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COMPETENCY MANAGEMENT IN THE PUBLIC SECTOR

European Variations on a Theme

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University of Portsmouth

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EGPA Monograph

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* to include young teachers, researchers, as also civil servants in its activities.

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Preface

Sylvia Horton, Annie Hondeghem and David Farnham

This book explores the origins and practices of competency management, which has arisen in the reactions of governments and managers to globalisation and increased international competition in advanced industrial countries. The United States of America (USA) and Britain have tended to lead the way in responding to these environmental pressures by seeking to retain or regain their competitive advantage. Each country has adopted different approaches to these pressures, although each has influenced the other and some convergence of strategies and responses has evolved. The common theme has been the central importance of human resources in the success of organisations and the need to identify and develop the skills and competencies people require in order to achieve organisational success.

The ideas and concepts associated with competency management were developed and applied first in private businesses and then were transferred to the public sector during the 1980s and 1990s, with the advent of New Public Management. They also spread to other countries through the presence of leading edge American and British multi-national corporations and the management consultancy and management training industries. At the Third International Competency Conference held in 1998, there were some 600 delegates from Europe, the USA, Middle East and Australasia, including human resources specialists, chief executives, consultants and academics representing the private, public and voluntary sectors.

This book is the outcome of research conducted by the Personnel Policy Study Group of the European Group of Public Administration (EGPA). It is the third in a series of publications by the study group. The first, *New Public Managers in Europe* (Farnham *et al* 1996), examined the emergence of a new type of public servant in countries introducing New Public Management. The second publication, *Human Resources Flexibilities in the Public Services* (Farnham and Horton 2000), explored the ways in which public organisations were adopting new personnel policies and practices to enable more flexibility in human resourcing. Ten country studies illustrated and discussed the wide diversity of responses and factors influencing flexible working patterns.

In 1999 the Study Group embarked upon a new research project on competency management. Although a well established practice in many large private organisations, it was relatively new to the public sector. In fact the concept itself was not easily translatable into some European languages. The Group first focused on exploring the emergence of the competency movement and examining the concept and its application to public administration and public management. Some early papers were published in a special edition of *The International Journal of Public Sector Management* in 2000 (vol. 13, no.4) and the *Vlaams Tijdschrift voor Overheidsmanagement* (*Flemish Journal of Public Management*) in 2001 (vol. 6, no.3). This was followed by an invitation, from the Study Group convenors, to

academics and practitioners to submit case studies illustrating the use and application of competency management in their own countries.

Contributors were given a broad brief, as it was evident that the practice of competency management varied greatly across the nine countries represented in the study. Most of the cases in the book are based on empirical research but some are scholarly reviews of secondary sources and reflective analysis. They illustrate the absence of a universal model of competency management, the pragmatic and *ad hoc* application of competency approaches, the variety of ways in which competency frameworks are being developed and the problems experienced in implementing and applying them. The studies are located in the broader context of the general competency movement and developments in human resources management (HRM) and the impact that these are having on the management of people in the public services throughout Europe. There is some evidence to support the widely claimed benefits of HRM competency approaches over more traditional personnel management approaches, although there are still some vociferous critics who question whether there are substantive differences between them.

There are significant differences, however, in the extent to which the ideas and practices of Competency Management have become accepted but in every country there is evidence that it is an idea in good currency in both the private and public sectors. Part I of the book is context setting. Horton's introductory chapter seeks to provide a contextual framework within which to trace the development of the competency movement and to tackle some of the problems of definitions and concepts. She describes the similarities and differences between the American and British contributions to the movement and how the Anglo-American influence has spread internationally through the activities of OECD, educational and training institutions and consultancy firms. The chapter by Emery locates the ideas more firmly within the framework of HRM and seeks to demonstrate the positive benefits and value added of a competency approach in any organisation.

These two conceptual and contextual chapters are followed in Part II by the country studies. The first three chapters demonstrate widespread use of competency management and examples of good practice. The chapter by Farnham and Horton provides both an overview of the development of competency management in the British civil service and evidence of its use. It traces the incremental introduction of competency-based management practices since the 1980s and describes and analyses the extent and diversity of its current use, based upon an empirical survey of central government departments and agencies. There is also a case study of the development of a new competency framework for the Senior Civil Service in 2000. The research found that the introduction of competency management has been fragmented, *ad hoc* and pragmatic but there is some evidence that the Modernisation Programme of the Labour government is resulting in a more holistic approach. The claims made for competency-based management over traditional systems of personnel management were generally endorsed throughout the service. Although departments and agencies initially drew heavily upon private sector consultants and private sector practice, they are now drawing increasingly upon good practice within the civil service itself.

Hondeghem and Parys trace the introduction of competency management in Belgium to the 1990s in Flanders. Since 1999, it has been adopted at both the

regional Flemish and federal levels and now most public organisations in both units of government are at the first stage of introducing competency-based approaches to managing people, although they cannot claim at this time that it is a holistic approach. The authors draw attention to some of the contingent variables that are influencing the application of the competency approach and the cultural context which limits the transfer of people management systems from one country to another.

Van Vulpen and Moesker demonstrate that in the Netherlands, as in most other north European states, competency management is now widely practised. Their study of the Dutch Senior Public Service describes how a competency framework has been created and is being used for development purposes. Most ministries are currently in the process of introducing forms of competency management and are being supported by a central support unit. Their case study provides a very useful list of the 42 competencies which form the basis of competency frameworks in the Dutch senior public service. They also have relevance to all levels below this, as many are generic competencies required throughout the public service.

Competency management has been adopted, along with other public management practices, in all the Scandinavian countries but the contributions by Virtanen and Moquist are micro studies that contribute a rich analysis, complementing the earlier macro studies. Virtanen provides an interesting case study of a competency approach in a Finnish university. He links the development of competency-based management to new public management and, in particular, to the growing importance of performance management throughout the public sector. A very detailed analysis of the skills and competencies, including ethical and professional behaviours required of university teachers, is followed by a description of the use of a competency framework in the University of Helsinki. He demonstrates that a competency-based approach has many advantages for both academics and managers and validates the claims made for competency management within the literature.

Moquist provides an interesting study of the competencies required of top managers in Swedish public administration. In particular it focuses on leadership, which appears prominently in all competency frameworks designed for top executives in both the private and public sectors. This is because it is assumed that leadership is a key factor in the success of organisations. A study of 31 top managers, across eight Swedish public authorities, enabled her to investigate their perception of leadership and to identify whether they were practising it in their everyday work. Her conclusions throw some light on prescriptive versus realistic models of leadership and the problems of using critical incident analysis and skills questionnaires as the basis for constructing competency frameworks.

Löffler and her colleagues indicate that in Germany, unlike in the public sector in the rest of northern Europe, there has been very little take-up of the practice of competency management at federal, state or local levels. They offer an analysis of why it has such a low status and link their arguments to the German rejection of the Anglo-American Public Management Movement in favour of the German New Steering Model. More significant, perhaps, is the strong administrative law base of the German public service and the entrenched position of the administrative elites in the political system. Finally, there is the extremely diverse and complex nature of

the German administrative system. Although Germany has been slow to adopt competency management, there are some examples of where it has been applied. Their case study of Schleswig-Holstein demonstrates a pioneering state that represents a model of good practice. The chapter also provides an interesting argument why a competency approach is required and identifies many of the new competencies needed in local government, where more participative and community approaches to governance are being developed.

Jeannot and Lichtenberger provide another country study that demonstrates that, although competency management is well established in the private sector, it has only recently appeared on the government agenda in France. Once again cultural, legal and structural factors explain the resistance in the French public service to the radical implications of a competency approach to people management. They give two examples, however, of where perhaps the seeds have been sown but it is evident that competency management has not really taken off yet in French public management.

Cerase's chapter on Italy discusses the connections between New Public Management, HRM and competency management. He identifies three major trends which are impacting on public organisations in Italy namely Europeanisation, New Public Management and Governance. These require new competencies among public officials, including new attitudes and values. Focusing on the competencies associated with new public management, he proceeds to illustrate how difficult it is to bring about this change with evidence based upon empirical research in the Italian Ministry of Finance. His research highlights both the different perceptions of managers and operational staff of the knowledge and skills elements of their jobs and demonstrates that there is lack of congruence between the prescription and the reality. He concludes that perhaps there is a need to construct competency frameworks from the bottom up that will ensure they are accurate reflections of what jobs require and carry the support of officials for the change.

Mikulowski's study of Poland is interesting because it links competencies to the whole system process of transition. It identifies what types of competencies are required in public officials responsible for bringing about the political, economic and social changes to which transformation governments are committed. He illustrates how the legacy of traditional educational and training institutions, with their emphasis on administrative law, is impeding cultural change. New institutions and the influence of western advisers, however, are slowly bringing about change and he predicts that competency management will become a priority as developments in HRM proceed.

In Part III Hondeghem concludes the book with an appraisal of the contribution competency-based management makes to our knowledge and understanding of the practices in the public services of Europe. She admits that our initial hypothesis was that it would be found in all the countries in our study and be a major strategy in their people management systems. The evidence, however, is that although competency management is known, it is not universally practised and has made very little impact, to date, in countries based on administrative law systems and with powerful administrative elites. The claims made for competency management, by its

advocates, do appear to be supported where it is practised but we need to be aware of its critics and learn from the lessons to be drawn from this study.

We hope that this book makes a useful contribution to the comparative literature on competency management and its impact in the public sector. It also provides examples of the application of competency management and some good practices which should be of interest to both practitioners and academics.

We wish to express our sincere thanks to all those who participated in the EGPA annual conferences where this subject was first discussed at Cape Sounion 1999 and Glasgow 2000 and especially to our contributing authors. We thank EGPA for supporting our Study Group since 1986 and EGPA and IIAS for assisting in the publication of this book. Finally we thank the Policy Research Centre 'Governmental Organisation in Flanders' (Steunpunt beleidsrelevant onderzoek – Bestuurlijke organisatie Vlaanderen) for giving us both financial and administrative support without which the book could not have been published.

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PART I

THE CONTEXT OF COMPETENCY MANAGEMENT

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Competency Management in the Public Sector
S. Horton et al. (Eds.)
IOS Press, 2002

I.1. The Competency Movement

Sylvia Horton

Public administration systems, throughout Europe and the world, have been subjected to major reforms over the last 25 years. These reflect fundamental changes in the role of the state, paradigm shifts in views of public bureaucracies and ideas about how to manage the use of public resources to achieve political goals and objectives. These, in turn, are responses to the changing environment in which governments have to operate. Changes in the economic, technological, social and political contexts are occurring at an exponential rate and governments are relinquishing many functions back to the market in the belief that the market is better able to respond to this turbulent environment. Those activities that remain with governments have also become subject to market practices and are benchmarked against their private counterparts. New Public Management (NPM) is the term used to describe these market based performance management systems. Closely linked to NPM is Human Resources Management (HRM) which complements the performance-based approach of NPM but also acknowledges the key role of people in the management process. HRM is to NPM what personnel management was or still is to traditional public administration.

One of the management concepts that has recently entered the public management and HRM vocabulary, from the world of private business, is competency management. Competency management, sometimes called competency-based management (CBM), involves identifying the competencies that people need to perform a job well in all areas of organisational activity, constructing a framework and using it as the foundation for recruitment, selection, training and development, rewards and other aspects of people management. The major difference between competency and traditional approaches to people management is that the former stresses the varied knowledge, skills, attitudes and behaviours that people need to be able to achieve the strategic objectives of the organisation and the secondary goals and levels of performance that emanate from those objectives. The traditional approach, in contrast, has tended to emphasise jobs and people's formal qualifications and experience as indicators or predictors of likely performance in that job. Further, whilst the competency approach views all aspects of people management as integrated elements of a performance management system, traditional personnel management generally fails to co-ordinate and link personnel policies either horizontally or vertically. CBM also represents a cultural change with its emphasis on greater employee self-direction and responsibility and the search for excellence rather than standard performance.

The claimed advantage of a competency approach is that there is a consistency in identifying and measuring people quality at all stages in the employment cycle. It

also seeks to identify skills, motives, personality characteristics and other attributes, which tend to differentiate poor, average and superior performance. In other words CBM takes people as the key resource within the organisation and the source of its success or failure. This chapter explores the concept of competencies, traces the origins of the competency movement and locates the contents of this book in the current debates about competencies in the public sector.

DEFINITIONS AND CONCEPTS

What are competencies? This is a simple question, without a simple answer. There are many different meanings, definitions and spellings and at least two main concepts to which the word competence is attached in the English language. Add to that the different meanings, perceptions and emphases found in other languages and we can begin to see the minefield we are entering. Further, there are a range of foci which academics and practitioners have addressed that are the basis for developing competency frameworks; these include jobs, tasks, roles, persons and organisations. Furthermore, competencies can relate to different levels of management - supervisory, operational and strategic and to the organisation as a whole. We have to start somewhere, however, and so we shall adopt the definition of Hirsch and Stabler (1995) that 'competencies are the skills, knowledge, experience, attributes and behaviour that an individual needs to perform a job effectively.'

A distinction is often made, in English, between competency(ies) which refers to 'the behavioural characteristics of an individual which is causally related to effective or superior performance in a job' (Boyatzis 1982) and competence(s) which is 'the ability to perform activities within an occupation to a prescribed standard' (Fletcher 1991). This distinction is the result of a difference in focus: the first focuses on the inputs that help achieve successful performance in a job and the second on the demonstrated outcomes of competence. These are often described as behavioural competencies and outcome-based competencies. The simplest way, perhaps, to describe the difference is: competencies are about the people who do the work while competence(s) are about the work and its achievement. These two approaches are also referred to as the American and British respectively. Finally the two definitions are also associated with different approaches to developing competency frameworks.

A competency framework is both a list of competencies but also a tool by which competencies can be expressed, assessed and measured (Strebler *et al* 1997). Competency frameworks are generally based on a competency model. The two main models that originally underpinned competency frameworks were the American behavioural model, where competencies are expressed as the behaviours that individuals need to demonstrate their competency, and the British 'minimum standards of competent performance' model which relates to 'the ability to perform activities within an occupation to a prescribed standard' (Fletcher 1997). To add to the complexity of the competency terminology alternative names such as 'capabilities' or 'key success factors' are sometimes used to describe what are in effect competencies.

This variety of terminology and meaning, even in one language, alerts us to the danger of generalising about competencies. It requires the reader to recognise that different terms may indicate significant differences about the focus (person versus job), the level of performance (competent versus effective or superior) and the object (role or organisation). Therefore clarifying terms is one of the key challenges to be confronted by academics, practitioners and readers.

