



***PILOT RESEARCH ON
criteria framework for measuring innovation in
the public sector in Vietnam***

22.12.2022



AGENDA

The need for an indicator set for innovation in the public sector

Innovation policy in Vietnam

International experiences

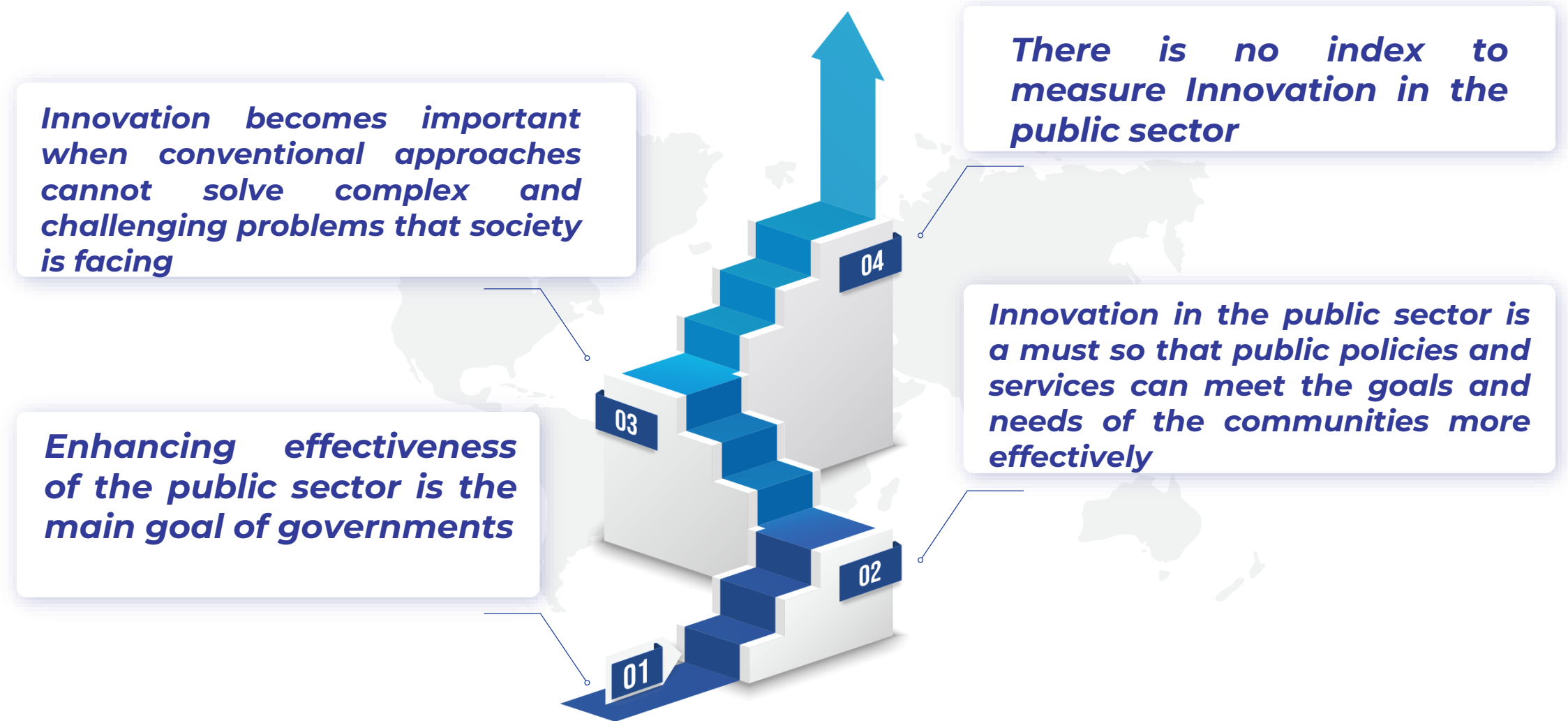
Developing a criteria framework for measuring innovation in the public sector

Pilot survey results

Policy recommendations

The next step

The need for an indicator set for innovation in the public sector



The need for PSI indexes

Innovation Policy in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

PCI (Provincial competitiveness index)
 Measuring and assessing the quality of economic operation, favorability, and friendliness of the business environment and effort in reforming public administration in provincial and municipal governments

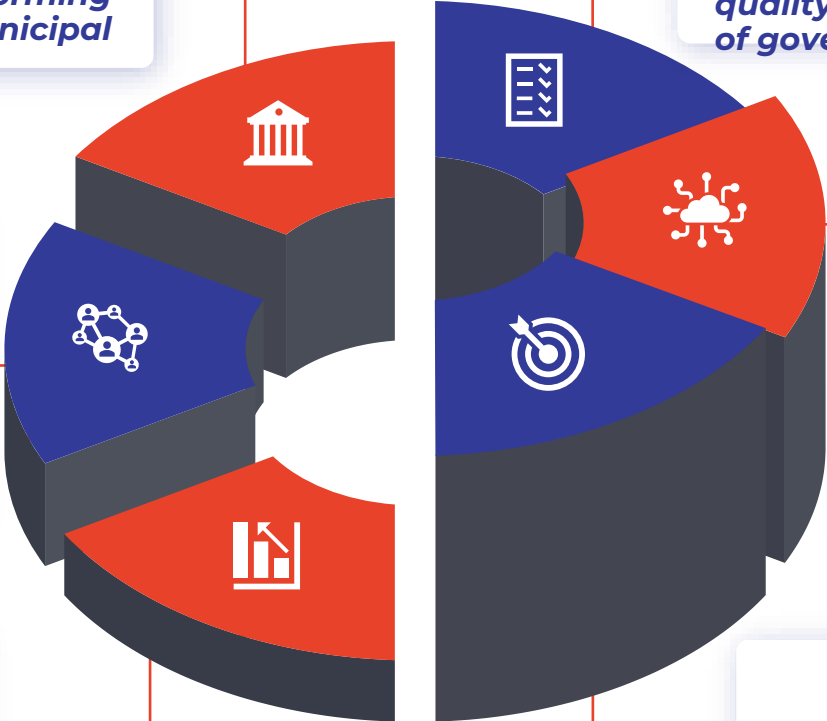
PAPI (Provincial governance and public administration performance index)
 Measuring public's experiences and perceptions about the effectiveness and quality of policy implementation and public service delivery by local governments

PAR-index (Public administration reform index)
 Annually evaluating implementation of administrative reform in ministries and provinces

SIPAS (Satisfaction index of public administrative services)
 Measuring the satisfaction of people and organizations with the service of state administrative agencies in order to assess the quality of public administrative service provision of government administrative agencies

DTI (Digital transformation index)
 Annually monitoring and evaluating annual digital transformation results of ministries and provinces

Business regulatory reform index
 Evaluating, classifying and ranking reform effort in business decision and promoting reform activities in business decision of ministries and agencies



