

# Public sector innovation state of play

Supporting the Public Sector  
Human Resources Management reform



<b>Contract Title</b>	<b>Supporting the public sector Human Resources Management Reform</b>
<b>Agreement No/Type</b>	REFORM/IM2021/025
<b>Project Ref.</b>	21EL20: Ares(2021)6660955- 28/10/2021
<b>Beneficiary</b>	The Government of the Hellenic Republic
<b>Reform Partner</b>	France - Ministry of finance
<b>Contracting Authority</b>	European Union, European Commission
<b>Consultant</b>	Expertise France
<b>Number and title of output</b>	<b>1 - Report depicting the public sector innovation state of play</b>
<b>Document title</b>	<b>Public sector innovation state of play</b>
<b>Submission date</b>	<b>18.10.2022</b>
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## List of acronyms

<b>EDIH</b>	European Digital Innovation Hub
<b>EF</b>	Expertise France
<b>EU</b>	European Union
<b>GRNET</b>	National Infrastructures for Research and Technology
<b>HRM</b>	Human Resources Management
<b>IARP</b>	Independent Authority for Public Revenue
<b>ILGPI</b>	Institute for Local Governance and Policy Innovation
<b>MDG</b>	Ministry of Digital Governance
<b>MoI</b>	Ministry of Interior
<b>MOU S.A.</b>	Management Organization Unit for Development Programs S.A.
<b>NCPA</b>	National Center For Public Administration And Local Government (EKDDA n Greek)
<b>NDC</b>	National Documentation Center
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OPSI</b>	Observatory of Public Sector Innovation
<b>SGHRPS</b>	Secretariat General for Human Resources of Public Sector

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# 1 Introduction

The global crises the world faced the last years, point out that changes could transform economies, governments and societies in complex and unpredictable ways. Governments need to adapt faster to new conditions without sacrifice the basic values of their communities. To meet citizen demands and tackle the challenges of today, governments need to understand, test and embed new ways of doing things.

Innovation became a significant trend the last years in the private sector as a tool for adapting into new and more complex requirements. While innovation in the private sector is driven mainly by productivity and financials goals, in the public sector innovation is driven by different motivations and objectives. The common characteristic in both cases (public and private sector) is that innovation leads always to “improvement” in products and services. That is the reason why there are several use cases and best practices from the private sector that can benefit the public sector innovation development.

In general, public sector innovation is about finding new and better means to achieve positive public outcomes. Given the increased complexity of the challenges faced by governments, enhancing the innovative capacity of governments and public sector systems has become an imperative. For innovative approaches or solutions to create lasting impact, they must be embedded as part of existing systems. In the same way, a public sector’s capacity to innovate depends on whether it innovation is embedded into the system, across the functions and mechanisms of government.

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To this end, the Ministry of Interior (Moi), through its Secretariat General for Human Resources of Public Sector (SGHRPS) is eager to undertake action to transform the public sector by establishing new operating models to tackle complex problems in an entirely new way. The first step is clearly understanding the current situation, meaning getting a clear view on issues such as:

- What operating models currently exist, enabling or disabling innovation, and
- What areas require new approaches: services, processes, regulatory models or policy design and implementation.

According to a study of the European Parliamentary Research Service<sup>1</sup>, there are two main categories of public sector innovation: innovation **in** and innovation **through** the public sector. While the first category mostly describes the modernisation of public services to render them more citizen- and business-friendly, the latter focuses on large-scale high-cost and high-risk innovations where the business sector was initially reluctant to invest, such as space technology or nanotechnology, transport (e.g. high-speed trains), or digital infrastructure (e.g. the internet).

The present study provides an overview – mapping of the state of play (concepts, processes, resources) on the first aforementioned category (innovation “in” the public sector), and in particular innovation focusing on the internal (administrative) processes.

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<sup>1</sup>European Parliamentary Research Service (EPRS), “Public sector innovation: Concepts, trends and best practices”, 2020

## 1.1 Definitions

### 1.1.1 Defining the public sector

Public Sector represents a significant number of public organisations with high diversification and different operational models. The public sector comprises the General Government sector plus all public corporations. For the needs of the project the distinction shall be: Central Government, meaning the Government; Local Government Authorities and rest of the Public Entities controlled by the State. More specifically the three groups are:

- **Central Government:** Refer to the Ministries and Secretariat General of the Ministries, responsible for the developing and implementing public policies. For this reason, it is very important to capture the current state of innovation in these public organisations as they affect with their policies the public sector operation.
- **Local Government:** Refers to Municipalities and Regions. In recent years, a major shift has taken place from the state to the local level, as cities, municipalities and regions have attracted more powers to generate economic growth and provide social services. In a competitive environment with shrinking public budgets but growing challenges for citizens and democracies alike, local authorities are evolving into fully-fledged, autonomous pillars with the capacity to design their own policy strategies, thereby realizing a new model of multi-level and multipolar governance.

This reinforced role of local authorities also poses new challenges for the effective management of their responsibilities and the improvement of their services to the citizens.

- **Public Entities:** Refer to Legal Entities of Public Law & Legal Entities of Private Law, controlled by the State. In most cases the public sector holds the majority of shares or the management is controlled by the government.

### 1.1.2 Defining the Public Innovation

According to a 2013 European Commission report, public sector innovation can be defined as the **process of generating new ideas, and implementing them to create value for society**. To this end, public sector innovation is about new or improved processes and services.

The OECD<sup>2</sup> definition of innovation in the public sector refers to significant improvements to public administration and/or services. It can be defined as the implementation by a public sector organization of new or significantly improved process, methods or services aimed at improving public sector unit's operations or outcomes.

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<sup>2</sup> Daglio, M.; Gerson D.; Kitchen H. (forthcoming, 2015), 'Building Organisational Capacity for Public Sector Innovation', Background Paper prepared for the OECD Conference "Innovating the Public Sector: from Ideas to Impact", Paris, 12-13 November 2014.

In a broader perspective the Oslo Manual<sup>3</sup> defines an innovation as “the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations.”

All the definitions of innovation refer to improvements of services, products, processes, methods, practices etc. In the present study a more simplified definition of public innovation was used during the field research, to avoid misunderstanding of relatively new concepts like innovation. To this end public innovation is defined as “*the implementation of a new idea for the improvement of a service, a product or a process in the public sector*”.

## 1.2 Methodology for Mapping Public Innovation

The aim of the methodology is to assess the degree of innovativeness in the Greek public sector. Therefore, the methodology for mapping the state of play of innovation in the Greek public sector is focused on gathering and analyzing data regarding processes and practices aiming to the implementation of new or significantly improved operations or products in the public sector, covering both the content of these services, the human resources involved and the tools used to deliver them.

The results from the past surveys for the readiness and capacity of public innovation in Greece were analyzed in order to focus on specific public organizations and conduct field research to drill down and extract more detail data to support EF’s recommendations to foster innovation in the public sector.

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### Field Research Methodology

The basic methodological tools available for conducting the field research, depending on the objectives of the research and required target group, are the following: a) Semi-Structured Interviews, b) Questionnaire Survey, c) Focus Groups and d) Workshops.

After discussing with the SGHRPS the target group and previous results from past surveys, the following key points for selecting the most suitable methodological tool were identified:

- A. There is a significant large number of public entities ( $\approx 1.600$ ) in the public sector and large-scale surveys are not always effective in terms of participation and quality of responses. The innovation in the public sector is not a well-known issue and not a priority for many public entities in the public sector. This may result in limited participation on a large-scale survey and low quality in responses.
- B. The results of the last large-scale survey conducted by the Unit / Department of Innovation and Best Practices (UIBP) of the SGHRPS in October of 2020 are still valid due to the fact that the Covid-19 situation slowed down developments in this field the last 2 years.
- C. As already mentioned here-above, the public sector comprises: a) the general government, b) the local governments, and c) the rest of the public bodies such as Legal Entities of Public Law & Legal Entities of Private Law, controlled by the State. The public entities of the first two segments

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<sup>3</sup> OECD/Eurostat (2018), Oslo Manual 2018: Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Edition, The Measurement of Scientific, Technological and Innovation Activities, OECD Publishing, Paris/Eurostat, Luxembourg

(central and local government) appears to have a homogeneity (in each segment) in their organizational structures, their processes, and tools to support innovation activities internally. For this reason, a more selective and/or representative feedback for assessing the innovation capacity of the Greek Public Organizations could be more effective and efficient for the available resources.

