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Innovation Measures

Strengthening the Strategic Approach and Innovation in the
Civil Service in Bulgaria

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Innovation Measures Policy Brief

Key messages

- This policy brief proposes measures to support public sector innovation (PSI) at the organisational level in Bulgaria. These measures aim to help heads of the organisation to strengthen the innovative capacity of their institutions. Moreover, these proposed measures also support the strategic role of the Council of Ministers' Administration in steering and advising public organisations' innovative efforts. The policy brief unfolds into three areas: organisational strategic planning, budgeting and funding, and human resources management.
- In Bulgaria, strategic planning practices for organisational-level innovation are limited despite some ministries integrating innovative efforts into their key strategies. To improve this, head of public organisations can implement measures such as adopting a portfolio approach to innovation, setting clear innovation-specific goals, establishing innovation taskforces, and embedding innovation more structurally within organisations' strategic initiatives. These efforts should aim to ensure that innovation directly supports institutional priorities and contributes to national outcomes, such as enhancing public sector productivity and building public trust.
- Bulgaria generally lacks dedicated resources in organisational budgets and funding mechanisms for PSI. To address these gaps, Bulgaria's head of public organisations can implement dedicated innovation budgets, organisational spending reviews and flexible resource allocation. Moreover, dedicated funding for cross-sector collaboration or internal challenges and contest programmes. Additionally, supporting measures such as organisational bonus schemes or additional funding for innovative teams are proposed to foster a conducive environment for public sector innovation.
- Human resources management in Bulgaria faces significant challenges in fostering innovation due to limited incentives and skills for public servants to innovate. To address this, it is recommended that Bulgaria's head of public organisations could invest in developing a public sector organisational culture that encourages innovation. This includes ensuring organisations adopt the centralised competency frameworks that will integrate innovation, establish different recognition and reward mechanisms to motivate innovative behaviours, and implement organisational training and coaching programmes to enhance innovation skills across all hierarchical levels.

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Organisational measures proposal to support embedding public sector innovation in Bulgaria

1. The Modernisation of the Administration Directorate, part of the Council of Ministers Administration (CoMA), is conducting a project to strengthen the innovative capacity of the Bulgarian civil service¹. Supported by the European Commission, the OECD Observatory of Public Sector Innovation (OPSI) has assessed the Bulgarian State Administration's recognising that the country is starting to drive public sector innovation (PSI), yet these efforts are nascent. Resulting from top-down initiatives, several innovations have been gradually introduced in the Administration. However, the country has opportunities to foster a more widespread innovation approach by supporting its public organisations in better integrating innovation into their priorities, creating financial mechanisms to provide resources for innovative projects, and further increasing the adoption of innovation skills and risk-taking behaviours.

2. This policy brief proposes measures to support PSI at the organisational level in Bulgaria, based on the findings identified in the assessment report. These measures aim to help heads of the organisation to strengthen the innovative capacity of their institutions. Moreover, these proposed measures also support CoMA's strategic role of steering and advising public organisations' innovative efforts. The policy brief unfolds into three areas: organisational strategic planning, budgeting and funding, and human resources management. These recommended measures inspired by international best practices are based on desk research, survey analysis, and interviews with Bulgaria's State Administration representatives.

1. Organisational strategic planning for public sector innovation

3. This section outlines the state of organisational strategic planning for innovation in Bulgaria and offers diverse recommended measures for heads of organisations in the State Administration.

1.1. Strategic planning for innovation in Bulgaria

4. **Strategic planning for innovation is crucial for public organisations to enhance innovative capacity by aligning their institutional efforts with broader governmental priorities** (OECD, 2017^[1]). The OECD report on Bulgaria's Innovative Capacity highlighted the need for Bulgaria's State Administration to better align public sector innovation with governmental priorities (OECD, 2024^[2]). Currently, the Administration lacks an overarching strategic framework for public sector innovation, with most ministries and state agencies not incorporating or failing to articulate innovation into their organisational-level strategies (OECD, 2024^[2]). Interviews with leaders of public organisations in Bulgaria confirmed that public sector innovation is generally not steered or coordinated strategically (OECD, 2024^[2]). Additionally, the interviewees expressed the organisations' need for further guidance and support on public sector innovation from the centre of government (OECD, 2024^[2]).

5. **Nevertheless, some organisations in Bulgaria have integrated innovation into their strategic goals.** For instance, the Ministry of Defence, through its *National Programme for Development of Capabilities of the Armed Forces 2032*, includes innovation in areas such as recruitment, procurement, experimentation, and digitalisation (Republic of Bulgaria, 2021^[3]). Similarly, the Ministry of Social

¹ The project was funded by the European Union via Technical Support Instrument, and implemented by the OECD, in cooperation with the European Commission.