The need for PSI indexes

Innovation Policy in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

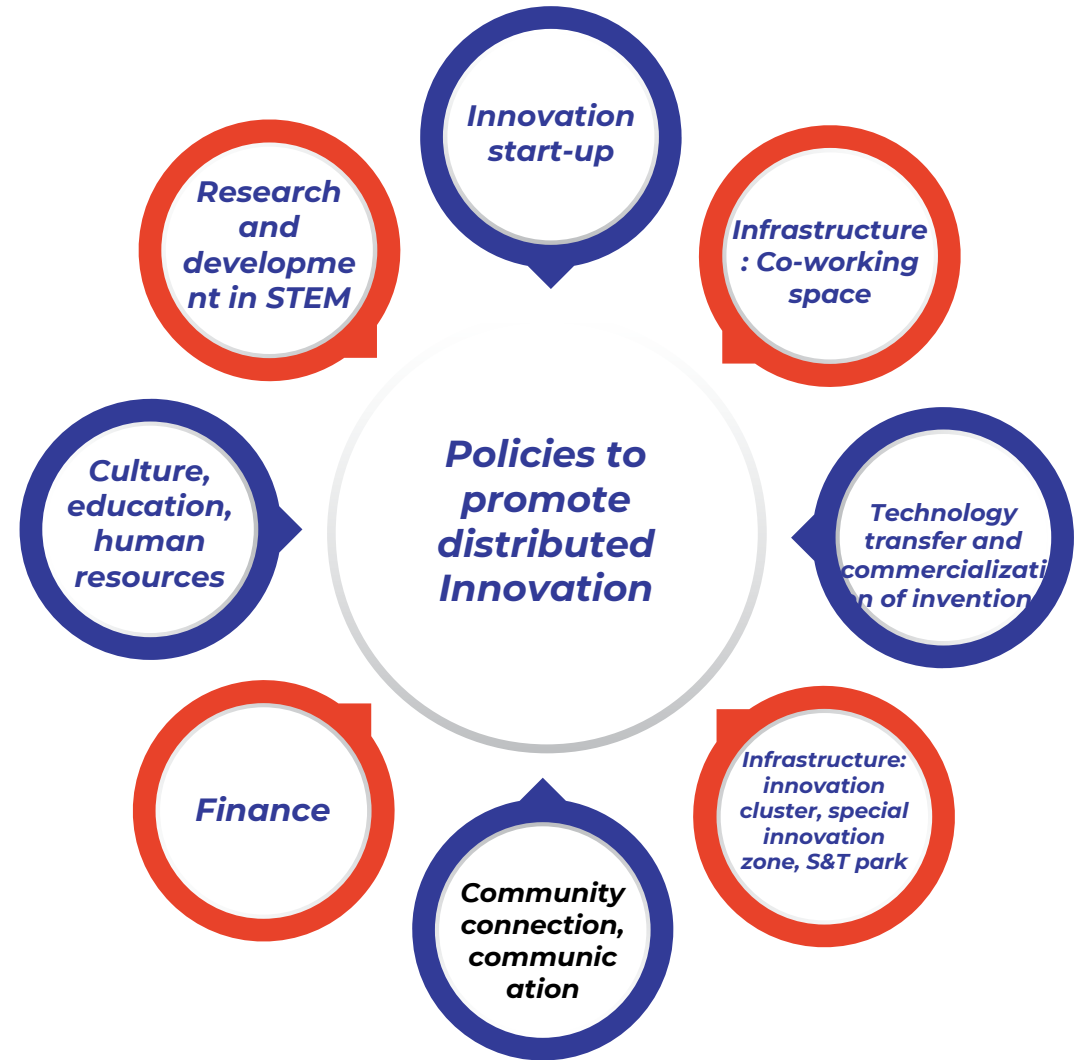
Policies to promote innovation are unsystematic and comprehensive



Policies to promote innovation are biased towards innovation start-up, and science and technology (S&T)

There is no specific regulation and policy for innovation. Policies are dispersed in different aspects and ran by different ministries, departments, and sectors

Innovation is just one content in regulatory documents and policies



The need for PSI indicator set

Innovation policy in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

No specific policy or strategy for innovation



Important strategies and plans refer to innovation as a driving force for the development of the digital economy, digital society, and digital transformation in government agencies.

Decision No. 749/QD-TTg on the approval of the national digital transformation program to 2025, with orientations toward 2030



Decision No. 2889/QD-TTg on the approval of the national strategy for the fourth industrial revolution to 2030



Decision No. 569/QD-TTg on the approval of science, technology and innovation development strategy to 2030



Decision No. 411/QD-TTg on the approval of the national strategy for digital economy and digital society development to 2025, with orientations toward 2030



The need for PSI indicator set

Innovation policy in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

Objectives, orientations as well as solutions to develop innovation have been integrated in national programs and strategies. No legal document or strategy specifies innovation in the private as well as the public sector.



It is necessary to have an orientation, institution and plans to facilitate innovation in Vietnam



The need for PSI indicator set

Innovation policy in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

Innovation surveys in the public sector in the world



Survey	Survey unit	Year	Country	Sample size
MEPIN	<i>Public administration agencies, schools, hospitals</i>	2008-2009	<i>Denmark, Finland, Iceland, Norway, Sweden</i>	2,013
Innobarometer	<i>Public administration agencies</i>	2010	27 EU Countries	3699
NESTA	<i>Public administration agencies</i>	2010	UK	175
APSC	<i>Public administration agencies</i>	2011	<i>Australia</i>	10,000
APSII	<i>Public administration agencies</i>	2012	<i>Australia</i>	344
Universities	<i>Universities</i>	2015-2016	<i>Australia, New Zealand</i>	573
Statistics Sweden	<i>Hospital and healthcare service providers</i>	2014	<i>Sweden</i>	312
OECD	<i>Public administration agencies</i>	2013	<i>Belgium, Italy, Spain</i>	-
Innovation	<i>All public sector</i>	2014	<i>Denmark</i>	1255

The need for PSI indicator set

Innovation policies in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

Innovation is a process



OECD (2018)

*Innovation is a process,
not an event*

Innovation Unit (2009)

Innovation in an organization is a series of processes designed and managed to generate and apply ideas and knowledge, to create value and products....

Kaur et al. (2022)

Innovation in the public sector is not only about outputs, it is also a process that requires management and support.

The need for PSI indicator set

Innovation policies in Vietnam

International experience

Establishing process for PSI indexing framework...