- D. Research should focus horizontally in areas relating to the responsibilities of SGHRPS, meaning:
- a) management and development of human resources included in the Code of Civil Servants and
  - b) the effective organization of public sector entities.

The selected field research methodology combined different approaches and practices, in order to maximize benefits and minimize weaknesses derived from utilizing a single research type to conduct the mapping. More specifically the field research included interviews and focus groups discussions based on the following considerations:

#### **Interviews:**

Conducting personal interviews with key-stakeholders from a small number of Public Sector's domains. The following are noted:

- a. *Domains of interest:* The domains were selected and agreed with the SGHRPS
- b. *Interviewees:* Interviewees were selected and agreed with the SGHRPS
- c. *Duration:* Each interview was designed to last between 1 to 1.5 hours
- d. *Agenda / interview guide:* EF performed the interviews based on a specific agenda / interview guide drafted with the collaboration of the SGHRPS
- e. *Location:* Interviews were conducted remotely via videoconference.

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#### **Focus Group Discussions:**

Conducting five (5) focus group discussions with key-stakeholders, as follows:

- f. Two (2) focus group discussion with selected municipalities, regions, and the Central Union of Municipalities of Greece to cover horizontally the Local Government sector.
- g. One (1) focus group discussion with selected key stakeholders to cover horizontally the Human Resources area of interest in terms of organizational structures and human capital management and development.
- h. Two (2) focus group discussions to capture the feedback from Central Government public organisations (Ministries and General Secretariats).

The following are noted:

- *Number of participants:* The typical size of a focus group is six to twelve participants. This range gives scope for a large enough range of different viewpoints and opinions, while enabling all participants to make contributions without having to compete for 'air time'. Thus, all focus groups were formed following this principle.
- *Duration:* Each discussion was designed to last approximately 2 hours
- *Direction:* EF held the direction of the focus groups as facilitator and collected and analysed the findings



- *Agenda:* EF drafted an indicative agenda for each focus group meeting with the collaboration of the SGHRPS.
- *Logistics:* SGHRPS run the logistics. Invitations were sent to participants well in advance of the meeting day, including a briefing note:
  - Explaining the purpose of the focus groups;
  - Explaining how issues of confidentiality would be dealt with;
  - Describing how results would be analysed and reported;
  - Emphasised that individual responses would not be attributable;
  - Signed by the SGHRPS dealership to demonstrate organisational commitment
- *Location:* The focus groups open discussions were conducted remotely via videoconference.

## Interview and Focus Group Guide

As described before the EF prepared a guide document to support the preparation of the invitation to the participants. Part of the Interview and Focus Groups Guide contained the thematic areas and indicative questions that would be used. More specifically the Interviews and Focus Groups were conducted based on the following thematic areas and questions. Moreover, during the interviews the participants were encouraged to explore new thematic areas related to public sector innovation.

### 8 **Thematic Section 1: The perception, the environment, and the culture of innovation in the Public Sector**

This section would explore what the current situation is in relation to the perception, environment and culture of innovation in Public Institutions. Questions:

- a) Do you think that the concept of innovation is known in your Organisation? How is it perceived by the managers of the Public Administration?
- b) Has an appropriate environment been developed for the development of innovation? How do you think it can be embedded in the working culture of managers?

### **Thematic Section 2: The processes, synergies and resources for the development of innovation**

This section would explore the capacity of the public sector to create innovation through its processes, synergies and resources. Questions:

- a) How could innovation be introduced into the functioning of the Organisation? By what processes? E.g. fostering innovation from top to bottom (top-down) or vice versa (bottom-up)?
- b) What processes does your Organisation have in place to perceive the needs for improvement of its services or processes? How could innovation help towards this improvement?

### **Thematic Section 3: The factors that foster or hinder innovation in public sector**

This section will explore the degree of innovation in the public organisation and discuss those factors that positively or negatively influence innovation. Questions:

- a) What factors hinder the development of innovation in the public sector; E.g. provision in the institutional framework, unavailable budget, lack of culture and incentives, processes aimed at processing rather than creating.

- b) What would you suggest to enhance innovation in a Public Organisation? E.g. creating an innovation strategy, training staff in innovation skills.

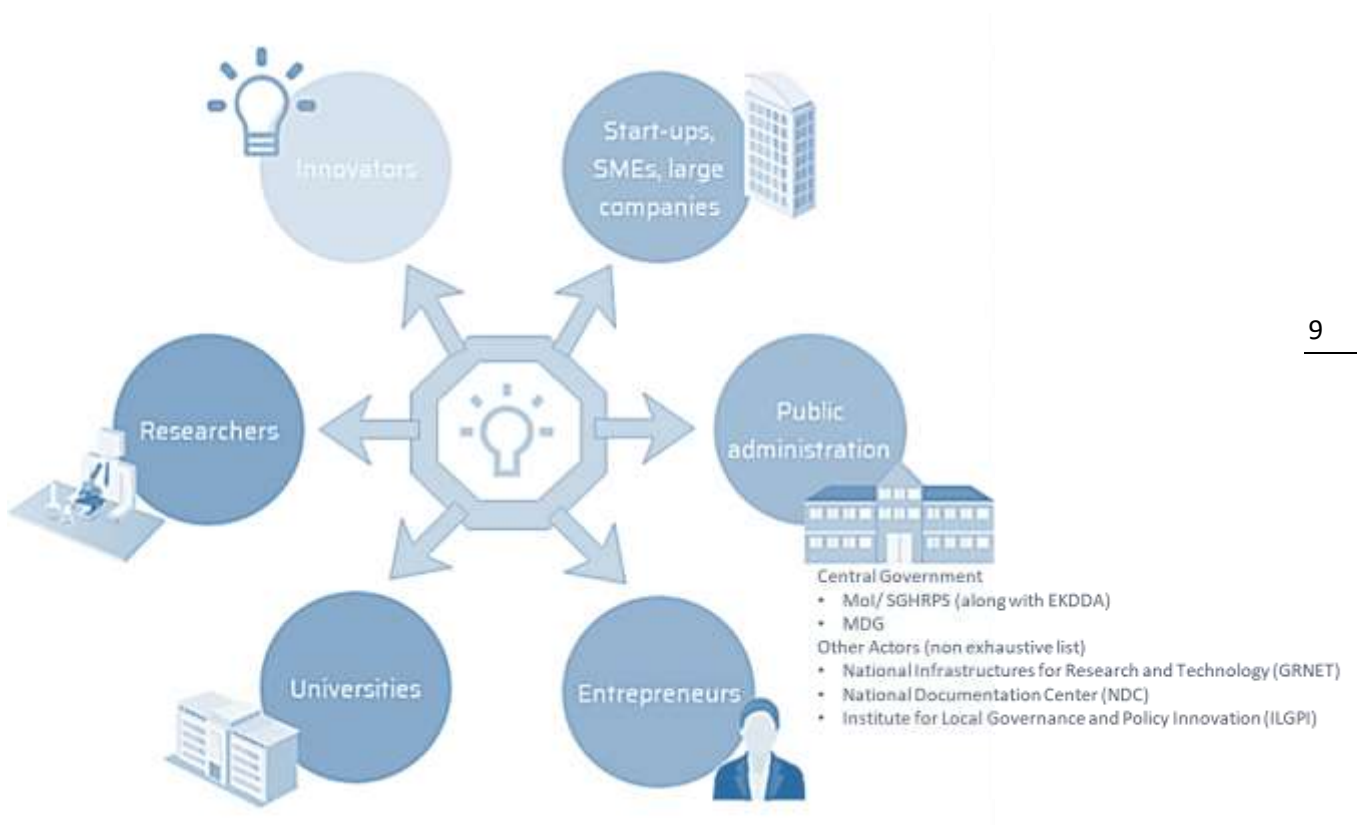
## 2 Depicting innovation in Greek Public Sector

### 2.1 The public sector Innovation ecosystem

The process of developing, testing and scaling innovation cannot be undertaken by any one actor working in isolation. This also applies for public sector innovation.

