Original Contribution

ON THE INNOVATIVE GOVERNANCE OF PUBLIC SECTOR ORGANIZATIONS IN A CONDITION OF A GLOBAL CRISIS AND BULGARIA

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ABSTRACT
The accelerated pace of change in the global economy leads to many events unfolding in crisis - global, national, sectoral, structural, economic crises. Because innovation is risky and expensive, many companies focus more on survival and less on finding new opportunities during a crisis. Given the vastness of the issues under consideration, this article focuses on the possibilities for innovative management of public sector organizations in times of crisis.

The aim of the article is to study the experience in Europe and the world for innovative public governance and views on a model of innovation management. To achieve this goal are the following tasks: 1) Overview of theoretical concepts of innovation and innovation in the public sector and types of innovation. 2) What is needed for innovation in crises? 3) Overview of the state and aspects of innovative management of the public sector in Bulgaria.

Subject of research the possibilities for innovative management of the organizations in crisis conditions.

Research methods: For the purposes of the present research, combined methods for analysis and synthesis of information have been used. The article applies a systematic analysis of a database of publications in specialized journals and websites on the possibilities for innovative management of organizations in times of crisis.

Scope of the study: The experience in Europe and the world of innovative public governance and views on a model of innovation management are studied.

Results: Good practice shows that transparency, cooperation, innovation and learning are the key factors that should guide the actions of organizations and at the same time put people at the center of public governance.

Key words: Bulgaria, innovative management, crisis, organizations, world wide

INTRODUCTION
Overview of concepts for innovation and innovation in the public sector and types of innovation

Today, public sector organizations around the world are facing increasing demands on how countries meet the challenges of demographic, climate and technological change and how they respond to the growing needs of the population.

At the same time, public sectors operate under strict fiscal constraints, which necessitates better results at lower costs. Some organizations envisage innovation in the public sector as a key tool to meet these challenges, including organizational and process innovation. In order to meet these challenges successfully, innovative concepts combined with proven economic approaches should be adopted.

According to the Global Economic Risk Report 2021 of the World Economic Forum, innovation...
is possible during a crisis, when governments engage the private sector to meet large-scale challenges. It is emphasized that this is possible if the risks and benefits are shared fairly and there is proper management.

The Covid-19 crisis poses the need for greater coordination in terms of funding to improve sustainability and recovery through preventive budgets and insurance pools. (1)

Innovation in the public sector can be divided into the following types: (2)

1. New or improved service;
2. Process innovation (e.g. change in the production of a service or product);
3. Administrative innovation (e.g. use of a new management tool that may be the result of a change in management);
4. System innovation (new system or fundamental change of the existing system, for example by building new organizations or new models for cooperation and interaction);
5. Conceptual innovation (change in the views of the participants. Such changes are accompanied by the use of new concepts, such as rules for change of residence, as in Bulgaria was imposed years ago residence at the field);
6. Radical changes in rationality (means that the way employees think in the organization changes for some reason).

The first two types of innovation - new or improved service and process innovation can be considered as product innovations.

According to the definitions of the EU Regulation from 2014, innovations can be “organization innovation” (art. 2 item 96) and “process innovation” (art. 2 item 97). (3)

- "innovation of an organization" is defined as the introduction of a new organizational method in the practice of the institution for offering products and services, the organization of the workplace, or in external relations.
- “process innovation” is defined as the introduction of a new or significantly improved method of providing products or services (including significant changes in techniques, equipment and / or software). According to the Public Sector Innovation Observatory, innovation is interpreted as "the use of new approaches, from policy development to the provision of services to a highly efficient and responsive public sector". The observatory collects information through an online interactive database and is organized in three areas of action: (4)

- Mapping of innovative practices: collection and analysis of examples of innovation in the public sector;
- Evaluation of results: collection, analysis and development of methodologies for cost-benefit analysis of innovative practices;
- Promotion of innovative practices: collection, and analysis of government instruments to promote innovation.

Since its inception in 2011, the Observatory has collected a number of examples of innovations that introduce new approaches to design and service delivery, leading to demonstrated improvements for service users.

