The selected aspects of the public sector innovativeness in Poland

Urszula Kobylińska, PhD

Abstract

Background: In many economies, both developed and developing rapidly, we can observe the potential of administration as organizations which under appropriate conditions may show high levels of innovation. The administration on one hand may be an active participant and on the other hand act as a creator of conditions conducive to innovative activities. Both of these roles are important and complementary to each other because the administration can create legislative base as well as adequate infrastructure and space for innovation, and then actively participate in the process of their diffusion. In recent years the European Union has shown increasing interest in the actions for measuring innovativeness of the European administration and stimulating its growth.

Research aims: The aim of the study is to assess the degree of innovativeness of Polish administration and the activities undertaken to stimulate it. In research on the innovativeness of the EU economies (Innovation Union Scoreboard, 2014) Poland was in the group of "moderate innovators", although there are noticeable differences in the approach to the implementation of innovations and cultural conditions of their diffusion.

Methods: The adopted research method was analysis of reports on public sector innovativeness in the EU and foreign and national literature studies.

Key findings: The analyzed research results clearly show degree of innovativeness of Polish Administration. More developed EU countries, have more experience in implementing innovations in the field of management systems, communication, involvement of entities outside the sector to work on innovation and shaping the organizational culture conducive to innovation.

Key words: public administration, innovativeness, innovations in the public sector, Poland

Introduction

Innovativeness is now one of the main factors of competitive advantage of countries, regions and businesses. The attention is drawn to the key importance of innovation and learning processes for creating public policy objectives (Edquist, 2005, p. 184-186). In the past two decades the universality of reforms in the public sector could be observed. The necessity of their implementation appeared in the late 70s and 80s of the last century. The most frequently given reasons for changes were, among others, globalization of economies, a significant increase in the use of technology by the public and organizations, the pressure to increase efficiency by companies or the growing awareness of customer-citizen orientation in the provision of public services (Farazmand 2010; Chary 2007).

The public sector is now under constant pressure to improve its organizations in enhancing the efficiency, effectiveness and services quality improvement. Citizens require more transparent and innovative public service standards (Perry, Buckwalter 2010). Undoubtedly, innovativeness is a motor and determinant factor in regional and local development recognized as a multidimensional process (Thenint 2009). The main motives for implementing innovation in the public sector include efficiency increase (by reducing the costs of providing services, staff), operation transparency improvement, higher quality and citizen satisfaction increase (comp. e.g. Thenint 2010, Bloch 2011, Petkovsek 2013, Walker 2006). A thesis can be made that innovativeness is a necessary condition for the implementation of development processes and structural adjustments as public sector organizations face new civilization and competitive challenges.

1 Bialystok University of Technology, Faculty of Management, Poland.
Innovation in Administration have recently been the subject of increased interest of public organizations managers and policy makers, but it still has not been perceived broadly, as a groundbreaking phenomenon, radically changing the operation of this sector organizations. Administration is often seen as a regulator and a foundation for implementing innovations in the private sector rather than absorbing them from the private sector (Bloch 2011). The increased interest in the research on public sector innovativeness and its impact on the widely understood economic development of the European Union has been observed in recent years. The research conclusions provide views on the condition of the administrations in different countries, their ability to absorb new knowledge and operation flexibility.

The purpose of this article is to prepare analysis of the innovativeness degree of Polish administrations. The conclusions were drawn on the basis of the available empirical research and literature analysis.

Definitions of innovations in public sector

Although improving the performance of public administration has been discussed in most developed countries for many years the exploration of innovation theme in this context has been relatively recent. The literature includes a considerable number of definitions of innovation in the commercial sector, and relatively small number of those explaining their essence in the public sector (Vigoda, Shoam, Schwabsky, Ruvio 2008).

