they may also add value by giving voice to the needs and concerns of service users and communities (Sørensen and Torfing 2017). In the field of labour market inclusion, the concept of boundary spanning has been deployed previously to understand street-level services linking employability and healthcare (Wallace et al. 2018), ensuring that new migrants have access to social services, and developing effective collaborations with

recruiting employers (Van Meerkerk and Edelenbos 2018). All of this means that street-level workers and local managers need to be recruited and developed with a range of necessary skillsets in mind, including the capacity to manage and stimulate collaborative activities across organizational boundaries (Williams 2012), as well as to “generate and mediate the information flow and coordinate between their ‘home’ organization... and actors across these boundaries” (Van Meerkerk and Edelenbos 2018, 3).

While the principles and practices at the heart of collaborative innovation have been explored with reference to a range of public service contexts their relevance, and any limitations in their application, to the field of labour market inclusion remain under-researched. The remainder of this article reports on the relevance of the discussion above regarding the components, governance, benefits and challenges of collaborative innovation, in relation to innovative labour market inclusion services.

### **Collaborative innovation as a route to labour market inclusion**

In the field of labour market inclusion – that is, services to support vulnerable unemployed people to progress from welfare-to-work – evidence of innovation has been mixed. There are emergent, innovative approaches in some welfare states (Ellison and Van Berkel 2014; Andersen et al. 2017). However, especially in liberal welfare states, there is also evidence of standardization under governance models that remain dominated by NPM (Daguerre and Etherington 2016). In the UK, since the expansion and marketization of welfare-to-work in the late 1990s, a dominant governance model has emerged that prioritizes the contracting-out of programmes to for-profit providers, who are encouraged to deliver at scale and drive down cost (Greer et al. 2018). Funding arrangements encourage providers to compete for market share (in the form of numbers of unemployed people directed to their services) and

“payment-by-results” contracts mean that providers’ financial survival depends on meeting performance targets (Fuertes and Lindsay 2016). Yet, many report the “winner’s curse” described above, whereby they are unable to maintain service quality (let alone deliver innovation) while also finding cost efficiencies and generating profit. This has impacted unemployed people’s experiences at street-level, as advisers working for activation providers have been required to accept large caseloads, spend limited time supporting users, and minimize the range of services offered (Greer et al. 2018; see also, for example, Brodtkin 2011 and Guul et al. 2020 for international evidence).

Fortunately for activation providers, the policy agenda pursued by recent UK governments has favoured “work-first” activation – relatively inexpensive, standardized services designed to “incentivize” increased job search effort and a prompt return to work, irrespective of the appropriateness of the job (Considine et al. 2018). Work-first activation has been complemented and facilitated by increased welfare conditionality, which means that the unemployed are compelled to engage in activation, or face financial sanctions and the loss of welfare benefits (Carter and Whitworth 2017). While lone parents, the vulnerable group with whom we engaged for this research, were not initially a key target group for stricter benefit rules in the UK, successive governments have overseen gradual increases in welfare conditionality, so that by the early 2010s lone parents were subject to roughly the same demands as any other unemployed person. The responsibility for policing job search and administering (or sanctioning) benefits is retained by the government’s public employment service, “Jobcentre Plus”.

Nevertheless, while central government policy in the UK has tended to limit the scope for innovation, a raft of localized services – often run by local government, its agencies and/or

the non-profit sector – offer, with varying degrees of success, more innovative and person-centred approaches. Such programmes, because they are managed locally, tend to co-ordinate multi-agency services that have the potential to offer more tailored responses to the complex combination of barriers to work faced by vulnerable groups. The resilience of such approaches and the broader literature’s advocacy of local collaboration as a route to more responsive and innovative services (Ellison and Van Berkel 2014) means that our research offers valuable insights into how collaborative innovation might work on the ground. The multi-dimensional challenges faced by unemployed lone parents, who are seeking to return to work while managing caring roles, and may experience other complex barriers, also means that the collaborative approaches tested in this case had the potential to deliver added value.