The image below shows the various actors involved; a brief presentation of the key actors within the public administration follows.

**Image 1: Actors involved in the innovation ecosystem**



#### 2.1.1 Central Government

##### The Ministry of Interior

The Greek Mol is responsible for the proper operation of the public sector and the effective management and empowerment of civil servants, aiming to increase their efficiency and productivity. It plans and monitors policies in order to improve the effectiveness of public organisations and the skills of civil servants. To succeed that the Mol has the SGHRPS with the mandate to support Human Resources (HR) development in the public sector and the National Center for Public Administration and Local

Government (NCPALG, the so called EKDDA) with the mandate to support capacity building of civil servants.

## SGHRPS

The SGHRPS is responsible for the development of human resources in the public sector. The Department of Innovation and Best Practices (DIBP) has the responsibility of strategy planning and implementation of the innovation policy in the Greek public sector.

DIBP is a member of the network of the OECD Observatory of Public Sector Innovation<sup>4</sup> (OPSI) that co designs innovation policy at the OECD for the member states. DIBP monitors in the Greek public sector the implementation of policy tools (i.e. recommendations, declarations etc.) that OECD publish in the area of public governance concerning improvement of public services and human resources through innovation capacity. In addition, DIBP support the development of innovation in the Greek public administration through the creation of an ecosystem in the public sector. The DIBP support public organizations to develop knowledge on the innovation process skills by providing them with the tools and methodology to achieve this. The Public Sector Innovation Platform [www.innovation.gov.gr](http://www.innovation.gov.gr) was developed to support the sharing of learning through innovative practices. In addition, the DIBP was responsible for conducting several innovation workshops and conferences. More specifically the DIBP is responsible for the following actions:

- Strategic planning for the development of the public sector innovation ecosystem and the enhancement of the public governance efficiency through innovation,
- Building innovation capacity of the public organizations and the public servants through horizontal innovation projects for the public sector,
- Development of the Public Sector Innovation Observatory and management of the public sector innovation platform as the single point in the Greek public administration for the sharing of innovative practices among public organisations,
- Development of methodological guides and tools concerning the innovation process,
- Creation and coordination of the Greek public sector innovation network,
- Implementation of measurements on innovation capacity of the public organizations and the skills of the public servants (i.e. biennial Innovation Barometer etc.)
- Publish studies on the fields of the Public Sector Innovation Observatory,
- Cooperation with the OPSI OECD, the E.U. and other national innovation organisations

## National Center for Public Administration and Local Government (NCPA)

The National Center for Public Administration and Local Government (NCPA) (the so called EKDDA in Greek) implements life-long training actions, focuses on the production of fast-career executives and the research, documentation and innovation at all development levels of the public administration human resources. The aim of EKDDA is to support the development of an effective administration, ensuring high quality of services for the citizens for the benefit of balanced growth and social cohesion.

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<sup>4</sup> <https://oecd-opsi.org>

A new institute of EKDDA the Institute of Documentation Research and Innovation (IDRI) was established at the beginning of 2019 with the mandate to be the scientific unit of EKDDA. IDRI has the responsibility to create and disseminate the administrative know how and innovation practices in the public sector. The IDRI's activities include field research for public innovation and monitoring the global trends and best practice of public administration.

## Ministry of Digital Governance

The Ministry of Digital Governance (MDG) is the competent authority for the digital transformation of the Greek Public Sector and Greek economy. The Ministry encourages the security of telecommunications and digital information. Also, it supports policy making in the field of digital technologies, promoting cutting-edge technologies such as artificial intelligence, big data, high-performance computing and cloud computing. MDG aims to bring together all the critical IT and telecommunications related to the provision of electronic services to citizens and the wider digital transformation of the country. One of the main objectives of the MDG is to plan and implement public policies to promote the digital transformation and digital innovation. For this reason, the Bible of Digital Transformation which is the main strategic document of the Greek State comprise a specific chapter for Digital Innovation (Chapter 7.5 – Digital Innovation).

The main action supporting the digital innovation is the development of the European Digital Innovation Hubs (EDIHs) in Greece. The EDIHs will act as “one stop shops”, supporting companies and the public organisations become more competitive through their digital transformation, by providing testing facilities (experimentation with new digital technologies), skilling and training, support for investments and networking within a digital innovation ecosystem. Currently, seven EDIHs have been qualified to be funded by the EU and one of them, the «digiGOV-innoHUB» coordinated by GRNET will have e-Government and Public Sector as a primary area of interest.

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### 2.1.2 Other Actors

#### National Infrastructures for Research and Technology (GRNET)

GRNET operates under the auspices of the Ministry of Digital Governance and is one of the largest public sector technology companies in Greece. GRNET provides networking, cloud computing, HPC, data management services and e-Infrastructures and services to academic and research institutions, to educational bodies at all levels, and to all agencies of the public sector. It is responsible for development of tools and platforms to support innovation in the public sector. In addition, GRNET develops synergies with other public organisations to provide digital services in the Greek public sector, by sharing best practices and know-how on advanced information systems. It provides international interconnection through the pan-European GÉANT network, and is the National Research and Education Network (NREN).

GRNET can be consider as the technology driver of innovation in the public sector.

#### National Documentation Center (NDC)

The objective of NDC is to make scientific knowledge accessible to all (public and private sector) while developing and strengthening activities to disseminate existing and future knowledge, so that it can be reused for research, education, development, innovation and society. In particular the NDC activities include:

- collect, document, disseminate and provide long-term preservation of quality digital content and data produced by Greek scientific, research and cultural communities.
- measure output and results of the Research, Technology, Development, Innovation (RDI) system and its comparison to European and international equivalents.
- follow through the broader national objective to exploit research results and innovation for public sector reform, developing the economy and solving social problems.

The NDC has contribution in disseminating best practices, innovation projects and providing services for networking like the Enterprise Europe Network Hellas and the HORIZON 2020 as a National Contact Point.

### Institute for Local Governance and Policy Innovation (ILGPI)

The ILGPI is an institute of the European Public Law Organization (EPLO) with a mission to promote and the highlight of innovation for the public interest in Local Governance, at both state and international level. . The ILGPI aim to become the center of studying, highlighting and disseminating innovative policies for local government in order to cope with the imperatives it is required to fulfill. More specifically the main activities of the ILGPI are:

- advises, assists and networks national and international regional and local authorities
- creates, encourages and supports networks of people and organizations from the public, private and not-for-profit sector, on issues of democratic and economic governance at local and regional level
- fosters synergies between researchers, policymakers, entrepreneurs and practitioners

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Until now the ILGPI has a limited impact to the ecosystem of public innovation.

The following table indicates the participation of the public entities in the innovation functions.

The role of Main Actor (A) refers to the public organisation which has the mandate or is more active in a specific innovation function.

The role of Contributor (C) refers to the public organisation which is in a specific innovation function and provides services to the ecosystem.

**Table 1: Participation of the public entities in the innovation functions**

A: Main Actor

C: Contributor

Functions /Elements	SGHRPS	NCPA	GRNET	NDC	ILGPI
Innovation Strategy	A	C		C	
Institutional Framework	A				C
Staff Trainings	C	A			
Innovation Framework	A				
Tools, Guidelines, Methodologies	A		C	C	
Dissemination of Best Practices	A	C		C	
Studies and Surveys	A	C		C	C
Innovation Accelerators (Hackathons, Workshops, etc)	C	C	A		
Monitoring and Benchmarking	A		C	C	C

Although there are not many actors in the innovation ecosystem, there is a significant **lack of synergies** between actors. Actors from the innovation ecosystem rarely participate to common innovation projects or facilitate common innovation actions and events (ex. workshops, hackathons).

Specific gaps in the innovation ecosystem hindering the ecosystem development and the dissemination of good practices among actors form different sectors. For example, the current ecosystem is not open to private sector or academia. The Innovation Network of DIBP could be a common space for additional actors, but significant changes should be made for approaching the external environment and expanding the existing innovation ecosystem.