Pilot results

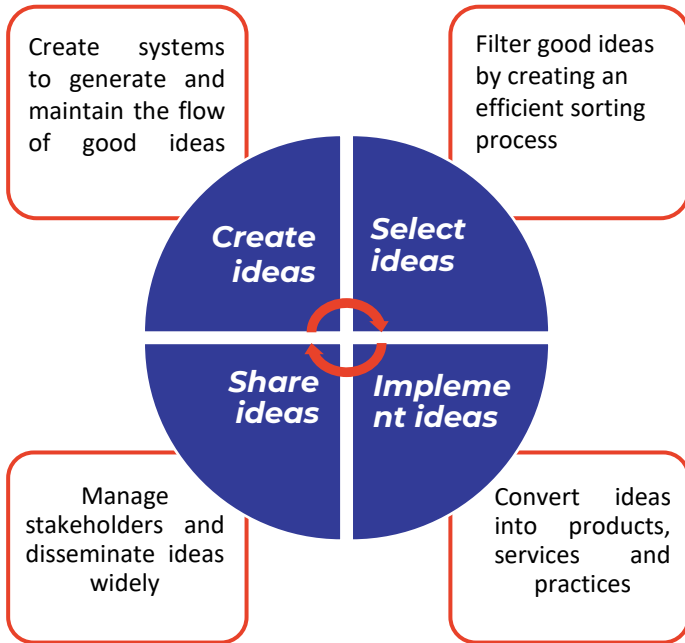
Policy Recommendations

Direction for future research

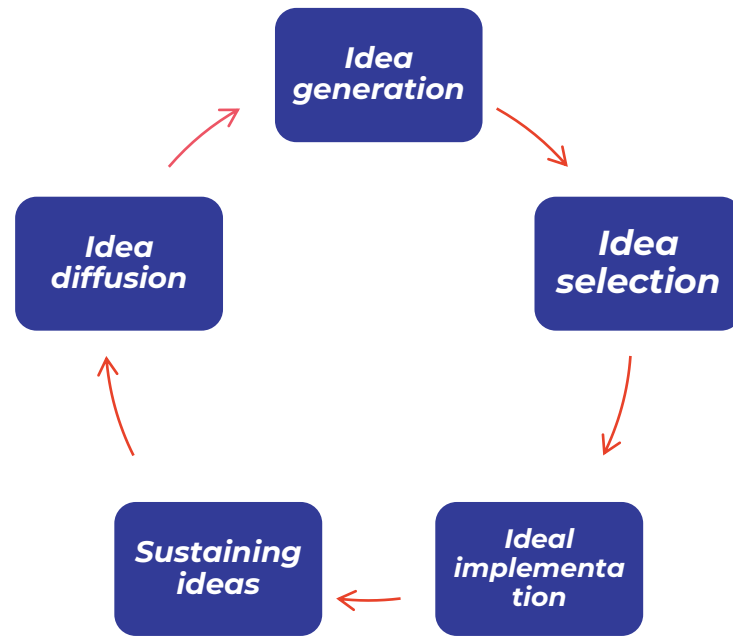
Innovation is a process



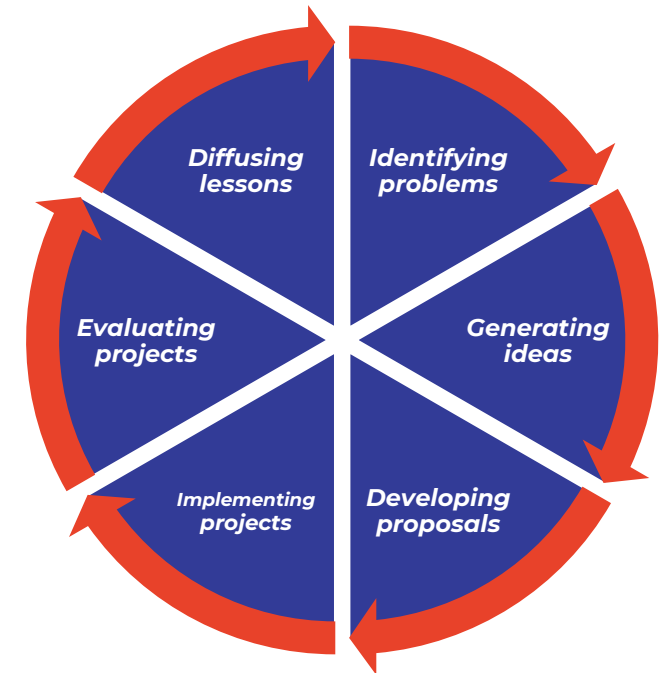
Eggers & Singh (2009)



Australian Government (2010)



OECD (2019)



The need for PSI indicator set

Innovation policies in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

Criteria framework for measuring innovation in the public sector



Establishment pathway

1 *Piloting a criteria framework for innovation in the public sector*

Pilot survey

2

3 *Developing an innovation index in the public sector in Vietnam in the coming years*

Goals

For public servants

To provide an overview of the concept and measurement of innovation in the public sector.

For policy makers

To understand innovation performance, the difference in innovation characteristics of different units.

For public sector organizations

- To measure the innovation performance of single unit;*
- To compare innovation performance over time of each unit;*
- To propose solutions to promote innovation of the units.*

The need for PSI indicator set

Innovation Policy in Vietnam

International Experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

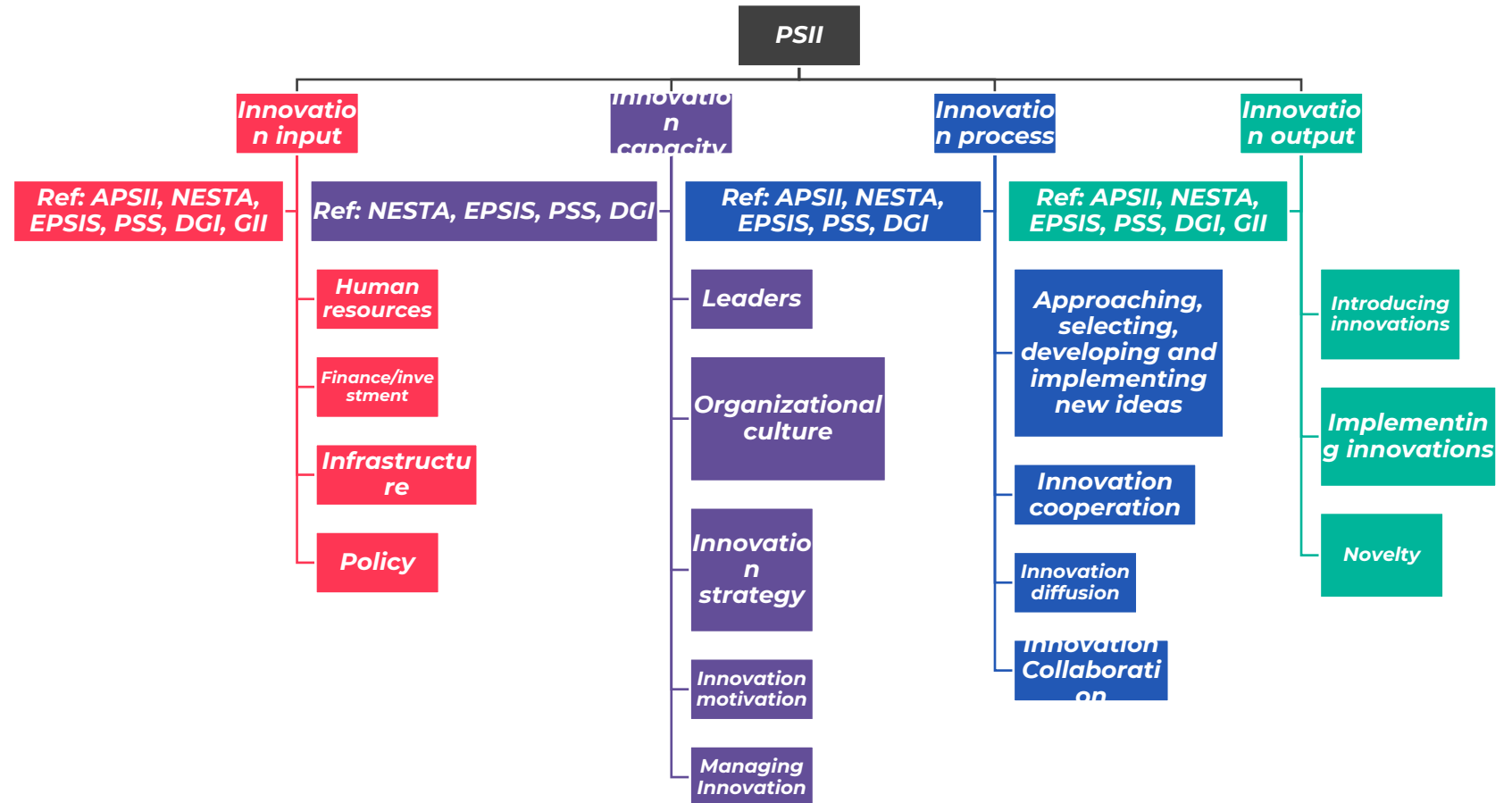
Direction for future research

Criteria framework for measuring innovation in the public sector



Innovation in the public sector is a process, not an event (OECD, 2018)