The starting point for discussion about the importance of innovativeness and innovation in the modern economy is the definition proposed by J. A. Schumpeter (1883–1950), who analysed the problems of innovation in the techno-economic context. According to the author an innovation is a significant change in the production function, involving different than previously combination i.e. interconnecting of production factors that occur intermittently (Bryx 2014, p. 15). The most frequently cited contemporary concept of innovation can be found in the Oslo Manual which defines it as "the implementation of a new or significantly improved product (good or service) or process, a new marketing method or a new organizational method in business practice, workplace organization or external relations" (Oslo Manual 2005, p. 29).

The researchers considered innovation in the public sector for the first time in the 70s of the twentieth century, but it was not until the 90s of the twentieth century that the increased interest in these issues was observed, which have so far not achieved such popularity as studies of the private sector (10 times more research concerning innovativeness in private sector than in comparable public domain can be found in the literature) (Leon, Simmonds, Roman 2012).

Despite the fact that more and more authors try to explain the definition of innovation in the public sector, there is no unanimity as to its content. Most often they point to the implementation of a new product or service, a process, a new strategy or changes in the organization or in relations with the environment (Mikołajczyk 2013).

Table 1 lists the selected definitions of innovation in public sector.

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<tr>
<th>Authors</th>
<th>Definitions</th>
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<tr>
<td>OECD, 2005</td>
<td>Implementation by the public sector organization of new or significantly improved products and instruments used to implement them.</td>
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<tr>
<td>Green, Howells, Miles, 2001</td>
<td>Making something new i.e. introducing a new practice or process, creating a new product (good or service) or adoption of a new pattern of relationships within or between organizations</td>
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<tr>
<td>Albury, Morgan, 2003</td>
<td>Creation and implementation of new processes, products, services and delivery methods, resulting in significant improvements in efficiency, effectiveness and quality.</td>
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<tr>
<td>Bloch, 2011</td>
<td>New or significant changes in services and goods, operational processes, organization methods or ways of organization and communication with users.</td>
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<td>Bason, 2010</td>
<td>The process of creating new ideas and transforming them into social value</td>
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<tr>
<td>Complex Challenges – Innovative Cities (CCIC), 2014</td>
<td>The integration of new knowledge into the system dependent on public decision-making, aimed at improving the existing or new activities, services and practices that final and most visible effect is the improvement of public services and quality of life or its major aspects.</td>
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<tr>
<td>B. Kozuch, A. Kozuch, 2011</td>
<td>Innovation is the act of creating and implementing a new way of achieving concrete results or increase productivity. It might include new elements, new configurations of the existing elements, radical change or break from the traditional ways of doing things. It applies to new services, new policies and programmes, new attitudes and new processes.</td>
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Clients frequently perceive innovation in the public sector as the introduction of new or significantly modified services or improvement in the provision of services which is often the result of communication, organizational and process innovation. The typical concept of innovation in the public sector rarely involves implementation of a completely new service or provision method. More often it is an adaptation of the service in local context/method of provision, which has already been used elsewhere (Innovation in public sector 2013).

Halvorsen, Hauknes and Miles propose the following typology of innovation in public sector: new or improved service (e.g. health care at patient’s home); process innovations (change in the way of providing the service); administrative innovations (e.g. using a new policy instrument); system innovations (e.g. new model of organizations cooperation); concept innovations (e.g. changes of opinions, approach); radical changes of rationality (meaning the mental changes of employees employed in the public organization) (Halvorsen, Hauknes, Miles, Roste 2005). A similar systematics of innovations created Windrum proposing to divide them into: service innovations (implementation of a new public service), innovations in the way of providing services, administrative and organizational innovations (changes in the administration organizational structure and procedures), system innovations (a new way of interacting with other organizations) (Windrum 2008).

Innovations in the public sector have some unique features that distinguish them from the typical innovations implemented in the private sector. These are: the advantage over pre-existing alternatives; compatibility with the (local) values and perceptions; the opportunity to try meaning a chance to check the planned intervention and to analyze its effects before it is officially applied; visibility and sensibility to customers; the possibility to reduce expenditure (Innovation in the public sector 2013).