Protection, through its *National Strategy for Poverty Reduction and Promotion of Social Inclusion 2030*, prioritises innovative and flexible approaches to deliver integrated services that prevent and address social exclusion (Republic of Bulgaria, 2020^[4]). However, limited monitoring and reporting efforts hinder the possibility of assessing the effectiveness of these strategies or communicating their results (OECD, 2024^[2]).

6. **An OECD analysis exploring the causal determinants of innovation in Bulgaria found that technologically driven organisations are more likely to have innovation projects** (OECD, 2024^[2]). Specifically, public servants who see their organisation being driven and adopting technology are 40% more likely to participate in innovation (OECD, 2024^[2]). While this confirms Bulgaria's efforts in harnessing digital and data governance capacity, it is crucial to align these efforts with broader objectives, such as enhancing productivity, improving user satisfaction, and building public trust, as well as sector-specific goals, such as reducing poverty rates and lowering CO2 emissions (OECD, 2024^[2]). When innovative efforts are coordinated with broader governmental objectives and resources are appropriately allocated, they can significantly contribute to achieving key national outcomes (Kaur and Buisman, 2022^[5]).

1.2. Measures to improve organisational strategic planning for innovation

7. **Aligning public sector innovation with institutional priorities ensures that efforts contribute directly to achieving the organisation's mission and long-term goals** (Kaur and Buisman, 2022^[5]). By embedding innovation into the strategic planning process, innovative efforts can become central to the organisation's objectives rather than peripheral activities (OECD, 2017^[1]). This approach not only maximises the impact of innovation but also enables efficient resource allocation, ensuring that all efforts align with the organisation's core goals and broader governmental priorities (Kaur and Buisman, 2022^[5]).

8. **Several key measures can be implemented by heads of organisations to enhance organisational strategic planning for innovation.** As shown in Table 1, conducting an organisational diagnostic analysis is essential as it helps organisations identify their current innovation efforts (Sammut-Bonnici and Galea, 2015^[6]). By organising strategic meetings and workshops with key stakeholders, organisations can assess their current innovation activities and determine their most effective innovation portfolio management approach (OECD, 2022^[7]). This is a dynamic decision-making process that ensures the balanced distribution and development of resources among various strategic innovation initiatives (OECD, 2022^[7]) (See more in Box 1). Following this analysis, setting clear organisational innovation-specific objectives ensures that efforts are focused on areas where they can have the most significant impact, directly supporting broader institutional priorities (University of California, 2016^[8]).

9. Additionally, establishing targeted innovation initiatives that align with organisational goals, such as improving operational efficiency or enhancing public service outcomes, can help to ensure that innovation contributes meaningfully to achieving the organisation's mission (Si, Loch and Kavadias, 2023^[9]). For instance, the UK's National Health Service (NHS) integrated innovation into its *Long Term Plan* by adopting new approaches and technologies for service delivery through initiatives such as a science-based advisory service for innovators, real-world testing infrastructures or testbeds, and an innovation accelerator. The NHS also includes strategically planned initiatives such as collaboration with external partners, and rapid scaling of innovations (UK Government, n.d.^[10]).

10. **Another critical aspect is that heads of organisations ensure that organisational innovation efforts are internally supported and communicated.** Establishing dedicated innovation task forces can further support the alignment of organisational strategic planning for innovation by coordinating and ensuring initiatives are aligned across departments (NESTA, 2014^[11]). Moreover, implementing monitoring and reporting mechanisms ensures that innovation efforts are tracked, assessed, and adjusted as needed, with results transparently shared to promote learning and accountability (Grant, 2021^[12]). This can also support ensuring they align with sectoral strategies or a potential national public sector innovation framework (Emerson and Nabatchi, 2015^[13]).

11. Lastly, embedding innovation with a citizen-centric perspective at the core of the institutional model, such as red tape reduction, user satisfaction improvement, or co-creation of strategic initiatives, can also foster innovation at the strategic level (European Commission, 2019^[14]). For example, Brazil's behavioural science unit partnered with the Secretariat of Digital Government (SGD) to reduce the red tape on the account recovery process for GOV.BR (Varazzani et al., 2024^[15]). This digital platform allows over 150 million citizens to access over 4,000 digital public services (Varazzani et al., 2024^[15]). However, the service receives 9 million account recovery requests, 3% of which must be recovered manually (Varazzani et al., 2024^[15]). Through a red tape audit (also known as a sludge audit), the team identified opportunities for facial recognition verification, which has reduced waiting times from 48 hours to 30 minutes (Varazzani et al., 2024^[15]).

Table 1. Measures to improve organisational strategic planning for public sector innovation

The table below shows several measures that heads of organisations can implement to improve strategic planning to strengthen innovative capacity at the organisational level.