Innovation does not happen by chance, it depends on many conditions, capacities and supporting factors



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Innovation Policy in Vietnam

International Experience

Establishing framework for PSI

Pilot result

Policy Recommendations

Direction for future research

Criteria framework for measuring Innovation in the Public sector



The need for PSI indicator set

Innovation Policy in Vietnam

International Experience

Establishing framework for PSI

Pilot result

Policy Recommendations

Direction for future research

About the pilot survey



Time: 20/11-05/12/2022

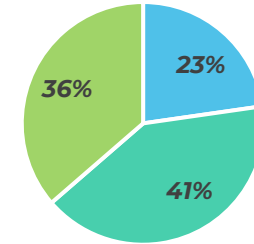
Survey forms: online and paper

Survey subjects: Organization's leaders and public servants have involved in or directly implemented innovation activities

Surveyed organizations:

MPI (NIC, Foreign Investment Agency, Business Registration Administration, Procurement Administration), Department of Planning and Investment of Quang Ninh province, Department of Planning and Investment of Ninh Thuan province and Department of Domestic Affairs of Dak Lak province

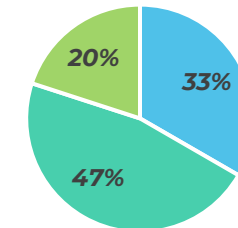
Ministry of Planning & Investment (MPI)



Total: 22 people

- Leader
- Public servant directly involved in innovative activities
- Public servants within the unit

Dak Lak, Quang Ninh, Ninh Thuan



Total: 15 people

- Leader
- Public servant directly involved in innovative activities
- Public servants within the unit

The need for PSI indicator set

Innovation policies in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

Policy Recommendations

Direction for future research

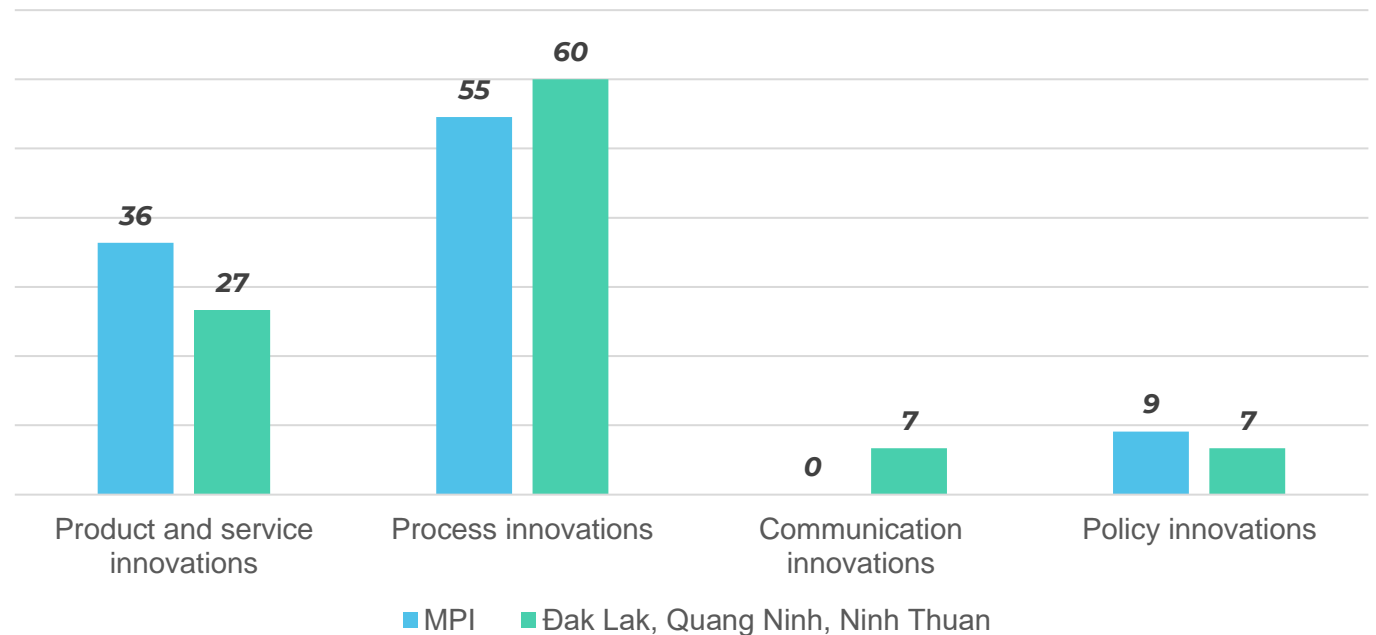
Innovation outputs



Process innovations was implemented the most, followed by product and service innovations.

The surveyed organizations only carried out 1 type of innovations rather than many types of innovations at the same time.

Percentage of organizations implemented innovation in the last 2 years

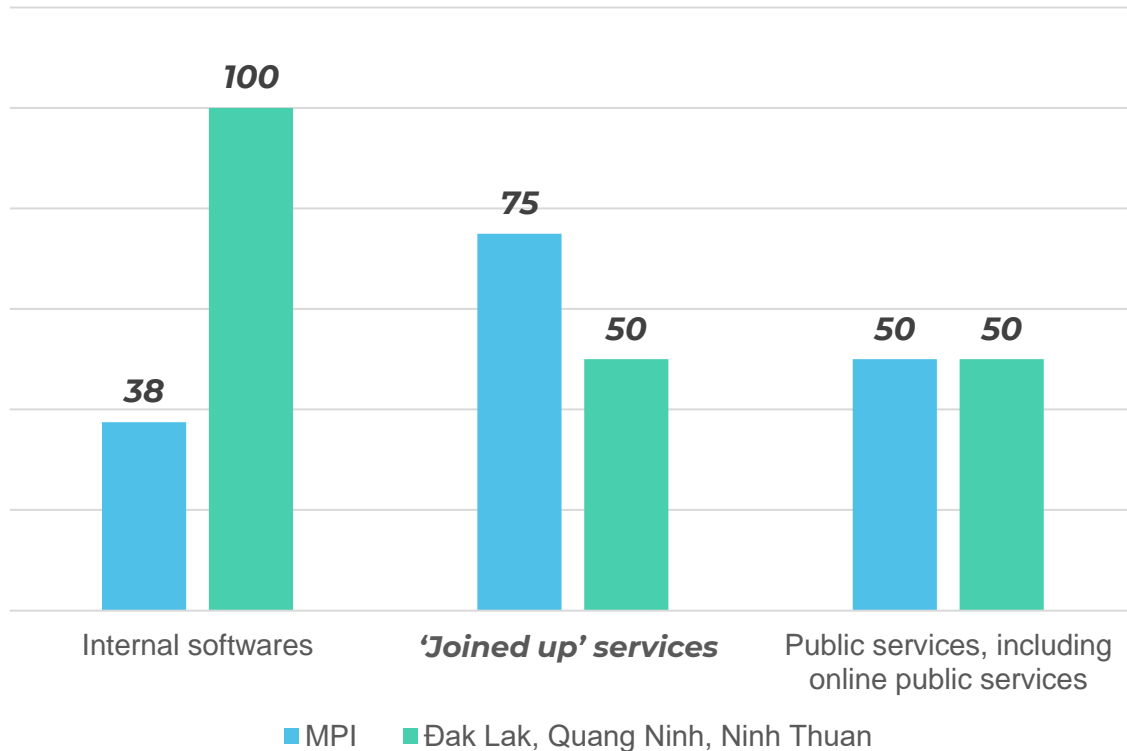


Note: The analysis results of the MPI and the provinces of Dak Lak, Quang Ninh and Ninh Thuan are included in the same graph (this graph and the following graphs) for easy following, not for comparison purposes.