## **Context for the Research and Methods**

Our research focused on MIW, a programme of intensive, personalized support for lone parents facing multiple barriers to work, defined as those: with disabilities, or caring for someone with disabilities; with a large family (three or more children); residing in labour markets reporting high unemployment; with little or no work experience; or unemployed for more than two years. MIW aimed to support lone parents to make progress towards sustainable employment, but also valued other benefits such as improved wellbeing, social engagement and skills development. Lone parents’ participation was entirely voluntary. In another important departure from government-contracted compulsory activation, MIW was supported through an annual grant funding package, rather than payment-by-results contracting – i.e. while local service providers agreed to expected levels of performance in relation to user engagement and job entries, their funding did not depend on the achievement of each individual job outcome.



The content of services included personalized caseworker support, delivered by street-level “keyworkers” (who, as we will see below, played an important boundary spanning role), other training and skills development, and signposting to services including childcare and mental health provision. We argue that the range and flexibility of choices that were open to lone parents and delivered through collaboration across multiple stakeholders, and the opportunities for service users to shape and co-produce programme content, marked a significant break with traditional approaches to activation in the UK – the sort of radical transformation that is at the heart of collaborative innovation (Stevens and Agger 2017). The programme received £7m (then \$11.65m) from the Big Lottery Fund, a non-departmental public body responsible for distributing 40 per cent of monies raised for good causes by the UK National Lottery.

MIW was delivered over four years in Scotland’s five largest local government areas, which include two large (by UK standards) cities, (1) Edinburgh and (2) Glasgow; two peri-urban, centrally-located local government areas, (3) North Lanarkshire and (4) South Lanarkshire; and a mixed urban and rural local government area, (5) Fife. At the funder’s request, the programme was delivered through partnerships led by non-profit organizations working in collaboration with providers in the public sector, with local government and/or its agencies adopting a co-leadership role. MIW supported 3,115 lone parents during the period of our research. Job entry rates, averaging 30 per cent, exceeded the funders’ expectations and were comparable with many UK government activation programmes. We have published extensive quantitative evaluation data, including cost-benefit analysis, elsewhere (Batty et al. 2017).

The research involved four blocks of fieldwork, undertaken in 2014–17. Semi-structured “key stakeholder” interviews were conducted with representatives of MIW teams and other stakeholders. A purposive approach was taken to sampling, working with the funder and reviewing programme documentation to identify relevant contacts. Interviews included senior management and street-level professionals in all areas and organizations. These interviews explored themes relevant to the development and delivery of MIW: collaboration among partner organizations and engagement with mainstream labour market and welfare services; how the programme engaged and supported lone parents; and in-work support provided for lone parents entering employment. Interview questions probed how the governance, content and delivery of MIW was similar to, or marked a break with, previous programmes – the responses gathered spoke to a number of themes present in the collaborative innovation literature. We undertook 104 stakeholder interviews over four years (34 in 2014; 35 in 2015; 35 in 2016; 13 in 2017).

Semi-structured interviews were also conducted with lone parents. We carried out 102 interviews over four years (36 in 2014; 34 in 2015; 20 in 2016; 12 in 2017). Interviews included users at different stages of engagement with MIW, from those still seeking assistance with major barriers to work, to those who had transitioned into employment. A purposive, non-randomized sampling approach was again adopted, involving researchers working with MIW partners to identify a range of user profiles, so that we engaged with lone parents experiencing barriers to work including: poverty and homelessness; challenges arising from previous experiences of domestic violence; problems accessing childcare; mental and other health problems; and social isolation. The age range of interviewees was

twenty to forty-seven years. Interviewees reported caring responsibilities for between one and four children. All but one of our interviewees were female.

