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**DEVELOPMENT OF FUNCTIONAL STRATEGIES IN PUBLIC SECTOR
ORGANIZATIONS**

(following the example of the municipality of Burgas)

A B S T R A C T

**On a dissertation for the award of an educational
and scientific degree "doctor"**

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Development of functional strategies in public sector organizations

The dissertation contains an introduction, an exposition in three chapters and a conclusion. The total volume of the scientific work is 227 standard pages. 70 literary sources, 67 laws and by-laws were used. The text includes 18 figures and 10 tables. There are 2 Appendices in a volume of 15 pages to the dissertation work.

The author of the dissertation is a doctoral student of a free form of study at the International Business School - Botevgrad.

The defense of the dissertation work will take place onfrom
.....hours in the hall.....of the Distance Learning Center of the
International Higher Business School - Sofia.

I. General characteristics of the dissertation work

1. Relevance and importance of the topic

With the development of democratic processes in society and the strengthening of the role of public management, more and more attention is paid to the clear, open and consistent determination of the main directions of public policies in accordance with the interests of the interested parties. This requirement and in direct connection with the development of municipal strategies, plans, programs and projects, i.e. with planning at the municipal level. The municipal administration itself can be considered as a "strategic business unit" (SBU), which has a certain independence, is distinguished by a separate object of activity, offers products and services intended not for consumption, has its own market segments and its own customers in the form of citizens, civil formations, business structures, etc., deployed on the territory of the given municipality. In this sense, the municipal administration does not differ from any other public structure that sets certain goals and has the necessary degree of autonomy to realize them.

Municipal strategies are a type of planning documents, along with plans for integrated development of municipalities, programs and projects. However, they have their own specificity that distinguishes them from the strategies developed by other organizations. The adoption of strategic decisions by municipalities must not be subordinated to the personal or group interest of a company or non-governmental organization, but to the benefit of all interested persons and be related to finding a compromise between the requirements of economic, social and environmental criteria and indicators. This compromise must meet not only the interests of the citizens of the municipality at the moment, but also protect the interests of future generations, i.e. to achieve sustainable development

The emphasis that the author places in this work on the functional strategies developed at the municipal level is conditioned by the understanding that they regulate the policy of the organization from the public sector in relation to the performance of the various functions attributed to it by legislation and by-laws. They must be based on a thorough functional analysis, which will outline the compliance of the performance of the functions with the regulatory requirements and how effective and efficient they are. Functional strategies are sectoral strategies, since they do not

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refer to the development of the organization as a whole, but only to certain of its elements and manifestations, in this case – to its individual functions. In this sense, we define the object and the subject of the present dissertation work.

The object of the dissertation is the municipal administrations, as organizations from the public sector, with the specific functions defined by the law and, more specifically, their planning function. We chose the municipal administration of Burgas as a target structure, which carries out its activities under the conditions and according to the regulations valid for all 265 municipalities in our country. The peculiarities that distinguish each municipality, in this case, do not contradict the idea of drawing generally valid conclusions.

The subject of the dissertation is the functional strategies developed by the municipal administrations, and more specifically - by the Burgas municipal administration, as specific tools for the implementation of their policy in various functional areas.

Acquaintance with the scientific discussions on the issues of formation, evaluation and implementation of public policies, the study of the practices of the municipalities in the development of various planning documents and the assessment of their quality, as well as the disclosure of discrepancies between practice and needs, give us grounds to propose the following **thesis**, which we will strive to defend with this dissertation, namely:

"The role and place of functional strategies as documents regulating the policy of local authorities in various areas is insufficiently realized, and the practice - underdeveloped to the necessary degree of conformity of public interest and scientific achievements. The "white fields" in this regard can be filled by adopting effective models and good practices offered by academics and related organizations.

The intersection between the object and the subject of the research requires to consider and justify **the purpose** of the dissertation research: analyzing the scope of the functions performed in a municipal administration, the practice of the administration in developing planning documents, including of strategies and from there to analyze the procedures and the quality of the functional strategies developed and adopted by the administration and the municipal council. In this sense, the author sets himself the following **research tasks** :

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1. To examine in a critical light the normative and methodological basis and the practice of municipal administrations in the development of strategic documents and to determine the place and importance of functional strategies in the cluster of strategic planning developments forming the policy of municipalities in various areas.
2. To make a critical review of the functional analysis of the target municipal administration - Burgas, in the context of outlining those specific functions for which a strategic vision for development is necessary.
3. To conduct a content analysis of the strategies and programs developed by the Burgas municipal administration in policy areas and to assess their quality.
4. To propose a reference model for developing functional strategies in municipalities.
5. To conduct an empirical study to identify inconsistencies in the strategic planning process for the development of functional strategies by the Burgas municipal administration.
6. To identify good practices and scientific discussions in the field of functional strategy development.

The choice of the municipality of Burgas as a target for the present study is dictated by the fact that it is one of the six large municipalities in our country and the implementation of one or another management model by the municipal administration can serve as a good example for the other smaller municipalities. Furthermore, it is assumed that the professionalism and qualification of the municipal employees in this administration is at a sufficiently high level to be able to implement the recommendations that would be valid for all municipal administrations regarding the development of functional strategies.

As with any development, there are some **limitations** caused by various circumstances. Such is the limitation related to the impossibility of studying the implementation of specific functions, planning practice and the quality of strategic documents of all municipalities in our country. Another limitation is related to the exclusion from the subject of the present work of the other strategic documents, such as plans and programs developed by the municipalities. Many of the conclusions drawn here would also be valid for this type of document, but including them in the scope of the study would expand it to the point of defocusing and prevent the formulation of conclusions and recommendations that we sought to direct to the

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development of functional strategies specifically , as the main type of developments regulating the policies of local authorities in various functional areas.

The research in the dissertation is current as of January 2022, and does not take into account changes in the legal framework or documents at the national or municipal level after that date.

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III . Brief presentation of the content of the dissertation work

Chapter One. The development of functional strategies in the public sector as part of the strategic planning process

1. Peculiarities of planning in municipal administrations

The first chapter has a theoretical character. It is clarified what exactly the specifics of planning in public sector organizations and in particular in municipal administrations are, by first defining the basic essence of planning, determining the structural arrangement in the direction of creating a management functional structure. Of course, without claiming to be exhaustive, some views in this regard are highlighted.

In the literature dealing with management issues, there is a tendency on the part of Bulgarian authors to present different opinions on where the management function "planning" should be positioned. There are authors who consider that planning is the main function of management and it represents the core of company management, because all its other functions (organizing, coordinating, controlling and correcting) originate from planning and the bodies related to it. (Kamenov D., 1999, p. 8).

Other authors, for their part, advocate the thesis that planning, as a management function, comes after the goal-setting function and represents a unique model of tying goals to resources, which must be implemented over a different period of time. (Kamenov K., 2004, p. 40). Others are of the opinion that "good planning of activities is crucial for any success: "learn to plan correctly and on time and you will get much more with less effort". Planning, viewed in its entirety, provides a methodology that gives the logical structure to the process" (Cipriyanov & Mitev, Praktikum po plannje, 2008, p. 14).

Some researchers on the subject consider that planning is fundamental to the entire economic mechanism of production management and control systems. Planning, management and control of work defines one concept and it is management (Korchagin & Solovyov , 2011, p. 6).

In addition to what has been said, the opinion of M. Bogdanova will be highlighted, which draws attention to the dynamic nature of planning, claiming that it

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is not the strategic plan itself as a document that is important, but the process of its creation and continuous renewal. (Bogdanova M., Strategic Planning, 2017, p. 10).

Thus presented views on the issue of planning illuminate the management process through the prism of different points of view, in the context of where the planning function should be located and what it should include.