Before leaving this section on definitions and concepts, it is important to consider the idea of 'core competence'. Core competencies can relate to a particular job or role and refer to the essential as opposed to the subsidiary competencies a person needs to do a particular job. In the context of organisations, however, core competence refers to collective learning comprising tacit and explicit knowledge, skills and technologies, which an organisation has that gives it a competitive advantage. Whilst *a* competence is a bundle of constituent skills and technologies, a *core* competence represents the integration of a variety of these. It is this integration that is the distinguishing hallmark of an organisation's core competence. Furthermore, core competencies are those that make a disproportionate contribution to customer-perceived value and customer benefits. They are perceived as competitively unique and gateways to new markets (Hamel 1994, Rothwell and Lindholm 1999)

Organisations may have different types of core competencies. These include market access competencies (management of brand development, sales and marketing, distribution and logistics, technical support), integrity-related competencies (quality, cycle time management, just-in-time inventory management) that enable a company to do things quicker and more reliably than competitors or functionally related competencies (skills which enable unique functionality). It is the core competence that makes an organisation distinctive and gives it that competitive edge over its rivals. This idea of 'core competency' has been central to academic and practitioner thinking on strategic management for the last decade but is only just entering public sector management thinking.

There are many problems associated with CBM. One lies in identifying competencies and constructing competency frameworks. There are a number of ways of doing this. These include analysing the content of particular jobs, the past behaviour of good performers, benchmarking competence against practice in similar organisations, or trying to predict what competencies the business will need in the future. Among the most popular of the more 'scientific methods' used are the repertory grid, critical incident technique and behavioural event interviews (Adams 1998). When analysing past performance, organisations often use repertory grids and critical incident analysis. The aim is to identify what behaviours an effective performer would display that a less good employee would not. Critical incident analysis is a procedure for collecting observed incidents that have proved to be very important or critical to performance. The incidents are identified and recorded through interviews. What emerges is a pattern of the essentials of job performance that make the difference between success and failure.

Benchmarking has become a popular tool and commonplace in a wide range of organisations throughout the private and public sectors. Benchmarking is a process

of comparing with and learning from others about what you do and how well you do it, with the aim of making improvements. By benchmarking against 'best practice' organisations, other organisations gain an insight into the factors that build success. The Business Excellence Model (BEM), developed for the private sector by the European Foundation for Quality Management in 1991, is the most widely used generic benchmarking model within Britain, although some local authorities use a Public Sector Benchmarking Model developed by Professor Colin Talbot of Glamorgan University (Talbot 1997). There is less evidence that benchmarking occurs in the public sector in Europe but the European Council of Management (CECIOS) has been working on developing a competency framework for international managers based loosely on the Management Charter Initiative (MCI) framework (Wustemann 1999).

Predicting future competency needs is more problematic and requires embarking on environmental scanning and SWOT (strengths, weaknesses, opportunities and threats) analysis (Stevenson 1976). Although there is a lot of anecdotal evidence that private and public organisations use brainstorming and scenario constructs and forecasting techniques to anticipate future competency needs, there is little empirical research to substantiate that. What is clear is that competency management is very much on the public management agenda in Europe but there is only fragmented evidence that it is being practised (CIPD 2001).

THE EMERGENCE OF THE COMPETENCY MOVEMENT

Like most movements the competency movement has no single origin. The concept of competence has been around for centuries and can be traced back to the mediaeval guilds in which apprentices learned skills by working with a master and were awarded credentials when they reached the standards of workmanship associated with and set by the trade. The industrial revolution gave rise to the study of jobs and the skills needed to do those jobs. Apprenticeship schemes expanded, compulsory education led to assessment schemes and accreditation awards linked to standards of literacy and knowledge. With the advent of scientific management and, in the 1930s, the human relations school of thought academic and practitioner interest became focused on how to organise work and how to motivate workers. In the 1930s functional analysis of jobs resulted in the publication of a dictionary of Occupational Titles which identified knowledge and skills linked to different occupations (McGlagan 1997). Post-war, work continued on developing functional job analysis (Fine 1988), although it was put on the back burner as attention turned to the need to improve economic competitiveness. The modern ideas associated with the competency movement emerged out of the changing economic and political context of the 1960s.

The skills gap

In the late 1960s the economies of the United States (US) and Britain were experiencing pressures caused by globalisation, increased international competition

and technological change. Both countries responded to these external forces in similar ways. First, there was a move to improve the standards and performance of the educational system, which was seen to be failing both business and individuals by not meeting the needs of the labour market or equipping young people with appropriate knowledge and skills to gain employment and do a good job. Second, attention turned to the labour force and their lack of skills.

Reforms of the educational system occurred initially in the US and then in Britain. Both countries started by reforming their teacher training systems and then all three sectors of education. In Britain standard attainment tests, a national curriculum and output assessment were introduced into primary and secondary schools during the 1980s. These were followed by reforms of the curriculum, unitisation and semesterisation and the introduction of league tables and quality ratings in higher education during the 1990s.

At the same time there was a move to raise the level of training in the workplace. Britain's worsening economic performance during the 1980s led government to initiate a number of investigations and reports which emphasised the need for a more flexible and adaptable work force that could respond to economic change (Manpower Services Commission 1981) and a comprehensive training programme based on new standards of occupational competence (MSC/NEDO 1986). The British government put in place a system for setting standards across all sectors of industry. Lead Bodies were created to develop the new standards and a National Council of Vocational Qualifications (NCVQ) was appointed to co-ordinate their work within a national framework. NVQs were seen as alternatives to the traditional educational qualifications conferred by academic examination bodies.

An NVQ comprises units of competence, each of which can be separately achieved and certificated. The NVQ process involves establishing the precise definition of the skills required to do particular jobs, assigning jobs to appropriate levels and evolving rigorous tests to assess whether people meet the standards. It is not confined to manual and technical occupations but is fully comprehensive covering all manual, clerical, technical, administrative, professional and managerial positions. The NVQ framework covers five levels from the basic competence required to undertake elementary, routine and predictable work activities (Level 1), through intermediate skills and competencies required for supervisory work (Level 3), to competences involving the application of complex principles in unpredictable contexts associated with responsibility for substantive resources (level 5).

During the 1990s the American government turned its attention to setting down national skills standards across all occupations and it was clearly influenced by what had been happening in Britain. The Clinton Administration set up the National Skills Standards Board (NSSB) in 1994 to encourage the development of a voluntary national system of skill standards that may be assessed and certified. These standards can then be used 'by the nation to ensure the development of a high skill, high quality, high performance workforce, including the most skilled frontline workforce in the world' (NSSB 1998 sec 502). The NSSB's role is to identify occupational clusters that may share common skill standards and to establish Voluntary Partnerships (similar to the Lead Bodies or National Training

Organisations in Britain) that will be responsible for developing skill standards. The latter will relate to the level of knowledge and competence required to successfully perform work-related functions within an occupational cluster. Three types of knowledge and skills are being identified - core, concentration and speciality skills and two types of certificate are available. The first will cover core level knowledge and skills and be awarded by NSSB. The second will be a speciality certificate relating to standards set by specialists groups. The skill standards will not be operational, however, until 2013.

Managerial competencies

The second strand in the Anglo-American response to declining competitiveness was the investigation of management excellence. Some argue that McClelland is the real father of the competency movement and it was his seminal paper in *The American Psychologist* in 1973 that started the competency movement in the US. McClelland argued that traditional exams and tests were no good as predictors of whether people could do a job well and that there were other ways to look for competencies that would predict success. In a recent interview (Adams 1998) McClelland stated he coined the word 'competency' to replace the narrower term 'skill' and to include behavioural as well as technical abilities. McClelland's approach to identifying competencies and his methodology of 'behavioural event interviewing' and 'criterion-referenced assessment' were further contributions to the movement. His ideas were implemented in the consultancy group, McBer and Company, which he founded in 1963 and for the next decade McBer was busy developing competency models for many of America's top companies.

In 1982 the American Management Association commissioned Richard Boyatzis, of McBer Associates, to undertake research to discover which competencies differentiated exemplars from successful and successful from less successful managers. Some 1800 managers, across 41 different management jobs and 12 different organisations, were asked to identify the generic knowledge, motives, traits, self-image, social role or skill of a person that resulted in superior performance in a job. Boyatzis (1982) concluded from the research that there were 19 generic characteristics that outstanding managers tended to have and he adopted the term 'competency', plural 'competencies', to describe the 'underlying characteristic of an individual that is causally related to effective or superior performance in a job' (Boyatzis 1982). Boyatzis emphasised that although there was a great deal of commonality across organisations context was important. He argued it was necessary to construct a specific competency framework for each organisation, even though the competencies may be generic. His competency model (as shown in Table 1) grouped managerial competencies into clusters, which relate to the major functions of managers within any organisation. These are achieving the goals of the organisation, providing leadership, managing people, controlling and directing others. What is significant about this model is that the emphasis is on what managers *can do* and *how they do things*. In other words on how they behave rather

than what skills or knowledge they have. Boyatzis claimed to be able to show what made some managers exceptional and others not.

Table 1: Boyatzis competency model

Goal and action management cluster	Human resource management cluster
▪ *Concerned with impact:* being concerned with symbols of power to have impact on others, concerned about status and reputation, ▪ *Diagnostic use of concepts:* identifying and recognising patterns from an assortment of information by bringing a concept to the situation and attempting to interpret events through use of the concept, ▪ *Efficiency orientation:* being concerned to do something better, ▪ *Proactivity:* being disposed to take action to achieve something.	▪ *Use of socialised power:* ability to use influence to build alliances, networks, coalitions and teams, ▪ *Managing group process:* stimulating others to work effectively in groups, ▪ *Accurate self assessment:* seeing personal strengths and weaknesses and knowing ones own limitations (threshold competency), ▪ *Positive regard:* having a belief in others, being optimistic, being optimistic and valuing others.
Leadership cluster	**Focus on others cluster**
▪ *Conceptualisation:* the ability to construct concepts out of data and information, ▪ *Self-confidence:* having presence and being decisive. Knowing what you are doing, believing in it and doing it well, ▪ *Oratorical skills:* making articulate and well communicated presentations to large and small groups, ▪ *Logical thought:* placing events in causal sequence, being orderly and systematic (threshold competency).	▪ *Perceptual objectivity:* avoiding bias or prejudice, ▪ *Self-control:* being able to subordinate self interest in the interest of the organisation, ▪ *Stamina and adaptability:* being able to maintain energy and commitment and showing flexibility and orientation to change.
	Directing subordinates cluster
	▪ Threshold competencies of developing others, spontaneity and use of unilateral power

Source: Boyatzis 1982

Many of these ideas, concepts and theories about managerial competencies, developed in the US, have been exported to Britain through management consultancy firms, educational institutions and American companies located in Britain. However, a distinctive approach was adopted in Britain. In contrast to the US where it was business itself that initiated research into competencies, in Britain it was the government. Government sponsored two major reports (Handy 1987, Constable and McCormack 1987) which both indicated the low standing of British management compared to its major competitors. The government and industry resolved to improve the professional standing of management and to endow it with a scientific base. This led to the development of the chartered or professional manager

that began with the Management Charter Initiative (MCI) in 1987. This was intended to encourage training and accreditation of recognised management skills that were subsequently developed within the government's NVQ framework.

Another difference between the British and US approach was that in the latter they were looking at the qualities, attitudes and motivations that produced excellence and in Britain at a range of skills and aptitudes to perform a role at an agreed standard. It was assumed in Britain that these managerial 'competencies' would be observable and assessable and could also be taught and developed. 'It is the difference between drivers of performance and standards of work' (Roberts, 1997:70). Although this distinction is clear cut, approaches have tended to merge in many British organisations. This is partly because many of the companies that first developed a competency approach were subsidiaries of American corporations. But it was also the result of criticisms of Britain's 'flawed model' and the need to combine both norm and criterion referenced approaches (Adams 1998, Wilson 1998). The MCI framework, however, which has been the basis of management development in Britain since 1987, remains a very important framework that is widely used and applied throughout both the private and public sectors.

Core competencies

During the 1970s and early 1980s American academics turned their attention to strategic management as the key to competitive success. Systems thinking led to the concept of the corporate environment and the external factors affecting organisational strategy and success. The work of Porter (1980, 1985) focused on portfolio management, the need to know and understand the market opportunities present in the fast changing environment and how to select from options to diversify, decentralise, integrate or merge. Ideas on strategic management revolved particularly around SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. (Andrews 1980). Thinking on internal competencies was not entirely forgotten, however, as Hayes (1985) questioned whether focusing on ends before considering means was the best approach to business strategy and Itami (1987) and Peters (1987) pointed to the need to identify and mobilise invisible assets, including human capital and to build on strengths and 'stay with the knitting'. This thinking gathered momentum with the emergence of the resource-based school of economics during the 1980s.

The resource-based school focuses on firms' internal characteristics to explain why they pursue different strategies with different outcomes. The central proposition is that organisations are accretions of specialised resources that can be used to gain a privileged market position or, in other words, a sustainable competitive advantage. Barney (1997), a major exponent of this school, distinguishes between tangible, intangible, human and non-human resources but identifies an organisation's key resources as knowledge, information, capabilities, characteristics and organisational procedures. He argues, that a firm's resources are competitively important only to the extent they are valuable, rare and difficult to imitate. Their value does depend on the opportunities available for exploiting them but it also depends on management's

ability to identify, exploit and develop them, in particular the distinctive competence of the organisation.

The 'distinctive competence' idea was not new (Selznick 1957, Ansoff 1965, Learned *et al* 1965) but was developed and promoted in the 1990s by Prahalad and Hamel (1990, 1993, 1995) amongst others. In an important article in the *Harvard Business Review* (1993) Prahalad and Hamel proposed a different approach to the strategic planning process which started with an internal analysis or inventory followed by an examination of the external environment - a reversal of the outside/in approach. They suggest that companies need to understand fully their core competencies and capabilities in order to successfully exploit their resources. All organisations have different types of resources that enable them to develop different strategies but they have a distinctive advantage if they can develop strategies that their competitors are unable to imitate. The competency movement in the US was greatly advanced by the work of Prahalad and Hamel as, after decades of seeing corporate strategy as a portfolio problem, academics and practitioners were opened to the idea that technology, skill and synergy should be seen ahead of cash flow and control. Their concept of core competency drew attention to the ideas that competencies span business and products within a corporation, they are more stable and evolve more slowly than products and they are gained and enhanced by work (Prahalad and Hamel 1990: 82).