Measure	Why	How
Innovation Portfolio Management	An innovation portfolio management approach respond to the need for pluralistic organisational strategies in innovation activities. A singular approach to innovation, such as focusing on efficiency gains, does not adequately respond to the multi-faceted and complex problems faced by the public sector (OECD, 2022 ^[7]).	Implement a portfolio approach by organising strategic meetings and workshops with key stakeholders to orient the organisations innovation activities. Create variety of project to spread risk and foster opportunities, identify trends and gaps in overall innovation activity and reveal linkages to support learning and collaboration opportunities (OECD, 2022 ^[7]).
Generate innovation-specific objectives	Setting clear innovation-specific objectives helps organisations focus on areas where innovation efforts can make the most significant impact. These objectives should be specific, measurable, achievable, relevant and time-bound (SMART) and directly support achieving broader institutional priorities (Grant, 2021 ^[12]).	After completing the SWOT analysis, define specific objectives that target the identified opportunities and threats. For instance, if a weakness is the low level of user satisfaction, an objective might be to improve satisfaction through certain innovative projects (University of California, 2016 ^[8]).
Establish innovation initiatives that support organisational objectives	Innovation initiatives should directly contribute to achieving organisational objectives, such as improving operational efficiency or reducing costs, and enhancing public service outcomes, such as satisfaction or trust (Si, Loch and Kavadias, 2023 ^[9]).	Identify several specific initiatives that contribute to accomplishing the organisational goals. For instance, if the objective is to improve satisfaction, initiatives might develop prototypes to improve user experience through a gov-tech programme or a public servants' innovation contest (University of California, 2016 ^[8]).
Establish innovation task forces	Innovation taskforces can support coordinating efforts across the organisation to promote innovation. These groups can lead the creation and implementation of roadmaps that guide the organisation's innovation efforts (NESTA, 2014 ^[11]).	Create a taskforce in charge of connecting innovation with broader organisational objectives, coordinating initiatives across departments, and ensuring alignment with the organisation's objectives (NESTA, 2014 ^[11]).
Report organisational innovation results and capacity	Ensuring organisational innovation efforts and capacity are communicated and aligned with broader governmental priorities helps maintain transparency, accountability and coherence, ensuring that initiatives support the country's overall strategic direction (Emerson and Nabatchi, 2015 ^[13]).	Monitor, review and report innovation results and capacity regularly to ensure alignment with sectoral strategies or a potential national public sector innovation framework. This could involve cross-government meetings and consultations with the Centre of Government to ensure a unified approach (Emerson and Nabatchi, 2015 ^[13]).
Create initiatives for increasing citizen-centric perspective at the core of the institutional model	Innovation can become a fundamental part of the organisational strategy, driving long-term commitment by establishing initiatives focusing on citizen engagement through red tape reduction, user satisfaction improvement, or co-creation of strategic initiatives (European Commission, 2019 ^[14]).	Organisations can develop specific projects to improve public outcomes while increasing citizen-centric perspectives. For example, reducing red tape by following proven methodologies such as Sludge Audits (Varazzani et al., 2024 ^[15]), focusing on increasing satisfaction through service design sprints, or co-creating, testing, and piloting strategic innovative initiatives. This can support legitimising innovation investment (European Commission, 2019 ^[14]).

Source: OECD based on cited sources.

Box 1. OECD tools for innovation portfolio exploration

Based on years of learning from public sector organisations worldwide, OPSI developed a framework for clarifying the strategic intent and purpose behind innovation, helping governments to better understand and manage multi-faceted innovation (OECD, 2022^[7]).

OPSI Innovation Facets framework which identifies four aims of innovation: reaching strategic goals (mission-orientation), preparing for future risks and challenges (anticipation), improving current operating systems (enhancement) and responding to citizens' needs as they evolve (adaption) (OECD, 2022^[7]). Public organisations can use OPSI's free self-assessment tool and adaptable workshop for exploring and assessing the balance of innovation activities undertaken by public servants, leaders and decision-makers (OECD, 2022^[7]).

- The [Portfolio Exploration Tool](#), an online self-assessment tool, helps organisations and teams explore their current and intended innovation portfolio.
- The [Innovation Portfolio Workshop](#) can be used as a group or individual reflection activity to assess, determine and enhance organisations' and teams' innovation portfolios.

Source: OECD based on cited sources.

12. **CoMA can play a crucial role in ensuring the effective implementation of strategic planning measures across public organisations.** It can establish regular monitoring and reporting mechanisms to track progress, including periodic reports on innovation outcomes and capacity, cross-government reviews to ensure alignment with national priorities, and consultations with organisational leaders to address challenges and share lessons learned. CoMA can also coordinate strategic workshops and meetings to align innovation portfolio management, enabling public institutions to identify trends, gaps, and opportunities for collaboration. Additionally, CoMA can foster cross-organisational collaboration by promoting initiatives that encourage knowledge sharing and adopting innovations across sectors, supported by both online platforms and in-person interactions.