According to the Observatory's innovation experts, "there is no time for traditional bureaucratic elements, but rather there is a need for more flexible methods and management that can respond to the speed required in response to the spread of the coronavirus. Risks that were previously unthinkable were suddenly accepted as part of the cost of working in an insecure environment.

The fourth edition of the 2018 Oslo Handbook recommends collecting data on various types of innovation, mainly products (goods or services) and processes. The general definition given in the Handbook is applicable to all economic sectors, including the public sector, as follows: “An innovation is a new or improved product / process (or a combination of them) that differs significantly from the previous ones and is introduced in use. (5)

According to the Analytical Report on the State of Innovation in the Public Sector, the definition is given: “innovation in the public sector is the integration of already implemented innovations or new knowledge in the public sector in order to improve current or put into use new processes, services and practices. The end and visible result is the improvement of public services and the quality of life or its main aspect within the respective territory.” (6)
For the purposes of the present study, combined methods for analysis and synthesis of information were used. The article applies a systematic analysis of a database of publications in specialized journals and websites on the possibilities for innovative management of organizations in crisis. The experience in Europe and the world for innovative public governance and visions for a model of innovation management are studied.

STUDY OF GOOD PRACTICES
Good practices for innovative public governance and visions for a model of innovation management show that for decades in the public sector in different countries new services and tasks have been perceived together with technological and social development. These are the accepted different paradigms of public administration. Searches are focusing on new working methods such as flexibility and remote access.

According to experts from the European Public Sector Innovation Observatory (Organization for Economic Co-operation and Development, co-financed by the European Union's Horizon 2020 Framework Program), "leading innovation requires leaders to act with leading knowledge". This is a model of anticipatory innovation management (accepting, expecting, and influencing change). Here it is important to note that it is a matter of predicting on the basis of information, research, and understanding of the emerging changes. In this regard, on March 11, 2021, the Public Sector Innovation Observatory organized an international partnership seminar with almost 300 participants from over 70 countries, organized by the Government of Finland with the support of the European Commission's Horizon 2020 program on forward management models innovation and their creation at the national level. (7)

One of the first steps is related to the questions:
• How to create a system for advanced innovation?
• What social and cultural dynamics are needed for a systemic transition?
• How can it be combined with expertise?

The European Public Sector Award (EPSA) is a unique platform in Europe, as well as a powerful source of best practice from the European public sector. Under the motto "Assess yourself and learn from the best" in 2019, the countries Spain, Romania, Poland, Italy, Austria and Germany were awarded. They form a rich database with valuable experience available to all European public administrations and turn the European Public Sector Award into a European network of public sector achievements. (8)

Bulgaria is also among the participants with an award from the European Public Sector Award (EPSA) with a project for a National Information System for Pricing and Reimbursement of Medicinal Products, submitted by the National Council for Prices and Reimbursement of Medicinal Products. The information system includes a single national portal (9), which serves as an entry point for all stakeholders in the process of pricing and reimbursement of medicines - government institutions, businesses and citizens. The digitalisation and modernization of public administration are one of the priorities of the European Member States, as it is crucial to respond to the changing needs and expectations of citizens about what public administrations and the services they provide should look like. (10)

In 2020, Bulgaria ranks 28th in the ranking of digital technologies and competencies in the EC. (11) Trends that are expected to intensify the most in the next three years as a result of covid-19 are: (12, 13)
1) Adoption of technology for automation of manual processes - 82% of organizations. Companies are expected to accelerate investment in more intelligent automation and robotics of production and transaction services. Businesses are well aware of this and expect the introduction
of technology to accelerate over the next three years.

2) Focus on sustainability and climate change - 57% of organizations. The European Commission is presenting a roadmap for a climate-neutral future and called on the EU Member States to support a European green deal. This plan proposes a wide range of actions, including investing in sustainable technologies and supporting the industry for innovation. The goal is for Europe to become the first climate-neutral continent. Europe's greenhouse gas emissions are projected to be zero by 2050 at the latest.

3) Reversal of the process of globalization - 56% of organizations. These are changes that are already underway, such as digital commerce, potentially limiting travel patterns.

4) Improving customer access to digital services - 55% of organizations. More than half of the companies plan to improve customer access to digital services, virtual interaction between business and consumers and e-commerce in the short term.