> *Core competencies are the collective learning in the organisation especially how to co-ordinate diverse production skills and integrate multiple streams of technologies ... core competency does not diminish with use. Competencies are enhanced as they are applied and shared.*

Real competition, therefore, is competition over competencies. As Hamel (1991: 83) says: 'conceiving of the firm as a portfolio of core competencies and disciplines suggests that inter-firm competition, as opposed to inter-product competition, is essentially concerned with the acquisition of skills'. Prahalad and Hamal also demonstrated how the concept of core competency could act as a vehicle for separate business units within an organisation to find common interests, share common problems and exploit their respective capabilities. The outcome is that organisations no longer define themselves as a collection of business units but as a portfolio of competencies. It is clear that this idea underpins the joined-up government thinking of the present Labour Government in Britain .

The major criticism of core competence literature has been that the concept is difficult to operationalise; how can you identify core competencies? Javidan's work (1998) seeks to do just that. He operationalises the concept by conceptualising a hierarchical value chain (see Figure 1). He shows the links between the concepts of resource, capability, competence and core competence and illustrates how an organisation, using a participative delphi method, can get managers to identify their resources, capabilities, competencies and core competencies as part of the strategic planning process.

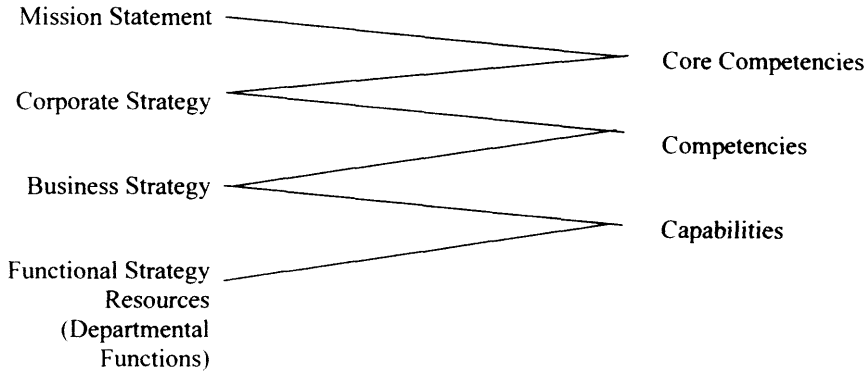

Figure 1: Competencies, capabilities and strategic hierarchy

Source: Derived from Javidan 1998

The latest thinking on competencies in America is that a firm's ability to learn and acquire new capabilities and competencies may be a more important determinant of its competitive position than its current endowment of unique resources or the industry structure it currently faces. Sustainable competitive advantage in the long run is seen to arise from the superior ability to identify, build and leverage new competencies (Sanchez and Heene 1996a, 1996b). The concepts of the learning organisation and knowledge management, now increasingly in vogue, build upon the ideas central to the competency movement outlined above.

ASSESSMENT

Although one cannot understand the development of the competency movement without reference to the US and must continue to look to the US for new ideas, the competency movement is now firmly entrenched internationally. The work of the OECD has ensured that HRM and competencies are now an established feature of organisational thinking, whilst international conferences on HRM spawn papers from across the world (see papers presented at the biennial Global HRM Conference Barcelona 2001). Two seminars on competency management were held at the European Institute of Public Administration in Maastricht in 2001 and were attended by nearly 100 public sector delegates from east and west European countries. In Britain, competency management is very widely practised and almost universally used throughout the public sector (CIPD 2001, Industrial Society 1996, Strebler and Bevan 1996, Matthewman 1995). The movement has been driven to a large extent by the new business and human resources agenda that needs to deliver business performance in an increasingly competitive environment. The improvement in the performance of individual managers in particular and employees in general is seen

as a key factor in achieving this. Employers emphasise the need to develop the future skills required by the business as the reason for introducing competencies (Strebler and Bevan, 1996). They also believe that competencies will provide a common language and facilitate cultural change (Strebler *et al* 1997). These same reasons can be applied to the public sector.

There has also been a great deal of new thinking in Britain about HRM. The Chartered Institute of Personnel and Development (CIPD) and the Chartered Management Institute (CMI) have fully embraced the competency approach. As Lead Bodies, they have set down standards and a competency framework which is used for professional development and the award of professional status to both personnel specialists and general managers. As lead bodies they also disseminate good practice and the latest ideas on personnel and management issues. Both Lead Bodies have been particularly active in promoting performance management and see competencies as clearly at the centre of performance. Private consultancy firms, as in the US, are being invited to advise on how to develop competency frameworks and to educate and train staff on competency. A prestigious journal *Competency and Emotional Intelligence,* published by Industrial Relations Services, is devoted entirely to the theory and practice of competencies and has increased its circulation dramatically since it was first published in 1993. Many Training and Development and General HRM Journals feature articles on competencies, although mostly in the English language.

The Competency movement then is no longer confined to the US and Britain, although they may lay claim to be the birthplace(s). The ideas and concepts have been exported throughout the world, with some countries favouring the British preoccupation with standards and outcomes (Australia) whilst others have focused on the American interest in best and excellent behaviour (Finland). Most countries, however, have been influenced by both and there has been a growing integration of the two perspectives. Furthermore, each country is adapting and developing the ideas to its own distinctive culture and contexts. The rest of this book provides examples and cases of the spread and use of competency management throughout European Public Services.

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Competency Management in the Public Sector
S. Horton et al. (Eds.)
IOS Press, 2002

I.2. Added Value in Human Resources Management: An Analysis of the Competency Management Process

Yves Emery

'When the HR department stops reporting feelings and begins to report efficiency and productivity data, it will be perceived as a mainline function and not as a nice-to-do activity'

Jac Fitz-enz (1984: 29)

There has long been pressure on the public sector to improve its efficiency and effectiveness. The critiques of traditional public administration, brought together under the banner of the 'New Public Management' movement (Schedler and Proeller 2000, Emery 2000, Charih and Daniels 1997, Osborne and Gaebler 1992), have added to and given focus to those pressures. In order to confront the challenges public organisations have had to rethink how they operate and manage and develop their human resources (OECDa 1997), which are the key to the production of public services. Current developments are taking place within the framework of renewed HRM practices (Guérin and Wils 1996) ranging from changes in personnel administration to the introduction of an overall strategic approach to Human Resources Management (HRM) (Ulrich 1997, Besseyres des Hort 1988). The purpose of the reforms is ultimately to raise the performance of public organisations and their evaluation must, therefore, be expressed in terms of the added value that they bring to each part of the public sector (Wunderer and Arx 1997). This way of perceiving public HRM is the focus of our contribution to this compedium of essays on competency management development.

HUMAN RESOURCES MANAGEMENT AND ADDED VALUE

HRM is on the brink of unprecedented change throughout both the public and private sectors. In the last few years, in the majority of public and private organisations, the HRM function has become much more important and professional as new programmes of action have been introduced in the core activities of staffing, remuneration, training and career development (Emery and Gonin, 1999). As these programmes have been refined they have become the *raison d'être* of HRM, which is seen more in terms of what it does than by how it contributes to the organisation's performance. In today's environment, however, there is a move to thinking of HRM in terms of the 'added value' it creates for its different partners and the organisation whose performance it contributes to. This radical change in outlook will be the condition for HRM's survival in organisations in the 21st century, whether private

or public. This view is expressed strongly by Fitz-enz (1984, 1990) and Ulrich (1997,1998) and backed by publications coming mainly from private management (Solomon 2000, Davidson 1998, Sorensen 1995, Foucher and Léonard 1998). Apart from a few exceptions (Berman *et al* 1999, Agor 1997, Joron 1996), such an approach is largely absent from HRM systems in public organisations, which are not profit-oriented. The idea of bringing value to the company, measured next to the value of its stock or growth in profits (Huselid 1995) cannot be transposed into the public sector. In the public sector, different ways of measuring performance have to be identified and applied to general management before assessing how HRM is able to contribute.

The emphasis on added value comes from rather diverse and, in part, contradictory viewpoints stemming from either financial considerations such as return on investment (Fitz-enz 1984), human capital (Phillips 1996, Davidson 1998, LeBlanc *et al* 2000, Mayo 2001) and social capital or the social balance sheet developed initially in France (Béland and Piché 1998). Alternatively they may be geared toward strategic management (Kaplan and Norton 1996, Ulrich 1997, Yeung and Berman, 1997). How is one to see through all the issues clearly? We believe the first thing is to conceive of HRM as a set of processes to benefit stakeholders within the organisation whose activity it supports.

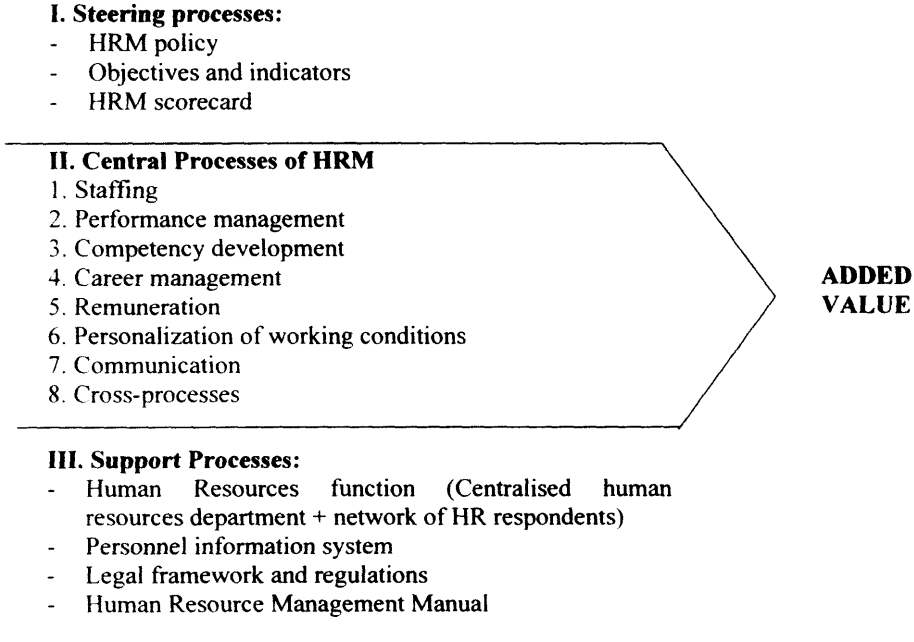

Figure 2: Human Resources Processes

Source (Emery and Gonin 1999)

Conceiving HRM as a set of added-value processes for the benefit of the organisation

In following the latest developments in the area of quality control management, namely the standards ISO 9000 (2000), HRM can be conceived as consisting of three groups of complementary and necessary processes: 'core processes', which represent the public HRM's *'raison d'être'*, 'steering/managing processes', which translate how the core processes are planned, managed and controlled and 'supporting processes', which determine the necessary resources, budgetary, material, organisational, informational and human, for realising the objectives fixed by the steering processes. Figure 2 provides a summary overview of the set of processes needed to conceive, develop and implement a sound HRM system and later ensure its conformity.

The question is how can we define these HRM processes and measure the added value they bring to public organisations? Table 2 shows the chain of value creation for HRM processes according to Yeung and Berman (1997) and Joron (1996).

Table 2: Chain of Value Creation

Activities and Processes of HRM	**Intermediary Results**	**Impact on Organisational Performance**
HR Operational Results	HR Added Value	External Added Value
Level 1 ➡	**Level 2** ➡	**Level 3**
Efficiency and quality of the activities (processes and services) produced by the HRM ' service centre '	• *Performance, satisfaction and employability of the personnel* • *Macro-competency type 'organisational' abilities*	*Efficiency and effectiveness of the actions produced by the organisation (products and effects of the public action)*

Source : Derived from Yeung and Berman (1997) and Joron (1996)

Level 1 is the most common among the steering processes of the 'introverted'-type HRM-system, meaning one centred around achieving technical results that serve to give value to the art and skills of HRM for their own sake. The literature in this field is very rich, translating into a history of the 'professionalisation' of the human resources function. When this approach is coupled with the human resources department being conceived as a 'service centre' with its own internal clients to satisfy, including upper management, line managers, staff and labour unions (Crow *et al* 1995), it may succeed at meeting quality standards linked to the different 'products' it offers and, at least potentially, progressively lead to levels 2 and 3 of added value. As an example Table 3 shows the quality standards that could be drawn up for the staffing processes. The accountability for the operational results is placed almost exclusively on the human resources department, whose expertise consists precisely in conceiving and producing HR services for the entire staff with professionalism and efficiency. It should be noted that these processes work on the basis of more or less well-identified and controlled inputs, meaning all the resources allocated to realising the process, including the 'raw materials' being treated (namely the positions and people).

Table 3: Quality standards relating to staffing processes

Key-process of HRM	Activities to realise	Value for the (internal) client, quality commitment	Cost / Benefits relationship that meets 'efficiency'.	Benchmarking
Staffing	Definition of job descriptions Recruitment activities Selection activities Orientation and integration of new staff members	Recruitment deadline Number of worthy candidates who applied Success rate after trial period, etc.	Total cost of hiring Predictive validity of the selection tools with respect to their cost, etc.	Comparative indicators with other staffing processes

Level 2 represents all the internal impacts produced by the HRM processes. Traditionally, these internal HR results were conceived and analysed at the level of the individual member of staff i.e. the raw material of HRM. Thus, the goal of HRM processes would be to attract, keep and develop the personnel and make them productive and satisfied parties to the psychological contract. In an uncertain and rapidly evolving professional environment it would also involve making them 'employable' (Capelli 1999). At a time when public employers are subject to a strong need to renew their workforce, particularly at the managerial level, HRM will have to highlight the attractiveness of the employer and the improved standing of public workers (Kernaghan 1999), in order to obtain the competencies available in an ever more competitive labour market. After recruitment, the transformation of competencies into individual performances useful for the organisation, hence development of 'competency-capital' summarises the outcome expected from the HRM practices. The responsibility for this clearly lies with the specialist HR department and line managers.

A different approach rests on the idea that HRM leads to the creation and development of a form of 'organisational competency' or 'macro-competency', which is less individual and more collective. This type of competency corresponds to the organisation's ability to produce what it was created and financed to produce but also to its capacity to keep up and develop in a changing environment (Dyer and Shafer 1999, Weiss 1999, Ulrich and Lake, 1990). Organisational competency, which remains the property of the organisational system at any given moment, can only be intermediary and instrumental and not final. However, defining the contribution of HRM in organisational, rather than individual terms, lends itself to assessing the ultimate impact of HRM on the organisation's performance, thereby contributing to a better alignment of HRM practices, an approach strongly emphasised by the American Office of Personnel Management (USA, 1999). Furthermore, it takes account of the fact that the organisation cannot be reduced to the sum of the performances produced by the individuals who work within it and reflects much more accurately the results of networks of collective and organisational competencies (Amherdt *et al.* 2000).