2. Organisational budgeting and funding for public sector innovation

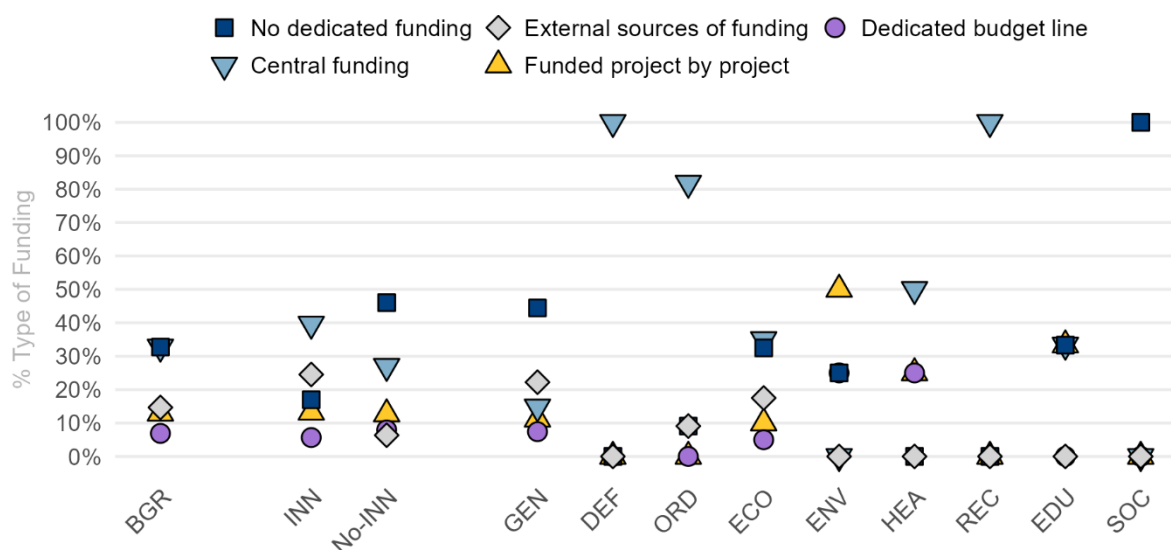
13. This section outlines the context of organisational budgeting and funding innovation in Bulgaria, and offers diverse policy recommendations for heads of organisations in the State Administration.

2.1. Budgeting and funding for innovation in Bulgaria

14. **Budgeting and funding practices can create a conducive environment for innovation, incentivising risk-balanced projects and innovative behaviours** (OECD, 2017^[1]). Overall, in Bulgaria, there are limited budget allocation and funding practices for innovation projects (OECD, 2024^[2]). The OECD assessment of Bulgaria's Innovative Capacity shows that most Bulgarian public organisations have no dedicated budget for public sector innovation (Figure 1). Moreover, the Administration have limited practices of other funding mechanisms such as spending reviews, horizontal multi-year budget frameworks or innovation funds (OECD, 2024^[2]). This results in misalignment of strategic aims and resource allocation for innovation, along with limited innovation scope (OECD, 2024^[16]).

Figure 1. Organisations in Bulgaria generally lack funding for innovation efforts

Share of organisations by type of funding, 2024.



Note: N=93 to 116. Respondents: Head of Organisations (L2). Data visualisations acronyms: BGR: Total Respondents, INN: Respondents that participated in an innovation project., No-INN: Respondents that have not participated in an innovation project. Policy Sectors: GEN: General public services, DEF: Defence, ORD: Public order and safety, ECO: Economic Affairs, ENV: Environmental Protection, HEA: Health, REC: Recreation, culture, and religion, EDU: Education, SOC: Social Protection. The respondents are asked to answer the question: Which of the following statements describes how public sector innovation is funded in your organisation? [Multiple options].

Source: OECD Bulgaria's Innovative Capacity Survey, 2024.

15. **Insufficient funding limits more transformative and impactful projects in Bulgarian public organisations** (OECD, 2017_[1]). While only around 10% of public organisations in Bulgaria allocate resources to innovation through general budget lines, this has supported the development of projects focused on improving existing systems and processes (Figure 1). However, Bulgarian public organisations have limited projects that pursue more transformative changes that could lead to significant advancements in public service delivery and policymaking (OECD, 2024_[2]). Only 15% of innovative initiatives in public organisations have a more forward-thinking or outcome-oriented approach (OECD, 2024_[2]). This pattern is consistent across most policy sectors (OECD, 2024_[2]).