## 2.2 Research Analysis and Results

### 2.2.1 Field Research

Focus Group/Interview (Date)	Public Organization/Position of the representative	Main discussion topics
Interview with representative from the National Infrastructures for Research and Technology (24.06.2022)	National Infrastructures for Research and Technology /Director of Digital Governance	<ul style="list-style-type: none"> <li>▪ Innovation is a result of individual’s effort rather than an institutional process.</li> <li>▪ Innovation is in the DNA of the organisation.</li> <li>▪ Importance of political leadership endorsement.</li> <li>▪ The participation in events like hackathons, workshops and innovation competitions motivate staff and foster innovation</li> </ul>

Focus Group/Interview (Date)	Public Organization/Position of the representative	Main discussion topics
		<ul style="list-style-type: none"> <li>▪ Innovative ideas should be embedded in the operational planning of the organisation.</li> <li>▪ The need for management by objectives.</li> <li>▪ The benefits from the osmosis with the private sector.</li> <li>▪ Focus on Bottom-up approach and user driven actions.</li> </ul>
<b>Interview</b> with representative from the Supreme Staff Selection Board (23.06.2022)	Supreme Staff Selection Board/General Director	<ul style="list-style-type: none"> <li>▪ The value of Innovation departments in the organisation structures of public entities.</li> <li>▪ Bottom up and top down approach for create innovation.</li> <li>▪ Support from the leadership (political and top management) is critical.</li> <li>▪ Required modifications to the regulatory framework (Law 4765/21)</li> <li>▪ Intrinsic and extrinsic motivation of staff.</li> <li>▪ The value of experimentation and pilots in the innovation process.</li> <li>▪ The fear of failure in public sector as a barrier for innovation.</li> <li>▪ The value of interaction and osmosis with the external environment (private sector and foreign institutions).</li> <li>▪ The technology is key driver for innovation development.</li> <li>▪ The need to communicate with citizens and community.</li> </ul>
<b>Interview</b> with representative from the Independent Authority for Public Revenue (24.06.2022)	Independent Authority for Public Revenue/ Director of Communication Department	<ul style="list-style-type: none"> <li>▪ The size and structure (12.000 civil servants along and more than 100 regional offices) of the organisation affect internal communication of innovative ideas.</li> <li>▪ Apart from the HQ the regional offices have a poor understanding of innovation and strategic planning.</li> <li>▪ Several examples of top -down approach presented.</li> <li>▪ A new unit of Research and Innovation is established.</li> <li>▪ Innovation is part of the Strategic Planning of the organisation. This is a bottom-up process in which the regional offices are participating.</li> <li>▪ The role of management team in motivating staff.</li> <li>▪ Intrinsic and Extrinsic motivation of staff.</li> <li>▪ Innovation actions could be started by prototypes and small scale projects, expecting quick wins with limited budget.</li> <li>▪ The importance of team dynamics in the innovation processes.</li> <li>▪ The need for HR Management.</li> <li>▪ Luck of Innovation Strategy.</li> <li>▪ Luck of awareness for innovation actions and initiatives.</li> </ul>
<b>Interview</b> with representative from the Union of Municipalities of Greece (28.06.2022)	Union of Municipalities of Greece/ Vice General Director	<ul style="list-style-type: none"> <li>▪ Need for trainings and capacity building.</li> <li>▪ Luck of incentives for the staff.</li> <li>▪ The participation to events like hackathons, workshops and innovation competitions motivate staff and foster innovation.</li> </ul>
<b>Focus Group</b> with representatives from Public Organisations	<ul style="list-style-type: none"> <li>▪ Praxis Network/Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ Civil servants worked in the private sector (ex. MOU S.A.) or with a higher educational degree, have a significant better understanding of innovation.</li> </ul>

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Focus Group/Interview (Date)	Public Organization/Position of the representative	Main discussion topics
<p>focused on Human Resources (27.06.2022)</p>	<ul style="list-style-type: none"> <li>▪ Chamber of commerce and industry/ Head of HR</li> <li>▪ Chamber of commerce and industry/ Director of Registries and Digital Systems</li> <li>▪ Management Organization Unit for Development Programmes/Director</li> <li>▪ Independent Authority for Public Revenue/ Head of Investments and Entrepreneurship Department</li> <li>▪ Independent Authority for Public Revenue/ Head of Strategy</li> <li>▪ National Center of Public Administration and Local Government/Head of HR</li> </ul>	<ul style="list-style-type: none"> <li>▪ The resistance to change as a barrier for innovation.</li> <li>▪ Talent management for the staff of public sector.</li> <li>▪ Selection of staff to job positions in relation to their skills and talents.</li> <li>▪ Intrinsic and Extrinsic motivation of staff. In particular recognition and rewording by the management team.</li> <li>▪ The staff should adapt to new challenges and demands as the private sector does. There is a need for continues upskilling and reskilling of the staff.</li> <li>▪ The value of interaction and osmosis with the external environment</li> <li>▪ The need for Management by objectives</li> <li>▪ The dissemination of the good practices and new ideas in the public sector.</li> <li>▪ The need for Innovation Management and Benchmarking</li> <li>▪ The value of experimentation in the innovation process</li> <li>▪ The directors and top management in public sector should have a clear view of innovation.</li> <li>▪ Apply methodologies to overcome resistance to change in public sector</li> <li>▪ Benchmarking with innovation oriented KPIs</li> </ul>
<p><b>Interview</b> with representative from the National Documentation Center (NDC) (29.06.2022)</p>	<ul style="list-style-type: none"> <li>▪ National Documentation Center /Head of Statistics Department</li> <li>▪ National Documentation Center / Head of Innovation and Networking Unit</li> <li>▪ National Documentation Center / Head of Project's Coordination Unit</li> </ul>	<ul style="list-style-type: none"> <li>▪ The value of having a common mission (ex. health crisis due to COVID 19 pandemic).</li> <li>▪ The value of experimentation in the innovation process</li> <li>▪ The need for upskilling and reskilling especially in regarding the soft skills.</li> <li>▪ Intrinsic and Extrinsic motivation of staff.</li> <li>▪ Matching the right staff to the right position based on job's description.</li> <li>▪ The value of team dynamics</li> <li>▪ Foster innovation through government policies</li> </ul>
<p><b>Focus Group</b> with representatives from Local Government Organizations Group 1 (04.07.2022)</p>	<ul style="list-style-type: none"> <li>▪ Region of Central Macedonia/ Head of Department</li> <li>▪ Municipality of Heraklion/ Director</li> <li>▪ Municipality of Heraklion/ Head of Department</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participation in EU projects and EU networks</li> <li>▪ Cooperation with universities and R/D foundations.</li> <li>▪ The technology is a key driver for innovation development.</li> <li>▪ Understaffing is critical for innovation.</li> <li>▪ Participation in events like hackathons, workshops and innovation competitions</li> <li>▪ The value of experimentation in the innovation process</li> <li>▪ Collaboration and synergies between local governments.</li> </ul>