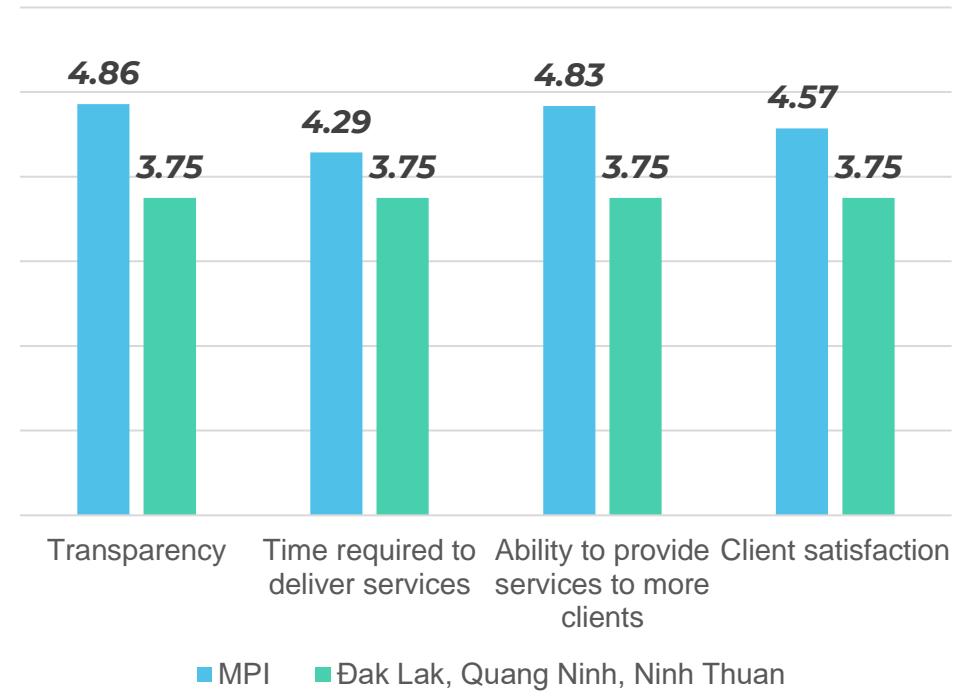
Innovation outputs: Product & service innovations



Percentage of organizations implemented product and service innovations (%)



Effects of product and service innovations



From 1 (low) to 5 (high)

The need for PSI Indicator set

Innovation policies in Vietnam

International experience

Establishing process for PSI indexing framework

Pilot results

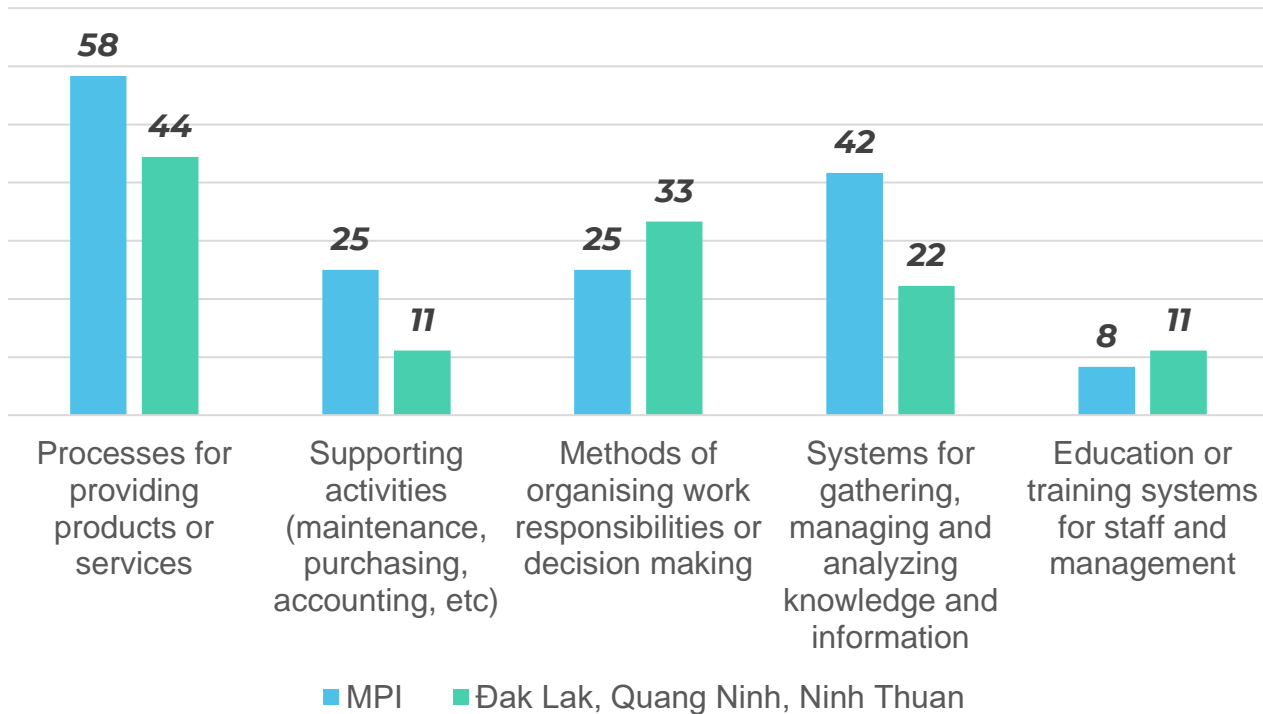
Policy Recommendations

Direction for future research

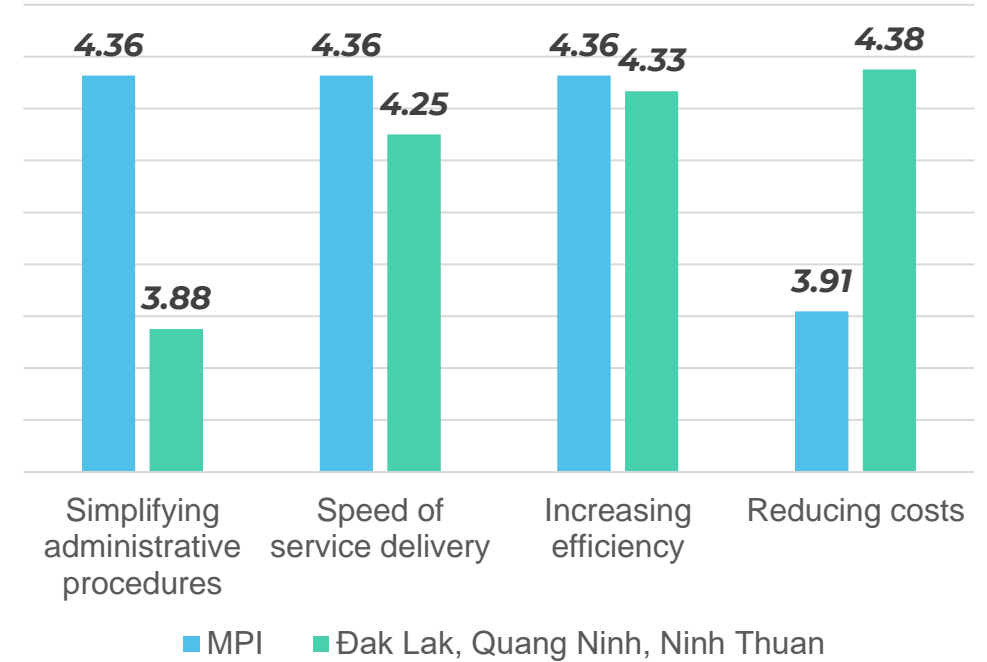
Innovation outputs: Process innovations



Percentage of organizations implemented process innovations (%)