Table 4: Four aspects of Organisational Performance

Human resources value	**Business efficiency**
Interest and effort provided by the personnel Morale of the personnel (positive experience) Yield Development of the personnel (competencies growth) => produces social cohesion	Economising resources with same level of output Productivity (quantity and quality with respect to resources spent) =>produces the economic added value
Legitimacy of the organisation in the eyes of external groups	**Longevity of the organisation**
Satisfaction of fund providers Satisfaction of clientele (judgement of how the organisation was able to meet its needs) Satisfaction of regulating bodies Satisfaction of the larger community connected with the activities and effects produced by the organisation => produces 'political' acceptability	Quality of the product (meets clients' needs) Financial profitability (change in parameters over time or with respect to objectives) Competitiveness (comparison of certain economic indicators with respect to industry or competitors) => produces survival (systemic vision)

Source: Morin *et al* 1994 pp. 158

Level 3 refers to evaluating the organisational performance in and of itself. This evaluation is more complex in public organisations (OECD 1997b, Guay 1997)), where the assessment of the dominant considerations in the management of private organisations geared towards financial performance are inappropriate (Kaplan and Norton 1996). Morin *et al* 1994:158ss) put forth four aspects of organisational performance appropriate for public organisations. These are set out in Table 4. While this multi-dimensional approach is interesting, it still requires some adapting to account for the specific aspects of public organisations. It classifies the value of human resources on the same range as final outcomes, contrary to the simplified 3-level model presented above. Nonetheless, it follows the same logic, presenting aspects similar to public management models currently being developed in the wake of the European Foundation of Quality Management (EFQM) approach such as the Common Assessment Framework (CAF), a European public assessment model. It also clearly distinguishes the criteria for traditional business performance from the satisfaction of the different partners or stakeholders of the organisation; thereby emphasising the notion of the human resources department as a service centre as mentioned above. Here we see that the success of the organisation resides not only in the present but also in the potential for future performance; a notion grounded in its long-term survival and implicit in the concept of organisational competency. There is a balance here between the short, medium and long term; a balance often neglected in traditional steering and scorecard management systems. Furthermore, there is the potential of competency for action, represented by the organisation's human resources, which does not figure anywhere on a financial balance sheet (Itami 1991). The second part of this chapter illustrates how this approach brings added value to the organisation through the processes of competency development.

THE PROCESS OF COMPETENCY DEVELOPMENT ACROSS DIFFERENT ORGANISATIONAL LEVELS

The development of competencies appears to be one of the key-processes of HRM in public organisations today (Batal, 1997, 1998). Whereas the dominant paradigm of HRM focuses its actions on individual people management, including personal development, we believe the processes of competency development should be implemented throughout the different levels of the organisation. This is consistent with the idea of the 'learning organisation', a concept born in the 1990s by bringing together personal learning and individual competencies with the perception of organisations as living systems (Erbel 1996). Confronted with the traditional emphasis being exclusively placed on short-term performances, the process of competency development stands as a paradigm shift involving a more 'organic' than 'mechanistic 'approach to social systems (Burns and Stalker 1961).

Drawing upon the work of Authier and Lévy (1999), we use the metaphor of the tree to illustrate the different organisational levels across which the process of competency development should be applied throughout public organisations:

- *soil competencies* refer to the developed competencies available in a given recruitment area which are a product of the educational system. This is the public organisation *environment*, providing a 'reservoir' of competencies more or less appropriate for its needs and more or less attractive in light of labour market conditions.
- *trunk- competencies* correspond to the common/generic competencies unique to the public sector and thus to the public employer,
- *limb competencies* are the competencies of the various specialised organisational units (departments, agencies) or areas of public policy requiring specific knowledge and know-how,
- *branch competencies* are a reflection of the networks of collective competencies resulting from team collaboration and projects,
- *leaf competencies* correspond to the individual competencies of staff members i.e. a portfolio of individual competencies.

At a time when the careers environment and range of activities of public organisations are rapidly changing, the process of competency development is crucial for the survival of the organisation and for the function of HRM. The aim is to acquire, maintain and develop the necessary competencies for efficiently realising the mission of the organisation. Whilst managing competencies on the individual level is the basis of the competency development process, it represents an overly-reductionist approach making it impossible to effectively transform the performance potential of public organisations. In the section that follows, we outline what seems to us to constitute the strategic added value of HRM to the different levels of the organisational system within the current public service environment.

What are the added values sought after in public organisations today?

What is expected from the partners at the different levels outlined in the preceding paragraphs i.e. individual, team, network, organisational unit, the organisation (public employer) and lastly the surrounding labour market where it operates. Research focuses mainly on the level of individual competencies, relying on the definition, identification, assessment and means of developing the competencies found in the individual's competencies portfolio (Le Boterf 1998 1994, Jolis 1997, Colardyn 1996). The added value here consists in creating competent individual *performers*, which means making the competencies required by the job position appropriate with respect to those of the individual occupying it (competencies coverage ratio). This is the first purpose of the competency development process. However, in the current environment, public services are demanding people possessing *intrapreneurial* qualities, capable of transforming their labour into doing things in an innovative way, rather than simply carrying out the tasks requested of them in conformity. In a break from widespread practice, particularly within public organisations based on hierarchical Taylorism, that snubs its nose at the 'intelligence of the employees', this fundamental added value makes obsolete the traditional segmentation seen in HRM systems of distinguishing between managers and non-managers. Indeed, the competencies, aptitudes and know-how required of all personnel looks a lot like what was expected from only executive managers in the traditional view. In a larger vision that anticipates the evolution of careers, the modern employer strives to develop the competency potential of all personnel and thus their employability (Camilleri *et al* 1999, Capelli 1999).

Teams and teamwork, the heart of collective competency

At this level, value consists not only in forming cohesive and coherent teams, but also the emergence of 'toti-potential' networks (Muth 1998) of collective competencies reflecting flexibility, ad-hocracy and the ability to evolve like living systems. Indeed, organisational production is realised more and more through *ad hoc* networks of collective competencies assigned to specific projects and assignments. It is thus important to be able to identify, assess and develop collective competencies, a topic that is still quite absent from literature on the subject. For Amherdt *et al* (2000), collective competencies come about as the result of a variety of factors, the main ones being illustrated in the Figure 3. Together, these factors, in the framework of stable work situations within the formal organisational structure, or in the context of *ad hoc* projects, contribute to the emergence of collective competencies. Each one contributes to a collective performance that adds up to more than the sum of each of the individual performances.

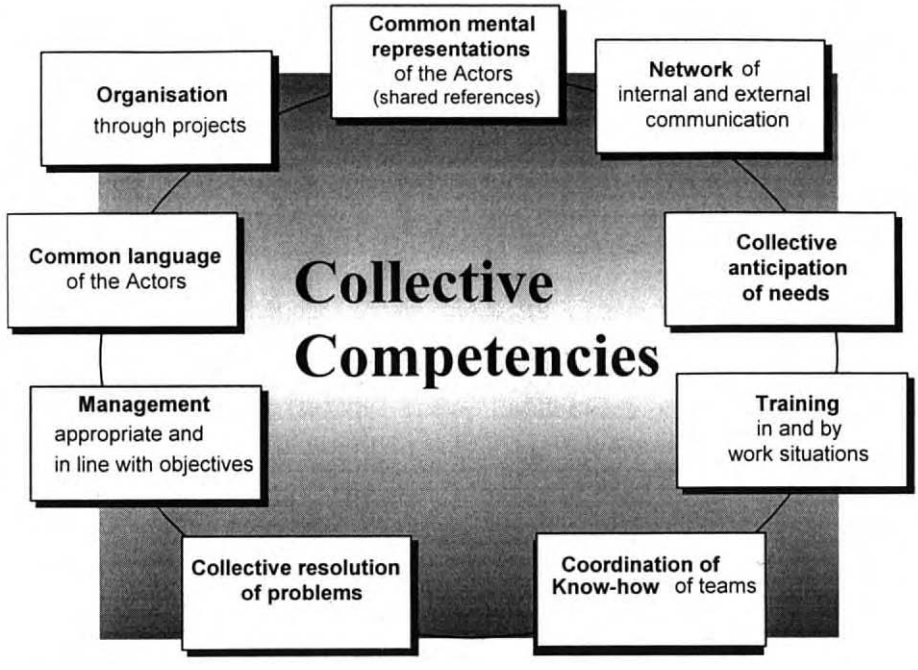

Figure 3: Factors favouring the emergence of collective competencies

Service units (departments or agencies, areas of public policy)

The essential value here consists in providing organisational departments with the competent human resources required to realise their mission while anticipating the principal future needs and the 'core' competencies required. This so-called ratio of key-competencies coverage can be reached, for example, by using a strategic 'department project' approach (Batal 1997), leading to a consolidated competencies balance sheet based on the model developed by Emery and Gonin (1999) and outlined in Table 5. These areas show 'growing' competencies, meaning new strategic competencies needed for the department to carry on smoothly and areas of 'diminishing' competencies whose utility is waning. However, in addition to aligning competencies development with the department's strategy, added human value also involves the emergence of collective learning processes, enabling new competencies useful to the future functioning of personnel to be developed. The energy produced by the learning processes within a department, or a field of public policy, remains to a large extent unexplored although it ought to be fundamentally included in the finality of the competency development process since it constitutes a potentially powerful catalyst to it.

Added human value naturally translates into the growth of a pool of organisational competencies or the 'human capital' that will allow the public organisation to ensure its current and future missions with efficiency and flexibility (Mayo 2001). By analogy with the preceding level, the human capital available within the entire organisation can be added up and inventoried in a global

competencies audit. At this stage, of particular interest are the generic competencies which make up the specificity of public organisations and which serve as a base platform for the competency development process. A sample taken from a public organisation database (Lévy-Leboyer 1996) provides the following competencies for example:

- adaptability,
- ability to synthesis,
- negotiating skills,
- social skills,
- ability to solve problems,
- writing and speaking skills.

Table 5: Competencies Development at the Service Unit Level

Areas of current competencies useful to the department Key-competencies	**Aggregate competencies of the personnel (example)**	**Incidences linked to the department project Anticipation, alignment of competencies**	**Areas of competencies development strategy**
Area 1	OK as is	Reinforcement	Staffing of new personnel or continuing education of current staff.
Area 2	Under-competencies[1]	Progressive fading out over 3-5 years	Study the possibilities of internal or external mobility.
Area 3	Over-competencies[2]	Stable	Study the possibilities of internal or external mobility.
Area 4	OK	Stable	----- (continuing education)
...	...		

The public service organisation: an employer that attracts and retains competencies

Competencies development by public employers should be seen as one of the leading facets of the new psychological contract capable of attracting and retaining competent people within the public sector (Sims 1994). The psychological contract associated with traditional public employment has been fundamentally challenged by the implementation of 'new public management' and the change in status of personnel associated with it. The employment conditions offered by the public employer, as well as the expectations in terms of behaviour and performances, are seriously approaching those of private firms. Out of concern to be a competitive, 'choice' employer, public employment is threatened by a form of banalisation, losing

the advantages that for a long time characterised its specific attractiveness including job security, less stressful pace of work, advancement possibilities and so on. Added human value has to be brought to the organisation by providing it with new opportunities for anchoring and mobilising public employees in the 21st century. This value relies to a significant extent on the process of competency development and the value to the individuals within and outside the organisation. The diversity of careers and variety of public service missions represent a considerable asset in comparison to the private employer, albeit an asset too often left untapped.

The surrounding labour market, an expression of the wealth of human capital in a given region

This level involves improving an entire region by fostering added human value beyond organisational boundaries. The fact that public employers often carry a lot of weight, at least quantitatively, in their regions reinforces their responsibility towards the citizens. Stemming from ethical principles of human development, combined with the driving force of public organisations to set an example (Ulrich *et al* 1999), this perspective takes the process of competency development to the surrounding employment area. It implies that the public employer, especially if it is a national or regional public entity, establishes a kind of career and employment observatory in order to:

- anticipate the leading trends and the future competencies required at the regional level, beginning with the evolution of companies and technologies,
- state these trends in terms of needs for new competencies at the macro-economic level,
- set up the most pertinent qualifying processes to meet the needs identified. This involves measuring the policies of basic and continuing education as well as policies within the organisation,
- periodically assess the impact of the measures taken, whilst ensuring a genuine monitoring of all the competencies in the employment zone.

Currently, such practices are rare, and only concern basic education including vocational training or very specific careers and competencies to do with the fields of technology or computing. The added value of measures implemented in this area could give rise to a true 'social balance sheet' of public organisations, in the tradition of French practices.

Referring back to the levels of contribution outlined earlier, we summarise the added values created by the process of competency development in Table 6.

Table 6: Added value created through the process of competency development

LEVEL OF CONTRIBUTION	ADDED VALUE
Input Assessment of the current competencies possessed by members of personnel	Inventory of current competencies throughout the various levels of the organisation (see tree metaphor above): - Individual competencies (Portfolio of competencies), - Collective competencies, - Competencies according to public action units (services, public policy areas), - Global competencies (human organisational capital), - Aggregate competencies available in an employment area or region.
Level 1: Processes of 'producing' Competencies per se: - Assessment of Competencies needs Choice of strategies and means for developing Competencies - Implementation of the means chosen - Assessment of the acquisition of the new Competencies (validation, certification)	Inventory of competencies needs on the individual and collective levels, determined in anticipation of the public mission, with an assessment of current Competencies. A set of means for developing the Competencies adapted to the needs identified and to the particularities of the organisation. An effective and efficient realisation of the actions undertaken to develop Competencies, based on a contract engaging the different parties involved . New competencies acquired and applied to the challenges and tasks to be realised, enabling potential increases in the current and future performances of the personnel and the organisation
Level 2: Added value for HR when it comes to Competencies, across different levels of the organisation (1 = individual - 5 = employment area)	Increased individual employability, intrapreneurial Competencies 'Totipotentiality' of the teams and networks of Competencies Heighten capabilities of current and future department ('strategic' coverage of key-Competencies according to management's outlook) 'Human capital' of the improved organisation (attractiveness and competitiveness of the public employer, ability to retain staff) Stronger employment area, which becomes more fluid through the increased employability of personnel (the human capital of a region)
Level 3: Effects on the organisation's performances across the different levels identified (transfer, implementation)	Heightened individual performances Heightened collective performances (performing teams) Heighten performances at the unit level (in the framework of service contracts, for example) Heightened organisational performances Attractiveness and competitiveness of the region
Effects on the outcomes of the organisation, extent of solving the public problems investigated	Political objectives achieved (substantial policies) Heightened legitimacy and acceptability of public HRM practices within the population (institutional policies = HRM)

CONCLUSIONS

This overview of the perspectives made possible through the management of human added value in public organisation, supported by the competencies development processes, is indicative of what the paradigm shift in HRM is capable of bringing about. The originality of the concept resides especially in the clarification of the different levels of the HR processes used in the creation of human added value for the organisation. Currently implemented mainly at the first level, the competencies development process would be all the more useful if it integrated all levels of the organisation. However, current knowledge does not yet make it possible to clearly define:

- the contributing factors to collective competencies development (at the team, department or even organisational levels),
- the tools to use in assessing, cataloguing and exploiting these different levels of competencies (knowledge management),
- the interaction between the levels of competencies identified and the synergy and entropy processes underlying them.