It is important to acknowledge the potential problem of self-selection sample bias (especially given the largely positive experiences reported below by MIW participants): by definition, we engaged with those who were willing to participate in interviews. However, we should note that interviews involved those who had made successful transitions to work, but also (in most cases) lone parents who continued to face substantial barriers. All authors of this article were involved in primary fieldwork, and can testify to the complex barriers faced by research participants, irrespective of their enthusiasm or otherwise for MIW. Interviews were mainly conducted in quiet, “safe spaces” such as a local childcare or community facilities, and occasionally in respondents’ homes.

Both sets of interviews were transcribed and analysed thematically using Microsoft Word. The duration of interviews ranged from 34 to 144 minutes. Data analysis involved members of the research team deriving recurring themes from a preliminary reading of data; followed by initial coding, and the systematic compilation of relevant data; the refinement of codes and themes; and the identification of illustrative quotations. Data analysis was shared across four members of the research team to minimize bias. From this process, we arrived at our discussion below, which focuses on: (a) the extent to which the key components of collaborative innovation – mutual and transformative learning, joint ownership and empowered participation – characterized this programme and were beneficial in this case; and (b) the role of the collaborative governance, distributive leadership and boundary spanning in facilitating the effective delivery of the programme.

## Results

### Delivering Collaborative Innovation

Before providing a more detailed analysis of the evidence for collaborative innovation in this case, it is first worth acknowledging that our evaluation is that MIW was successful on its own terms. As noted above, we have provided quantitative, cost-benefit and evaluation analysis elsewhere, concluding that MIW largely achieved its funder's objectives and was delivered on budget (Batty et al. 2017). More importantly for the purposes of this article, we argue that MIW provides an example of collaborative innovation as defined above: a collaborative endeavour to develop new ways of working and implementing public services, marking a clear break from the assumptions and practices of existing interventions in the field (in this case, labour market inclusion and activation).

First, our interviews with stakeholders and lone parents revealed evidence of the **mutual and transformative learning** that is often seen as central to collaborative innovation. In all areas there was an emphasis on gathering expertise from across different agencies and sectors, and creating physical and virtual spaces for inter-disciplinary learning. Thus, whereas much mainstream activation in the UK has been standardized so as to focus almost exclusively on a single contracted organization enforcing additional job search effort, MIW instead brought together: public sector providers of employability-building services; further education colleges and private sector providers delivering vocational training; non-profit organizations specialising in financial advice and maximizing income from the welfare benefits system; both public and non-profit providers of mental health support; childcare services; and (perhaps most importantly) grassroots lone parents' organizations, whose mission was to

support their members to escape isolation and poverty. Our interviews confirmed that most MIW participants engaged with – and felt that they benefitted from – a combination of several of these different service offers (see also, Lindsay et al. 2018b).

The collaborative approach supported by the funder and programme managers appears to have stimulated opportunities for different organizations to share practice, reflect together on “what works” and create genuinely integrated services. A number of practical actions were identified by stakeholders as supporting mutual learning and innovation, for example: the co-location of street-level workers from different partner organizations in shared community hubs (in most cases, located in childcare or community centres, rather than activation providers’ facilities); regular, planned and budgeted-for meetings of different team members to update each other on practice and outcomes; the establishment of online collaborative problem-solving platforms; consistent messaging that a joined-up, “one team” approach was central to MIW; and a funding and governance regime that allocated resources based on a consensus on “who should do what”, rather than payment-by-results contracting that, under other UK programmes, has incentivized service providers to compete against each other.

We also found evidence of practices to support **joint ownership** of solutions that contributed to the effective implementation of innovative services. Collaborative governance arrangements facilitated a sense of “buy-in” and joint ownership in the organization and delivery of services at street-level. Through the mutual learning and resource-sharing described above, managers and street-level workers from different local government and non-profit organizations came to align and rebrand themselves as part of a “one team” approach. This joint ownership helped to produce integrated, complementary services and added to the credibility of MIW’s offer among lone parents. For example, a representative of a local

government-funded vocational training agency noted that their own expertise complemented the quite different expert knowledge held by a non-profit financial advice provider.