Based on the above, we can look at the essence of our task, and in this sense, try to determine what exactly are **the specifics of the "planning" function applied in the management of public organizations.**

As a result of the planning function, planning documents are generated, which can be **strategies, plans, programs or projects** . All of them have one thing in common - they determine the directions of action of public authorities. The implementation of planning activities in the administration of the relevant public organization also stems from this. But it will not be accurate if we claim that planning is equally prevalent and important in all public administration structures. To be able to plan independently, an organization must possess the characteristics of a "**strategic business unit** " (SBU). As B. Borisov points out, "in order for an organization to be defined as SBE, it must have a certain independence, be distinguished by a separate object of activity, offer products and services intended not for consumption inside the organization itself, but outside it , to have its own market segments, its own customers that are not temporary. In addition, it must have competitors that it would strive to reach and its volume of activity must be large enough to have managers who control much of the space critical to success .(Борисов & Парашкевова, 2021)

As can be seen, although the described characteristics of SBE are more suitable for business organizations, there are sufficient reasons to include municipal administrations in this category, because:

1. They have autonomy in terms of management;
2. They have financial independence and manage their own budget;
3. Offer specific public services that are not of a temporary nature and are not intended for consumption within the administration itself;
4. They have their "clients" in the form of citizens, business organizations, NGOs, various institutions and civil society structures located on the territory of the given municipality;

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5. They have a "competitor" in the face of constant challenges to satisfy the public needs of the population in the given municipality and the aspiration to reach a high degree of organizational excellence;

6. They are led by managers - mayors and heads of organizational units in the administration.

Evolution of planning in municipalities historically develops in parallel not so much with the development of the science and practice of planning itself, as in the context of the idea of regional development, determined by the way of the administrative-territorial structure of the country. In the theory and practice of the representatives of scientific knowledge in the field of regional studies in the 20th century, primarily cognitive material, statistical information, as well as geographical characteristics of individual regions are accumulated. That is why methodical provision of regional planning, including and that at the municipal level, arose and developed rapidly after the Second World War. The reason is the need to restore the areas most affected by the war, as well as to stimulate the development of those of them, which historically have always been less developed .

Regional development plans are also being developed in other European countries. After the war, Italy adopted a series of plans for the development of the southern regions of the country - the " Vanoni " plan (1956), the " Saraceno " plan, the " Pandolfi " plan, etc.

In France, the Regional Development Syndicate of Trevi (SAT) was established in 1981 as a land-use planning confederation. Its main tasks are:

- To identify the main direction of development of the region;
- To harmonize and coordinate projects for the development of the territory and implement them according to political obligations;
- To draw the territorial charter, which is based on natural resources, environmental policies, transport, architecture, heritage properties;
- To develop, follow and revise the regional development plan;
- To implement and manage activities and services.

In the US, the Council of Governments (COG), also called the Regional Council, was established as a regional planning body across the country. In fact, the COG is an association that is made up of elected public officials from major local governments in a city or metropolitan area. It was created in the 1970s and 1980s as a

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mechanism for the public management of local and regional issues. Its purpose is to establish a consensus on the needs of an area and the actions needed to solve local and interlocal problems.

The Institute of Town Planning and Architecture (IGA) was established in our country in 1949, which later grew into the Research Institute of Town Planning and Architecture (NIGA). In 1960, the Institute of Regional Territorial Planning (IRTP) was established. In 1971, NIGA and IRTP were united in the Research and Design Institute for Territorial Planning (NIPITU), which grew in 1976 into the Complex Research and Design Institute for Territorial Planning, Town Planning and Architecture (KNIPITUGA). Its successor after 1990 is the current National Center for Territorial Development (NCTR). The period of KNIPITUGA until 1990 was the most fruitful in the development of the institution in terms of territorial organization. During this period, **the Unified Territorial Planning Plan (UTUP)** was created, which received positive evaluations at expert and high national and party level, which was reflected in a number of government documents and numerous publications.

With Bulgaria's accession to the European Union at the beginning of 2007, **municipal development plans (DDPs)** for the period 2007-2013 began to be developed in the municipalities, and after them for the next program period 2014-2020. The development of the plans was already carried out on the basis of general methodological guidelines issued by the Ministry of Regional Development in Bulgaria (MRRD). **Integrated plans for urban recovery and development (IPGVR)** were also developed for large cities. However, both were not without imperfections, as the authors of the study "Practice of municipalities in developing planning documents for the period 2014-2020" write (Борисов, Господинов, Парашкевова, & Маринов, 2015). These shortcomings were the reason to improve the methodology of developing the old planning documents and for the new program period 2021-2027 to change both the name and the content of the plans of the municipalities, now called **plans for integrated development of a municipality (PIRO)**, which combine elements of both the ODA and the IPGVR.

Along with the considered development plans, municipal administrations also develop other planning documents - strategies, programs and projects. The relationship between them is discussed below. According to B. Borisov, when we talk about the place of **strategy in the hierarchy of logical conclusions** related to setting

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goals and determining the means to achieve them, the following sequence is presented in the literature: determining the policy, determining the strategy and determining the tactics for implementation them (Fig. 1), and when it comes to the types of planning documents, development to specify the goals and means, the sequence is strategy – program – plan (Борисов Б. , Планирането в България - между отреченото минало и неясното бъдеще, 2020):

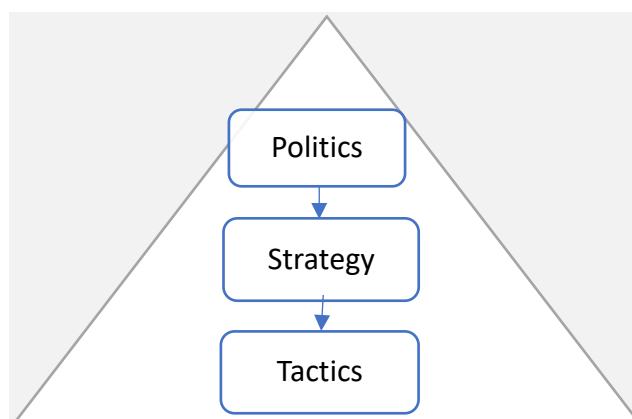


Fig. 1. Logic and consistency in formulating goals and means

Source: Borisov, B. Planning in Bulgaria - between the denied past and the unclear future, 2020

The priorities and strategic objectives recorded in the strategic plan and in the sectoral strategic documents specify its policy in these areas, therefore they are considered as **policy-forming documents**. The programs, projects, action plans, road maps, etc. p. are rather **documents supporting the implementation of already adopted strategies**, therefore they contain financial tables, calendar schedules, organization of interventions, etc. (Fig. 2).

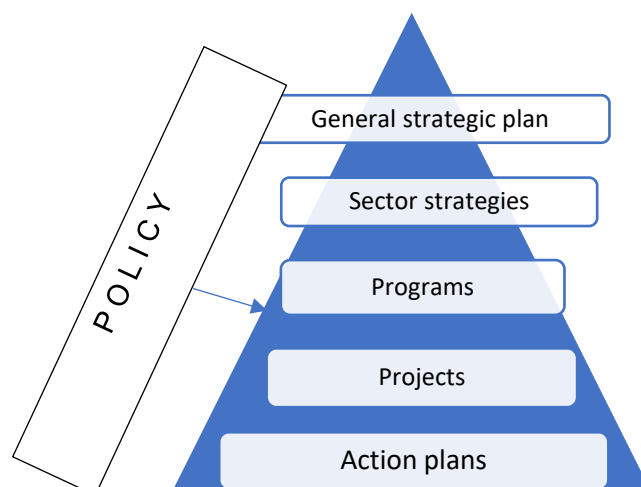


Fig. 2. Documents developed for the formation and implementation of policies

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As similar as the strategies in the business sector are to those developed by public sector organizations, in particular by municipal administrations, they also have their specifics. The main objective of a **municipal strategy** is:

- To ensure reasonable use of natural resources;
- To achieve effective use of the material, financial and personnel resources of the municipality;
- To stimulate economic activity and support business structures to achieve accelerated economic development;
- To support the activities of cultural, sports, educational, health, social and other institutions on the territory of the municipality;
- To provide quality public services to the population and businesses and structures of civil society;
- To assist in achieving specific goals and results, harmonizing with state policy in individual policy areas.

2. Classification of strategies. Specificity of functional strategies in the public sector

In this paragraph, according to famous scientists, business strategies are classified according to various signs: scope, object, stage of implementation, relations with others, reason for development, character, sphere of activity, hierarchical level, sphere of activity, manner of action.

The strategies that specify the policy objectives of a **public organization** in different areas can also be classified according to several characteristics: global strategies; local strategies; horizontal; vertical; situational, functional (introverted and extroverted).

The focus of the dissertation work is on the functional strategies developed by the municipal administrations as specific tools for the implementation of their policy in various functional areas.

This does not diminish the importance and role of other types of strategies for the development of the municipality, but their in-depth consideration can be the subject of another scientific study.

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Functional strategies represent the essential development of each of the units that make up the organization in a structural sense. Through the functional strategies, conditions are created for the realization of the main goal of the organization. Different functional strategies reflect the segmentation of the organization by departments and activities.