5) Government intervention and business regulation - 25% of organizations. These include: liquidity measures - Support for enterprises, sectors and regions; Mitigation of the impact on employment; State aid; Exploiting the full potential for flexibility of the European fiscal framework.

6) Near supply chains in Europe - 21% of organizations. The technologies will also be used to improve the sustainability of the supply chain. Business organizations are planning a transition to additive manufacturing, known as 3D printing, to provide advantages in speed, cost, accuracy, and materials.

7) Geopolitical tensions - 3% of the organizations.

According to successful innovations in the public sector is the creation of an innovative public sector through an environment conducive to the formation of a social network.

Denmark is one of the first countries to support public sector innovation and serve as an example of global innovation laboratories. Much of the success is due to bottom-up innovation, to those employees who work directly with citizens in different sectors and levels of government.

There are laboratories for innovative public policies in: Austria, Great Britain, Estonia, Ireland, Spain, the Netherlands, Finland, France. The structuring of the units most often represents flexible small teams, within larger structures. Small and flexible teams are more viable. The laboratories for innovative public policies are mostly in the field of healthcare, local and economic development, transport, etc.

Key principles for innovative development that can serve as a guide for improving innovation systems are: (14)

1. No matter how "successful" a country is in innovation, there are always opportunities to build an even more sophisticated system.
2. Upgrade on strengths by using available innovation opportunities.
4. Investing in lifelong learning. Creating frameworks for evaluation and systematic training is crucial to maximize the use of innovation efforts.
5. Investing in the future. The complexity of the problems ahead requires investment in future-oriented innovations.

Research by McKinsey, an international public sector company, shows that public governance worldwide differs in the maturity of its innovation in four areas: digitized interactions, advanced analysis, process automation, and talent management. According to McKinsey, "growth is vital to funding new innovation, attracting great talent and acquiring assets. It is also a critical engine of the overall performance of the organization. (15)

What is needed for innovation in crises? Leadership and problem solving. Leaders are amazing risk managers, they are navigators of uncertainty and ambiguity. It is said that "in times of crisis, leaders take the initiative, they are the fastest learners and do not worry about making mistakes. They know that inaction is worse than a mistake."

Innovation and creativity. The current global health crisis is catalyzing innovation in organizations around the world. In this way, they
present their most creative and solution-oriented ideas in record time.

**Cooperation.** Public sector organizations do not have to work alone. They can use or build networks to access resources, knowledge and experience. Vertical and horizontal coordination will be crucial in developing and implementing appropriate solutions at each level of data and technology management and sharing.

**Learning.** Learning from failed ideas is key to innovation. Successful innovation requires public sector organizations to change established attitudes based on information, and lessons learned from past crises.

**Looking to the future.** The current crisis is forcing the public sector to focus on immediate solutions with a view to the future.

**Maintaining the focus on citizens.** Any organization that strives for innovation must focus on developing products and services with a positive impact and protect the interests of the people. Whether it is a policy or a program, they need to take into account what citizens need, and involve them in the process, giving them the opportunity to offer their own solutions. (16)

Status and opportunities for innovative management of the public sector in Bulgaria

The ability to see opportunities in the crisis - a number of Bulgarian organizations reacted in this way during the year of Covid-19. The need to optimize processes, provide a safe working environment and create new product offerings in response to changes in demand, led organizations to implement new business models, improve their product portfolio, launch innovations in the workplace. Innovation activity in the public sector is increasingly the subject of increased attention by the administration. In this regard, in 2014 a project "Complex Challenges - Innovative Cities" was developed with the support of the Ministry of Regional Development of the Republic of Bulgaria to explore opportunities for successful and sustainable policy in the field of innovation in the public sector with a focus on local and regional authorities. Europe for the exchange of experience, and good practice. A key product of the project is the development of a Report on the state of innovation in the public sector and the identification of the ways in which innovation in the public sector is at the local and regional level. (17)

With the adopted National Strategy for Development of Scientific Research in the Republic of Bulgaria 2017 - 2030 the main responsibilities for its implementation are of the Ministry of Education and Science and of the scientific organizations and higher schools. It is stated that the success should be a mission of all state bodies - from the National Assembly and the Council of Ministers to the district administrations and municipalities. (18)

In September 2020, a decision was made at the national level to establish a State Agency for Research and Innovation. The focus is on innovation, research and technology. The main functions are to strengthen the applied nature of research and encourage the dissemination of innovative results through enhanced interaction with business.