I wouldn't say there's many gaps at all. I think as for duplication, we discuss that. At the beginning... with people from different organizations coming together, that can happen. But we're really, really keen for the project to work... With Citizen's Advice [a non-profit offering specialist financial advice], what they do is very specific and it's knowledge that I certainly wouldn't ever say that I have.

Vocational training provider, Area 5, Year 2

This sense of joint ownership was also reported by many service users. Formalized user voice mechanisms (such as service user forums and feedback exercises) were established in all areas, and keyworkers and local managers were able to point to concrete examples where specific components of the programme had been developed, adapted or dropped as a direct result of users' input. These formalized mechanisms, combined with a genuine commitment to co-production, meant that lone parents often characterized the MIW programme, and their own progress and choice of activities, as being driven by their priorities and choices.

She [keyworker] doesn't make anybody do what they do not want to do. Everything we planned or said all came from me... That's what got me to where I am.

Service User, Area 1, Year 4

Perhaps the strongest theme to emerge from interviews with street-level workers and lone parents related to **empowered participation**. Whereas compulsory welfare-to-work in the UK largely relies on conditionality and the threat of benefit sanctions to “encourage”

unemployed people to attend, MIW keyworkers described feeling empowered to take proactive steps to engage with lone parents who might value their services – by engaging in extensive informal networking with healthcare and childcare providers; “hanging out” at community centres and after-school facilities; and even knocking on doors in public housing estates known as home to large numbers of one parent families.

Keyworkers spoke of being able to access a broad range of “signposting” options that were personalized to individual lone parents’ needs. Whereas UK Government-funded welfare-to-work has seen increasing standardization, MIW keyworkers were instead able to direct people to tailored childcare support, vocational training, mental health services, debt counselling, and employability-building groupwork sessions run by and for lone parents. Keyworkers were provided with discretionary budgets, allowing them to assist service users to purchase additional services alongside, significantly, childcare to help manage the transition into training or work. The sense of control over resources and autonomy to co-produce personalized support was acknowledged as important to driving innovation. As illustrated below, keyworkers across different teams were confident in their ability “tap into” and signpost people to a range of local services that were, in totality, responsive to user needs, and that they could influence management to shape the content of MIW.

I genuinely feel that it is very client-centred and we are not “doing things to” people because we don’t “run a programme”... We can tap into anything that is out there that we will think will help someone based on the information they have given us and what they hope to do for the future.

Keyworker, Area 1, Year 2

We were also struck by the way in which during more than 100 interviews, lone parents consistently told stories of empowerment, which for our purposes, and in line with the co-production literature, means “an affective state in which the individual or group feels they have increased control, greater understanding and are involved and active” (Harrison and Waite 2015, 503). Lone parents consistently volunteered examples of how they felt empowered to make choices about their own journeys towards employment.

They [keyworkers] would always bring it back to you, they wouldn't be saying, “Well, you have to go here.” Changing it to a more positive place and, “Do you want to?” It's changing words and speaking to people a wee bit differently and just making someone feel, “Wow, I actually do have a choice here.” It's all about choices and wanting to do stuff, if that makes any sense?

Service User, Area 4, Year 4

There were practical limits to the choices open to lone parents. Once MIW partners and lone parents had co-designed the key elements of core provision and signposting routes, there tended to be a degree of continuity in MIW options unless and until feedback from service users and/or keyworkers demanded change. We should also acknowledge that perceived power imbalances between street-level workers and lone parents may have influenced the latter's willingness to voice their views or concerns. However, despite interviewing people at varying stages of progression towards employment, we found similarities in how MIW participants described their interactions with keyworkers, which repeatedly emphasized that lone parents should make their own choices.



It's not: "You have to do this." It's like, "Do you want to do this? Is this what you want? Do you feel happy about doing this? Do you have any concerns about wanting to do this? If you don't want to do this, is there anything else we can look at?"