Focus Group/Interview (Date)	Public Organization/Position of the representative	Main discussion topics
	<ul style="list-style-type: none"> <li>▪ Municipality of Palaio Faliro/ General Secretary</li> <li>▪ Municipality of Patras/ Head of Department</li> <li>▪ Municipality of Athens/ Head of Department of Innovation</li> </ul>	<ul style="list-style-type: none"> <li>▪ The importance of team dynamics in the innovation processes</li> <li>▪ Intrinsic and Extrinsic motivation of staff. In particular recognition and rewording by the management team.</li> <li>▪ The need for upskilling and reskilling of the staff</li> <li>▪ The importance of Innovation Strategy</li> <li>▪ Participation of citizens in co design of innovative actions</li> <li>▪ Local governments have significant less decision-making levels than the central government.</li> </ul>
<p><b>Focus Group</b> with representatives from Central Government Organizations Group 1 (05.07.2022)</p>	<ul style="list-style-type: none"> <li>▪ Ministry of Digital Governance / General Director</li> <li>▪ Ministry of Interior/ Head Unit</li> <li>▪ Ministry of Environment and Energy / Head of Department</li> <li>▪ Ministry of Justice / Head of Department</li> <li>▪ Ministry of Finance / General Director</li> <li>▪ Ministry of Infrastructures and Transport / Deputy Head of Department</li> <li>▪ Ministry of Culture / Special Advisor of GS</li> <li>▪ Ministry of Culture / Head of Unit</li> </ul>	<ul style="list-style-type: none"> <li>▪ The need for capacity building of the staff</li> <li>▪ There is not an innovation culture at all administrative levels.</li> <li>▪ The innovation culture of an organisation is a mixture of the staff and the top management and political leadership culture.</li> <li>▪ Th need for an innovation framework.</li> <li>▪ The importance of inter-ministerial communications.</li> <li>▪ Creation of synergetic teams and community building.</li> <li>▪ The value of the innovation network in the public sector.</li> <li>▪ The participation in events like hackathons, workshops and innovation competitions motivate staff</li> <li>▪ The value of having a common mission (ex. health crisis due to COVID 19 pandemic).</li> <li>▪ The staff should have working experience outside the public sector.</li> <li>▪ The role of pilot actions</li> <li>▪ The need for an innovation friendly regulatory framework</li> <li>▪ Benchmarking</li> </ul>
<p><b>Focus Group</b> with representatives from Central Government Organizations Group 2 (07.07.2022)</p>	<ul style="list-style-type: none"> <li>▪ Ministry of Health/ Head of Department</li> <li>▪ Ministry of Development and Investments / Head of Department</li> <li>▪ Secretary General of Coordination / Head of Division</li> <li>▪ Ministry of Education and Religious Affairs / General Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ The technology as an enabler for innovation development.</li> <li>▪ Team dynamics</li> <li>▪ The need for a facilitator to support innovation to central government organizations</li> <li>▪ The value of innovation cells in the organisations.</li> <li>▪ The need for upskilling and reskilling.</li> <li>▪ The institutional and legal framework should facilitate innovation</li> <li>▪ The value of experimentation in the innovation process.</li> <li>▪ The benefits from the osmosis with the private sector.</li> <li>▪ The importance of monitoring and benchmarking on innovation in public sector</li> <li>▪ The targeted mobility of the staff</li> <li>▪ Intrinsic and extrinsic motivation of the staff.</li> <li>▪ The importance of events (hackathons, workshops, competitions) fostering innovation</li> </ul>

Focus Group/Interview (Date)	Public Organization/Position of the representative	Main discussion topics
<b>Focus Group</b> with representatives from Local Government Organizations Group 2 (08.07.2022)	<ul style="list-style-type: none"> <li>▪ Municipality of Thessaloniki/ General Director</li> <li>▪ Municipality of Trikala/ Special Advisor</li> <li>▪ Municipality of Ioannina/ Head of Department</li> <li>▪ Region of Crete/ Special Advisor</li> <li>▪ Region of Central Greece/ General Secretary</li> </ul>	<ul style="list-style-type: none"> <li>▪ The need for training and capacity building regarding innovation processes.</li> <li>▪ The need to limit the resistance to change</li> <li>▪ Intrinsic and extrinsic motivation of the staff</li> <li>▪ The value of management by objectives</li> <li>▪ The importance of leadership endorsement</li> <li>▪ Openness and connectedness. In particular the Institutional and Organizational Interoperability in the public sector</li> <li>▪ The need for innovation strategy</li> <li>▪ The need for an innovation friendly regulations framework</li> <li>▪ The fear of failure in public sector as a barrier for innovation</li> </ul>

### 2.2.2 Innovation Culture and Environment

It is a given that the culture within an organisation is particularly important in the development of new ideas and processes within the organisation, especially when that organisation is part of a larger system such as the public sector. The public sector is not known to be conducive to rapid changes and the adoption of new processes and practices that are not explicitly supported by the institutional framework governing the operation of the public sector. The public sector also lags behind in the integration of a work culture that is open to experimentation, failure and generally to the implementation of high-risk actions.

At the same time, the working environment also plays an important role, as the development of innovation requires an environment with open processes, data flows, teamwork, collaboration tools and, in general, a framework that favours cooperation between managers inside and outside the organisation.

In contrast to culture, the working environment is something that is directly influenced by the leadership of an organisation, which has the ability, through its choices, to define an environment that is conducive to the adoption of new practices and ideas, which can then contribute to the development of an innovation-friendly work culture.

The innovation culture, as the constituted perception of the managers of an organisation, creates internal automation that allows for the rapid and agile integration of innovative ideas and processes that improve the operation and services provided by an organisation.

For these reasons, the first section in the interviews and focus groups focused on capturing the situation in relation to perception, environment and culture of innovation in Public Institutions.

As it was expected and confirmed by the field research that the level of perception for innovation in the public sector is significant low. Consequently, there is a lack of innovation culture at all levels and especially in the middle hierarchical levels. At the higher hierarchical levels there are managers with a good understanding of the value of innovation. The same applies to younger staff. However, in the middle ranks there seems to be a lack of understanding of the innovation and the potential it can bring to the functioning of organisations. In many cases innovation appears as a 'luxury' in relation to the daily workload and the priorities set by the directors.

It was also confirmed that there is a **lack of a culture of failure**, i.e. there is a fear that a new service or process will not perform as expected or, in the worst case, will create more problems than before. This, combined with the strong resistance to change in the public sector, makes it problematic to innovate especially at the first stages (i.e. conception and maturation of an idea).

During the field research it was reflected that specific public sector organisations have formed a good innovation culture and an environment that allows innovation to develop at different stages. A common feature of these organisations is that they are 'special purpose' organisations (e.g. GRNET SA, IS SSA, MOU SA) and as such they have adopted their own organisational structure and staffed themselves with appropriate personnel. Also some of these organisations have as a common feature that they deal with technology, research, and digital transformation issues (e.g. MDG, NDC, GSRT, GRNET SA, MOU SA). In these cases it became clear that the participation of the staff in technology-oriented projects, actions and processes, has been a catalyst for the development of an innovation culture.

More specifically the following were reflected per public organisation categories:

### Central Government

Central Government entities perform poorly in terms of developing a culture that promotes innovation. In most cases any innovation culture is localised in specific departments (e.g. IT departments, R&D departments) within the organisations, without being able to influence the rest of the organisation. It is typical that innovation is a result of individual's effort rather than an institutional process.

However, it was reflected that a large proportion of senior managers (e.g. Directors General), especially those who have been involved in European projects or have experience in European Union processes (transnational cooperation, cooperation with the European Commission, etc.), have a very good understanding of the factors that foster innovation and at least a better approach to human resources development and management in the public sector.

### Local Government

Local government and in particular Municipalities show a better picture in relation to innovation culture. Here too, however, the size of the Municipality is important, as metropolitan Municipalities (Municipality of Athens, Municipality of Thessaloniki) have managers with more experience in innovation projects and have developed an innovation culture and innovation-enhancing environments in recent years. Many regional municipalities are also showing a significant development of innovation culture, some of which are good examples at European level (e.g. Municipality of Trikkaion, Municipality of Chania, etc.) for their innovation performance.

Another dimension regarding the perception of innovation in local government is that in many cases the performance of municipalities and regions in participating in innovation actions and projects is not consistent with the understanding of innovation within the organisations. This is because in many cases the departments/staff that launch such projects are "cut off" from the rest of the organisation and/or there is no proper dissemination of the results to all local government staff.

### Public Entities

As mentioned above there are public entities with good integration of innovation. In many cases, entities that are not part of the Central Government have a flexibility in shaping organisational structures and

working environment conducive to innovation. Top management in these organisations has more flexibility in creating efficient organisational structures, provide incentives, use collaboration tools, select managers (where possible) or advisors who can impart modern ideas and trends to the organisation.

### 2.2.3 Current Processes and Practices

This section will provide a mapping of the findings from the field research regarding the processes and practices followed by public organisations to develop innovation.

A common finding is that the public sector does not have a comprehensive framework and processes that support the development of innovative actions and initiatives. The existing processes of public organisations restricts creativity and do not promote innovation.