It should be clearly emphasized that the identification of functional strategies in public sector organizations is a process that is based on experience generated in the field of economically justified practices carried out by organizations not engaged in public activity. It is this that gives the right to consider the basic basis in the process of building functional strategies in organizations, thereby outlining the path that has been taken in the direction of conceptualizing, formulating and implementing functional strategies from the public sector.

3. Scope of the functions of the municipal administration

The functional strategies of the municipalities are developed for those areas in which they exercise legally mandated functions of the administration of the mayor (municipal administration) and the municipal council, collectively called local self-government bodies. According to Art. 17 of the Law on Local Self-Government and Local Administration (LAGLA), local self-government bodies independently decide all issues of local importance, which the law has provided in their competence in the field of (Народно събрание, 1991):

- Management of municipal property, municipal enterprises, municipal finances, taxes and fees, municipal administration;
- The organization and development of the territory of the municipality and its settlements;
 - Education;
 - Healthcare;
 - The culture;
 - Improvements and communal activities;
 - Social services;
 - Environmental protection and rational use of natural resources;

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- The maintenance and preservation of cultural, historical and architectural monuments;
- The development of sports, recreation and tourism;
- Disaster protection.

A classification for the functions of government (COFG) was made, which was developed by the Organization for Economic Co-operation and Development (OECD) and is imposed as a standard in national accounts. The National Statistical Institute classifies the expenditures of the "State Government" sector by functions of the classification of functions of state government (KOFOG), incl. and of the "Local Government" sub-sector. According to the Unified Budget Classification for 2022 - Section VI - Classification of expenses by functions, groups and activities, the functions of budget organizations are listed.

Decision No. 891 of the Council of Ministers of 2020 made the final classification of policy areas/functional areas and budget programs under the competence and responsibility of the relevant first-level budget authority whose budget is included in the state budget.

In the Law on Administration it is written that "According to the distribution of the activities that it performs in support of the body of state power, the administration is general and specialized. The general administration supports the implementation of the powers of the body of state power as the head of the relevant administration, creates conditions for the implementation of the activity of the specialized administration and performs the technical activities of the administrative service".

Based on the current legal and by-laws, the areas of competence of the mayor, as the head of the municipal administration, are defined . The aforementioned areas of authority of the mayor of the municipality outline the subject scope of the policy areas and activities, the implementation of which the municipal administration must ensure through its functions. Therefore, these are also the areas in which development strategies can be developed, as they fall within the sphere of management powers of local self-government bodies. The implementation of the legally defined powers of the state administration bodies, including and municipal administrations, is carried out by the administrative units in them, which perform certain functions, setting goals set

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in their strategic developments. This connection is illustratively shown in the following figure:

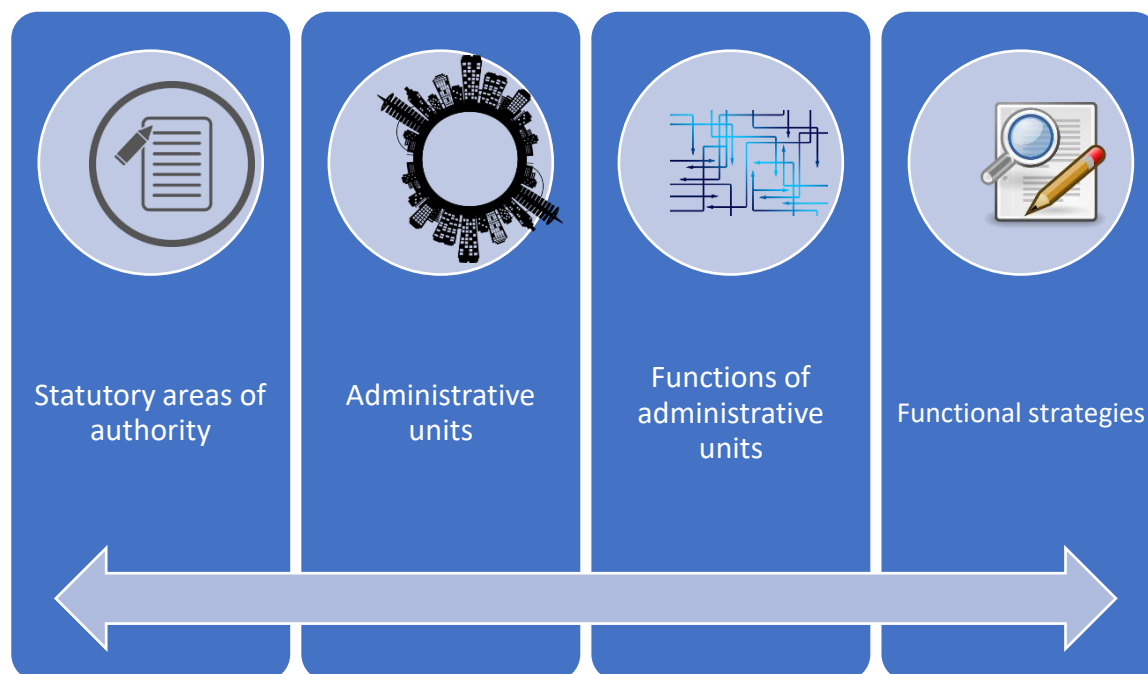


Fig. 3. Logical connection between powers, units, functions and strategies of the state administration bodies

Source: Author's systematization

4. Methods and models for developing strategic documents in the public sector

The review of the literature, and above all of various methodological developments, shows that there are many methodological guidelines for monitoring and evaluation of public policies, programs and strategies, but not for their development.

The lack of methodologies for developing strategic documents in public sector organizations is the reason why many of these documents are not of good quality. This finding is made by a number of authors such as N. Arabadzhyski, who is based on a survey conducted with 180 civil servants studying in "Strategic Planning in the Public Sector" courses at the NBU during the period 2006-2010 (Арабаджийски Н. , 2011). The study aimed to explore their opinion on the application of the theory of strategic management in the public sphere in the development and implementation of strategic documents in the public organizations that the trainees represent.

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Respondents indicated the following as significant shortcomings of the analyzed strategies:

- Lack of information about the author(s) of the strategy;
- Lack of information about the body that chose and approved the strategy;
- Lack of information on the time scope of the strategy;
- Lack of information about the specific executors of the strategy;
- Not well formulated long-term and short-term goals of the strategy;
- Lack of information about the financial security of the implementation of the strategy;
- Lack of information about the availability of accompanying other strategic documents related to the implementation of the strategy;
- Lack of information about the forms and techniques for controlling the implementation of the strategy.

The main conclusion that the author draws based on the results of the conducted survey is that the absence of a Methodology for Strategic Planning in the Republic of Bulgaria until 2010 is the reason for the existence of such a great diversity in the content, structure and scope of the analyzed strategic documents, and also that the Methodology for Strategic Planning in the Republic of Bulgaria approved in 2010 introduces a system of principles and means for organizing and conducting practical activities for strategic planning in the public sector.

conclusions can be drawn :

1. Municipal administrations have all the characteristics of Strategic Business Units, therefore the development of strategic development documents is their inherent function and public responsibility;
2. Strategic plans and sectoral strategies can be considered as documents forming the municipal policy, and programs, projects and work plans are documents implementing the policy;
3. The strategies developed by public sector organizations can be classified according to different characteristics. Functional strategies regulate the policy of the public sector organization regarding the performance of the various functions assigned to it by legislation and by-laws. They can also be subdivided into those that are related to the performance of functions of the general competence of the authority

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as head of the administration and those that are related to the implementation of functions of the special competence of the authority. We called the first introverted and the second extroverted strategies.

4. For the effective implementation of a given sectoral policy, there must be an inseparable connection between the normatively regulated areas of competence of the mayor and the municipal administration, the structural units created in the administration, their functions and developed strategies.

5. In the thirty-year period from the beginning of the economic and political changes in our country until now, no qualitative and sufficiently detailed methods for strategic planning have been developed in our country, which is why the quality of the developed strategic documents is not at the required level.

Chapter two. Analysis of the practice of municipal administration in Burgas on the development of functional strategies

1. Critical review of the functional analysis of municipal administration - Burgas

In this chapter, an overview of the practice of the municipal administration in Burgas on the development of functional strategies is made. As a result of the study of the regulatory framework, 428 powers of the mayor as the head of the municipal administration were identified in the Report on the Functional Analysis of the Burgas Municipal Administration (New AI HR Group Association - Functional Analysis Burgas, 2014). At most - 150 are his powers in the field of "human resources management" and "financial resources management". In the area of "information systems and record keeping" there are 30 powers. After them are the areas of "openness and accessibility of the activity" (23), "management during defense-mobilization preparation" (22), "information security" (19), "administrative service" (16), "process efficiency" (7), "property management" (6), "legality of activity" (4) and "protocol" (1).