In a study conducted in the framework of a project examining public sector innovativeness in European countries, the respondent local and regional authorities and public organizations indicated a reduction in expenditure as the most important motivation for implementation of innovation in the public sector (Innovation in the public sector 2013).

An important conclusion drawn from the above considerations is the conclusion that innovations in administration appear as a result of growing pressure from citizens who wish to receive better quality public services and providers of these services aim to reduce costs, improve efficiency and effectiveness in providing them.

Public sector innovation measurement methods

S. Borins, after many studies conducted in the US and other countries, put the most reappearing areas of innovation in the public sector in 5 groups: the use of a system approach (broader insight into the integration and coordination of public organizations activities, creation of a partnership, cooperation programs between different units of the public sector); the use of new technologies in providing services (distribution of new technologies, especially information-communication technologies); improvement of processes (mainly administrative and services, so that public services are delivered more quickly); involvement/participation of staff, citizens and local communities; cooperation with the commercial sector and non-governmental organizations (transfer of public tasks to the private sector) (Borins 2006).

In recent years many countries in the EU, but also in the world, have been conducting studies aimed at a comprehensive measurement of public sector innovativeness. In fact, since the 90s of the twentieth century, methods of measurement have evolved and included more and more countries. CCIC, Innobarometr or European Sector Innovation Scoreboard can be named among the most important methods that examine a considerable number of administrations.

Table 2 shows the most important projects and research methods that are used to measure innovativeness in the public sector in the UE.

<table>
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<th>Measurement method</th>
<th>Characteristics</th>
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<td>Complex Challenges – Innovative Cities (CCIC)</td>
<td>Project implemented under the EU’s INTERREG IVC Program. The project involves local government and regional development agencies and non-profit organizations as partners from ten countries and regions in the EU: Bulgaria, Catalonia, Estonia, Finland, Italy, the Netherlands, Polish, Romania, Great Britain and Sweden. The main objective is to demonstrate how innovations in the public sector are</td>
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implemented at local and regional level, in the context of each of the project partners

| MEPIN Project | Surveys in organizations at central, regional and local level in 5 Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. Over 2 thousand. organizations took part in the study in 2010. The aim of the research was to develop the public sector innovation measurement model. |
| Innobarometr | European Commission study regarding innovation strategies among the 27 EU countries plus Norway and Switzerland. More than 3690 organizations were studied. The report is based on interviews with strategy directors and managers in public institutions. |
| European Sector Innovation Scoreboard | European Commission tool for benchmarking of public sector innovativeness in 27 EU countries conducted since 2011. It is the basis of benchmarking innovativeness in the public sector in EU countries. |
| OECD Observatory of Public Sector Innovation | Database analyzing examples and good practices in the field of innovativeness in public administrations at different levels: governmental, regional, local. On-line platform provides access to information about innovations in the public sector, facilitates sharing experiences and establishing cooperation with partners from other countries. |
| Inno Policy Trend Chart | The report showing the status and areas of innovation in the public sector in 25 European countries, developed on the basis of qualitative interviews with staff offices and academics. |

Source: (Petkovsek, Cankar, 2013); (http://www.oecd.org/governance/observatory); (Innobarometr 2010); (OECD 2012); (Leon, Simmonds, Roman 2012, p. 4-12)

As shown in the table above, the measurement of public sector innovativeness in Europe is carried out within the frameworks of various projects including a significant number of administrations. The study results have become the starting point for creating a system programs aimed at increasing innovativeness in different countries.

Reforms of public sector in Poland

Since 1989 the changes in the public sector in Poland have had the following directions: reactivation of the local government, privatization of the public sector, administration reform, education and health care reform, reduction of the central public sector. In principle tasks in the area of administrative structures modernization and ways of their functioning were implemented in the forthcoming reforms of public sector decentralization. After 1989 the first step was the introduction of self-government at the municipal level. Then, in 1999 a new administrative division was introduced in Poland. The two-level administrative division in force since 1975 was replaced by a three-level division, which includes the województwa (provinces), powiaty (districts) and gminy (municipalities).