Effects of process innovations



From 1 (low) to 5 (high)

The need for PSI indicator set

Innovation Policy in Vietnam

International Experience

Establishing framework for PSI

Pilot result

Policy Recommendations

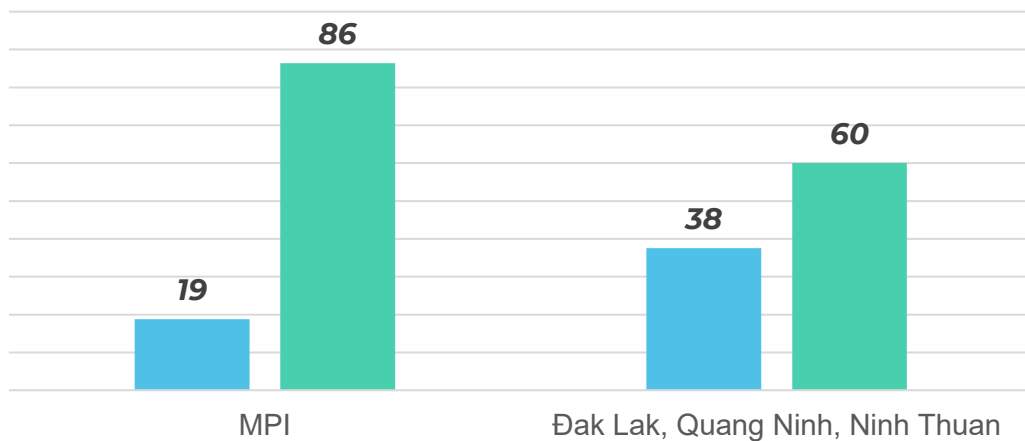
Direction for future research

Innovation inputs



Human resources

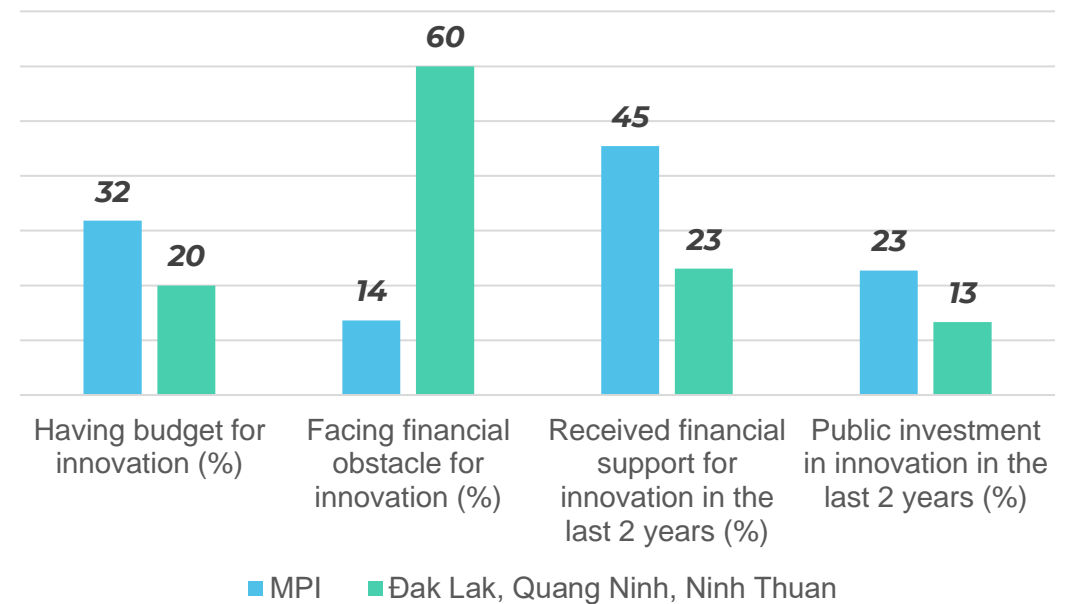
The proportion of public servants implementing innovation is quite low, but the proportion being capable to propose and/or implement innovation is relatively high.



- Percentage of organizations with servants assigned to propose and implement innovative activities (%)
- Percentage of servants being capable to propose and implement innovative activities (%)

Finance/ Investment

Provincial-level organizations have little budget of their own for innovation activities, face more financial difficulties, and receive less financial support for innovation.