The report states that for such particularly important areas of the mayor's competence as the head of the municipal administration, such as "process efficiency", "administrative service", "information security" and "management during defense-mobilization preparation" in the Administrative administration regulations do not

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have specified powers. There is a lack of authority in relation to financial management and control, as well as municipal debt. These findings give reason to conclude that the regulation of the mayor's powers as head of the municipal administration existing in the Administrative Regulations is unsatisfactory both in terms of systematics and scope - not all areas of the mayor's general competence are covered.

The second group of policy areas, with identified special powers of the mayor of the municipality, covers an average number of acts: the area "Public order and security" - 14 pieces. (4 laws, 9 by-laws and 1 municipal ordinance); the field "Social activities" - 9 nos. (3 laws and 5 bylaws and 1 municipal act); the field "Territorial organization/Administrative-territorial organization" - 9 nos. (4 laws, 2 bylaws and 3 municipal acts); the "Culture" area - 7 pcs. (4 laws, 1 bylaw and 2 municipal acts); the field "sport" - 5 pcs. (1 law, three by-laws and 1 municipal ordinance); the field of "education" - 4 pcs. (1 law and 3 by-laws).

The third group includes policy areas with a relatively small number of normative acts - the "regional/local development" areas (2 normative acts); "local taxes and fees" and "health care", in which the powers of the mayor are provided for in three normative acts.

Of all the normative acts, the most important for the specific policy of the municipal administration in the respective areas are the municipal ordinances.

The analysis shows that in the field of economy and municipal property, the functions of providing services (71) are dominant, followed by the supporting functions (31), the functions of coordination, supervision and control (25) and the functions of regulation (18). There are only 12 sectoral policy functions, which shows that in the area in which the means for economic development of the municipality are concentrated, there are the least legally provided opportunities for independent regulation of this sphere of economic life at the local level.

In the field of local taxes and fees, relatively more are the functions of providing services (3) and of regulation (4).

The functions in the other areas were analyzed: regional and local development, territorial planning, public works, infrastructure, environment, transport, education, health care, social activities, culture, etc.

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The development of sectoral strategies is necessary for all policy areas, regardless of their classification as sectoral policies, service provision policies, coordination, supervision and control policies or policies related to the implementation of support functions.

An important element of the analysis, according to the Unified Methodology for Conducting Functional Analysis in the State Administration from 2008, is to assess the extent to which the structure of a given administration is adequate to the requirements for effective and efficient implementation of the functions assigned to it by the regulatory framework. In the functional analysis carried out, the functions of the municipality of Burgas are distinguished in the areas of the mayor's powers as head of the municipal administration, which we can call **introverted functions**, since they concern the exercise of his powers aimed at the activity of the administration itself and functions related to the special powers of the mayor in the different policy areas, which we can call **extroverted functions**, since they are aimed at people and structures outside the administration. The administrative units that have commitments regarding the implementation of introverted and extroverted functions are systematized and graphically displayed.

As a result of the functional analysis of the municipal administration of the municipality of Burgas, the strengths and problem areas of the administration were determined. Critical notes and comments were made on the prepared Report on the functional analysis of the municipal administration of Burgas municipality.

2. Content analysis of the strategies and programs of the municipal administration - Burgas by policy areas

Considering that the principle of transparency and openness is leading in the formation of public policies, it can be assumed that the strategic documents - strategies, plans and programs of the municipality - Burgas are public and are published on the official website of the municipal administration <https://www.burgas.bg>. During the review of the site as of February 2022, a set of strategies, plans and programs were identified:

Table 1. Developed strategies and programs by functional policy areas

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Functional areas on politics	Strategies and programs
Economy and municipal property *	Municipal management strategy ownership 2016-2019
	Program for management and disposal of the municipal property of the Municipality of Burgas; 2021
Efficiency on the processes **	Municipal administration risk management strategy - Burgas 2021-2023
	Strategic plan for the activities of the Internal Directorate audit " 2018-2020.
	Quality Assurance and Audit Improvement Program activity of the Internal Directorate audit "
Culture , sport , tourism *	Strategy for sustainable development of tourism in Burgas Municipality, 2018-2023
Public line *	Plan program for the implementation of the municipal road safety policy , 2022
Surrounding environment *	Long term incentive program the use of renewable energy energetic sources and bio fuels of the Municipality of Burgas 2021-2030
	Short- term incentive program the use of renewable energy energetic sources and bio fuels of the Municipality of Burgas 2020-2023
	Long term energy program efficiency of the Municipality of Burgas 2021-2030
	Short-term program for energy efficiency of the Municipality of Burgas 2021-2023
	Waste Management Program 2016-2020
	Improvement program the quality of the atmospheric air 2016-2020
	Reduction program of Disaster Risk 2017-2020
Landscaping , infrastructure , transport *	Investment program
	Plan program for the implementation of the municipal road safety policy , 2022
*- extroverted functional areas ** - introverts functional areas	

Source: Author's systematization

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Introverted and extroverted functions are highlighted, which are not ensured by the development of strategic documents.

It is a positive fact that the implementation of the Strategy for the management and disposal of the municipal property of the municipality of Burgas is guaranteed through the development of the Annual programs for the management of the municipal property and the budget of the municipality.

Another strategy that has been considered is the Risk Management Strategy of the Municipality of Burgas 2021-2023. The grounds for its development are stated in the Introduction and these are the requirements of the Law on Financial Management and Control in the Public Sector (PFMFS), Guidelines for risk management in public sector organizations and Methodological guidelines on the elements of financial management and control, approved by Order No. ZMF 184/06.03.2020. of the Minister of Finance. According to Art. 12, para. 3 of ZFUKPS such strategies must be in place by all public sector organizations listed in Art. 2 of the Law. A critical analysis of the content of the Strategy was made, emphasizing unnecessary texts and repetitions with other strategic documents.

A strategy must have a vision, a mission, strategic goals, an analysis of the risks specific to the organization and the specific way to counteract them. Unfortunately , the document in question does not contain anything specific about the risks that are typical for the activities of the Municipality of Burgas. In the absence of clearly defined and assessed risks, concrete measures for an adequate response and prevention of their negative consequences cannot be foreseen. Instead, the well-known recommendations from the Risk Management Guidelines are listed as response options, namely: risk containment, risk transfer, risk tolerance and risk termination.

Our conclusion from the review of the Risk Management Strategy of the Municipality of Burgas 2021-2023 is that, in its current form, it cannot serve as an effective tool for defining and directing the policy of the municipal administration in relation to this very important function of its . It is recommended that the document be revised in the spirit of the Strategy for the Development of Internal Control in the Public Sector of the Republic of Bulgaria 2018-2020, prepared by the Ministry of Finance on the basis of Art. 48, para. 2, item 1 of the Law on Internal Audit in the Public Sector and Art. 17 of the Law on Financial Management and Control in the

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Public Sector, with the active cooperation of the Chief Inspectorate at the Council of Ministers.

The next document that was examined and analyzed is the Strategic Plan for the activities of the "Internal Audit" Directorate for the period 2018-2020. The plan is developed by each internal audit unit, according to the requirements of the Law on Internal Audit in the Public Sector (PIA), in Art. 33. (1) which states that "The strategic plan is prepared by the head of internal audit after discussion with the head of the organization and with other persons in managerial positions, corresponding to the long-term goals of the organization and setting the goals for strategic development of the activity on internal audit" (National Assembly, 2006).

Perhaps the most qualitative from the point of view of the requirements for a strategic document is the Strategy for Sustainable Development of Tourism in the Municipality of Burgas, 2018-2023. It was developed under Contract No. 93-OPI17-32 (4) dated 16.10.2017, concluded between the Municipality of Burgas and the Association "Sustainable Development" under a public order with the subject "Preparation of strategic documents of the Municipality of Burgas, under projects financed by the European structural and investment funds" and specifically on the project "Role of culture and cultural heritage in the development of responsible, innovative and sustainable tourism" (CHRISTA), ref . No. PGI00057, financed by the Interregional Cooperation Program INTERREG EUROPE 2014-2020. As stated in the document, "The strategy was developed on the basis of situational analysis and consultations with interested parties". The external and internal environment for the development of tourism in the municipality of Burgas has been analyzed in detail. Up-to-date statistics are used, which are visualized with appropriate graphs. Conclusions were drawn after the analyzes of the individual segments of the external and internal environment. The competitive profile of the municipality is outlined in relation to its main competitors - the neighboring Black Sea municipalities.