This represents a plethora of largely untapped research areas which need to be exploited. We believe public HRM will not only be capable of increasing its organisational impact by bringing out the full value of the added values created within the organisation (which it currently does not do), but also its credibility and its legitimacy in the eyes of its various partners. These include political managers, who allocate and control HRM budgets; public managers who are the principal contributors to HRM in the field; staff who are beneficiaries of the HRM activities; social partners who look to broaden the platform of their common interests, which is particularly the case in the area of competencies development; users, citizens and clients of public services who are the final beneficiaries of the public policies which have been implemented. And, last but not least, the entire surrounding employment area, or labour market. Whilst this is a public interest hard to perceive, it can benefit from competency development processes carried out from within a pluri-dimensional perspective.

ENDNOTES

[1] Under-competencies means that the aggregate competencies of the entire personnel of the department is below the level of needs required for this particular area of competency (for example, the 'languages' capital of the staff does not meet the needs linked to the department's activity.)

[2] The opposite of note 1.

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PART II

COUNTRY STUDIES

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Competency Management in the Public Sector
S. Horton et al. (Eds.)
IOS Press, 2002

II.1. HRM Competency Frameworks in the British Civil Service

David Farnham & Sylvia Horton

The British civil service embarked upon a competency approach to HRM during the early 1980s. The then Office of Public Service, working with consultants and government departments, identified the core competencies required of senior civil servants. Profiles of these personal qualities and skills, for each level of the higher civil service, were used in the selection of candidates for particular jobs, for career development and for training. In 1987, influenced by the Management Charter Initiative[1] (MCI) and its National Vocational Qualification (NVQ) framework for managers, and working with outside consultants, Price Waterhouse, the Civil Service College developed a competency-based training programme for the top seven grades of the service. All courses at the college were linked to core competencies and were a combination of job, role and personal criteria reflecting a mixture of the standards- referenced approach and the behavioural-anchored approach to competencies (Horton 2000). Similar competency-based training frameworks, using the MCI and NVQ schema, were developed in other parts of the service for lower level staff. By the 1990s there was clear evidence that competency-based management (CBM) was being used in many areas of personnel policy but there was no central policy or directive. Practice had grown up in an *ad hoc* way.

BACKGROUND

Although all parts of the civil service were brought within a system of performance management during the 1980s, other initiatives led to fragmentation. The Ibbs Report (Cabinet Office 1988) entitled *The Next Steps*, led to the hiving-off of executive activities from central government departments. Over 150 agencies, each headed by a chief executive under contract to deliver services to the specifications set in the framework document, were created between 1988 and 2000 (Horton and Jones 1997; James 2002). Chief executives were responsible for managing their agencies on a day-to-day basis and expected to meet performance targets set by their parent department. They were given extensive delegated powers over all personnel matters and by 1994 most agencies had control over pay, structure and rewards (Farnham and McNeill 1997). Within this decentralised and federalised administrative structure, there was scope for diversity of practice. There was no uniform introduction of competency management across all departments and agencies but the shift was influenced by three government initiatives.

The first was the launch of the *Citizen's Charter* (Prime Minister's Office 1991), which placed responsibility for raising standards of performance on agencies. The second was the government's white paper *Development and Training for Civil*

Servants: A Framework for Action (Cabinet Office 1996). This required all parts of the civil service to have *Investors in People* (IiP) status by 2000, to raise the levels of skills and competencies of all staff and to encourage staff to take responsibility for their own career development.[2] The third initiative was the introduction of benchmarking as a means of raising organisational performance. In 1996 the government adopted the Business Excellence Model, developed by the European Foundation for Quality Management (a private management organisation), as the benchmark against which civil service organisations would assess their own quality (Samuels 1997).

By the late 1990s, most agencies and departments were showing interest in competencies and some had developed comprehensive competency frameworks. Well-documented examples included the Land Registry, Registers of Scotland, Ordnance Survey, Benefits Agency, Department for Education and Employment and Civil Service College (Horton 1999). In an attempt to establish the extent of CBM in the civil service and to identify the variety of frameworks used an approach was made to the Cabinet Office where we expected to find a central record. There was no record however. The Cabinet Office did not know which agencies and departments were practising CBM. To remedy that gap we embarked upon the research reported below.

THE SURVEY

The aims of the survey were to:

- establish the extent of competency-based human resources management (HRM) activities within civil service departments, departmental agencies (DAs) and non-departmental agencies (NDAs) and how many staff were covered by them,
- identify which personnel activities within agencies and departments were competency-based,
- record how competency frameworks have been constructed,
- examine the perceived benefits and problems associated with CBM.

A questionnaire was sent to personnel or human resource directors of 130 randomly selected ministerial and non-ministerial departments, DAs and a small number of NDAs. This represented 27 per cent of the total number of civil service organisations but over 70 per cent of departments and departmental agencies[3].

There were 62 usable replies or a response rate of 49 per cent. The respondents were from 16 departments, 38 DAs and 8 NDAs. The DAs included the two largest, the Benefits Agency and Employment Service,[4] and the smallest The Queen Elizabeth Conference Centre. Departments ranged in size from the Inland Revenue and Customs and Excise (the largest non-ministerial departments) to the Treasury Solicitors' Office and the small regulatory departments of Ofwat and Ofgem.

Forty-nine or nearly 80 per cent of respondents had competency frameworks and only 13 did not. Of those 13, however, 10 were planning to introduce them either in 2000 or 2001 and only two stated that the issue was not on their agenda. Several agencies were also planning to extend competency frameworks to areas not currently covered.

There was wide variation in the personnel activities where competency frameworks were being used. Excluding those where competencies had not yet been introduced, five organisations applied it to one personnel activity, 12 to two activities, 15 to three, 13 to four, six to five and in two organisations it was the basis of six or more. The most common activities where competency frameworks were being used were staff development (43) appraisal (36) and training (37). Only 13 organisations operated pay and rewards within a competency framework and only one agency in the survey had adopted a holistic approach, with all personnel activities being managed within a CBM system. Thirty-six organisations said they were planning to adopt a holistic approach in the future.

In response to a question about the coverage of staff, 42 organisations (two-thirds) stated their competency frameworks covered all staff within them. Of the 13 who said 'no', five commented that Senior Civil Service (SCS) staff had their own framework. This brought the number of organisations with comprehensive coverage up to 47 or 75 per cent of the total.

There was wide variation in the composition of the competency frameworks. Twenty-five or 40 per cent of organisations in the survey based their systems on core competencies, three on specialist competencies but the majority, 33 (53 per cent), on a combination of the two. Only one agency used specialist competencies in isolation.

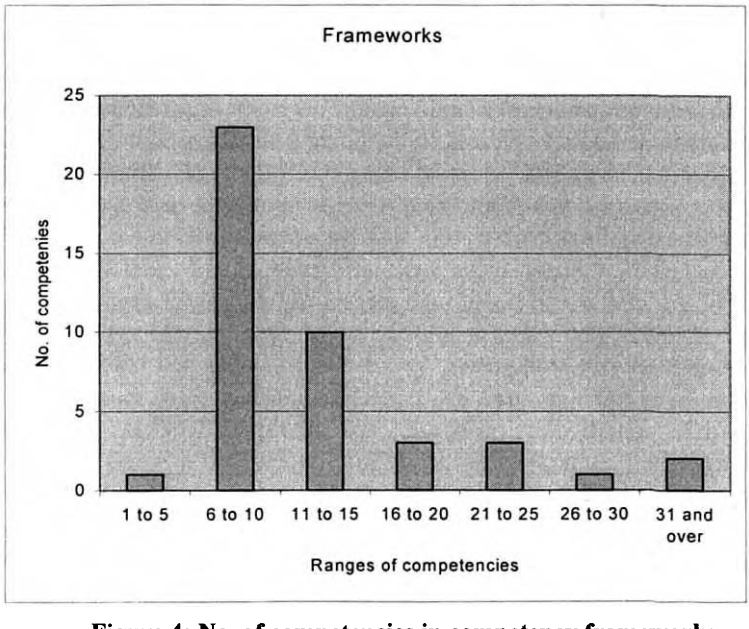

Figure 4: No. of competencies in competency frameworks

There was also wide variation in the number of competencies included in the frameworks, ranging from five to 225. The distribution is indicated in Figure 4 with the most common range being between six and ten. One of the difficulties in interpreting this data was that respondents may have aggregated total numbers of competencies and criteria across grades and headings whilst others aggregated the general competency headings only.

When asked how they had developed their competency frameworks, 16 organisations had used consultants, 22 had developed their frameworks in-house, whilst 17 had used a combination of the two. Of the remainder, five did not respond and four had used a combination of focus groups and brainstorming techniques.

The methods used in constructing the competency frameworks also varied widely. Seven had used the repertory grid technique, three critical incident analysis and eight benchmarking in isolation, whilst nine had used combinations of these.[5] A small number of respondents did not know how their frameworks had been constructed, because they were in place before the respondents took up their posts.

Answers to the qualitative questions indicated that many problems experienced in implementing and using competency frameworks were common across a wide range of organisations. The most frequently mentioned problems were lack of understanding by staff, lack of commitment by line management and lack of ownership and support by senior management. Other problems mentioned were difficulties in identifying competencies, resistance by trade unions and managers, the speed of implementation without pilot studies and the piecemeal approach. One agency felt that full-scale implementation of the policy throughout the organisation meant the job was unmanageable and resulted in poor implementation. On more specific problems one agency referred to the unclear descriptors to define behaviour, which subsequently led to difficulties in using the framework. Another, which used a skills-based as opposed to a competency-based approach, said that competencies were 'too complicated to construct, too difficult to measure and too subjective'. In contrast, another agency stated there were no problems and 'staff liked it, found it easy to understand and it was working successfully across all grades'. There were clearly some contradictory views being expressed here but one agency, which had been using a competency framework for six years, stated that 'the initial teething problems were overcome by training'. A large number of respondents failed to answer questions about the problems and positive benefits of competency frameworks because they had only recently introduced their systems and had not yet evaluated them.

Responses to the last question on the perceived advantages of CBM were generally very positive. In spite of the problems experienced by most organisations there was widespread support for its 'many benefits'. These may be categorised as benefits to managers, staff and the organisation and the quality of its operations.

One of the major benefits identified by managers was 'the usefulness of the framework across the range of people management functions, from assisting with drawing up job and personal descriptions for recruitment, providing more objective criteria for evaluating and assessing staff and identifying training needs'. One respondent emphasised 'the value of having a common language in all aspects of HRM' and 'a greater degree of standardisation'. Several replies thought it resulted in

a fair and defensible framework for selection, development and performance appraisal. It also was 'giving managers a tool and process for identifying areas of joint involvement with staff'. One respondent stated that 'our trade unions have given their support for its transparency and levelling processes in management/staff relationships. It has proven to be a real culture change'. Finally, several respondents referred to the motivational effects of competency approaches which 'encourage staff to reach their full potential'.

The advantages to employees and staff were perceived as: greater transparency in what was required to achieve high performance in their jobs; focusing their attention on desired behaviours and attributes; more encouragement and opportunity to self develop; easier for staff to build towards promotion and career change; and a fairer and less subjective system in which staff can have confidence. These views were those of human resources managers but in some cases they referred to the positive staff feedback on the new systems.

Advantages to the organisation were identified as 'enabling the development of a clear strategy on training'; 'enables the development of a holistic approach to HRM'; 'is a useful development tool and a balance to objective setting'; and 'can identify corporate areas for development'. It was claimed that 'Competency-based processes bring advantages for our business and for our people as individuals'. They give us 'the ability to identify and focus on our key strengths and areas for improvement in the agency'. Another agency felt they provided 'a better measurement/assessment tool for recruitment and selection, induction, training needs assessment and performance appraisal'. Finally, one response stated that 'it gives greater clarity in defining what we want done and how it should be done (and gives) analysis of feedback on how we are doing better'.

The conclusions drawn from this empirical research are that use of competency frameworks is widespread across civil service organisations. Some 95 per cent of respondents in the survey either had or were in the process of introducing a competency framework although there was no standardised or common framework in their use. The approach to introducing competencies appears to be *ad hoc* and pragmatic and left to the discretion of local management. It confirms that there has been no 'big bang' approach with the exception of the SCS where there is a uniform system, common to all departments and agencies, managed by the Cabinet Office. The findings indicate that competency frameworks are not easy to develop or to implement. Resistance to change comes from both managers and staff and needs to be managed carefully. Some organisations appear to have been more successful than others in managing that change process.

The individualistic approach to developing competency frameworks has provided a large number of cases and lessons for transferred learning. Some responses indicated that where external consultants had been used they were 'the cause of the problems'. Where the external consultant was the parent department, however, results appeared to be good or better, indicating the benefits of transferred organisational learning. The claims made by management consultants and academics advocating competency management appeared to be borne out by the positive statements made by most respondents about the benefits to managers, staff and the organisation. To what extent these reflect only the subjective opinion of HR

managers is not evident from this initial research. But they confirmed the findings of earlier research that competency frameworks aided performance management by providing a common ground for the whole performance cycle- from objective setting to appraisal and longer-term development (IDS 1995).

A report on the findings of the survey was sent to the 62 organisations that participated in the survey and an invitation was extended to participate in the second stage of the research. Ten organisations volunteered and agreed to telephone interviews. During the interviews the respondents were asked to expand on when and why their organisation had developed a competency framework, the process involved in developing the framework and how extensively it was being used. Further questions threw light on the areas where they had found the approach most useful and where it was more problematic to apply. They were asked specifically to elaborate on their responses to these two questions in the original questionnaire. A further question sought to establish whether they had evaluated their use of competency frameworks and whether it was possible to measure their impact. Finally, they were asked how information on competency management was disseminated throughout the civil service, what they had learned from other organisations and what 'good practice' they had been able to pass on.