16. **OECD analysis exploring the determinants of innovation in Bulgaria found that financial resources for innovation are a causal determinant for the existence of innovation projects** (OECD, 2024_[2]). The study found that public servants in the country are 90% more likely to participate in innovation if they perceive having support from their organisation by committing resources to develop new ideas (OECD, 2024_[17]). These resources include mainly financial support but also time and expert support. This funding gap hinders the organisations' abilities to consistently engage in and sustain innovative efforts (OECD, 2024_[17]).

2.2. Measures to improve organisational budgeting and funding for innovation

17. **Key measures related to the budget allocation process can enhance organisational public sector innovation.** As shown in Table 2, stimulating dedicated innovation budgets can ensure that public organisations in Bulgaria have the financial resources allocated explicitly for fostering transformative projects and enhancing their innovative capacities (OECD, 2017_[1]). Public organisations can establish a distinct budget line within their annual budgets for both specific innovation projects and supportive measures that nurture an innovative organisational environment.

18. **To further enhance the effectiveness of these resources, heads of organisations can establish organisational spending reviews and flexible budget mechanisms.** Regular spending reviews help organisations understand and manage their innovation management portfolios (OECD, 2017^[1]). By evaluating the impact and alignment of expenditures with strategic goals, organisations can manage risk, tolerate failures within acceptable limits, and ensure that investments are strategically sound (OECD, 2021^[18]). Moreover, flexible resource allocation allows public sector organisations to support innovative projects, scale successful initiatives, and respond adaptively to emerging challenges (OECD, 2017^[1]). For example, the UK Government Communication Services (GCS) developed a strategy for applying responsible innovation and data to transform government communication through dedicated budgets for innovation. Among the measures, the GCS changed their spending controls to encourage departments to spend up to 10% of their existing campaign budget on innovative techniques to pilot, test and learn from (UK Government, 2024^[19]).

19. **Supporting measures such as cross-sector collaboration, internal innovation contests, and organisational financial incentives can support innovation** (OECD, 2017^[1]). Cross-sector collaboration funding supports partnerships between the public sector, private industries, civil society, and academia, encouraging diverse perspectives and resource sharing to address complex challenges (Emerson and Nabatchi, 2015^[13]). By allocating specific funds for these collaborative projects, public sector organisations can unlock transformative solutions that would not be possible within silos (Emerson and Nabatchi, 2015^[13]). For instance, the UK and US governments launched a set of prize challenges to unleash the potential of privacy-enhancing technologies (PETs) to combat global societal challenges (UK Government, 2022^[20]). Through cross-government collaboration, the countries have pooled \$1.6 million as a common financial resource to encourage the private sector, civil society, and academia to develop solutions for a common problem (UK Government, 2022^[20]).

20. Internal challenges or contest programmes invite public servants at all levels to propose innovative solutions, offering dedicated funding for the implementation of the best ideas (Bason, 2010^[21]). This approach increases engagement and ownership of innovation processes while providing ongoing support, such as project management and mentorship, to ensure successful execution (Bason, 2010^[21]). Moreover, organisational financial incentives further motivate innovation by linking rewards to successful outcomes, offering bonuses and additional funding for teams or individuals who achieve significant milestones, fostering accountability and driving continuous improvement (OECD, 2017^[1]). For example, Chile's public organisations set a yearly modernisation bonus scheme to enhance institutional performance. Each year, government programmes establish efficiency and modernisation objectives, and public servants receive a salary bonus of 7.6% when these targets are met.

Table 2. Measures to improve organisational budgeting and funding for public sector innovation

The table below shows several measures that heads of organisations can implement to improve budgeting and funding to strengthen innovative capacity at the organisational level.

Measure	Why	How
Dedicated innovation budgets	Establishing dedicated innovation budgets is crucial to ensure that financial resources are allocated explicitly for innovation, fostering transformative projects and enhancing the organisation's innovative capacity. This focus on financial commitment to innovation supports developing specific projects and the broader organisational environment that encourages innovation (OECD, 2017 ^[1]).	During the organisation's budget programming process, establish a separate budget line for innovation projects and initiatives within the organisation's annual budgets. This can cover both projects and supportive measures for an innovative organisational environment (OECD, 2017 ^[1]).
Organisational spending reviews	Regular spending reviews help organisations understand and manage their innovation management portfolios. By evaluating the impact and alignment of expenditures with strategic goals, organisations can manage risk, tolerate failures within acceptable limits, and ensure that	Conduct periodic spending reviews using the Innovation Facets framework developed by the OECD Observatory of Public Sector Innovation to assess the alignment of expenditures with innovation purposes, identify gaps, and improve risk management strategies (OECD, 2021 ^[18]).