In the SWOT analysis, the traditional mistakes and elements such as "the favorable tourist -geographical position", "the combination of cultural-historical heritage with natural features", "the vast coastline and sandy beaches", "the huge biodiversity and natural attractions", etc., were made. are presented as strengths and not as external favorable opportunities for the development of tourism, since these are givens that were not created by the local administration and cannot be its strengths.

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Most of the opportunities presented, which should represent external factors favoring the development of the tourism industry, are a priori set goals. These are: "promoting the trips of Bulgarians", "promoting weekend trips from neighboring countries", "promoting the development of tourism in the wings of the season and in the inactive seasons", "promoting the extension of the stay in the destination", "using the problems of traditional destinations (e.g. Turkey, Egypt and others) for their own development", "building a permanent Ryanair base and opening new routes", "offering packages (combinations) of tourist products", "involving museums in cultural routes on the territory of the municipality", "development of cruise tourism", "development of yacht tourism", etc.

The document contains a well-developed system of hierarchically arranged strategic objectives, specific objectives and measures. A system for monitoring and evaluating performance is provided. There is a system of indicators for this, but unfortunately they do not have their most basic attribute – initial and final value, which does not allow the report to assess whether the goals and measures recorded in the Strategy have been fulfilled.

The table presents the assessment of the quality of the four strategic documents, according to the accepted criteria.

In addition to the analyzed strategies developed by the municipal administration of the municipality of Burgas, which we were able to find in the public space, a number of **programs have also been developed**, most of which do not differ significantly in structure and content from the examined strategies, and some are even of better quality as such. A typical strategic document is the Waste Management Program 2016-2020, which has all the attributes typical of a strategy and none typical of a programme. The document has a detailed analysis with conclusions from it, the main strategic goals in the field of waste management are set, there is an action plan with scheduled so-called sub-programs and a system for monitoring and evaluation of the implementation is envisaged. At the same time, the Program itself does not list the necessary funds for its implementation, it does not indicate what the organization of work will be and the deadlines for implementation, which are listed separately in the annexes to the Action Plan Program.

The same conclusions can be drawn from the review of the Program for improving the quality of atmospheric air in the municipality of Burgas 2016-2020.

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The differences between Strategy and Program are outlined.

The dissertation research commented on strategies and programs developed by the municipal administration of the municipality of Burgas, which were published on the official website of the municipality. In a number of important policy areas, no such documents were found. The lack of strategies and programs or the presence of low-quality ones have negative effects for society and for the administration itself (they are listed).

3. Reference model for developing functional strategies of municipalities

The development of functional strategies in municipal administrations is a process and, like any process, it has its own stages to go through. In the model we propose and will adhere to, these stages are as follows:

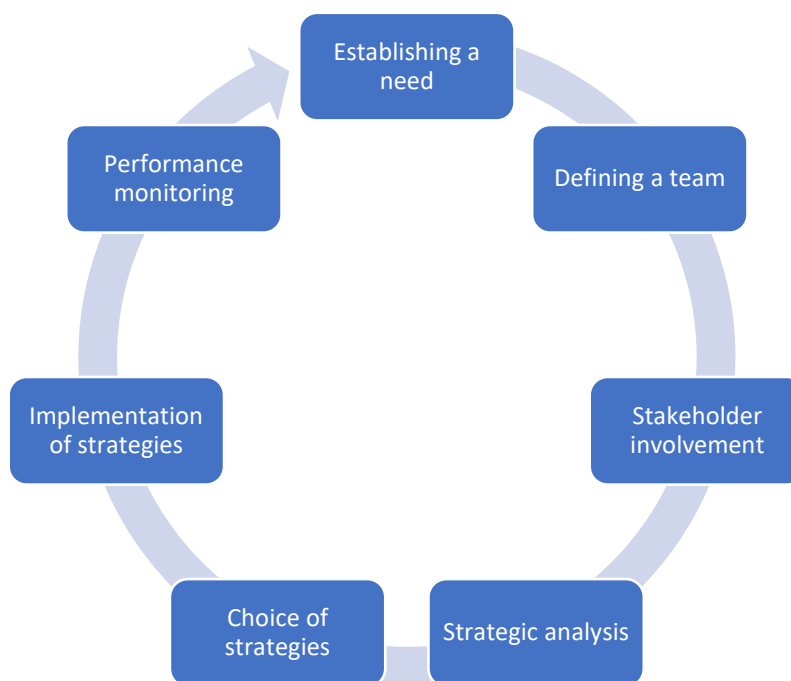


Fig. 7. Stages of the development of functional strategies in municipal administrations

Source: Author's systematization

Cyclicity comes to show that this process, although it has its beginning and end, is carried out continuously, since a strategy is not a standard that should not be broken, but is developed and updated whenever the need arises. The reason for the update of a strategy can be the occurrence of some change in the environment, such as the emergence of new regulatory requirements, a change in public attitudes, a change in the policy of higher state authorities, economic crises, social unrest, etc.

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The individual stages of the strategy development process are discussed in more detail in the dissertation research:

- First stage "establishing the need for strategy development" ;
- Second stage "the determination of an expert team for the development of the strategy";
- Third stage "involvement of interested parties in the development and coordination of the strategy";
- Fourth stage "strategic analysis";
- Fifth stage "choice of strategies and goal setting";
- Sixth stage "monitoring and control";
- Seventh stage "implementation of the strategy";

The following CONCLUSIONS can be made from what is stated in this chapter:

1. The development of sectoral strategies is necessary for all policy areas, regardless of their classification as sectoral policies, service provision policies, coordination, supervision and control policies or policies related to the implementation of support functions. But for the implementation of their functions in a number of policy areas, municipalities do not have developed strategies, and the municipality of Burgas is no exception. Such underestimated areas are human resource management, communications, social policy, etc. In other areas, programs have been developed which in practice represent strategies with defined visions, missions and strategic goals;

2. The Report on Functional Analysis of Burgas Municipal Administration outlines the strengths and main weaknesses of the administration and makes suggestions for improvements. However, it misses a very important area, namely the provision of the functions of the administration with developed functional strategies. Analysis of the quality of other strategic documents developed by the municipal administration is also missing;

3. Functional analysis does not affect two very important aspects of the administration's activity, namely the management of the risks that accompany the implementation of its functions and the management of information, even more so considering the fact that these two elements are part of internal control , which was legally regulated back in 2006;

4. The specificity of the risks that are characteristic of the implementation of the individual functions of the administration is not apparent;

5. The implementation of most of the strategies is not ensured by developed programs, work plans or projects;

6. A model is proposed for the development and implementation of functional strategies with main stages, which if followed, as well as the recommendations for each of them, would improve the quality of the functional strategies developed by municipal administrations and the effect of their implementation when following their policy in a given area.

Chapter Three. Inconsistencies in the development of functional strategies in Burgas municipal administration and good foreign practices

1. Parameters of the empirical study

The objective of the empirical research conducted within the framework of this dissertation is dictated by the need to collect, systematize and analyze information, in order to study the practice and competences of the respondents, in their capacity as employees in municipal administration, regarding the development of functional strategies .

The emphasis of this study, as well as its innovative importance, comes from the fact that until now no methodological sequence has been proposed for building a functional strategy in a municipality. All this raises many questions, such as:

- • Is there a real opportunity to propose and implement a reference model for the development and implementation of functional strategies in a municipality?
- Is the competence of the employees in the municipality sufficient to be able to count on success in the implementation of the model?
- Does the implementation of the reference model in its entirety not create obstacles in the complex work of administrative units and employees or, on the contrary, will it contribute to a more effective implementation of local policies?
- What good practices should the municipal administration strive for that correspond to the spirit and content of the reference model?

The research was carried out by means of a survey distributed electronically in the period December 2021 - January 2022 among the employees of the municipal administration - Burgas. The conducted research went through three stages, namely:

1. First stage – specification of the research object and its structural elements. Acquaintance with the legal framework governing the functioning of municipal administrations in Bulgaria with a focus on the regulation and the peculiarities of the planning practice of the Burgas municipal administration;
2. Second stage – development of a reference model for the development and implementation of functional strategies in the municipalities and preparation of a questionnaire to assess the degree of compliance of the practice of the Burgas municipal administration with the proposed model;
3. Third stage – conducting the actual part of the study, processing the data and formulating conclusions.