Service User, Area 5, Year 4

Furthermore, many interviewees volunteered explicit comparisons between the positive and empowering experience of MIW and previous negative experiences of (a) standardized, compulsory activation that took no account of lone parents' childcare responsibilities and (b) the threat of benefit sanctions (and so poverty) under the UK Government's Jobcentre Plus and welfare-to-work programmes.

When I was going to the Jobcentre it was, "You'll be getting a job or you won't be getting your money today," that kind of thing. With them [MIW advisers], they were getting the fact that I have a bairn [i.e. child] and there's only certain times I can work, and they were understanding of that.

Service User, Area 5, Year 4

Some lone parents gave detailed examples of where MIW had facilitated their choice to pursue learning opportunities in the face of pressure from Jobcentre Plus to instead re-enter any form of paid employment (reflecting the UK Government agency's unerring focus on "work-first").

I felt a bit pressured by the Jobcentre but [MIW keyworker] kind of made those pressures go away and said, "Here's your options, what do you fancy?" I actually

applied for college originally, but then the Jobcentre were pushing me to go in to work. I got in to college, I got offered a place.

Service User, Area 1, Year 2

Our findings concur with other studies of effective labour market inclusion strategies, which highlight the importance of creating a sense of empowerment among, and delivering personalized services for, lone parents. We have noted above that sample bias concerns need to be acknowledged, but also that positive experiences of innovation, co-production and empowerment were reported by both those who had made progress towards and into employment, and those who continued to face substantial barriers to employability.

### **Facilitators and Challenges for Collaborative Innovation**

We have already noted that many of the potential facilitators of effective collaborative innovation identified in the literature were present in this case. First, collaborative governance laid the groundwork for agencies to work together and keyworkers and service users to co-produce innovation. There is evidence that NPM-oriented practices around stringent performance management and payment-by-results contracting have curtailed innovation and standardized street-level practice in state-funded activation in the UK (Considine et al. 2018). In this case, the leadership of a non-departmental public body (funded by, but independent of, government) was important in freeing providers from such NPM pressures. Instead, the funder required partnerships to provide evidence of collaborative governance that involved public sector stakeholders co-leading the programme alongside a non-profit organization (a recognition that local community organizations are often best placed to reach out to vulnerable groups).

A commitment to “up-front” grant funding meant that stakeholders were able to take time to establish governance mechanisms, modi operandi and consensus-based resource-sharing arrangements, in contrast to the competitive environment that tends to be created by payment-by-results contracting. This governance and funding model allowed for the inclusion of a broad range of stakeholders with complementary expertise, including grassroots organizations run by and for lone parents, who were encouraged to negotiate a shared approach to collaborative working. This in turn proved important in gaining the trust of service users and co-producing tailored services that were responsive to their needs.

With the right partner organizations... if they've been well established for a long time, there is a trust already built up there within the different communities. So, building those links through partners who have been there for the long-term makes it so much easier for us [a local government-led welfare-to-work provider] to come in...

Keyworker, Area 4, Year 2

This distinctive collaborative governance facilitated distributive leadership among MIW partners, and effective boundary spanning in the work of local managers and keyworkers. Encouraged by the funder, leaders within partner organizations appeared willing to arrive at a consensus-based approach to resource allocation in an effort to build integrated, responsive services. As a result, we were able to record real examples of innovative services co-led by public and non-profit providers, for example: in multiple partnership areas, the joining-up of expertise in employability and skills development, childcare, wellbeing, and financial and debt management advice; in one area, the establishment of a rolling programme of community engagement run by collaborating providers, targeting successive disadvantaged neighbourhoods; in another area, an extensive, partnership-based approach to outreach, with

different combinations of MIW workers basing themselves in community centres and childcare facilities to engage with the most vulnerable lone parents.