The respondents confirmed the *ad hoc* and incremental approach to competency management throughout the civil service. Some organisations had embarked on a competency approach in the early 1990s whilst others had only recently done so. In most cases the move to competencies had been internally generated, although one agency had responded to two external reports which had recommended their introduction. All respondents confirmed they had used a variety of methods in constructing their frameworks including repertory grid and critical incident techniques and focus groups. They emphasised the importance of a high level of participation in the development process both to get the framework right and to gain staff and management support for it. One organisation had interviewed 10 per cent of all managers and another had involved all 165 staff who would be involved in a pilot study during the development of the framework.

All the organisations in the telephone survey had appointed project managers to develop their competency frameworks. These people had undertaken extensive research into the frameworks used by both public and private organisations and in particular explored the MCI framework and other national standards. Their early frameworks were initially limited both to specific groups and levels of staff and were used across a narrow range of personnel activities. For example, one medium sized agency used its framework only for staff development and training, in assessment centres and to a lesser extent in junior recruitment. Most respondents had several competency frameworks for different parts of the organisation and were at an early stage in seeking to integrate them into a single framework. Although most thought it was possible to develop a single framework to underpin the whole range of people processes, they were unsure how to reconcile its use for both staff development and rewards. None of them currently used their frameworks for determining rewards. Two respondents had stronger reservations about a universal framework and feared it would be too mechanistic.

The discussion of where the competency frameworks had been most useful included references to job design, recruitment, and identifying development needs and training. A standard response was that 'the framework provided a common language and common understanding of the necessary and desirable behaviours needed to achieve the organisation's objectives'.

Problems arose mostly from the difficulty of understanding, assessing and measuring behaviours. Staff found it difficult to provide evidence-based examples of behaviours such as leadership, personal effectiveness and teamwork, while line managers found it difficult to evaluate staff contribution to managing change or resource management. Frameworks that included descriptions of desirable and undesirable behaviour helped and those organisations that had evaluated their frameworks were moving in the direction of simplifying them and adding examples of behaviour.

The unanimous views of the interviewees was that competency management was an advance on previous systems of people management but it was still an act of faith rather than a validated cost effective, value added practice. They saw its primary purpose to change the culture of the civil service and make methods of assessing people more transparent. They saw the inherent danger as one respondent put it 'of cloning and suggesting there was only one way of behaving'.

It appears that although information is disseminated through networks and cascaded down through quarterly meetings of chief executives and personnel and HR managers, it often stops at the agency top level and does not get through to operational staff. It is more by accident than design that good practice is spread and organisational learning takes place.

A COMPETENCY FRAMEWORK FOR THE SENIOR CIVIL SERVICE

The research described above relates only to the use of CBM in the management of civil servants below the level of the Senior Civil Service (SCS). The SCS, which consists of the top 3000 civil servants, spread across all government departments and most of their agencies, provides the best example of a holistic approach to CBM. Management consultants Price Waterhouse developed the first competency framework for the top three levels of the civil service in 1993. There were minor revisions to accommodate grades 4 and 5 when the SCS was created in 1996. The *Report on Civil Service Reform* by Sir Richard Wilson (then Head of the Civil Service) to the Prime Minister in December 1999 gave detailed proposals for a reform of the SCS Pay and Performance Management System, including a project to develop a new SCS competency framework (Cabinet Office 1999a). The process of that development was closely monitored and provides a case study of how and why a new competency framework was constructed and what lessons it offers to those embarking upon a similar task.

The government's white paper *Modernising Government* (Cabinet Office 1999b) committed the civil service to bringing about radical reforms, including a major reform of its own composition, organisation and practices. The Wilson report projected major changes in the culture of the service and the need to ensure that it had the leadership and core competencies to carry through the reform programme.

After creating a new mission statement on Vision and Values, action followed on a new competency framework.

The new competency framework was required to drive the government's modernising and reform programme through, in other words to act as a vehicle for organisational and cultural change. Tenders were invited from management consultants to bid for the contract. Fifteen organisations were approached, eight applied and three were short-listed. The contract was awarded to Development Partnership, a small organisation of five partners, formed in 1992 by a group of ex civil servants. Development Partnership specialises in civil service work, in particular developing competency frameworks for departments and agencies. Its terms of reference were:

> *To develop a new SCS competency framework; pilot the framework; benchmark it against good practice; provide guidance on the use of the framework; assess the training implications of the new framework; and assist in ensuring that it was integrated into the SCS performance management process (Development Partnership 2000:1)*

The time scale for the project was 15 months. It was divided into three phases. Phase one, which began in March 2000, involved the first drafting stage and took two months. Phase two, the consultation, feedback and testing stage, was completed by the end of August. Phase three, which involved the final validation of the new framework, an extended communication and consultation process and final approval was completed by November. Once the definitive competency framework was published in February 2001, departments and agencies had until 1 April to roll it out, including planning the necessary training on a just-in-time basis. The target of April 1 deadline was to coincide with the introduction of the new Pay and Performance Management System.

Phase 1: Identifying the competencies and creating a new structure

A variety of methods were used in constructing the new competency framework. First, 14 top managers and key stakeholders in the SCS were interviewed. The interviews, which lasted about an hour, focused on their views on the *Modernising Government* agenda, the leadership role of the SCS and in particular what competencies and behaviours top civil servants needed to have in the future. Those interviewed included permanent secretaries of the largest government departments, representatives of two major civil service unions, members of the Cabinet Office and Head of the Civil Service.

Second, detailed critical incident interviews were conducted with around 30 SCS staff drawn from a wide range of departments and agencies. They were asked about their own career paths, the skills they felt they had developed and in what contexts and, in particular, their views on role model competencies and behaviours.

Third, four workshops were held involving staff below SCS level, drawn from eight departments and agencies. Each workshop had 12 members who were asked to discuss what they expected from people in the SCS. In addition group sessions were held with HR practitioners.

Fourth, interviews were held with top managers of six external organisations, including the John Lewis Partnership and the Institute of Directors to discuss their experiences of competencies and their perceptions of the SCS.

Fifth, an analysis of 360-degree feedback in the SCS was also undertaken, in discussion with the Civil Service College. Finally, information was collected and analysed on the competency frameworks adopted for Senior Civil Services in the Netherlands, Canada, Australia and New Zealand, as well as a wide range of public and private organisations in the UK and overseas.

All these activities were completed within a five-week period and formed the basis of a report produced by Development Partnership. This identified a number of common themes that had emerged from the various exercises. The key message coming through was that a new framework was required, that it should be simple, clear, easy to understand, focus on behaviours and outcomes which reflect the government's modernising strategy and that it should be flexible to accommodate the complexity and diversity within the service. A long list of 'behaviours' was suggested for inclusion in the competency framework.

The report also identified a range of different perspectives about levels within the competency framework, the need for flexibility and variance to accommodate the diversity among departments and agencies and the degree of change required in the existing framework. It observed that members of the SCS were rather more complacent about the need for radical change than those outside it. The Development Partnership (2000:3) concluded that there was a case for changing the SCS competency framework but not too radically: 'We would advocate some change in the competencies, criteria and language to signal change is needed, whilst retaining a degree of continuity with the original framework'.

The draft framework, which they produced, consisted of six key competencies and their corresponding outcomes expressed as:

- giving purpose and direction: creating a vision of the future,
- making a personal impact: showing the way forward,
- getting the best from people: inspiring people to give of their best,
- working collaboratively: working with others to achieve the best overall outcome,
- taking a wider perspective: looking ahead, assessing options and deciding on outcomes,
- focusing on outcomes: organising delivery through people.

Under each of the key competencies, criteria of effective behaviour were listed as well as the ineffective behaviours to be avoided and discouraged.

The Civil Service Management Board (CSMB) accepted the draft as a basis for further consultation but requested that the next phase should focus specifically on the following issues:

- content: should more reference be made to analysis and judgement, creativity, and resources management?
- would clear value be added by the inclusion in the framework of ineffective behaviours?
- did the framework need to do more to promote diversity in the civil service?
- was the new system placing enough emphasis on skills and knowledge?
- how could the new framework better reflect the new Vision and Values adopted by the CSMB?

Phase 2: Consultation, feedback and testing

Phase 2, carried out by the project team and Development Partnership, from June to September 2000, involved using the draft framework in three major forms of consultation. First, the framework was pilot tested in 14 departments and agencies across a range of personnel functions, including appraisal, coaching, training and 360-degree evaluation, to discover if the framework worked in practice. Second, 11 validation workshops were convened. Five of these included members of the SCS drawn from the London-based departments and agencies, Cardiff, Leeds and Edinburgh and three included only civil servants below SCS level. Specific workshops were also held for women members of the SCS, ethnic minority staffs and staff with disabilities. More than 1000 members of staff participated in these activities from a variety of departments and agencies. Both these strands tested reactions, elicited proposals and developed receptiveness to the behavioural and cultural change implicit in the framework.

The final stage of Phase 2 involved individual consultation. All 3000 members of the SCS were given the opportunity to comment on the new framework, which was placed on-line *(www.cabinet-office.gov.uk/civilservice/scscompetencies)*. Respondents were asked to provide information about themselves, assess how important they thought each competency was to their current job and the extent to which they thought they could currently demonstrate the behavioural criteria. They were also permitted the response 'does not apply'. Finally they were asked to identify their strongest competencies, which competencies/behaviours needed further development, how this matched their previous perceptions of their strengths and weaknesses and what development they felt they needed.[6] The self-assessment questionnaire was completed by almost 500 members of the SCS. Apart from providing a way for senior civil servants to participate in the policy formulation process, the questionnaire was also intended to contribute to conclusions about the training and development implications of the new framework.

The key conclusions drawn by the consultants, after Phase 2 of the process, were that there was a positive commitment to the new framework, although some refinements were called for. In particular more emphasis needed to be given to results, the behaviours needed to be spelt out more clearly and the contribution of

specialists should be acknowledged. The two main messages coming through were that ethnic minorities did not feel sufficiently engaged in the development of the framework and they thought 'diversity' behaviours were an 'afterthought' in it.

Some major changes were subsequently made to the draft framework. These included a revised layout, changes to the titles of three of the competencies, detailed revision of the effective and ineffective behaviours to strengthen reference to diversity and inclusion of quotations to illustrate effective behaviours.

Phase 3: The final validation

In the third phase, during October 2000, a final draft of the framework was drawn up. It was approved by the Project Advisory Group on 15 November and by the SCS Management Board a week later.

The second report of the consultants had set out detailed recommendations on the implementation process. This included an initial newsletter to all members of the SCS on the results of the consultancy, creation of a web site and a new corporate image. It was also recommended that guidance and briefing on the new Framework should be laid on for all members of the SCS as part of their training for the new Performance Management and Pay System. A newsletter should be sent to all non-SCS staff on the new competencies and what they would mean for the future role of the SCS. Finally, there should be a benchmark survey, based on 360-degree feedback, to assess the current strengths and weaknesses of the SCS against the new competencies.

Between December 2000 and April 2001 departments and agencies prepared for adoption of the new framework and most of the recommendations of the Development Partnership were carried through. Staff gradually received training, on a 'just-in-time' basis, with top level and line managers having priority.

EVALUATING OLD AND NEW COMPETENCY FRAMEWORKS

The new competency framework entitled *Leadership for Results* is different from both the 1996 framework and the revision draft in several ways. First, it is based entirely on behaviours, rather than skills and knowledge. Second, the format and language of the new framework is simple and written in a clear, direct language. Third, it consists of only six competencies, instead of nine, which are considered key (core) competencies and critical for the effective performance of all staff within the SCS. These are giving purpose and direction, making a personal impact, thinking strategically, getting the best from people, learning and improving and focusing on delivery.

Each of the competencies has a list of effective behaviours and ineffective behaviours, which are the criteria used in assessing performance (http://www//cabinet-office.gov.uk/civilservice.scso.../impact.htm, Horton 2002). These competencies and behaviours clearly reflect the priorities in *Modernising Government* and *Civil Service Reform* agendas and focus on the key themes of both which are: improved leadership, effective delivery, greater creativity and innovation,

promotion of diversity, working in partnership and encouraging use of new technology.

The new framework incorporates many of the suggestions made by the 1000 participants, although some two-thirds of the old core criteria have been carried over into the new behaviours. It no longer refers to any specific competencies or criteria, however, and this enabled the number of core criteria to be reduced from 67 to 53. The framework is a generic document, appropriate to all civil service organisations and all levels of the SCS.

In their justification for the omission of specific competencies, Development Partnership stated that specific skills and competencies are usually a prerequisite for appointment to the post and 'it is the behaviours that describe how that knowledge and skill is deployed in the job that enable that individual to add value in their work'. A concession to specialists was made in the reference to 'valued for sound application of knowledge and expertise' under the core competency of 'making a personal impact'. In addition they recommended that a separate part of the revised performance review and development planning process should focus on the development and deployment of the skills and knowledge required for the post (Development Partnership 2000).

Perhaps noticeable by its absence in the new framework is any reference to political, ministerial or parliamentary relationships or to public stewardship. The political competencies, which are, perhaps, the most generic of all in the civil service, do not feature in the common framework at all. The framework that has been produced for the SCS is organisationally 'neutral' and could be applied and used to evaluate and develop people in top management positions in any private, public or voluntary organisation. In an interview, a member of the Cabinet Office project team, responsible for the new SCS framework, stated that the idea of generic management underlay the thinking on the new competency framework and illustrated convergence across the market divide.

The new framework has clearly been designed to convey a future oriented, positive, dynamic image of a modernising civil service, responsive and in touch with its stakeholders, continually learning, innovative and risk taking. It is designed to drive changes in behaviour and to identify what makes the difference between success and failure and between satisfactory and excellent performance. It is also intended to be a change agent and form the basis for the new performance management and pay system. The image of the modernised SCS bears a close resemblance to the successful organisations projected by Peters and Waterman (1983) in their book *In Search of Excellence* and other 'management gurus' in their recipes for success in a fast changing world where you need to keep one step ahead of your major competitors. To what extent this model is fully relevant to a national civil service is open to further debate.

DISCUSSION

This research points to widespread use of competency frameworks across central government organisations but they are characterised by great diversity. Some organisations use them only in a limited number of personnel activities and few organisations are currently using competencies as a basis for pay and rewards, which is seen as the most problematic area for implementation. There is also diversity in the content of the frameworks with some based entirely on core competencies, others on specialist competencies but most having a combination of the two. Further differences are the extent to which organisations distinguish according to level and divisions within organisations. This situation is likely to change, however, as all parts of the civil service will be required to move to a holistic approach to CBM, within the framework of the government's revised performance management and pay policy introduced in April 2001. This has occurred first in the SCS, where the most extensive use of CBM is already found but will gradually unfold across all departments and agencies and at all levels.