At **the first stage**, the normative base regulating the activities of local authorities in our country was studied. A large number of laws and by-laws were examined, as well as strategic documents relevant to the study, presented in Appendix 1. The documents were analyzed from the point of view of the commitments of the municipal administrations in the individual policy areas and their concretization

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through the development of functional strategies. An analysis of the content (content analysis) of strategies and programs developed by the municipal administration, Burgas, was made and their quality was assessed. The conclusions of the prepared Report on Functional Analysis of Municipal Administration - Burgas have been revised and an assessment has been made of its thoroughness and completeness from the point of view of analyzing the assurance of the functions of the administration with strategic documents.

The second stage of the empirical research is related to the creation of a reference model of the process of developing and implementing functional strategies in municipalities, covering both imperatives confirmed by the development of planning science and strategic management, as well as good practices in this area. A questionnaire was developed through which employees from the municipal administration were surveyed in order to establish the compliance of the practice of the administration regarding the development of functional strategies with the reference model.

The third stage of the study consisted in processing the data obtained from the questionnaire survey, putting expert evaluations of the individual answers that qualified the various practices as unsatisfactory, satisfactory and good from the point of view of their compliance with the reference model, summarizing, we formulated conclusions and recommendations for improvement.

The specific structuring of the questions making up the survey questionnaire was subject to the following requirements:

1. Striving for the maximum thematic scope of the questions, aimed at revealing as many aspects and points of view as possible from the respondents, in relation to the researched matter.
2. Universality of the specific issues concerning the various administrative positions (positions) in the municipal administration.
3. Justification from the point of view of current legal documents, as well as their interdependence in the overall administrative process.

The questionnaire for researching the practice of Burgas municipal administration in developing functional strategies included 16 questions, the last of which aims to provide information about the position of the interviewee - whether he is a managerial staff (director of a directorate, head of a department) or an employee without management functions (in Appendix to dissertation research).

The structure of municipal administration - Burgas is presented.

2. Identified inconsistencies in the strategic planning process for developing functional strategies of the Burgas municipal administration

The aim of the study of the practice of Burgas municipal administration in the development of functional strategies is not to criticize it or to give it an assessment

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from the positions of an auditing body, but to help it improve its work in this area. In this sense, evaluations of this practice were given regarding its compliance with the proposed reference model. In order to verify the estimates, planning specialists from NAPP were also asked to give their views on the same issues. The grades in individual areas are assigned to three categories – unsatisfactory grade, satisfactory grade and good grade.

Table 2. Answers to the question in which areas should the municipal administration develop functional strategies

Policy areas	Positive answers
Economy (incl. tourism)	55
Environment	48
Regional/local development	46
Combating disasters and accidents	42
Crisis management	42
Youth policy	38
Anti-corruption	37
Social activities	36
Risk Management	34
Public works, infrastructure and transport	33
Healthcare	32
Education	30
Sports	29
Culture	27
Human resource Management	23
Information Management	19
Public order	18
Management during defense-mobilization preparation	16
Financial management and control	14
Administrative service	12
Management of municipal property	11
Agrarian policy	9
Efficiency of processes in the administration	9
Local taxes and fees	8
Administrative-territorial unit	5

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It can be seen that more than 50% of the respondents indicated a total of 13 areas in which they consider it appropriate to develop functional strategies. Despite the opportunity given, no respondent added another field additionally. The weakest interest is mainly in the internal-administrative processes, which, however, have a direct relation to the efficiency of the administration.

The following are indicated as the most frequent occasions for developing a functional strategy for determining local government policy (see Table 3):

Table 3. Most frequent occasions for the development of functional strategies in the administration

New regulatory requirements set in legal and by-laws of bodies of a higher hierarchical level;	58
Occurrence of an unfavorable situation requiring the taking of targeted measures;	13
Availability of good opportunities for development caused by favorable external factors;	11
Need to improve the quality of public services and increase the evaluation of users;	9
Need to gain competitive advantages over other municipalities;	5
Reorganization of the administration structure, closure of existing units and the creation of new ones;	4
Party-political motives;	4
Need to coordinate the activities of various units and employees in the administration;	3
Changes in management style and priorities.	3

The majority of the respondents (48 people) answered that the administration does not have a written methodology or procedure for developing strategic documents, specifying the steps, the responsibilities of the employees, a description of the activities and their results. One indicated that there is such a methodology, and the remaining 10 could not answer.

The opinion of the respondents about the benefits and losses of the presence/resp. of the lack of strategies in a given policy area with the possible effects of this and the probability that they will occur are presented in the following Table 4

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(the ratings are average values of the answers given by the respondents). Ratings are from 1 - the least importance and 10 - the most importance the criteria "effect on the organization" and "probability of obtaining this effect".

Table 4. The benefits and losses of the presence/absence of strategies

Criteria	Assessment on the effect	Assessment on the probability	
At availability on strategy			
Gaining citizens ' trust	10	8	80
Increasing the efficiency of the administration	10	8	80
Motivation on the staff	7	6	36
New ones opportunities for development	8	9	56
Countering risks and threats	8	10	80
At the absence on strategy			
Decline in confidence in the local power	9	8	72
Financial lost for the municipality	7	6	36
Delayed reaction when adverse situations occur	10	9	90
Occurrence on civil excitement	4	4	16
Inability to take advantage of new development opportunities	6	7	42

As the biggest negative effect of the lack of developed strategies regulating local government policy, the likely delayed reaction in the event of unfavorable situations, as well as the decline of trust in the government, are indicated, and as the most significant positive effects of the presence of such strategies are indicated gaining the trust of citizens, increasing the efficiency of the administration and the better possibility of countering risks and threats.

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When determining the teams that should develop a given strategic document, the lead directorate is most often determined (58 responses), but sometimes teams of employees from different directorates are formed based on their competencies (33 responses). External experts are less often involved (22 responses), as well as municipal councilors (18 responses) and representatives of interested parties (8 responses).

The administration still has problems involving stakeholders in the process of developing functional strategies. Community councils are worked with, but they are not always involved in the strategic planning process.

The views (competencies and behavioral indicators) of the respondents are systematized in the table regarding what competencies should be possessed by employees involved in the development, implementation and monitoring of strategic documents.

1. Competence 1: Knows and handles the regulatory framework related to regional development and planning;
2. Competence 2: Organizes, coordinates and supervises the work on development, implementation and reporting of municipal planning documents;
3. Competence 3: Manages the information necessary for the development of municipal planning documents;
4. Competence 4: Monitors and controls municipal planning documents.

All four competencies, as well as the behavioral indicators through which they are manifested, are rated highly. They must know and be able to handle the regulatory framework related to regional development and planning (grade 5). Competencies related to organizing the planning process, managing information and monitoring strategies received slightly lower, but sufficiently high marks (4). It would be interesting to make an external assessment of the actual state and competencies of the employees and compare it with their views of what they should be. If discrepancies between the desired and the actual situation are found, measures must be taken to increase the administrative capacity of the employees and of the administration as a whole, related to the management of planning processes.

A competitive profile of Burgas municipal administration has been drawn up and analyzed in tabular form, depending on the evaluations received according to the criteria for compliance with the reference model for the development and implementation of functional strategies

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In the graph below, it is best seen in which areas the gaps are the largest, i.e. the "holes" where the practice of the regional administration - Burgas diverges from the reference model and where it approaches it:

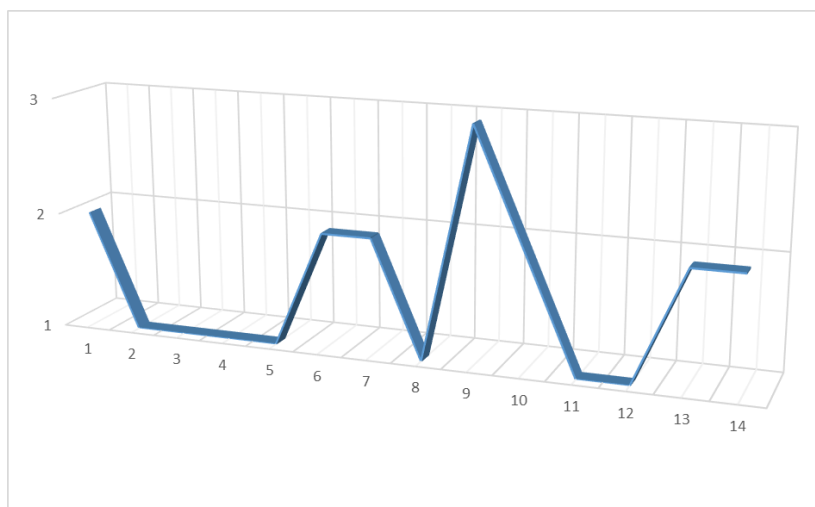


Fig. 8. Degree of approximation of the practice of developing functional strategies in the Burgas municipal administration to the reference model

There are still very few policy areas where functional strategies are developed. There is insufficient understanding in the administration of the need to develop strategies in such important areas as education, culture, public order, financial management and control, efficiency of work processes, local taxes and fees, etc. For other policy areas, there is an understanding of their importance and the need for targeted policy by setting strategic objectives, but strategies have not been developed. These are economy, regional development, youth policy, anti-corruption, social activities, public works.