At operational level, the job of keyworker was clearly designed to combine elements of different roles: personal adviser on job search; point of contact to ensure that the often complex needs of lone parents were addressed; and boundary spanner, building and sustaining relationships across stakeholders, and between those stakeholders and service users and communities. Keyworkers and other stakeholders spoke of the formers' role in anchoring multi-agency, holistic services; and gaining an understanding of, and signposting lone parents towards, different service options. These boundary spanners were essential to building trust among partners at the frontline and presenting a seamless offer to service users. A shared commitment to distributive leadership was important here: keyworkers explained how they felt able to shape the re-development of MIW content in collaboration with lone parents because of the financial flexibility built into the programme and the willingness of managers to devolve leadership.

[Local manager] is really good at giving us the autonomy to... If we've come up with ideas. As long as we go past her first and make sure there's budget for things...

Managers have definitely given us the autonomy to run with it and do what we feel fits in with the clients. I feel because I've been a lone parent as well that I've got an understanding... so I would definitely suggest things to them... So aye, definitely, I feel that we've shaped it.

Keyworker, Area 5, Year 2

This is not to say that some of the challenges to collaborative innovation discussed above were not also present in this case. For example, while collaborative governance structures were effective in distributing both resources and leadership, there remained concerns (especially among non-profit leaders) that public sector budget holders exercised too much influence (Stevens and Agger 2017). Consensus-building on programme priorities may also have been complicated by “the tendency of different actors to perceive the same problem differently from the perspective of their task specialization” (Wegrich 2019, 14). Finally, stakeholders acknowledged that long-standing weaknesses in public service infrastructures, and the relatively limited resources available to MIW, meant that some services, such as particular programmes of vocational training and mental health counselling, were more difficult to access for lone parents. Nevertheless, our necessarily brief case study demonstrates how the concept of collaborative innovation provides an effective framing to explore the mainly positive lessons from this programme.

## **Discussion**

There is consensus that fostering collaboration as a route to innovation in public services may offer important benefits. In this case, we found a shared commitment to collaborative governance (importantly, with the strong encouragement and guidance of the funder) and related management practices that supported distributive leadership and boundary spanning at the frontline. These practices were crucial in creating fertile ground for the emergence of collaborative innovation in some of the forms discussed in extant literature: mutual and transformative learning was facilitated by co-location and collaborative working to produce a multi-agency, “one team” personalized service, while funding and governance mechanisms encouraged “programme design-by-consensus” and joint ownership of shared services – all

of these new ways of working provided a sharp contrast to, and decisive break with, the logic of the UK Government's marketized labour market programmes. Distributive leadership allowed for the empowered participation of local managers and keyworkers – these boundary spanners benefitted from the funder encouraging them to build collaboration, manage differences between stakeholders, and co-produce with service users.

While previous research on localized activation experiments, including MIW, has noted the importance of effective governance for facilitating co-production, few studies have evidenced the impact of boundary spanning at the frontline. Yet, the key role of empowered, boundary spanning managers and street-level keyworkers is perhaps the most important lesson to draw from this analysis. In line with the extant literature on boundary spanning in, for example, community healthcare, we find that such roles and behaviors can be central to gaining buy-in, tapping the energies and transferring the knowledge of people in vulnerable groups and communities (Wallace et al. 2018). Recruiting and supporting boundary spanners – who have “deep community knowledge” (Wallace et al. 2018, 2) and demonstrate “personal resilience, emotional literacy and the ability to take risks” (Hambleton et al. 2012, 35) – should therefore be a priority for policymakers seeking to engender co-production and innovation in labour market inclusion. However, our research also queries the extent to which such boundary spanning innovation is possible under NPM-oriented models that prioritize standardization and cost containment.