■ MPI ■ Đak Lak, Quang Ninh, Ninh Thuan

The need for PSI indicator set

Innovation Policy in Vietnam

International Experience

Establishing framework for PSI

Pilot result

Policy Recommendations

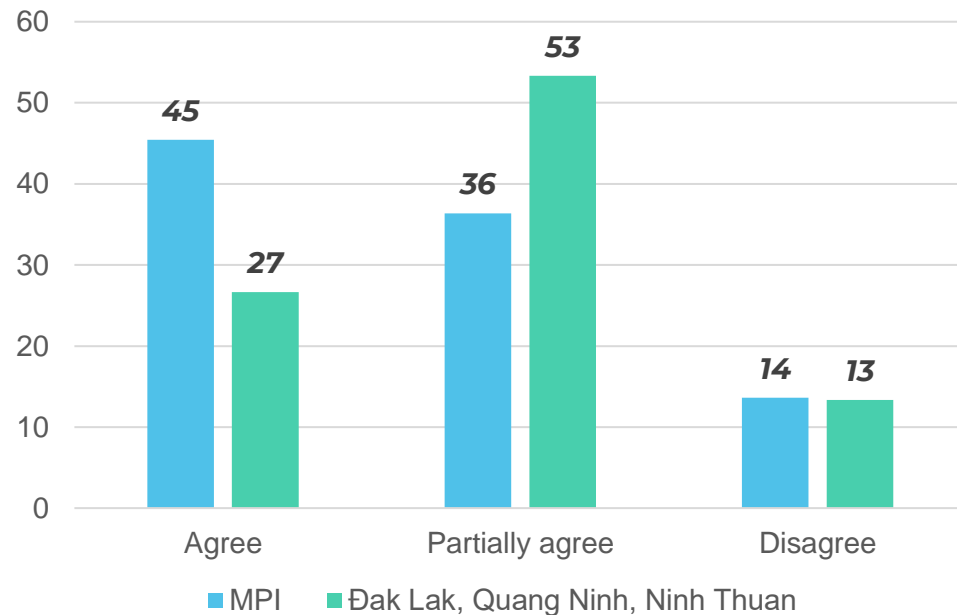
Direction for future research

Innovation input: Infrastructure

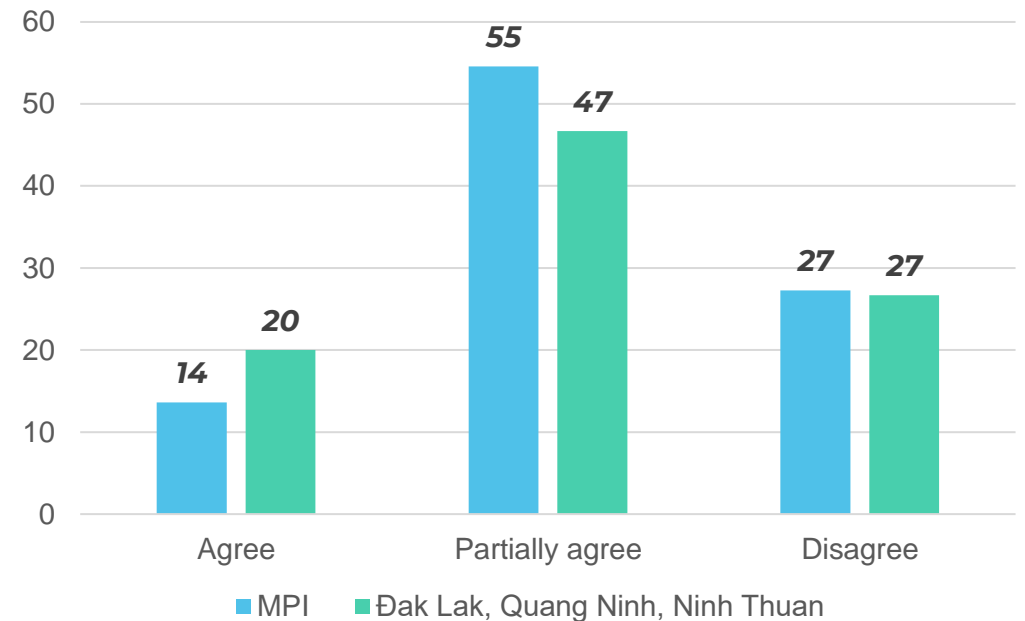


Share of IT machinery and equipment for innovation are relatively high, but the proportion of advanced machinery and equipment remains low

Availability of IT machinery and equipment for innovation activities (%)



Advanced IT machinery and equipment for innovation activities (%)



The need for PSI indicator set

Innovation Policy in Vietnam

International Experience

Establishing framework for PSI

Pilot result

Policy Recommendations

Direction for future research

Innovation inputs: Policy

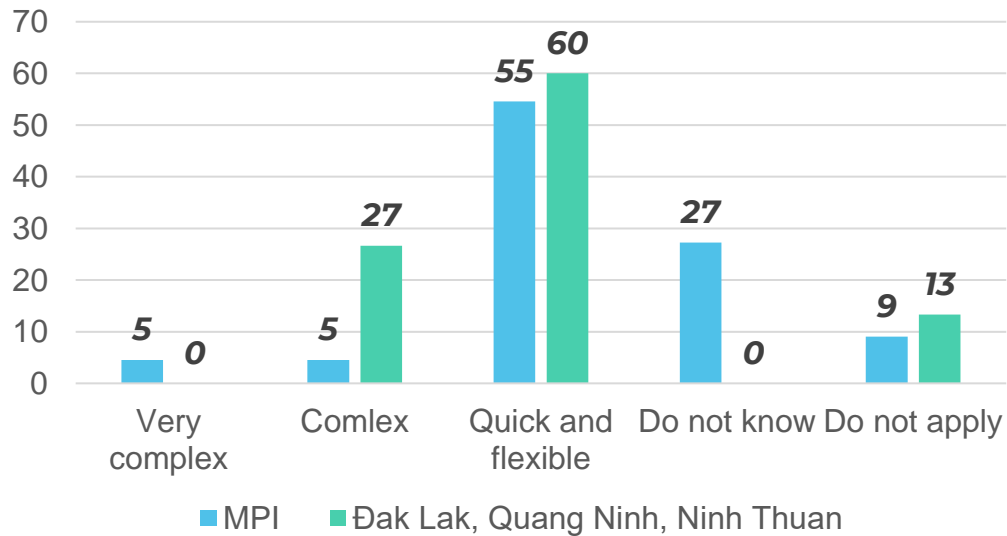


Scale: 1 (Low) to 3 (High)

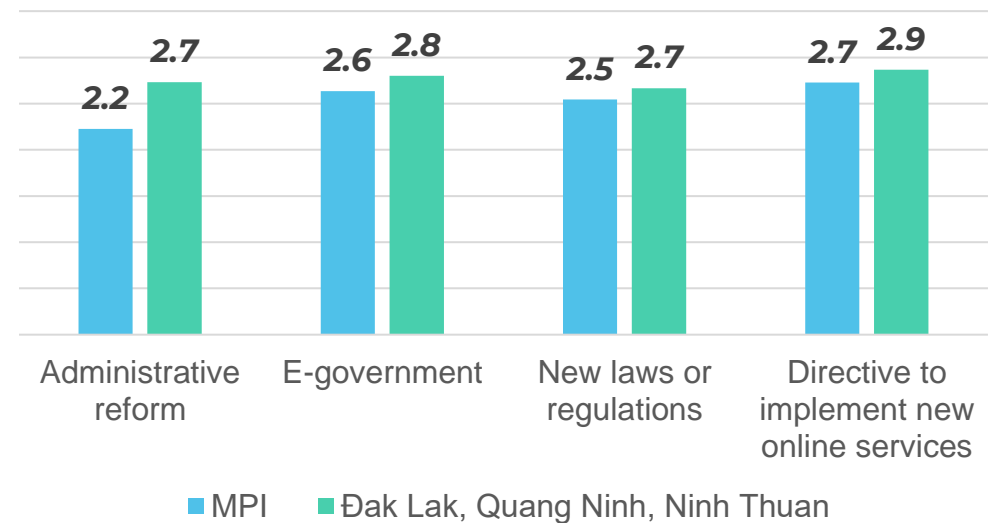
More than 55% of respondents rated the process and procedure for conducting innovation as quick and flexible. There are still some units that do not have innovation activities.

Administrative reform is a task, but it has not really been a driving force for innovation, following respondents in MPI.

Complexity of processes and procedures in implementing innovation(%)