Although external management consultants are still used extensively by civil service organisations to develop their competency frameworks, there is evidence that where parent departments are used as consultant results appear to be better. Combinations of in-house development and specialist consultants, as with the development of the new framework for the SCS, appear to be the most successful and there are now clear examples of 'good practice' in the civil service against which benchmarks can be made. The findings of the interviews with HR directors suggest that 'good practice' is not widely disseminated and that the Cabinet Office is failing to promote the 'learning organisation' to which government is committed. Small internal networks seem to be the main vehicle for the spreading of information and ideas.

The research also indicates that there is a wide range of common problems in using competency frameworks across all civil service organisations, irrespective of status, size or function. First, there are problems related to acceptance. These include poor understanding among staff, lack of commitment by line managers and lack of ownership by senior managers. Second, there are problems associated with the content of frameworks, such as lack of clarity and difficulty in applying competency criteria. Third, there are problems of balancing 'core' and 'specialist' competencies within the framework, establishing 'competency levels' and avoiding overly complex competency frameworks which are too daunting to operate.

These are not insurmountable problems and they appear to have been taken on board by the Cabinet Office project team, which devised a strategy to avoid them in the development of the new SCS framework. The three stages of that development were exemplars of transparency and participation. The top-down and bottom-up approach ensured the commitment of top management, active involvement of staff across departments and levels and transmission of information to all 3000 SCS staff affected by the new policy. The pilot studies tested out the applicability and ease of using the new framework and workshops and focus groups enabled staff to express their concerns and reservations and to see many of those incorporated into the final revisions.

In implementing competency frameworks, further problems are lack of time for implementation and the need for training. Here again, perhaps the case study of the SCS project can point the way. The new competency framework that went live on 1 April 2001, along with the new pay and management system, was accompanied by a systematic programme of training and support. The project team designed a programme with comprehensive training notes with members of the Civil Service College (CSC). Ten training sessions were held in which mainly training officers from departments and agencies were trained by a small team (two CSC trainers and a member of the original project team). Training was then cascaded down as larger departments (some with 400 plus SCS staff) did their own internal training, including within their smaller departmental agencies. First, all managers were instructed on the new framework and how it fitted with the new performance management and pay system. In particular this focused on how to set up performance agreements incorporating competencies. Second, mid-year, managers were trained in how to deal with development reviews. Finally, there was training in performance assessment and how to make pay awards under the new arrangements. All staff have also been trained in how to use the framework within the system of 360-degree appraisal and for their own self-development. As far as training in the competencies themselves is concerned, a new modular structure has been designed with the CSC to provide a diet reflecting the new framework (Cabinet Office 2001).

Diversity of practice of CBM throughout the British civil service provides both an interesting laboratory for a learning organisation and for comparative public management. Good and bad practice, successful and unsuccessful applications are all evident. What at the moment is lacking is any serious evaluation of the effects of CBM or any systematic attempt to validate the anecdotal claims of its benefits in HRM and its contribution to achieving the objectives of the civil service and value for money. The first evaluation of the new system introduced into the SCS is programmed to take place after April 2002 but how thorough and objective it will be remains to be seen. At the moment no general evaluation of the whole service has been planned.

ENDNOTES

[1] The Management Charter Initiative was spearheaded by a number of leading British companies who were committed to the development of the chartered or professional manager. The aim was to encourage training and accreditation of recognised management skills using a NVQ framework.

[2] IiP is the national standard against which organisations assess their policies and practices on investing in people. It was launched in 1991 by the Department of Employment as a means of encouraging national training and development. It was designed by employers and based on existing best practice against which private and public organisations could assess themselves. The IiP process is linked to advanced Human Resources Development strategies and ensures that training and development reinforce corporate objectives, business plans and performance targets.

[3] There were 23 ministerial and 38 non-ministerial departments, 121 departmental agencies and 304 non-departmental executive agencies in 2000.

[4] These two agencies have recently been reintegrated into their respective departments - the Department of Social Security and the Department of Work and Pensions.

[5] Critical incident analysis is a procedure for collecting observed incidents that have proved to be very important or critical to performance. The incidents are identified and recorded through interviews. What emerges is a pattern of the essentials of job performance that make the difference between success and failure in a job. Similarly repertory grids are constructed from interviews with managers and key staff about what they think are the essential skills and abilities needed to perform the job well (Adams 1998). Benchmarking involves comparing against 'best practice' organisations and learning where to improve.

[6] The questionnaire is on
http://www.cabinet-office.gov.uk/civilservice/scscompetencies/selfassessquest.rtf

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Competency Management in the Public Sector
S. Horton et al. (Eds.)
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II.2. Competency Management in Belgium: The Flemish and Federal Governments on the Move

Annie Hondeghem & Myriam Parys

As in other OECD-countries, the Belgian public sector is involved in a modernisation process, with a strong emphasis on introducing modern human resource management. Compared to other countries, however, the modernisation process took off much later and it is only since the 1990s that a strong movement can be observed. The Flemish government took the lead in this process. Development has been much slower in the federal government, where the existence of two different cultures is a difficulty. However, the recent Copernicus Plan for the federal government aims to catch up with the general modernisation trends.

The introduction of competency management is quite new to public organisations in Belgium. There were some initiatives during the 1990s but they lacked an integrated vision of competencies and competency management and such an integrated approach can only recently be observed. According to the literature (Van der Heijden 1999), competency management starts with the identification of the competencies needed for the organisation by means of a competency framework based on the vision, mission and strategic objectives that the organisation wants to achieve. Afterwards a diagnosis is made of the existing competencies, which results in a development plan. Further steps in competency management include competency-based appraisal and reward systems. It is clear that most public organisations in Belgium are still in the first stages of competency management.

In this chapter, we discuss the evolution of competency management at two levels of government, the Flemish government (i.e. the regional level) and the federal government (i.e. the nation-state level), as they can be regarded as pioneers. In the Flemish government the seeds of competency management were sown in the 1990s, while at the federal level the discourse is more recent and directly linked to the Copernicus plan, which was launched by the new government in 1999. It is noticeable that the Minister responsible for the modernisation of the civil service in the Flemish government in the 1990s (Minister Van den Bossche) was appointed Minister for the Civil Service at the federal level in 1999. This suggests that some of the experiences of the Flemish administration are being transferred to the federal administration.

COMPETENCY MANAGEMENT IN THE FLEMISH ADMINISTRATION

Both from general management and HRM perspectives, the modernisation of the Flemish administration is considered quite successful (Bouckaert and Auwers 1999). The modernisation process started in 1988 after the third reform of the Belgian State, which transferred important responsibilities, such as public works and education, to the regional level. The Ministry of the Flemish administration has since been subject to a process of constant modernisation. We shall refer to a few landmarks as they are important in understanding the policy of competency management.

A first landmark of modernisation was the establishment of the Charter of the Ministry of the Flemish Community in 1992, which defined its mission, vision and values. A second landmark was the creation of a new organisational structure, based on seven departments with 133 more or less autonomous units. A head of unit, who was selected by means of an assessment procedure, managed each unit. The third landmark deals with personnel management. In 1993 the Flemish Personnel Statute was adopted which replaced 100 Royal Decrees and Ministerial Decisions concerning personnel policy. It contained several new elements compared to the Camu Statute of 1937. Its main innovations were: new rules for recruitment and promotion based upon job descriptions and competency profiles, a new standardised staff appraisal system, a dual career path with financial and hierarchical careers and a reduction in the number of grades, ranks and pay scales. A new human resources policy was developed, finding its main expression in the appraisal system called PLOEG (cf. infra). Other new elements of the policy were personnel planning as well as the bottom-up assessment of civil servants in a management function (Hondeghem and Vandermeulen 2000).

The elections in 1999 proved to be a further milestone in the modernisation of the Flemish government. As at federal level, a new government was installed, consisting of a coalition of four parties: liberals, socialists, green, nationalists) in which the Christian Democratic Party was not represented. The new government appointed two commissioners to carry out a review of the Flemish administration. Their report contained a proposal for a new organisational structure and changes in the relationships between the ministry and other public institutions or agencies. The matrix structure, which had existed since the start of the Flemish administration, was abandoned and direct political responsibility for the functioning of departments was re-affirmed. Importantly, whereas during the 1990s one could speak of a preliminary policy, today competency management forms a part of this new broad strategic and organisational policy. The basis, however, was laid in the 1990s, with the introduction of PLOEG.

PLOEG: The precursor of competency management

From the start of the modernisation process in the early 1990s, priority was given to the creation of a new appraisal system, which was considered to be a critical success factor in the modernisation process. From the outset the new appraisal system was more than just an instrument aimed at evaluating civil servants. It was to be a strategic instrument to improve the performance of the organisation as a whole and the functioning of individuals and teams within it. It was also an instrument of communication, rather than punishment and reward. The new appraisal system PLOEG (which is a Dutch acronym for Planning, Leadership, Follow-up, Evaluation and Reward) was conceived as an integrated HRM instrument, supporting the process of performance and competency management in the Flemish administration (Hondeghem and Vandermeulen 2000).

Within the framework of PLOEG, job descriptions had to be drawn up for each staff member, as they previously did not exist. For this purpose the existing functions, in different departments, were clustered into 45 'function families'. For each function family, panels - consisting of job holders, managers and a validation group - worked towards a consensus about the result areas, activities, critical competencies and indicators of behaviour. For the senior civil servants (secretary general, director general, head of unit), behavioural interviews were used as well. The job descriptions and competency profiles were an important starting point for the new appraisal system. They were considered as a more or less stable element in the evaluation process, while the yearly objectives were considered to be a more flexible instrument.

The PLOEG-system was conceived as a management cycle. At the beginning of each year (the planning stage) managers and staff agree on the personal objectives for the following year. Results-oriented objectives define individual performances, in line with team and organisational performances. Developmental objectives aim at enhancing the competencies of staff and are derived from an evaluation of the functioning of the employee (strengths and weaknesses), but also with a view to mobility in the organisation. During the year, attention is given to leadership and feedback. Managers are expected to coach their staff in order to meet the objectives. Communication is an important instrument here. At the end of the year, an appraisal is made of the performance of each employee. They are asked to prepare a self-evaluation, which is discussed during the appraisal interview. Afterwards, managers are expected to make a written descriptive report. If the performance of a civil servant is considered to be bad, a final evaluation leads to the label 'insufficient.' This, however, only applies to a very small number of civil servants and this number is decreasing (Ministerie van de Vlaamse Gemeenschap 2002: 64). The last stage in the management cycle is the reward. Informal recognition of achievement is considered to be the most important and most common reward, but a minority of civil servants obtain a financial reward for exceptional performance. In the case of 'insufficient' performance the staff member's salary does not increase and progression is slowed down, which is rather exceptional too.

An evaluation of the PLOEG system was made in 2000. According to De Weirdt and Roggeman (2000) PLOEG has had some positive effects. It has enhanced the

result orientation of the administration, managers and workers are communicating in a better way and managers have more responsibility. The appraisal system is perceived as just and fair by the employees. It has also had a positive effect on behaviour and when used well PLOEG has turned out to be an instrument of motivation. The system, however, has also been subject to criticism. First, it is seen as rather bureaucratic and time consuming. Second, it is not always suitable for different situations and types of staff e.g. lower manual workers. Some departments have sought more autonomy with respect to the appraisal system in order to adapt it to specific situations. In a policy statement the new Minister for the Civil Service, said that a review on PLOEG was necessary. While PLOEG is not used sufficiently as a management instrument, it is too complex and customer unfriendly as an appraisal instrument (Sauwens 2000a: 6).

Since the installation of the new government, some modifications have been made to the PLOEG system. The principles of the adjustment are simplification, deregulation, made-to-measure, and reinforcement as a management instrument. Although the yearly management cycle is retained, a more flexible timing can be used. The line manager is appointed as the evaluator in all cases, while this was statutorily not always possible before. Job descriptions are being simplified. Appraisal reports are more compact and therefore less time consuming. The responsibility of the workers in the appraisal process is stressed. In order to improve the leadership capacity of line managers, general objectives concerning the quality of leadership are agreed on. Quality of leadership, as evaluated by staff, will be taken into account in the appraisal procedure of managers. This means that the former bottom up assessment will be extended into a bottom up evaluation.

The reward aspect of the PLOEG system is being altered as well. The yearly premium, in cases of good performance, will be made more flexible as it can vary now from one to 15 per cent of annual salary. Also group premiums are being introduced, which meet the criticism that PLOEG is a too individualised system of performance management. In the future, it is expected that standards and norms of good leadership will further replace regulation of the PLOEG system. Variations of PLOEG will also be introduced and it is expected that PLOEG will merge with other management instruments such as 360° feedback and project evaluation.

The development of a new competency framework

Although PLOEG has been an important leverage to competency management it was conceived in the first place as an instrument of performance management. The aim was to improve the results of the organisation by introducing a management cycle, starting with the planning of objectives and resulting in the reward of civil servants that have obtained the objectives. Competency management, however, does not focus as much on results but on inputs: what competencies are needed in order to reach the goals of the organisation and how these competencies can be attracted, developed and retained.

At the start of the new government in 1999, a fundamental discourse was held on the position of the Flemish administration within society and within the network of public organisations. This resulted in the declaration of Leuven, which formulated a

new vision of the Flemish government. The idea was that the Ministry of the Flemish community should be reorganised into core departments, concentrating on policy preparation, monitoring and evaluation while the implementation of policy would be executed by internal or external agencies, steered by means of management contracts. The core departments, as well as the agencies, are to be organised according to policy domains. The primacy of politics will be re-established, which means that the influence of advisory boards will be reduced. It also means abandoning the matrix structure which is considered too complex and overcentralised.

As pointed out before, an assignment was given to two special commissioners to work out a new organisational model for the Flemish government. Their report was finalised at the end of 2000. They suggested creating 13 departments, following the principle of homogeneity of policy domains and reorganising existing public institutions into internal and external agencies. Implementation of this plan is scheduled in different stages until the end of 2002. An important aspect of this plan is the introduction of the mandate system for top civil servants. Top managers will have a management contract for six years, which defines clearly their responsibility for reaching the goals of the organisation. The idea is also to enhance mobility at the top of the administration, as one can only take up the same mandate twice.