	investments are strategically sound (OECD, 2021 ^[18]).	
Flexible resource allocation	Flexible resource allocation allows public sector organisations to support innovative projects, scale successful initiatives, and respond adaptively to emerging challenges. This flexibility is crucial for reallocating resources efficiently and promoting dynamic and responsive innovation management (OECD, 2017 ^[11]).	Implement organisational flexible budget allocation practices to reallocate financial resources dynamically during the year. Identify operational efficiencies and cost savings that can be redirected to support new or scaling innovative projects in the organisation (OECD, 2017 ^[11]).
Cross-sector collaboration funding	Collaborative innovation projects involving private sectors, civil society, and academia can lead to transformative innovations not achievable within silos. Funding these collaborations encourages diverse thinking and resource sharing, enhancing the quality and impact of public sector innovations (Emerson and Nabatchi, 2015 ^[13]).	Allocate specific funds for organisational projects that involve partnerships with external organisations, ensuring a multi-sector approach to public sector challenges and enhancing the potential for transformative solutions (Emerson and Nabatchi, 2015 ^[13]).
Internal challenges or contest programmes with funding	Internal challenge or contest programmes serve as a tool to foster organisational innovation by encouraging staff from all levels to propose and develop solutions (Bason, 2010 ^[21]). Offering funds for the implementation of winning ideas ensures that the organisation takes concrete steps toward realising these innovations, thereby increasing public servants' engagement and organisational ownership of innovation processes (Bason, 2010 ^[21]).	Identify key challenges that align with strategic goals and require innovative solutions. Set clear criteria for evaluating submissions, such as feasibility, impact, and scalability. Provide dedicated funding to implement the best ideas. Encourage wide public servants participation with incentives such as financial rewards, recognition, or professional development opportunities. Offer continued support for implementing winning ideas through project management, mentorship, and additional resources (Bason, 2010 ^[21]).
Financial incentives for innovators	Linking financial rewards to successful innovation outcomes motivates teams and public servants to engage more actively in innovative practices in the organisation. This approach aligns personal and organisational goals, encouraging innovative behaviours and results-oriented projects (Boxall, Purcell and Wright, 2007 ^[22]).	Introduce organisational bonus schemes and additional funding for teams and individuals who achieve significant innovation milestones, thus fostering accountability and continuous improvement in innovation practices (Boxall, Purcell and Wright, 2007 ^[22]).

Source: OECD based on cited sources.

21. **CoMA and the Ministry of Finances could further support public organisations adopting these budgeting and funding measures.** The Ministry of Finances, along with the Council of Ministers' Administration, could develop financial guidelines to support dedicated budget allocation, spending reviews, flexible resource allocation, and financial incentives to support innovation. Moreover, CoMa could provide templates or frameworks for cross-sector collaboration initiatives and internal challenges, including developing a platform or digital tool to coordinate challenges, share best practices, and showcase winning ideas across public organisations.

3. Organisational human resources management for public sector innovation

22. This section highlights the state of organisational human resources management for public sector innovation in Bulgaria and offers diverse policy recommendations for heads of organisations in the State Administration.

3.1. Human resources management for innovation in Bulgaria

23. **Bulgaria's State Administration lacks a strategic approach to workforce development and has limited incentives for public servants to innovate** (OECD, 2024^[2]). Human resources management plays a crucial role in enabling governments to innovate by fostering a workforce that is capable, motivated, and adaptable to changing needs (OECD, 2017^[1]). The OECD report on Bulgaria's Innovative Capacity showed that the State Administration and its public organisations lack a workforce strategy as the previous 2014-2020 Public Administration Development Strategy has not been updated (OECD, 2024^[2]). Formal mechanisms such as the centralised competency frameworks and performance management