Importance of policy factors in promoting innovation

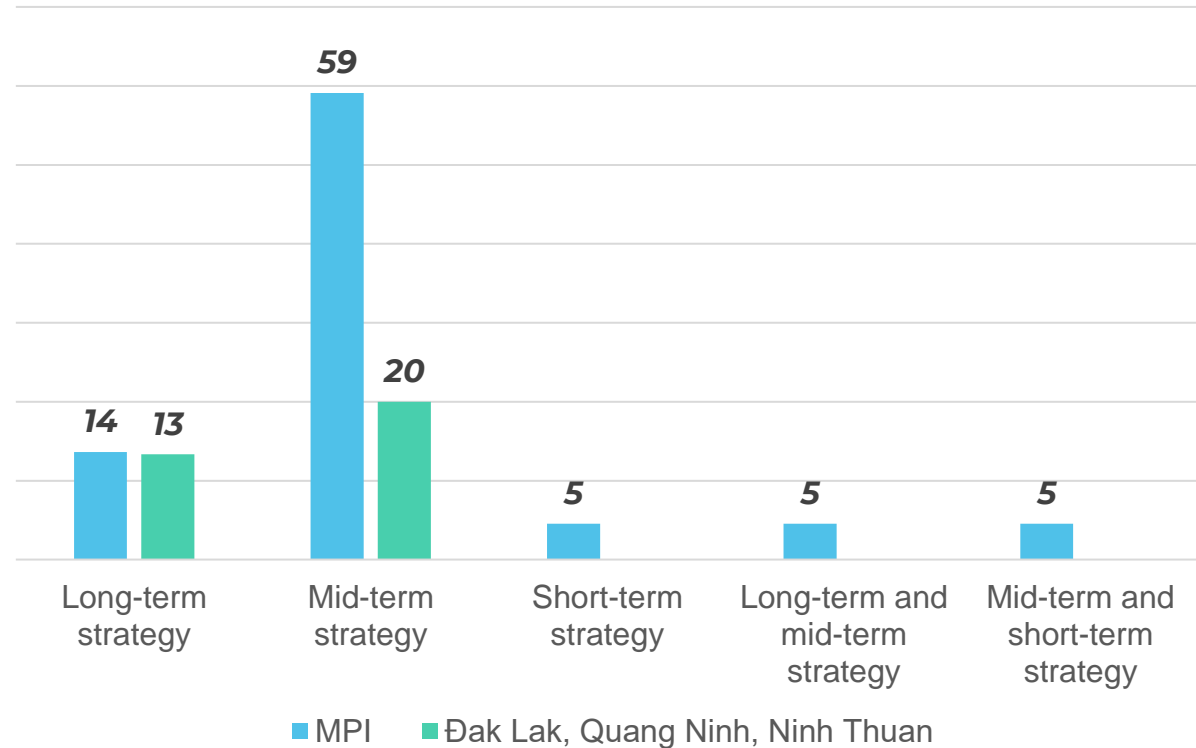


Innovation capacity: Innovation strategy



About 68.2% of the respondents of MPI and 35.7% of 3 provinces said that their organizations already had an innovation strategy, mainly medium-term strategy

Percentage of organizations developed innovation strategy (%)



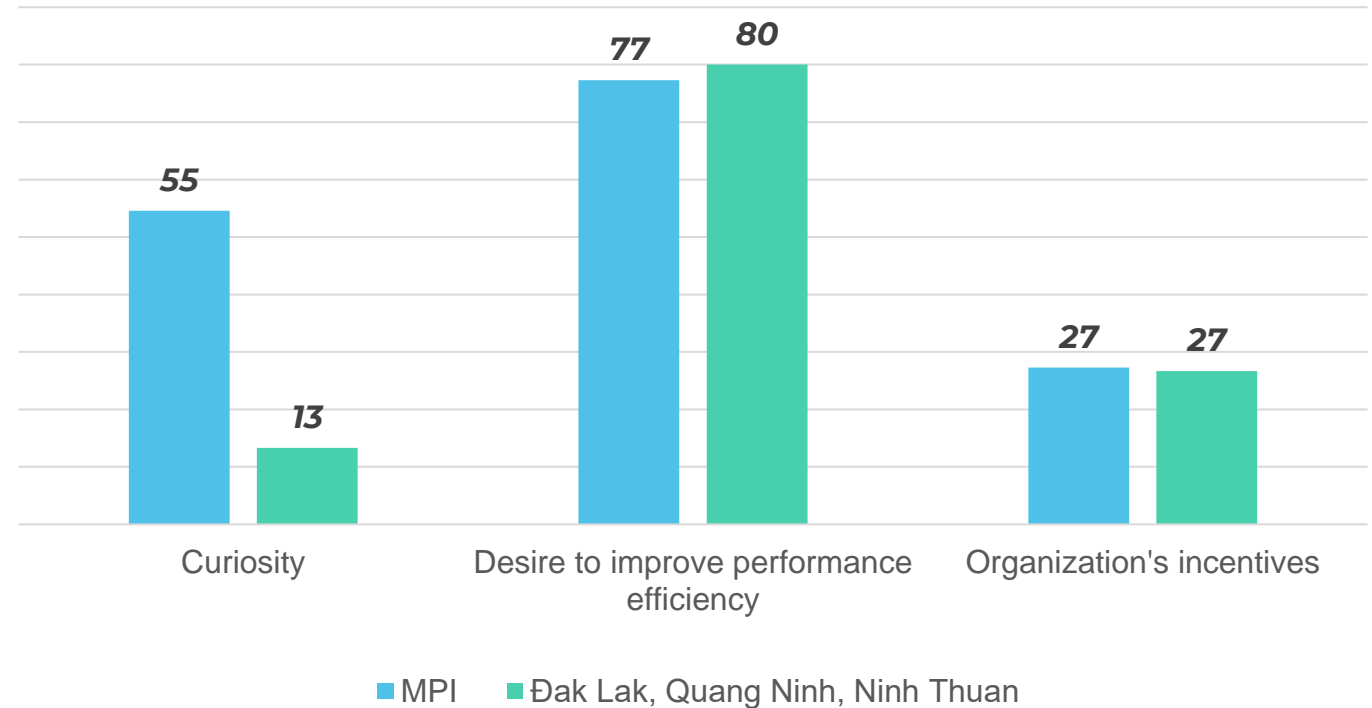
Innovation capacity: Innovation motivations



Self-motivation is an important factor in promoting innovation

Incentives from the organizations also have a positive effect

Percentage of respondents who were motivated to create and develop new ideas (%)



Policy recommendations



01

Establishing an institution for innovation

- **A strategy specifies innovation is a need.**
- **Reviewing and amending legal documents in specialized fields to adjust new relationships arising in innovation, removing bottlenecks and barriers, and facilitating innovation.**
- **Issuing general and separate innovation policies for each industry and field.**

02

Developing infrastructure for innovation

03

Human resources

04

Policy on investing, financing for innovation

05

Policy on cooperation, research and development of innovation in the digital environment

Limitations of the pilot study



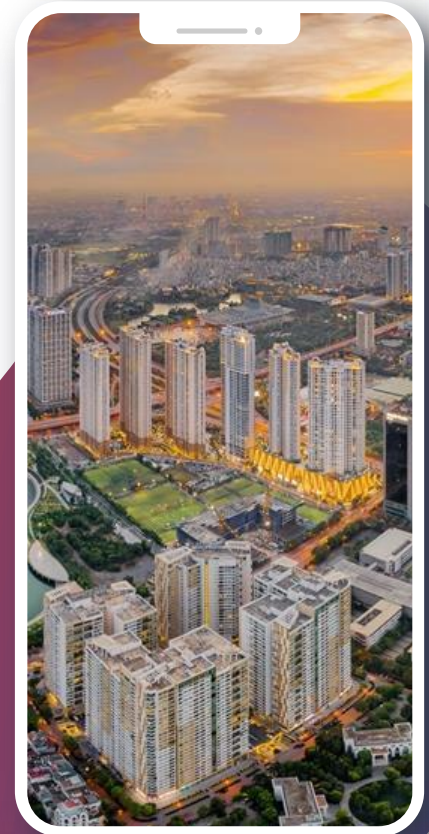
Lacking legal documents or strategy specifying innovation

=> Lacking legal basis to develop criteria framework for guidance and assessment of innovation in the public sector



Small-scale pilot survey

=> Continue improving the criteria framework and expanding the survey



The need for the PSI indicator set

Innovation policy in Vietnam

International experience

The process of building the PSI index framework

Test results

Policy recommendations

Future research directions



Areas for improvement



About the questionnaire

- Some questions should be revised to be easy to understand
- The question about new infrastructure is more about hard infrastructure, no question about soft infrastructure yet
- Separate questionnaires for leaders and servants
- Specific and specialized indicators for ministries, sectors and regions

About the survey

- Classified by regions
- Combining survey online and through paper
- In-depth interviews and group discussion.

About criteria framework

Review, learning form international experiences to perfect the criteria framework.

The next step



The criteria framework should be surveyed annually as a basis to urge and promote innovation in ministerial organizations and local agencies

Measuring innovation in the public sector should be an annual activity since 2023

The need for the PSI indicator set

Innovation policy in Vietnam

International experience

The process of building the PSI index framework

Test results

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THANK YOU!

22.12.2022