Innovation in the public sector results from a '**top down**' approach from high level policy decisions and being implemented through the actions of senior management (Hartley, 2005<sup>5</sup>). This view was already challenged by Borins (2001)<sup>6</sup> showing that the majority of innovations were initiated by middle management and front line staff, thus providing support for a '**bottom up**' approach<sup>7</sup>. This research confirms that innovation come from both sides.

The main process for the integration of improved services, processes or products is the integration of new ideas and approaches in the strategic and/or business plan of the organisation every two or three years. This bottom-up approach may last so much that finally the initial idea is not so innovative anymore.

During the field research cases of top-down approach were also identified, which in most cases are initiatives of some senior managers with a good understanding and perception of innovation. In this case, small flexible teams are working to resolve an issue or a problem.

A common thread in the field research is that both top-down and bottom-up approaches are needed to develop innovation, depending on the organisation and its management potential. For example, in the bottom-up approach the staff should have a good understanding of innovation and skills to convert ideas to services or products, while in the top-down approach there should be senior managers and/or political leadership with deep knowledge of innovation development processes.

Another important factor is a good knowledge of the improvements that needs to be made or the problems that needs to addressed. This is an important difference between central government and local government, as illustrated below.

In many cases, events such as **Hackathons, Workshops or Innovation Competitions** can positively contribute to the development of innovation. Such events are open to all and because their outcomes have no risk (no impact on live processes) they unleash the creativity and out of box thinking of participants.

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<sup>5</sup> Hartley, J., Innovation in Governance and Public Services: Past and Present. Public Money & Management (2005)

<sup>6</sup> Borins, S., The Challenge of Innovating in Government (2001)

<sup>7</sup> European Public Sector Innovation Scoreboard 2013

### Box 1 – Hackathons, Workshops and Innovation Competitions

**Innovation GOV.LAB: Workshop on the OECD Public Sector Innovation Declaration Playbook**, May 2022 by the Innovation and Best Practices Department of the Ministry of Interior's Innovation and Best Practices Division of the GSHR. The workshop aims to a) Disseminate the Playbook (and improve its visibility and b) Improve the knowledge of managers to work collaboratively especially in a workshop with different countries.

**Innovation Marathon in Public Administration and Local Government (Gov 5.0 Hackathon)** by the EKDDA. It was held in February 2022 as an open innovation action for digital transformation in the areas of interest of the EKDDA with 270 participants.

**Digital Governance Awards Competition (digitalawards.gov.gr)** of the Ministry of Digital Governance and Simplification of Procedures with the support of FOSS. The purpose of the competition is to highlight effective, innovative and pioneering processes for the digitization and simplification of administrative procedures, but more generally the development of actions that support the digital transformation of the country.

**Innovative Ideas Competition (COVIDhackGR)** of the Ministry of Digital Governance and Simplification of Procedures. The competition was held in April 2020 and aimed to highlight new ideas and proposals to tackle the pandemic.

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Finally, another important process that enhances innovation in the public sector and influences the culture of each organisation is the **participation of public sector managers in national or European innovation projects**, as well as in innovation networks that enhance the exchange of experiences and good practices. In the context of these projects, managers become familiar with new methodologies for maturing ideas (e.g. brain storming, design thinking) and developing solutions (e.g. agile methodology) and come into contact through networking with colleagues with different cultures and approaches to innovation.

### Central Government

One of the main features of central government organisations is that they operate under a rigid framework that is not friendly to new processes and innovative practices. Recently, actions have been underway to simplify processes in the public sector, mainly through the National Process Simplification Program (NPSP), but this does not ensure that the newly redesigned processes will promote innovation.

In the Central Government the top - down approach is more common and it is critical that the political leadership supports the proposals of senior management.

As regards to understanding the problems or issues for improvement it was reflected that the central government managers have a good knowledge of their internal dysfunctions but have limited knowledge of the issues of citizens and society in general.

## Local Government

Local government shows more flexible mechanisms in integrating innovation into the internal processes of their organisations. Local government presents successful examples of both top-down and bottom-up approaches, or even a combination of both. However, understaffing in small and very small Municipalities is a long-standing problem, which is being addressed by special advisors or the private sector.

It is worth noting that unlike central government, local government is closer to society and more often applies open procedures to capture requests and feedback from citizens.

Local government also has more flexibility in participating in European projects or innovation projects without this always translating into transfer of know-how or staff development.

## Public Entities

Public entities show great diversity in terms of the processes they follow to support innovation. An important role is played by the size of the organisations (e.g. the IAPR: Independent Authority for Public Revenue), their links with the public sector (e.g. the ASEP: Supreme Council for Civil Personnel Selection), the purpose of their existence (MOU: Management Organisation Unit, EKDDA: National Center for Public Administration and Local Government, GRNET: National Infrastructures for Research and Technology) and the choice of management of the organisations.

In any case, non-Central Government organisations show greater degrees of freedom in terms of adopting innovative practices, organising innovation-enhancing activities (hackathons, workshops, etc.) and participating in projects where the innovation dimension is present.

### 2.2.4 Public Sector Resources and Tools

Human resources are the most important factor for the development of innovation. This is typically reflected in public sector organisations (e.g. GRNET) where a large part of the staff has skills, innovation culture, and familiarity with new technologies, problem analysis and solutions design.

The current status in human resources highlights lack of specific skills of managers in innovation practices like brain storming, design thinking, problem solving etc. This is reflected more in the middle and lower managers in the hierarchy and less in the senior managers and leadership of an organisation. The situation is also better in several local government bodies and in organisations under the Public Entities.

During the field research, particular importance was given by the participants to the value of leadership. It is clear that senior managers in Public Administration have a key role in shaping an environment friendly to innovative processes and services. The staff management by the leadership determines the emergence of the competencies of staff and the way of working (team working).


In relation to the financial resources available, it was reflected that although they are limited in several Central Government organisations, they are not a significant barrier to the development of innovation.

Innovative actions can be designed and implemented with relatively small budgets without the need for lengthy procedures for financing large projects. However, several financial instruments (NSRF, ROP, Interreg, Horizon Europe, etc.) are available for the design and implementation of large-scale innovation actions.

Regarding the tools available to public authorities, there is a lack of digital tools to enhance collaboration tools and support teamwork (e.g. slack). Perhaps the most important tool is the dissemination of good practices within and outside public authorities. The dissemination of good practices can enhance the understanding of innovation issues, create inspiration for some managers and solve practical issues about the processes some public sector organisations follow to create innovative actions.

## Box 2 - Repositories of Innovative Actions and Practices

### Repository of Public Sector Innovations - GSPSHR

The Department of Innovation and Best Practices of the GSPSHR has created a repository of innovative actions by Public Sector organisations within the framework of the repository for Innovation in the Greek Public Sector. The institutions have the possibility to submit their innovation online and after an evaluation the repository is enriched with new innovative actions. The repository so far includes more than 60  innovations from relevant public sector bodies.

### Innovations in Government - OECD and MBRCGI

A new open call for Innovations in Government published at OPSI. The call refers to innovative projects and initiatives that help transform government, design and deliver better policies and services, and enhance relationships between governments and people. The selected projects and initiatives will have the opportunity to be showcased in high-profile OECD publications and events, and receive international recognition at the World Government Summit 2023 in Dubai.

## Central Government

The Central Government organisations have a workforce with a number of qualifications and skills that are either not fully utilised due to lack of HR management or do not perform as expected due to a lack of motivation. In relation to innovation capacity, staff in public sector have fragmented and incomplete knowledge of innovation.

In cases where there is a strict hierarchical structure (e.g. ministries), senior managers and the leadership of the organisation set the pace for changing the culture and introducing innovative ideas in the public administration.

## Local Government

Most local government institutions have serious shortages of human resources with appropriate training, skills and knowledge for innovation.

Nevertheless, they have good access to financial instruments for the design and implementation of innovative actions. However, the implementation of such projects is not rewarding in terms of the required transfer of know-how to the Municipality and the local communities. In most cases, staff in the Municipalities are not involved in the design of actions and in the implementation teams to ensure the dissemination of the results of an action within the institution.