Establishing the right governance and leadership mechanisms remains an important first step. The reason that collaborative innovation matters is that the concept captures how a shift towards collaborative governance and distributive leadership creates the context for stakeholders and service users to co-produce innovation at the frontline. So, an important

additional insight for policymakers is that there is value in assessing more critically the efficiencies claimed by NPM-oriented tendering and contractualism *versus* the broader benefit that may be delivered by collaborative, rather than marketized, approaches to governing complex, multi-stakeholder services. Our findings suggest that collaborative approaches to governance and leadership were a necessary precondition for the co-produced, boundary spanning services that emerged under MIW. We therefore add to a growing evidence base that these governance arrangements – which can be more inclusive in tapping the expertise and resources of a broad range of stakeholders – may be particularly conducive to supporting innovation and co-production in public services (Pestoff 2019).

As importantly, collaborative innovation, in this case, contributed to positive outcomes for many members of a highly vulnerable group. Lone parents engaging with the UK Government's compulsory activation programmes often report experiences of frustration and humiliation, with negative impacts on wellbeing (Lindsay et al. 2019). The feelings of empowerment and positive employability outcomes reported by lone parents provide an indication of the real benefits that may be delivered by collaborative innovation in this policy area. A final insight for policymakers is that these benefits are unlikely to be realized if compulsion and the threat of sanctions are used to press-gang the unemployed to participate in activation. People will only bring their assets and energies to the co-production of innovative solutions – and feel empowered to take ownership of their progression towards employability – if they are supported to make their own choices.

## **Conclusions**

Our research contributes to an emerging literature pointing to collaborative innovation as an effective means of framing discussions of how public governance and management can (and/or should) support innovative, inter-disciplinary solutions to complex policy challenges. While previous research, including that reporting on the MIW programme, has evidenced the value of co-production and locally-responsive services (Lindsay et al. 2018b), we suggest that the framework of collaborative innovation offers new “How To” insights by staking out the processes – mutual and transformative learning; joint ownership; and empowered participation – through which transformational change can produce genuinely innovative public services. Debating how best to understand and inform innovation in public services has never been more important, as policymakers struggle to cope with public health emergencies such as COVID-19 and the economic and labour market crises that they engender (alongside other pre-existing and anticipated wicked problems). Our analysis adds to the evidence that collaborative governance and distributive leadership can provide an effective facilitating framework for new opportunities for collaboration and innovation, even in policy areas where an NPM-informed emphasis on standardization and cost minimization has come to dominate state-funded provision.

We acknowledge the limitations of our research – a mainly qualitative study, focusing on relatively few localities within a specific welfare state context, and discussing a programme targeting a single user group. There is a need for further research on the potential benefits and limitations of collaborative innovation in labour market inclusion and other public services, and the transferability of lessons across welfare states. Given that we have focused on the potentially crucial impact of street-level boundary spanners, there is also a need for more research on: how these roles add value; the skills and resources required to facilitate effective



boundary spanning; and specific challenges to such approaches across different places and policy contexts.

We also acknowledge that collaborative innovation is not in itself a panacea for the problems of labour market services targeting disadvantaged groups. The empirical literature on collaborative innovation identifies substantial challenges as well as examples of good practice. And even where collaborative approaches to innovation have worked well, national and local stakeholders may query the potential for scaling or transferring localized practices to other labour market contexts (Andersen et al. 2017).

Nevertheless, this article demonstrates that funders and provider organizations can make positive decisions to invest time, energy and resources in collaborative innovation, and then reap returns in terms of: mutual and transformative learning; and the transformation of fragmented services into integrated, jointly-owned approaches that respond to users' needs. Support for boundary spanning innovators at the frontline can deliver empowered participation, especially for community stakeholders and user groups. And we have presented powerful evidence that a commitment to collaborative innovation can lay the groundwork for local interventions that engage service users in co-production, tapping their insights to drive innovation, and offering benefits in terms of wellbeing and empowerment. As policymakers and communities grapple with the challenges of labour market dislocation and high unemployment post-COVID-19, collaborative innovation may offer a route to more efficient and effective services and better outcomes for vulnerable unemployed people.

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