In 2019-2020, for the overall quality management in the public sector, through the building and development of the capacity of civil servants, the implementation of the Common Assessment Framework (CAF) in the Bulgarian administration began. It is a quality management tool developed specifically for the public sector, inspired by the European Foundation for Quality Management (EFQM®) model of excellence at the initiative of the European Public Administration Network. CAF is a particularly suitable tool for improving the management and operation of Bulgarian state organizations, because it is:

- a quality management tool, specially created for the needs of the public administration by the public sector itself;
- a common, accessible, free, and easy-to-use model, which is applied by the public administration itself without the need for special financial resources for its implementation and maintenance;
- a comprehensive tool that covers and analyzes the various aspects of organizational implementation and contributes to the achievement of “good governance” in public administration.
In the course of the project activities, 46 administrations in the country receive support in the process of implementing this model. (19)

The District Administration of Veliko Tarnovo introduced a “Common Framework for Evaluation - CAF”, as the self-assessment was carried out in the period January 2021 - March 2021, and as a result, a report was prepared, which in practice contains diagnostics of the organization. The report includes 134 strengths and 59 areas for improvement, which are defined by the approved portfolio documents. 58 improvement measures have been defined, which provide guidelines for improving the activities of the organization.

Another project that is the subject of innovation by the Bulgarian administration is the project "Effective and transparent policy for smart specialization of Bulgaria 2021-2027". Preparation of a strategic framework in the fields of science, technology, innovation, education and support for SMEs for the next seven years is envisaged. (20)

The Oslo Handbook includes lists of factors that are drivers and barriers to innovation in the public and business sectors. Engines such as the need to comply with regulations, search for citizens or deal with social challenges, and obstacles - lack of management support for innovation, financial resources and more.

The organizational culture of the innovation workplace is considered to be an important factor in supporting or hindering innovation in the public sector. (21)

CONCLUSIONS
In a rapidly changing environment, organizations face increasingly complex challenges. It is necessary to develop innovations in cooperation with universities, innovation centers, private sector companies and civil society. All this is important for public management, as it requires structural changes. And this is not easy to do due to the inherent characteristics of public administration (risk avoidance, hierarchical structures, behavior based on strict rules, etc.)

Transparency, collaboration, innovation and learning are the key factors that should guide the actions of organizations, and at the same time put people at the center of public governance.

The Covid-19 crisis poses the need for greater coordination in terms of funding to accelerate recovery through preventive budgets and insurance pools. (22) Therefore, European cohesion policy through financial support plays a crucial role after 2020 in creating new opportunities for generating economic and social value. In this regard, the European Commission has tools such as:

- establishing directives and methodologies for open innovation in public administration;
- outlining innovation as a source of effective and sustainable solutions;
- promoting spaces for joint innovation.

In response to the crisis, and in order to be innovative, the public sector should focus on:

- leadership and commitment, which are crucial for dealing with risks;
- cooperation between ministries and municipalities for the use of global networks and opportunities for innovation;
- digitalisation of public services, which acts as a key factor in supporting new models of innovation caused by the crisis;
- building trust through the media, which are crucial for ensuring the protection of citizens;
- social commitments based on values during a crisis.

These priority areas are part of preparedness plans, including effective central planning, strategic communication and cross-sectoral coordination. Also, education is this vital long-term need between government, business, civil society, and local communities to create education systems that meet the needs of tomorrow's youth and business.

This article can be further developed, thus contributing to the further development of innovation in public administration. In particular, the relationship between the types of innovation and the results of innovation spending in the public sector can be explored. And these results are related to efficiency, effectiveness, satisfaction of users of public services. It would be interesting to explore how increasing the economic and social value of knowledge generated by different stakeholders’ results in improved efficiency of public administration and quality of life of citizens. Also, collecting comparable innovation data for the public and business sectors would give an idea of how these
sectors are related and will identify their contribution to innovation. And this would be particularly valuable for innovation research addressing social challenges with actors in several sectors, because innovation activities involve multiple links between public and business sector organizations in the development and dissemination of innovation.

REFERENCES