Stakeholders are not involved strongly enough in the processes of local policy formation and strategy development. Monitoring is also not at a good enough level.

3. Good practices for developing functional strategies

3.1. The experience of the municipality of Varna

In the context of the analysis made in the previous point of the results of the survey of the employees of the Burgas municipal administration, it would be good to consider some good practices in developing functional strategies of the municipalities in our country. Some of them belong to municipal administrations, and some to other

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organizations from the public sector, which, however, can be successfully applied at the municipal level as well.

It is logical, when we compare the practice of the municipality of Burgas, to look for another municipality similar to it both in terms of size and profile. Such is the municipality of Varna. The municipal administration has developed several strategies, incl. in areas that are underestimated by the Burgas administration. Such is the Strategy for the development of preschool and school education in the municipality of Varna 2016-2020. It sets the framework in which the policy in the field of education is carried out, describing the vision, main directions, goals and measures for the development of the education system in the municipality. The Strategy specifies the main directions of local policy in the field of preschool and school education.

The strategy envisages the creation of a system of observation, assessment and control (monitoring) of the implementation.

The Municipality of Varna also has a Strategy for the development of pedestrian traffic and active forms of mobility in the city of Varna by increasing the level of pedestrian safety and developing pedestrian routes under the CITYWALK project. The vision for the future of pedestrian traffic in Varna is presented schematically in the following Figure 17:

The mission uniting the efforts of all interested parties is to turn Varna into a city with a developed, fully integrated transport network complemented by a well-developed infrastructure of pedestrian and bicycle routes connecting all regional and micro-district centers, both with each other and with the expanded and enriched Central pedestrian area.

The document contains strategic goals and tasks for implementation, as well as a section specifying ways to implement the strategic document.

The Strategy for Sustainable Energy Development of the Municipality of Varna, 2012 - 2020 is another strategic document that has been developed in two parts. The initiative to develop the document is interesting, which is the "Agreement of Mayors" - a major European movement with the participation of local and regional governing bodies, voluntarily committed to increasing energy efficiency and the use of renewable energy sources in their territories. By accepting this responsibility, the signatories of the Agreement aim to achieve and even exceed the EU's goals of reducing CO₂ emissions by at least 20% by 2020. The first part is analytical, and the

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second part examines the possibilities for reducing harmful emissions and increasing energy efficiency.

The last strategy of the Municipality of Varna that will be considered is the Municipal Strategy for the Prevention of HIV/AIDS and Sexually Transmitted Infections - Varna 2016 – 2020. It includes several main priority areas. Its main objective is to maintain a low level of spread of the human immunodeficiency virus (HIV) and to reduce sexually transmitted infections and risky sexual behavior in the community and among vulnerable groups, through the implementation of national programs at the local level and the introduction of a system of municipal policies and practices to prevent the spread of HIV/AIDS. It is decomposed into specific objectives, priorities and measures. The strategy ends with a section on "Management, coordination and financing".

Along with these strategies, the municipal administration of Varna has developed a number of programs that also have the character of strategic documents, both in structure and in content. Such are the programs in the social field, which summarized would give an idea of the social strategy of the administration, but unfortunately there is no such summarizing document.

The review of the practice of the Varna municipal administration in developing functional strategies leads to the following **conclusions**:

1. The administration has more experience in the development of strategic documents, most of which are characterized by better quality than those of Burgas;
2. The local government in Varna places special emphasis on social policy, in the field of which a number of strategies and programs have been developed;
3. The initiative to develop strategies often rests with the administration itself, which sets policy priority areas and decides to specify and publicize the goals it is aiming for through the development of strategies.

3.2. The strategies of the municipality of Plovdiv

The strategy for the development of education in the municipality of Plovdiv for the period 2017-2020 contains priorities, measures and key activities under the measures.

The strategy for the development of education in the municipality of Plovdiv 2017-2022 was developed by the "Together in an Hour" Foundation, in fulfillment of

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a project assignment of and in close coordination with the municipality of Plovdiv. In the process of creating the strategic document, representatives of the interested parties were included through the officially constituted Working Group for monitoring, field and statistical work. An open one-month public discussion of the strategy was held in June 2017 before the submission of the document for final discussion and acceptance by the Plovdiv Municipal Council.

However, the strategy has a number of shortcomings from the point of view of the requirements for such a document, namely that it lacks a vision, performance indicators and a monitoring system.

Plovdiv also has a Strategy and plan for the sustainable development of tourism in Plovdiv for the period 2014-2020. A positive feature of the document is the in-depth analysis, as well as the review of similar strategies of other competing municipalities and cities at home and abroad. It contains vision, mission, priorities, strategic and specific objectives. There is a marketing plan for gaining competitive advantages over other municipalities, which provides for different marketing approaches, methods and models. There is also a monitoring system.

Other strategies developed by the Plovdiv municipal administration were not found. Of the two documents, the second one is definitely of better quality and can be adopted as a model for tourism development strategy.

3.3. Human resource management strategies - the experience of small municipalities and large administrations

The management of human resources in any administration is a process directly related to its effectiveness and efficiency, with the achievement of the set goals and the increase of its capacity. Therefore, personnel management is an important part of the general policy of the administration regarding its organizational development. A number of organizations from the public sector, including and municipalities, have developed strategies for managing human resources, which we can assign to the group of introverted strategies, since they concern processes taking place in the administration itself. For example, the municipality of Parvomai has such a strategy, which states **the vision** of the administration in this policy area and the **mission** of the management.

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The municipalities of Dve Mogili and Venets have similar strategies. Human resource management strategies should be seen as introverted functional strategies that direct the administration towards goals leading to the achievement of organizational excellence. The examined three strategies of three small municipalities is a good example, but considering that they were developed 8-13 years ago, the development of science and practice in the field of HRM makes it possible to set even more ambitious goals in this direction. Among the positive examples of strategic and operational goals that can be embedded in a HRM strategy can be mentioned that of the Ministry of Finance, which has set itself the goal of implementing a module for electronic evaluation of employee performance. Another example is that of the National Revenue Agency, which has set itself the goal of implementing the coaching approach in the administration. The system for applying non-financial incentives in the Employment Agency is also interesting.

The General Labor Inspectorate emphasizes the system for e-learning, and the Varna Regional Administration emphasizes the policy of equality between women and men in the administration. Other strategic goals, achieved above all through the implementation of some specific project, but not laid down in a specially developed HRM strategy, are those of the administrations of KPCONPI and the Ombudsman of the Republic of Bulgaria for conducting internships in the administrations, for improving working conditions in Targovishte Regional Administration and for organizing and reporting remote work in the epidemiological situation, of the Ministry of Finance.

3.4. Financial strategies

Own financial policy, resp. financial strategy, can only have organizations that are characterized by a certain degree of financial independence and can make decisions about the management of their financial resources. In the years of socialism, municipalities were highly dependent on the central government and could not have their own financial policy. In the last 20 years, the transition countries of Eastern and Central Europe have been engaged in a series of large-scale reforms in their governance systems, along the lines of decentralization of local public finances. The first financial reforms were aimed at economic stabilization, increasing the quality

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and efficiency of local authorities, improving the institutional structure, increasing transparency and accountability at all levels of management .