Today Poland is divided into 16 provinces, 380 districts and 2,478 municipalities (https://administracja.mac.gov.pl/adm/baza-jst/843, Samorzad-terytorialny-w-Polsce.html). The public administration reform in 1999 resulted, among others, in the transfer of about 63% of the state sector units (out of about 12,000) to the municipal sector, subordinated to the newly established units of local government (Kobylińska 2013, p. 5). The function of government administration was changed which in its new shape had to focus attention on the priority actions such as: the formulation of policy or creation of a development strategy. The municipal sector was to provide public service, in line with the agreed standard. After the administrative reform of 1998 the process of adaptation of modern management methods and tools of public tasks management started.

In mid-June 2000 Civil Service Office started a program of "Friendly Administration" Its goals were defined by the head officer as follows: “competent, polite, providing comprehensive information officers and friendly public administration offices”. The tools and techniques of quality management were used in implementation of the program. On the basis of the first national experiences and exploration of optimal solutions concerning the functioning of administration the so-called concept of Institutional Development Programme (PRI) was worked out. Its main objective was to define the principles of institutional development of public administration units, including an analysis of the level of institutional development, designing institutional changes (improvements) and their implementation. The basic concept of PRI is based on starting up in offices a continuous improvement process, including the cycle from the office organization evaluation, through planning changes and their implementation to monitoring of the plan.

In Poland, the implementation of the quality based concept created a large potential for improving innovativeness. This possibility was created by the European Social Fund, which financed the activities implemented under the Priority V Good Governance, Human Capital - Measure 5.2. "Strengthening the capacity..."
of local government administration. The projects implemented in its framework were mainly aimed at strengthening the capacity of Polish administration to carry out their functions in a modern and partner way. A large number of these projects related to the implementation of specific management tools in the institutions of government, including implementation of quality management systems according to ISO 9001, CAF and customer satisfaction monitoring systems (Kobylińska 2014, p. 6)

Furthermore, the guidelines of the public administration reform in Poland were based on the following assumptions: supporting the development of civil society, the principle of subsidiarity, the effectiveness of providing public services, transparency of administrative structures and decision-making process (https://mac.gov.pl/files/administracja_prezentacja.pdf). Started in the late 90s administration informatization process aimed at improving the operation of Polish administration through the use of information and communication tools in dealing with citizens significance was also significant.

Innovativeness of public administration in Poland

In terms of innovativeness Poland is at the forefront of the world and European economies. However, the weaker position of Poland in international comparisons can be explained when we take into consideration that Poland joined the EU in 2004. In the ranking of the Global Innovation Index 2014 Poland occupies only 45th place for 143 countries (The Global Innovation Index 2014). In studies of EU economic innovation (Innovation Union Scoreboard 2014), Poland was in the group of „Moderate innovators”, although in the lower limits of that category.

The studies of the public sector innovativeness carried out in Europe are relatively recent. The most comprehensive knowledge in this area was provided in the Innobarometr report showing the state of administration innovativeness in 27 countries. The research was based on interviews with strategy directors and managers in public institutions of the EU countries plus Norway and Switzerland. The study sample consisted of more than 4,000 people and just over 400 people were interviewed in Poland. The study is a compendium of knowledge about the functioning of the European administrations, their innovativeness and how their directors perceive themselves.

Because of this publication’s subject the focus is on the research results related to Polish administration innovativeness, table 5 presents the selected statistics the state of public sector innovation in country and in UE-27.