## 2.2.5 Factors that Foster or Hinder Innovation

This section was the last discussion section in the interviews and focus groups process. In this section, participants were asked to describe the most important factors that they believe hinder innovation in public entities and which factors enhance it. However, opinions on the above topic were recorded throughout the discussion since the barriers and enablers of innovation ran vertically through all the topics discussed such as innovation culture, environment, processes, human resources, available tools etc.

For each factor influencing positively or negatively, an assessment (low, medium, high) is reflected below in relation to two key dimensions (impact and extent) that are useful for prioritising the factors. More specifically:

(a) The **Impact**, positive or negative, on the development of innovation. That is, the extent to which the factor influences the environment, processes and human resources with respect to innovation is considered.

b) The **Extent** to which it occurs in public sector bodies. That is, it is examined whether the factor occurs in all categories of Public Entities and to what extent it affects them.

The current analysis is based on the results of the field research of this study, the results of the Innovation Barometer research (Characteristics and challenges of innovation in the Greek public administration) conducted by the Department of Innovation and Best Practices in December 2020 and finally the experts' opinions.

### Factors hindering innovation

The following table presents identified factors hindering innovation.

**Table 2: Factors hindering innovation**

Num.	Factor	Impact Estimation	Extent Estimation
H1	<b>Lack of a strategy</b> and objectives for innovation	Medium	High
H2	The <b>institutional and regulatory framework</b> of the public sector that favours bureaucracy.	High	High
H3	The <b>absence of a culture of failure and experimentation</b> . Fear of failure and its consequences for public processes and services provided	High	High
H4	<b>Lack of an innovation framework and processes</b> . Innovation is a result of individual's effort and not an institutional process	High	High
H5	<b>Lack of incentives</b> for the activation of human resources	High	High
H6	<b>Lack of financial resources</b> for the implementation of innovative actions	Low	Medium
H7	<b>Lack of systematic recording and evaluation of problems</b> and required improvements within and outside the organisations (contact with citizens, society)	Medium	Medium



## Factors fostering innovation

The following table presents identified factors fostering innovation.

**Table 3: Factors fostering innovation**

Num.	Factor	Impact Estimation	Extent Estimation
<b>F1</b>	The use of <b>talent management</b> in public sector	High	High
<b>F2</b>	<b>Providing incentives</b> with emphasis on <b>rewarding</b> from directors and top management.	High	High
<b>F3</b>	<b>Participation in innovation activities</b> and projects lead by the private sector.	Medium	Medium
<b>F5</b>	Adopting a <b>management by objectives</b> systems that enhances performance and problem solving	Medium	Medium
<b>F6</b>	The establishment of <b>Institutional and Organisational interoperability</b> in the public sector	Low	Medium
<b>F7</b>	The development of a <b>collaboration framework</b> between staff and organisations	Medium	High
<b>F8</b>	<b>Participation to events</b> that foster the spirit of innovation and teamwork (Hackathons, workshops, Innovation competitions, etc.)	High	High
<b>F9</b>	The development of an <b>innovation ecosystem</b> and <b>innovation networks</b>	High	Medium

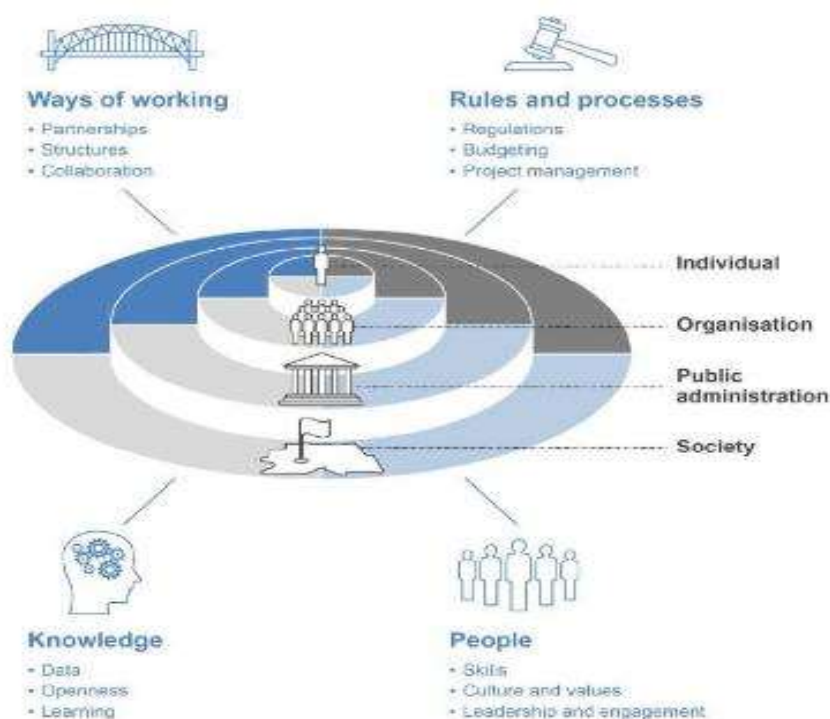
### 3 Diagnosis of the innovation capacity of the Greek Public Organisations

The innovation capacity of Greek Public Organisations is a combination of the specific characteristics and elements of the organisations that affect innovation development (human resources, processes, institutional framework, organizational structures, the internal and external innovation drivers, the factors that hinder and foster innovation). All of these factors, elements and characteristics have many differences in and between the three segments of the public sector (Central Government, Local Government and rest of the Public Entities). In order to overcome the complexity and proceed to the assessment of innovation capacity of the Greek public sector, it is necessary to identify the factors that influence more and widespread the capacity of an organisation to innovate as the common denominator of all the cases examined so far.

The proposed framework by OECD to support public innovation, identifies 4 factors that affect innovation capacity. In particular the factors are:

1. **People** - The cultural dimension – how people are motivated within an organisational setting to explore new ideas and experiment with new approaches.
2. **Knowledge** - The realm of knowledge and learning which allows us to consider issues related to the collection, analysis and sharing of information, knowledge development and learning.
3. **Ways of working** - The way work is structured within and across organisations may have an impact on innovation in the public sector.
4. **Rules and processes** - Rules and processes, (including the legal/regulatory framework, budgeting, and approval processes) may offer (or block) opportunities to innovate

Image 2: A framework for public sector innovation (source OECD)



The last framework from OECD published in April 2022<sup>8</sup> provides greater visibility of the structural factors that affect public innovation, allowing governments to better understand and manage how innovation produces outcomes. It takes a broad view of the systemic elements and actors within the public sector – the individual, the organisation, and the public sector system.

This approach is the basis for the assessment of this study with the appropriate tailoring regarding the specifics of Greek public sector. In particular, the following criteria are used for the assessment of innovation capacity of Greek public sector:

### **Human Resources:**

**Mindset:** entrepreneurial, curiosity, confidence, multidisciplinary, resilience

**Skills and Knowledge:** Knowledge and capability, staff skills, continues learning, expertise across workforce

**Motivation:** Intrinsic and extrinsic motivation of the staff, recognition by the directors, rewording, incentives

### **Organizational:**

**Innovation Culture:** Perception, resistance to change, team working, experimentation.

**Organizational conditions and processes:** Innovation management, organizational structures, top -down and bottom -up approach, partnerships and external engagement, data and knowledge management, IT/technology.

**Workforce strategy and practices:** HR policy, talent management, mobility, diversity, recruitment, learning & development, performance management, participation to hackathons, workshops and competitions

### **Public Sector System:**

**Legal/Regulatory Framework:** Flexibility of rules, bureaucracy, overregulation.

**Institutionalization of innovation:** Institutional embedding of innovation, formal bodies and roles (e.g. CIO), integration of innovation approaches (e.g. through internal directives, circulars), intermediation/advisory/support roles.

**Openness and connectedness - Innovation:** Networks, partnerships across sectors; open innovation; co-creation and knowledge, interoperability and data sharing.

The following table presents the assessment of the current status of innovation capacity of the Greek public sector.

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<sup>8</sup> Kaur, M., et al. (2022), "Innovative capacity of governments: A systemic framework", OECD Working Papers on Public Governance, No. 51, OECD Publishing, Paris

**Table 4: Assessment of the current status of innovation capacity of the Greek public sector.**

Categories / Criteria	Assessment
<b>Human Resources</b>	
Mindset	<ul style="list-style-type: none"> <li>▪ The environment in the public sector does not provide the creative space for cultivation of soft skills that shape an innovation mindset.</li> <li>▪ In contrast, individuals with an innovation mindset most of the times are assimilated into the rest of the staff. Clearly the mindset for experimentation is not there to foster innovation.</li> </ul>
Skills and Knowledge	<ul style="list-style-type: none"> <li>▪ The staff of the Greek public sector has a good level of skills and knowledge. The majority of young civil servants have higher educational degrees and sufficient IT skills, although they lag behind in specific skills needed for innovation development.</li> <li>▪ Training courses are not focused always on the reskilling or upskilling of the staff, resulting in staff's difficulty to follow the latest trends in change management and public innovation.</li> </ul>
Motivation	<ul style="list-style-type: none"> <li>▪ Research results indicate there is a significant lack of staff's motivation. In most cases the staff is self-motivated and involved in innovation actions without any prior stimulation.</li> <li>▪ The lack of recognition and rewarding by the top management is the most common motivation problem in the public sector.</li> </ul>
<b>Organizational</b>	
Innovation Culture	<ul style="list-style-type: none"> <li>▪ The culture in the public organisations is not supportive in rapid changes and the adoption of new processes and practices.</li> <li>▪ The public sector lags behind in the integration of a work culture that is open to experimentation, failure and generally to the implementation of high-risk actions.</li> <li>▪ Innovation should be embedded in the organisations' culture and transform the mindset of a critical number of staff.</li> </ul>
Organizational conditions and processes	<ul style="list-style-type: none"> <li>▪ In the majority of the public organisations innovation is not a responsibility of a specific unit in the respective structure. Most of the times this responsibility is assigned to Digital Governance Units or IT units.</li> <li>▪ The lack of an innovation framework results in a fragmentation of processes across the functions of public organisations.</li> <li>▪ The research results indicate that top-down approach requires strong leadership and bottom -up approach require staff with specific skills and capabilities.</li> </ul>
Workforce strategy and practices	<ul style="list-style-type: none"> <li>▪ The lack of talent management along with an HR management without any focus on innovation, results in a workforce with significant needs for upskilling (it refers to an employee learning additional skills to be better equipped to do his/her</li> </ul>

Categories / Criteria	Assessment
	<p>job) and reskilling (it refers to an employee learning a new set of skills in order to perform a different job).</p> <ul style="list-style-type: none"> <li>▪ The benefits of building a culture of continued learning goes beyond simply filling the skill gap. This process can also drive digital transformation success, promote agility, and more.</li> <li>▪ In addition, the performance management requires motivation policies to unlock their staff's productivity reserves and flourish innovation initiatives.</li> <li>▪ It must be mentioned that the last years many public organisations organize/participate to innovation actions and events like hackathons, workshops and competitions, which is very important to familiarize with innovation practices like team building, networking, design thinking, prototyping etc.</li> </ul>
<b>Public Sector System</b>	
<p>Legal/Regulatory Framework</p>	<ul style="list-style-type: none"> <li>▪ The legal/regulatory framework directly affects the innovative process, while innovation and technical change have significant impacts on the legal/regulatory framework.</li> <li>▪ The current framework is not friendly to innovation and lacks the flexibility required to address new challenges.</li> <li>▪ The bureaucracy and the number of decision making levels discourage bottom-up innovation processes. The last period specific reforms were introduced regarding the development of a management by objectives system in the public sector, the process of selecting head of departments/units, the incentives to staff and other.</li> </ul>
<p>Institutionalization of innovation</p>	<ul style="list-style-type: none"> <li>▪ As mentioned here-before, innovation in the Greek public sector is a result of individual's effort and not an institutional process. Innovation tends to be driven by individuals with sufficient vision and determination to push the innovation process</li> <li>▪ Public sector entities are engaged in different innovation policies and approaches; there is no concrete public sector innovation strategy in place to be used as a model for the entire public administration, although someone could argue that innovation happens when it is not limited in manuals.</li> </ul>
<p>Openness and connectedness</p>	<ul style="list-style-type: none"> <li>▪ There are a few initiatives like the innovation network of Innovation Unit of SGHRPS to support networks in the public sector. An institutional and organisation interoperability required, to provide easy access to policies, data and resources.</li> <li>▪ Open innovation or quadruple helix is not the approach of the majority of public organisations.</li> </ul>

## 3.1 Findings and Conclusions

### 3.1.1 Findings

F1	Organisations in the public sector have different innovation capacity levels, depending on the size of the organisation, the mission and scope, the services provided, the operational conditions and many other particularities. Although apart from the differences, the basic factors (human resources, internal processes, regulatory framework, etc.) affecting the innovation capacity have a significant impact in every public organisation.
F2	The COVID 19 pandemic has stimulated public sector to adapt into a new environment with high uncertainty and risk. Innovations and quick reactions took place in many levels in the public sector, like innovations in the communications where video conference became a common practice in less than three months of transition period. Another example is that after three years of COVID 19 pandemic crisis a large number of civil servants using the remote working model (teleworking) without any significant reduction in performance and quality of the services provided.
F3	Organisations with less decision-making levels (Local Governments) and lean organisational structures have a better idea to innovation conversion rate. Additional decision-making levels may increase the complexity and stopers in the path from the conception of an idea to implementing an innovation action.
F4	Public organisations have different approaches for capturing the problems to be addressed. In many cases, especially in the Central Government, required improvements in the functions and procedures are internal knowledge of the organisation. Although this process may be adequate for internal the internal environment, it does not apply always effectively for the external environment (other public or private organisations, citizens, communities).

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### Specific Findings in the HRM field

F1_HRM	The human resources consider to be the most influential factor for public innovation. At the same time the HR management in public organisations needs to be improved and incorporate talent management to locate and support civil servants that have the capacity and the mindset to innovate.
F2_HRM	The human resources The HR in the public sector have a good potential but need capacity building to work with new methodologies and practices. In many cases reskilling and upskilling is needed of the staff to be familiarized with new tools and methodologies (ex. design thinking). As the speed of digital transformation continues unabated, in many cases, reskilling and upskilling of the personnel is needed, so as to get familiarized with new tools and methodologies (ex. design thinking). This process is considered to be beneficial for both employees and the HR management
F3_HRM	The HR management requires motivation policies to unlock their staff's productivity reserves and flourish innovation initiatives

**F4\_HRM** Matching the right staff to the right position based on jobs' description is essential to support innovation in the Public Organisation.

### 3.1.2 Conclusions

C1	The new innovation framework of Public Sector should be universal for all public organisations, including tailor made actions for specific categories to support different levels innovation maturity.
C2	The health crisis proves that the public sector has the capacity to push the boundaries of current practice and eliminate resistance to change, under a common mission that needs all the actors to coordinate effectively, share data and act innovative. In that case national crises act as a trigger to unlock the innovation potential of public sector and adjust regulations and rules to support fast and high risk government decisions.
C3	Intrinsic and extrinsic motivation could unlock the innovation potential of the staff. The recognition of good work and rewarding by the management are sometimes more important than other incentives (e.g. bonus).
C4	The political leadership and top management of public organisations have a key role in creating an environment and culture that foster innovation.
C5	The osmosis with the private sector is very important, providing experiences and cooperation with employees with different mindset, closer to innovation.
C6	The proposed framework should take into account the different interactions in order to prioritize and schedule the actions for increasing the capacity of innovation in public sector.
C7	The simplification of the administrative framework (organisation structure, decision-making levels, etc.) in public organisations is crucial to foster innovation in public entities.
C8	A systematic approach for capturing the issues and problems that trouble citizens and communities is necessary for conducting the needs analysis for creating innovation services and products for the community.
C9	The innovation ecosystem is immature to facilitate the free flow of data, methodologies, and policies between different actors in the public sector. This results in a significant lack of synergies between public organisations that promotes innovation in the public sector. To overcome these gaps in the ecosystem, a public body could act as a facilitator to support ecosystem development and promote innovation methodologies, practices and tools in the organisations of the public sector.

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