As B. Borisov points out, the decentralization of management as an expression of its democratization has its specific manifestations, the main of which is increasing the degree of financial independence. For municipalities, this means greater opportunities for active management impacts with the aim of:

- Increasing the efficiency of resource use;
- Increasing the scope and improving the quality of services;
- Greater user satisfaction and impact from their use.

Since the beginning of 2000, two government programs were implemented in our country, the main goal of which was to increase the degree of financial decentralization of management:

1. Program for implementation of the Financial Decentralization Concept for the period 2002-2005;
2. Program for the implementation of the Strategy for Decentralization of State Administration for the period 2006-2009.

Some positive changes were also made in the internal structure of municipal finances. Own revenues rose from 22.5% in 2002 to 32.4% in pre-crisis 2008. The share of capital expenditure for the same period increased from 8.6% to 28.6%. Local authorities were given the power to determine the amount of local taxes, as well as the amount of tax rates for local taxes. A large part of state transfers became more transparent, more stable and predictable (Borisov B., Innovative methods and models for municipal management, 2019).

Although it seems as if the financial policy of the municipalities is predetermined by decisions at the central level, within their competences the local authorities have a wide enough field of action regarding the management of their budgets. The areas in which improvements of financial management, the subject of a financial strategy, can be sought are systematized.

The introduction of program budgeting and what targeted programs will be developed by the administration, the financial provision of which will be implemented through the budget, is also an important strategic issue of financial management. All this requires municipal administrations to develop and adopt their own long-term

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financial strategies, going beyond the framework of the one-year budget and the three-year budget forecast.

3.5. Strategies for digitization and e-governance

As of the beginning of 2022, the Strategy for the Development of e-Government in the Republic of Bulgaria 2019-2025 (<https://e-gov.bg/wps/portal/agency/strategies-policies/e-management/strategic-documents>) is in effect in our country. . It covers the development of four main areas of communication and services

- "Administration - Business" - includes modern solutions that optimize processes and business relations between the administration and various economic entities;
- "Administration - Administration" - includes the development of information technologies in a national and interstate aspect with a view to effective interaction between the various administrative structures;
- "Internal departmental efficiency and effectiveness" - includes organizing and optimizing business processes, "Administration-Employee" relations and communication in individual administrative structures.

The goals set in the national strategy for the development of e-government in the Republic of Bulgaria 2019-2025 directly affect the local administrations, which should have their own local strategies for e-government and digitization. Such a strategy would also be introverted as it relates to goals affecting the management of the administrative structure itself.

The elements of the overall electronic management system in a municipality and the connections between them are graphically presented . This means that the construction of one or several elements does not mean that the municipality has already implemented electronic governance. It should also be taken into account the fact that information and communication technologies are constantly developing and this implies constant improvement of electronic management. Last but not least, administrations should know that the construction of e-government is not only the creation of an electronic architecture from hardware and software, but also the constant updating of the database stored on electronic media and their analysis for the purpose of decision-making.

As a good example, the authors Tozsa , I. and Budai , B., who see the external opportunities and threats, as well as the internal strengths and weaknesses of e-

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government of local authorities in Hungary (Tozsa , 2002). Most of the factors listed by them are also valid in our country, which requires targeted measures to minimize threats, to take advantage of favorable opportunities, to strengthen strengths and overcome weaknesses.

3.6. Strategies to fight corruption

A state policy, officially declared by the central bodies of the executive power, cannot be successful if it is not accepted and implemented at the lower levels of government. This rule fully applies to the state's policy regarding corruption in the state administration. Bulgaria still remains the country in the EU whose population has the strongest perception of mass corruption - this is what the annual report of " Transparency " shows International " (Transparency International) for the past year 2021, published on January 25, 2022. Bulgaria even worsens its position in the global ranking - by two places compared to the previous year. Out of a total of 180 countries, it is in 78th place (Transparency International, 2022). This requires all executive authorities and their administrations to take targeted action to combat this negative phenomenon in our society.

In 2015, a National Strategy for the Prevention and Counteraction of Corruption in the Republic of Bulgaria for the period 2015-2020 was adopted, and in 2021 - a National Strategy for the Prevention and Counteraction of Corruption in the Republic of Bulgaria for the period 2021-2027. The two strategic documents are a clear example of how poor strategies can compromise all good intentions. The first of them, the one for the period 2015-2020, contains 6 priorities and measures for each priority. None of them have indicators for measuring the results of taking the targeted measures. The monitoring system is optional without specific deadlines, responsible persons and indicators.

Municipal administrations should also have their own anti-corruption strategy. A good example in this regard is the administration of the municipality of Popovo, which has adopted a strategy for the prevention of corruption in the municipality of Popovo 2014-2020. It's not without its flaws either, but it's a good start to build on and spread as a good example.

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The conclusion is that most municipal administrations in Bulgaria do not have adopted strategies for countering corruption, and the national ones are not sufficiently thorough and specific. The Municipality of Burgas is no exception in this respect.

3.7. Communication strategies

The forms, ways and quality of interactive communication between public sector organizations and citizens is a barometer for democratic governance. Communication not only ensures transparency of the administration's activities, but also gives citizens the opportunity to express their active attitude on all issues that are decided by the authority and that directly or indirectly affect them.

Every local authority should have a communications or public relations strategy which specifies methods of communication with the media and methods of direct communication. The categories of socio-economic partners of the local government to which the Communication Strategy should be directed are listed. It specifies the forms of communication with the listed categories of socio-economic partners.

A good example is the Communication Strategy for the Implementation of the Plan for Integrated Development of the Municipality of Dobrich 2021-2027 (Dobrich Municipality, 2021). The municipalities of Troyan and Smyadovo are also indicated.

3.8. Organizational Development Strategy

The concept of organizational excellence has become relevant in the last 20 years. According to Hr. Tuzharov , "The concept of organizational excellence covers the management of processes, projects, changes in the structure of the organization, through the application of information technology, resources and knowledge in order to increase efficiency" (Tuzharov & Fileva, 2007). Organizational development is one of the continuous management processes of any organization, within which the various structures, layers and systems are changed and adapted to realize its strategic plans. To achieve organizational excellence, the various organizations, including business, public, non-governmental, etc., must have clear goals and a vision of how they can achieve them, i.e. they must have a strategy.

This understanding of the essence of the strategy for organizational development suggests that, specifically for a municipal administration, it contains goals in several areas. A number of municipalities have adopted organizational

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development strategies, including Garmen, Bobov dol, Kresna, Sandanski, Strumyani, Simitli.

The strategy for organizational development guarantees the achievement of the goals set in the other strategic documents of the municipality, supplementing them with specific actions to change the internal structures, processes and management systems of the administration in order to increase its efficiency.

Summarizing conclusions are drawn on the Third Chapter.

The **conclusion** summarizes the main results achieved, characterizing the theoretical and practical significance of the present dissertation in theoretical, methodological and applied aspects. It is proven that the role and place of functional strategies as documents regulating the policy of local authorities in various areas is insufficiently realized, and the practice - underdeveloped to the required degree of conformity of public interest and scientific achievements. The strategies developed by the Burgas municipal administration and adopted by the Burgas municipal council are not of sufficient quality and do not meet the requirements for such a document, set out in the scientific developments and methodological guidelines .

We set ourselves the main task of proving and **we proved** that the role and place of functional strategies as documents regulating the policy of local authorities in various areas is insufficiently realized, and the practice - underdeveloped to the required degree of conformity of public interest and scientific achievements. At the same time, these gaps can be filled by adopting effective models and good practices offered by scientists and other municipalities. This logic was laid down in the research thesis and successfully proved through the implementation of the set tasks.

It is recommended to the administration of the municipality of Burgas, when evaluating the performance of employees, to evaluate their role in terms of the development and implementation of functional strategies.

IV. Reference for the contributions in the dissertation work

1. In a critical light, the normative and methodological basis and the practice of municipal administrations in the development of strategic documents are examined, indicating the place and importance of functional strategies in the cluster of strategic planning developments forming the policy of municipalities in various areas.

2. A content analysis of the strategies and programs of the Burgas municipal administration by policy areas was made .

3. A reference model for developing functional strategies of municipalities is proposed.

4. Based on an empirical study, a critical review of the strategic planning process in the municipality of Burgas was made, and inconsistencies in the development of functional strategies by the municipal administration were identified.

5. Good practices in developing functional strategies in other municipalities are presented, which can be used as an example of good strategic planning at the municipal level.

6. Conclusions containing critical remarks and recommendations for improving the planning practice of the Burgas municipality were made.

V. List of dissertation publications

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