In terms of percentage of institutions that have recently introduced innovative solutions Poland is close to the EU average - 67.7% in Poland (66.3% in the EU). Only 8.3% of the organizations in Poland declared their institution as a “Leading innovator”. A significant difference in approach to the implementation of innovations appeared also in the field of administration cooperation with the commercial sector organizations. In Poland, only 9.7% of respondents declared such cooperation. EU average is 41%, which does not present Poland favorably in this comparison.

The question of an innovative management system that appeared within the last 3 years in the institution was answered by less than half of Polish respondents (as well as the EU average), that stated such implementation occurred.

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<tr>
<th>Statistics</th>
<th>Poland</th>
<th>UE 27</th>
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<tbody>
<tr>
<td>Population</td>
<td>38,5 mln</td>
<td>508,191 mln</td>
</tr>
<tr>
<td>GDP per capita (EURO per inhabitant) in 2013</td>
<td>8,700</td>
<td>23,300</td>
</tr>
<tr>
<td>The percentage of organizations that declared implementation of visible improvements in the provision of public services over the last three years</td>
<td>67,7%</td>
<td>66,3%</td>
</tr>
<tr>
<td>The percentage of organizations that have identified themselves as Leading innovator</td>
<td>8,3%</td>
<td>16,9%</td>
</tr>
<tr>
<td>The percentage of organizations that have implemented over the past three years, new or significantly changed services</td>
<td>67,7%</td>
<td>66,3%</td>
</tr>
<tr>
<td>The percentage of organizations that have implemented new services in cooperation with other organizations in the private sector</td>
<td>9,7%</td>
<td>41%</td>
</tr>
<tr>
<td>The percentage of organizations that have implemented new or improved management system</td>
<td>43%</td>
<td>42,9%</td>
</tr>
<tr>
<td>The percentage of organizations that managers take a full, active role and are engaged in the development and implementation of innovation</td>
<td>36,8%</td>
<td>46,3%</td>
</tr>
<tr>
<td>The percentage of organizations in which the staff demonstrates the initiative in</td>
<td>20%</td>
<td>29,5%</td>
</tr>
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</table>
A more detailed analysis of the sources and barriers to innovation allows us to see the extremely low level of innovation culture in the Polish administration, both at the top and at the bottom of the hierarchy of officials. On the question of percentage of institution workers participating in regular group meetings, where the development of new or improving the existing services, methods of communication and organization are discussed, only 4.7% of Polish respondents answered "over 75%", while as much as 21.9 % - answered "no one". Poland looks worse in managers’ engagement in works on the development and implementation of innovation (36.8% of responses). However, in a larger number of Polish organizations the staff initiates coming up with new ideas.

The largest inhibitor of innovation development in the Polish administration was legal barriers - Polish respondents pointed to the m in 78% of cases (the EU average is 35%). A big difference between the countries is also found in the selection criteria of services acquired in the course of public tenders. Polish administration perceives low price as the main motive for the selection of the service provider in the tender procedure.

Final Remarks

Poland is among the largest countries in the European Union and due to this fact the public authority policy plays a vital role in their economic systems. Since the lines of action in the framework of EU innovation policy (e.g. The Innovation Union) were internationally accepted, it will be implemented in the Member States. This policy will be conducted largely on the basis of relevant public institutions.

Public sector innovation research conducted within the project Innobarometr provide comprehensive knowledge about many aspects of this area and have became the basis for comparisons of Polish administration. However, there are many differences in approach to innovation in EU countries. In most of the criteria comparisons Polish falls less than indicates the average for EU countries. The key to effective implementation of pro-innovation strategy in Poland will be the change of functioning central administration itself. It is the government and its ministries that should play the role of "innovation leaders" because of their ability to influence the business environment and citizens are the greatest. If the Polish problem is the mentality and stereotypes that innovation can not be promoted in administration, then there should be greater focus on shaping the organizational culture conducive to innovation. If innovativeness was imprinted in the common awareness of officials the wheel of change could accelerate and Polish administration innovativeness would inevitably move in international statistics.

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