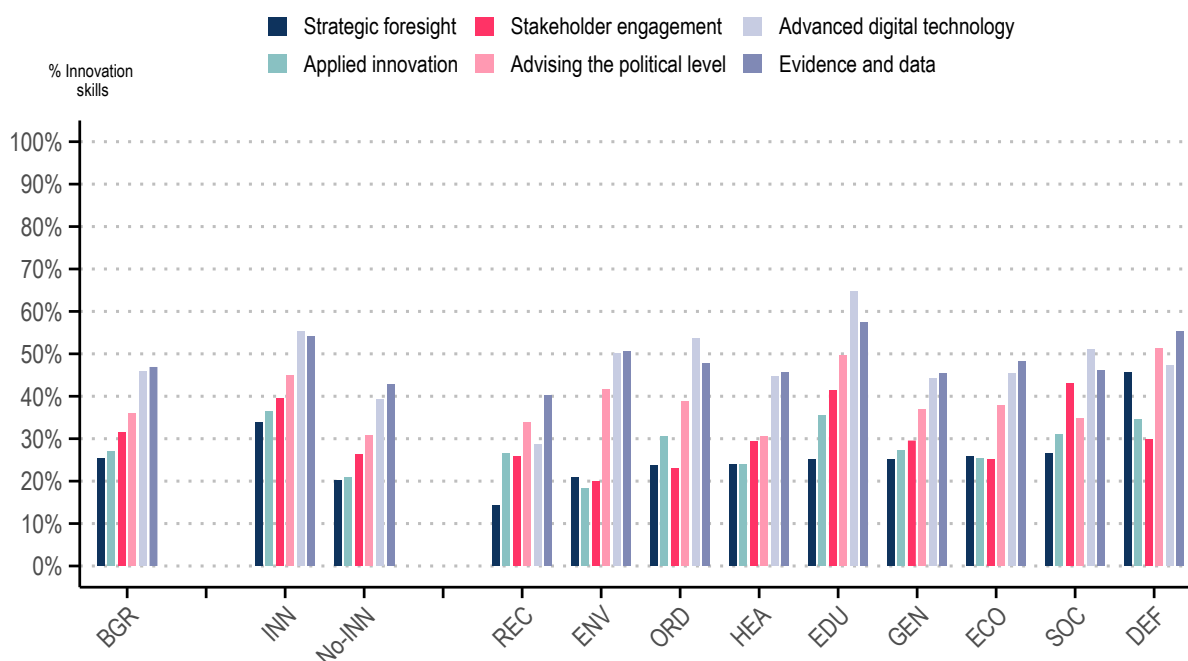
assessments do not integrate public sector innovation as a criterion for competency evaluation and career progression (OECD, 2024^[2]). As such, the biggest incentive for innovating in public organisations is public servants' intrinsic motivation (e.g., personal satisfaction, sense of accomplishment) (OECD, 2024^[2]).

24. **The majority of Bulgaria's public organisations do not empower public servants to innovate and have only fostered limited innovation skills** (OECD, 2017^[1]). Only around 30% of public servants perceive recognition for innovative work or autonomy to seek new ways of working in their organisation, which issues are predominant among less senior staff (OECD, 2024^[2]). Moreover, there has been limited and sporadic training on public sector innovation. This has been mainly focused on senior staff and concentrated on skills related to advising political leaders (e.g., research and framing policy issues, developing policy solutions) (OECD, 2024^[2]). Consequently, as shown in Figure 2 – on average–, only 27% of public servants have the skills to manage and apply innovation processes in their public organisation (OECD, 2024^[2]). The generalised lack of specific applied innovation skills, such as prototyping and iterating, or specific competencies, such as innovation procurement, further limit the development of innovative projects (OECD, 2024^[2]). This pattern is consistent across policy areas (Figure 2).

25. **An OECD analysis exploring the causal determinants of innovation in Bulgaria found that job autonomy and innovation skills significantly drive innovation.** Public servants who see themselves as having the autonomy to innovate (e.g., self-driven motivation) in their organisations are 19% more likely to be involved in innovation. Moreover, public servants perceive having skills for applied innovation (prototyping, service design, etc.) are 32% more likely to be involved in innovation projects. This reflects that Bulgaria should invest in developing a public sector organisational culture that encourages permission to innovate as a key part of a broader workforce strategy, providing public servants with the freedom to explore and implement innovative solutions (Kaur and Buisman, 2022^[5]). Moreover, Bulgaria should continuously develop skills and capabilities to innovate among public servants with comprehensive and stable programmes.

Figure 2. There is limited adoption of innovation skills and competencies across policy sectors

Share of public servants by perceived adoption of skills and competencies, 2024.



Note: N= 2,479 to 3,633. Respondents: Public Servants (M3). Data visualisations acronyms: BGR: Total Respondents, INN: Respondents that participated in an innovation project., No-INN: Respondents that have not participated in an innovation project. Policy Sectors: GEN: General public services, DEF: Defence, ORD: Public order and safety, ECO: Economic Affairs, ENV: Environmental Protection, HEA: Health, REC: Recreation, culture, and religion, EDU: Education, SOC: Social Protection. Figure presents the share of respondents who assess their skills to be "High" or "Very high". The respondents are asked to answer the question: Overall, how would you assess your own skills in the follow areas? Please rank statements from 1 "Very low" to 5 "Very high". [Ranking].

Source: OECD Bulgaria's Innovative Capacity Survey, 2024.

3.2. Measures to improve organisational human resources management for public sector innovation

26. **Public organisations can enhance their innovation capabilities by adopting a whole-of-government centralised competency framework that integrates innovation as a central component.** Such frameworks can support public organisations in aligning innovation across HR processes, including recruitment and professional development (Torrington, Hall and Taylor, 2008^[23]). Organisations could implement the competency frameworks across all internal HR processes, including hiring, promotions, and performance evaluations, ensuring that innovation becomes a key factor in career development in each organisation (Torrington, Hall and Taylor, 2008^[23]).