The new organisational policy will be supported by a new human resources policy in which competency management is defined as the new frame of reference. The Minister of the Civil Service states:

> *People are the capital of the Flemish government. Their competencies make public services able to face the challenges of today and tomorrow. Competency management means that the Flemish government has at any time the necessary personnel with the needed competencies. This means in the first place that we should invest in our existing personnel. They should have the possibility to use and to develop their competencies in such a way as to deal with the challenges of tomorrow, just as they have dealt with those of yesterday. In times of labour shortage, it is a priority to retain good workers for the organisation and to make white magpies out of black ones' (Sauwens 2000b).*

From this citation it is clear that from now on competency management is not an isolated HR tool but an integrated vision and strategy for human resources. More recent government texts strongly link competency management to the ongoing reorganisation process. The reorganisation process implies that some existing competencies will become more important but that new competencies are needed. In a context of decentralisation and agentification, competency management can enhance the coherence and the corporate identity of the Flemish administration, as it will supply a common language and a common HR strategy for all Flemish public organisations.

The new strategy on competency management was further developed at the end of 2001 with the help of external partners. It consists of a short-term and a long-term strategy (Hondeghem 2001). In the short term, the core values of the Flemish government were defined. Discussions with ministers, top officials and experts resulted in the definition of four core values: client orientation, reliability,

collaboration and continuous improvement[1]. These core values will be integrated in the competency frameworks of all personnel categories. They can be considered as generic competencies, which apply to all personnel of the Flemish administration.

The next stage in the competency strategy is the development of a competency framework for top officials. This is seen as a priority as the new top officials are considered to be the critical success factor in the reorganisation process. As stated before, a mandate system will be introduced for top civil servants. In order to select the new top officials and to enhance mobility within the Flemish administration, a common competency framework will be developed. Next to the core values, additional competencies were defined for the top officials, including vision, giving direction, delegation, persuasiveness, 360-degree empathy and knowledge of management in a government context. These competencies will be translated into concrete behaviour for managers in different public organisations and different contexts. When the competency framework for the strategic management level is ready, competency frameworks will be developed for other categories of personnel: line managers, policy development experts, policy implementation experts and executive staff. The purpose is to define for these personnel categories common competencies which express the communality of the Flemish administration but which also leaves room for the specificity of each public organisation.

In the new strategy of the Flemish government on competency management, a lot of attention is paid to the elaboration of competency frameworks, as this is considered the basis for competency management. Organisations within the Flemish administration can be assisted in the development of competency management. For example if they want to screen existing competencies within their organisation or if they want to make a development plan, they can get support from the central HR unit or from external partners. These projects, however, are considered as pilots. For the moment, it is still unclear what the responsibility of the central HR unit and of the departments and agencies will be in the field of competency management. However, the reorganisation process implies a major decentralisation of HR responsibility.

Other developments in the field of HR linked to competency management

Although a holistic approach to competency management is at a starting phase within the Flemish administration, a lot of initiatives have been taken in the field of HR, which can be linked directly to competency management. One such initiative is enlargement of the internal labour market between the Ministry of the Flemish Community and the Flemish public institutions. Impediments to moves between ministries and public institutions have been removed. This requires simplification of the Flemish personnel statute implying less detail and more general rules. At the end of 2002, a new Flemish personnel statute should be ready, which includes basic personnel regulations for the whole of the Flemish administration.

The Flemish government is making special efforts to attract new competencies within a very tight labour market. Notwithstanding the efforts of modernisation during the last decade, the Flemish government still has, like other governments in Belgium, a bureaucratic image. Labour market communication has been

professionalised, taking into account the corporate identity of the Flemish administration and the advantages of working in a government context are stressed, such as its family friendly policies. New recruitment channels are being explored and selection procedures are being simplified and accelerated. An important tool here is *Jobpunt Vlaanderen*, which is a newly created recruitment and selection agency. Up to now it can only recruit contractual personnel, as statutory personnel are still recruited through a national institution, *Selor*, but maybe this will change in the near future. As contractual personnel are increasing in number, the importance of *Jobpunt Vlaanderen* is too.

In the field of training and development, many initiatives have already been taken and the Ministry of the Flemish Community has an extensive training programme for its personnel. As at federal level there is a possibility of sabbatical leave. New initiatives are being pursued in the field of management development and training programmes are being combined with individual coaching and e-learning. Special attention is being given to women who traditionally participate to a lesser degree in management programmes.

Last, but not least, a new remuneration policy will be introduced. Until now grade and seniority have been the most important determinants in remuneration. For some years, however, a component of performance has been added in the context of the appraisal system PLOEG (cf. supra), although this is of minor importance. The plan is to introduce a new remuneration system, based on job evaluation and taking into account performance and competencies. As this will mean a complete revolution compared to the present situation, the Ministry will start by introducing pilot projects before the system becomes a general one. An important element is that expertise will be valorized to a higher degree than is the case now. This implies that a career as a specialist will become a full alternative to a management career.

FEDERAL GOVERNMENT: THE COPERNICAN REVOLUTION

As at the Flemish level, the elections of June 1999 thoroughly disturbed political relations on the federal level. The Christian-Democrat and Socialist Government lost office to a Purple-Green Coalition (Liberals-Socialists-Greens) and, after 40 years of governing, the Christian-Democrats found themselves in opposition. A radical modernisation of the public sector was the highest priority of the new government. For many years the public sector had fallen into discredit under the influence of many crises such as the dioxin case and the Dutroux Affair, which had put the legitimacy of government to the test.

Soon after the elections, the new Minister of Civil Service and Modernisation, Luc Van den Bossche, introduced a revolutionary plan to reform the federal administration. The plan was called the 'Copernicus Plan', after the Polish astronomer who showed that the earth revolved around the sun and not *vice versa*. The essence of the plan is to convert the federal administration from a closed, cumbersome bureaucracy into a modern, customer-oriented organisation in which the citizen is at the centre. The central catalysts for change are the revision of the federal organisation chart, making the government administration more accountable for policy and management and the introduction of a modern HRM policy.

Competency management is a central element in the new HRM policy. This supports the findings that governments usually introduce competency management as part of a broad culture and/or organisational change strategy (Van Schaardenburgh and Van Beek 1998). This is definitely the case with the Copernicus Plan. Before the Copernican revolution, competency management was not possible within the federal administration because two key factors were missing. First, strategic objectives were not used. Second personnel were not seen as human resources, committed to achieving the organisation's strategic objectives. The reform had to make sure that the key objectives of the administration were made clear. Competency management particularly stresses the direct link between the key objectives of the organisation and an optimal use and development of the key competencies, i.e. the knowledge, skills and attitudes which mean a substantial competitive advantage for the organisation (Hendrickx et al. 2001).

The new structure for the federal government

The federal ministries have been transformed into federal government departments (FGDs). These have a new internal structure enabling them to fully undertake their task of policy preparation and evaluation. This reflects the international tendency to define the core tasks of an organisation and to concentrate policy preparation, policy evaluation and monitoring in central departments and to delegate policy implementation to agencies. The structure of the federal administration will also be transformed into vertical and horizontal federal government departments. The vertical federal government departments will take over the role of the current ministries with a societal task, such as social affairs, finance and so on. The horizontal federal government departments are internal oriented services such as Budget and Management Control, Personnel and Organisation, Information and Communication Technology and General Co-ordination. They will play a supportive and co-ordinating role. All federal government departments will be expanded internally with new services for Budget and Management Control, Personnel and Organisation and Information and Communication Technology. In other words, they become fully responsible for the management of these activities, under the guidance and co-ordination of the respective horizontal federal government departments. The horizontal and vertical federal government departments will co-operate in a matrix structure as shown in Figure 5.

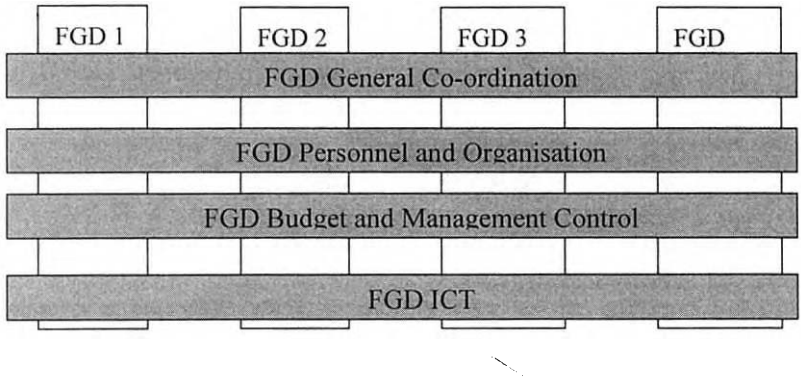

Figure 5: The new federal organisation chart

An important aspect of this new structure is the repositioning of the HRM function. Research by OECD (1996) into reforms of personnel management in the public sector showed an increased decentralisation of the operational human resources tasks. Human resources responsibilities were shifting from central authorities to departments and agencies, leaving central services with a strategic role. They also played an important role in the field of monitoring and the spread of good practice. Together with decentralisation to departments and agencies, line managers become more directly responsible for HR tasks, supported by the personnel service of their own department. Both trends can be found in the reform of the federal organisation chart. A new federal government department, Personnel and Organisation (P & O) will be established and replace the former Ministry of Civil Service. Every department will consist of a P & O unit under the guidance of a HR manager who will have to develop a HR policy. There will be agreement on a new allocation of tasks between the horizontal P & O and the vertical P & O units. The horizontal department will be responsible for the conception of a global P & O strategy for the whole federal government, defining standards and guidelines for various P & O activities, monitoring the homogeneity and consistency in the application of the defined standards and guidelines and managing some shared services, such as the recruitment and selection organ *Selor* and the training institute *OFO*. The decentralised P & O units will be responsible for the daily operational P & O activities. At this moment, this new structure is being implemented.

Competency Management in the Copernicus plan

Up to now, a modern HRM policy for the federal government does not exist. With the Copernicus plan, the federal government aims to catch up with other national and international governments. Most of the suggestions launched in the Copernicus plan follow trends in HRM policy that can be found internationally. Competency thinking is the leading thread running through the Copernicus plan and, therefore, forms an integrating concept for HRM as a whole and for the various HR processes (Parys, 2001). The philosophy of the right person in the right place, continuous

development and the link with organisational objectives, typical of competency thinking, can be found in the new approach. Steering HR processes from a clear HR strategy and HR mission, has always been the aim of the reform. Key words are learning organisation, continuous development of the civil servant and knowledge management within the organisation.

The new HR policy has four objectives: first, to achieve an adequate inflow and outflow of personnel; second, to develop personnel; third, to provide a motivating reward system; and fourth to encourage personnel involvement. To achieve these objectives, corresponding HR processes are necessary such as personnel planning, recruitment and selection, personal and organisational development, remuneration policy, internal communication, staff participation and knowledge management. These HR processes will be supported by a basic HR structure and HR information systems, which will help the organisation to pursue an efficient HR policy.

Inflow and outflow of personnel

Until now there was very little personnel planning in federal government. All departments had so-called 'personnel formations', which determined the maximum number of personnel in different grades. This was a very rigid instrument, as it was controlled centrally by the Ministry of the Civil Service. The objective of the Copernicus plan is to introduce a real system of personnel planning at two levels. The horizontal P & O department is expected to develop a personnel planning vision for the whole federal government, while each federal government department has to prepare its own personnel plan, taking into account this global vision and starting from the yearly objectives they want to achieve.

Personnel planning is an essential input to recruitment and selection because it determines how many staff are required and with what knowledge and competencies. The process of recruitment and selection should ensure that the necessary human potential is available and that the right person is in the right job at the right time. Staff selection is, therefore, very important and that explains why one of the first reforms concentrated on the modernisation of the *Vast Wervingssecretariaat* (Recruitment Office), now called *Selor* (Selection and Orientation Office). The aims of the reform were to enhance the involvement of departments in the selection process and professionalise and accelerate selection procedures. Shortages in the labour market have forced the federal government to be more flexible and adopt a more competency-oriented approach. Knowledge exams are being replaced by tests focussing on the competencies of the candidates. According to the new personnel statute, government is allowed to drop the strict qualification requirements in areas of shortage in the labour market. Line management will be responsible for the formulation of a job description and a competency profile, starting from a vision of the organisation and the preferred culture. Job descriptions and competency profiles will, therefore, become an important instrument of management. Another new element in the selection procedures is the use of assessment centres. Assessment centres are well-known instruments for competency monitoring but up to now they have rarely been used in selection procedures of the federal government.

One of the most important aspects of the reforms concerning inflow and outflow of personnel deals with the appointment of new managers. New managers are filling the three highest management levels (or four in the Department of Finance). In contrast to the former closed career system, external candidates are now admitted to the top two levels N and N-1. Experienced managers from the private sector are being sought using headhunting agencies. New managers get a mandate of six years to achieve the objectives agreed upon in the management plan (Hondeghem and Putseys 2001). Besides the top two positions, middle management will also be renewed completely. The latter mandates, however, will be reserved for civil servants to enable them to get the chance to take on a management position. This will be a huge operation. In total, more than 300 positions will be involved. The new managers are expected to be the backbone of the Copernicus reform.

In order to select the new managers, competency profiles were defined. A distinction was made between generic competencies and specific competencies. Generic competencies were tested by means of assessment centres, while specific competencies were judged by external juries *via* interviews with the candidates. This new selection procedure is quite revolutionary as up to now appointments to management posts in the federal government seldom took place through a thorough evaluation of the competencies needed for such positions. A lot of criticism of the reform came from former top officials and civil servants in general, who felt their career chances would be blocked by recruitment of external managers. It cannot be denied that the Minister of the Civil Service had a rather negative view of the management capacities of the civil service in general and former top officials in particular. He was convinced that the input of external expertise, from both consultants and private managers, was a necessary condition to modernise federal government.

Up to now the recruitment and selection of the new managers is proving to be very difficult. Resistance from former top officials is an important reason, but is certainly not the only one. The federal government does not seem to have a sufficiently attractive image to convince private sector managers to enter it. There is a fear they will not have the same freedom to manage as they have in the private sector, as government institutions in Belgium are still very bureaucratic and politically controlled. Evidence of failure of former private managers in the public sector has demonstrated that very clearly. Last but not least, the selection procedure is too slow and the selection techniques might not be the most appropriate to select top managers. Most new managers who have been appointed so far are former top civil servants or people who have had experience in a ministerial *cabinet.* This suggests that, within the political and administrative system, there is management capacity available but most of all it points also to the fact that within the Belgian system representativeness and experience with the political-administrative system are still considered more important than general management capacities. It is also clear that the new management ideology cannot overcome the traditional cleavage between the French and Dutch speaking parts of Belgium. Respect for the equilibrium was a condition for the political parties in the French speaking part of Belgium to support the Copernicus reform.

Personal and organisational development

Training is one of the most important pillars of competency management. It is a means of increasing the competencies and employability of civil servants, which enhances the flexibility and the quality of the public service. The current situation in the federal departments concerning training is very diverse; