

# OPEN INNOVATION FOR BETTER GOVERNANCE: A CASE STUDY OF MYGOV PLATFORM OF GOVERNMENT OF INDIA

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## ABSTRACT

*The process of open innovation is examined in the context of government organizations using the case study of “MyGov” platform of Government of India. In “MyGov” platform, both ministries of government of India and citizens of India actively participate in various discussions; do multiple tasks and share creative ideas relevant to contemporary policies. In this process, the amount of open innovation increases the quality of governance in the policy formation and implementation, and subsequently contributes to the social welfare of the country.*

## INTRODUCTION

Innovation is the application of invention of an idea, practice or object in industrial, commercial and organizational contexts and consists of new activities or same activities in a new context (Padilla-Meléndez, Del Aguila-Obra & Lockett, 2012; Rogers, 2010). Traditionally, innovation was considered as the internal research and development activity of an organization. The in-house innovation can be called as closed innovation (Chesbrough, 2003). In contrast to traditional closed innovation model, open innovation model becomes a dominant research paradigm to explain an alternate view. The contribution of various stakeholders such as consumers, suppliers, social actors etc are crucial for obtaining new ideas of innovation (Chesbrough, 2003, 2004; Padilla-Meléndez, Del Aguila-Obra & Lockett, 2012).

In case of government organizations, innovation is one of the vital ways to achieve social welfare. Open innovation is extremely important in the era of internets and communications. But, very few research papers examined the effects of open innovation on the outcomes of government organizations. The purpose of the paper is to fill up the research gap and identify the potential effects of open innovation in the achievement of goals of government organizations through case study research.

## Open Innovation

Open innovation can be defined as “*the use of purposive inflows and outflows of knowledge to accelerate internal innovation, and expand the markets for external use of innovation, respectively*” (Chesbrough, 2003, 2006). According to open innovation paradigm, in addition to in-house innovation processes, organizations need to rely on external resources such as human capital, and institutions and consider them in their innovation processes (Padilla-Meléndez, Del Aguila-Obra & Lockett, 2012). The output of the open innovation can also be utilized by both the organization and the external actors (Padilla-Meléndez, Del Aguila-Obra & Lockett, 2012). Open innovation is pervasive in nature and constant flows of ideas and resources between internal organization and external actors are the characteristics of this process

(Chesbrough, 2004). Open innovation has three dimensions such as inbound open innovation consisting of transfer of knowledge and ideas from outside to inside (Chesbrough & Crowther, 2006; Wynarczyk, , 2013), outbound open innovation consisting of knowledge and ideas from inside to outside (Chesbrough & Crowther, 2006; Wynarczyk et al., 2013) and coupled process open innovation consisting of both inbound and outbound activities to jointly create and implement the innovation (Enkel et al., 2009; Wynarczyk, Piperopoulos & McAdam, 2013).

Open innovation facilitates collaboration among consumers, suppliers, and other stakeholders (Inauen & Wicki, 2011; Shamah & Elsayaby, 2014).

The concept of openness is based on the assumptions that it is difficult for an organization to innovate alone, and cooperation with other organizations would help to share new ideas and resources (Chesbrough 2003; Laursen & Salter 2006; Lv, 2013). The application of open innovation can be observed in various industries such as open-source software industry (Gruber and Henkel, 2006; Harison and Koski, 2010), mobile phone industry (Grotnes, 2009) and in different regional context (Malecki, 2011) (Padilla-Meléndez et al., 2012). Research and Development of an organization need to generate new things internally and harness absorptive capacity to connect with the external environments. Though there are substantial variations in the usage of external innovation (Laursen and Salter, 2006), internal innovation capabilities and external innovation supports work complementarily to each other (Brusoni et al., 2001; Granstrand et al., 1997; Mowery et al., 1996).

In the context of globalization, open innovation emerges as an important feature of an economy (Dahlander & Gann 2010). As the industry knowledge base is a synthesis of different knowledge streams, the complex type of activities require collaboration with external stakeholders to innovate together (Herstad et al., 2010).

Theoretically the concept of open innovation is based on various established management theories such as user innovation, regimes of appropriability, absorptive capacity, strategic alliances etc (Wynarczyk et al., 2013). According to user innovation theory (Von Hippel, 1986, 2007), new products and services are co-created with the consumers as the innovators (Wynarczyk et al., 2013). Two regimes such as tight and weak in terms of protecting the innovation determines the strategic decision of the firms and economic returns of the innovative firms (Teece, 1986; Wynarczyk et al., 2013). Absorptive capacity defined as “*the ability of a firm to recognise the value of new, external information, assimilate it and apply it to commercial ends*” (Cohen & Levinthal, 1990) has four dimensions (Zahra & George, 2002) such as acquisition, assimilation, transformation and exploitation (Wynarczyk et al., 2013). Strategic alliances offer opportunities for collaboration, sharing and transferring knowledge and other resources (Penrose, 1959; Wynarczyk, et al., 2013).

Based on the openness of the both process and the outcome of innovation, Huizingh (2011) categorized innovation in four types such as closed innovation, private open innovation, public innovation, and open source innovation.

## **Open Innovation and Government Organizations**

Government organizations achieve organizational goals by creating new products or services or doing managerial process in a new way. Traditionally government organizations depend on the in-house human resource and research laboratories for innovation. But, due to recent developments in the information and communication technology and globalization, government organizations are inviting other stakeholders to participate in the process of innovation. Very few research literatures examined the effects of open innovation in government

organizations. The aim of the paper is to use case study method to find the effects of open innovation in government organizations.

## METHODOLOGY

Case study method (Eisenhardt, 1989) is carried out to examine the effects of open innovation on the achievement of organizational goals. According to Eisenhardt (1989), the aim of case study method is to provide description, test theory and generate theory.

The recently launched “MyGov” platform is studied as a case to understand the open innovation initiatives of government of India. The key features of “MyGov” platform is to enable the citizens of India to actively participate in the governance process through discussions of key issues, doing tasks, discussion of needed changes, generation of creative ideas, sharing of news, and meeting other fellow citizens in a common place. The primary source of data is the web portal accessed at <https://www.mygov.in/>.

### Inbound Open Innovation

As inbound open innovation process from citizens to government of India, government of India is collecting ideas, and views on politics, and policy matters. Government of India is also getting access to innovative human capital of individuals who have agreed to contribute in the policy making and implementation process voluntarily.

### Outbound Open Innovation

In the outbound open innovation process from government of India to citizens, citizens are getting opportunities to interact with government ministries, and gaining access to the governance system of government built for the citizens of India.

### Coupled Process Open Innovation

In various discussion forums and group of “MyGov” platform, both government executives and citizens interact with each other in several issues resulting in the coupled process open innovation. Jointly they are creating new ideas and implementing them for the benefit of both.

Specially, a section named as “Creative Corner” is assigned in the platform for the exchange of creative ideas between citizens and ministers of government of India. Some of the widely discussed issues are telecom policies, Indian National Defense University bills, policies on coal sector, education policy, renewable energy policy, policies on smart cities, transportation policies etc. Similarly, various tasks jointly done by citizens and government of India are implementation of policy decisions, logo design, name selection for new schemes etc.

The initiatives taken under “MyGov” platform enrich the quality of policy decisions formation and implementation by government of India through citizen participation. Hence, open innovation processes in government organizations improve the governance of policy formation and implementation, and subsequently increases the social welfare of the country. Based on the above reasoning, the following proposition can be proposed.

***Proposition 1:*** *In government organizations, the amount of open innovation processes is positively related to the quality of governance.*

**Proposition 2:** *The amount of quality of governance in government organizations is positively related to the social welfare of the country.*

## CONCLUSION

The positive relationship between open innovation processes and quality of governance in governance of government organizations has great implications for both researchers and practitioners. The extant literature of open innovation can be examined and tested in the context of government organizations. Open innovation emerges as a process to achieve social welfare of the country. Empirical studies can be carried out in future studies to test the relevant hypotheses.

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