27. For example, the competency framework for top executives in the Estonian Civil Service consists of six competencies used across all HR activities (Government of Estonia, n.d.^[24]). These competencies assess and reward a leader who is the bold designer of the future, an achiever, an inspiring driver of innovation, a genuine value builder for target groups and an effective self-leader (Government of Estonia, n.d.^[24]). The innovation competency refers to behaviours related to promoting a pioneering attitude, thinking outside the box, encouraging taking risks and directing the development and implementation of valuable innovations (Government of Estonia, n.d.^[24]).

28. **Establishing organisational recognition and reward mechanisms can create an environment that motivates and encourages innovative behaviours.** Recognising and rewarding public servants who contribute to innovation, both financially and through accolades, can significantly boost motivation and drive for innovation (Robbins and Judge, 2018^[25]). Organisations could implement various recognition formats, including public acknowledgement, organisational awards, and career advancement opportunities that reward innovative behaviours and outcomes (Robbins and Judge, 2018^[25]).

29. **Organisational training programmes can equip public servants with the necessary skills in innovation methodologies.** Training programmes should encompass workshops on design thinking, problem-solving, and digital innovations and be mandatory across different public servants' hierarchical levels (Dunleavy and Margetts, 2010^[26]). For instance, the UK's Ministry of Defence employs a variety of innovative tools, such as wargaming and red teaming, to address complex global challenges (UK Government, 2023^[27]). These methods involve discrete exercises that enhance decision-making through structured simulations (UK Government, 2023^[27]). By adhering to specific rules, utilising data, and following defined methods and procedures, these exercises build innovative behaviours and practices in public servants and leadership levels as part of the UK's Skilled Civil Service Strategy (UK Government, 2023^[27]).

30. **Organisational leadership also plays a crucial role in fostering an innovative culture, which can be effectively supported through structured coaching programmes** (Torrington, Hall and Taylor, 2008^[23]). These programme should train organisational leaders with managerial responsibilities to foster an innovative mindset, lead innovative problem-solving processes, and manage innovation projects while also incorporating peer learning and mentoring opportunities to enhance learning and adoption across the organisation (Torrington, Hall and Taylor, 2008^[23]).

Table 3. Measures to improve organisational human resources management for public sector innovation

The table below shows several measures that heads of organisations can implement to improve human resources management to strengthen innovative capacity at the organisational level.

Measure	Why	How
Organisational adoption of a competency framework with an innovation dimension	Organisations can use CoMA centralised competency frameworks to embed innovation as a core aspect of all HR processes in their organisation. This would enhance alignment across recruitment and professional development processes across organisations (Torrington, Hall and Taylor, 2008 ^[23]).	Organisations could implement the competency frameworks across all internal HR processes, including hiring, promotions, and performance evaluations, ensuring that innovation becomes a key factor in career development in the organisation (Torrington, Hall and Taylor, 2008 ^[23]).
Establish organisational recognition and reward mechanisms	Creates an organisational environment that encourages innovative behaviour by improving recognition and rewards for public servants who contribute to innovation (Robbins and Judge, 2018 ^[25]).	Develop different recognition and reward organisational mechanisms such as public acknowledgement, innovation awards, and career advancement opportunities that recognise innovative behaviours and outcomes (Robbins and Judge, 2018 ^[25]).
Implement organisational training programmes	Develop a skilled workforce that can drive and sustain innovation efforts through targeted training in innovation methodologies and practical technological applications (Dunleavy and Margetts, 2010 ^[26]).	Design and implement learning-by-doing training programmes on design thinking, problem-solving techniques, participatory innovation, and digital innovations. These should be mandatory for all levels of public servants and tailored to meet the needs of various departments (Dunleavy and Margetts, 2010 ^[26]).
Develop a coaching programme for leadership	Organisations can enable leaders to effectively support and advocate for innovation within their teams, fostering an organisational culture that prioritises and facilitates innovation and experimentation (Torrington, Hall and Taylor, 2008 ^[23]).	Create a structured coaching programme for organisational leaders with managerial responsibilities that includes training on how to foster an innovative mindset, methods to encourage and lead innovative problem-solving processes, and strategies to manage and lead innovation projects. This program should also incorporate peer learning sessions and mentoring opportunities (Torrington, Hall and Taylor, 2008 ^[23]).

Source: OECD based on cited sources.

31. **CoMA could further support adopting these measures to improve human resources management for public sector innovation.** CoMA could support the adoption of an innovation-focused competency framework across public sector HR processes by convening a working group of HR representatives from ministries and agencies. By providing training and sharing best practices, CoMA could ensure the framework is effectively adopted across recruitment and professional development processes across organisations. CoMA could also introduce recognition and reward mechanisms, such as career advancement guidelines, to encourage innovative behaviour. Additionally, CoMA could suggest and guide organisations on establishing innovation training tailored to organisational needs and leadership coaching programmes to equip decision-makers with skills to foster and manage innovation within their teams. These efforts would promote a culture of innovation and continuous improvement across the public sector.

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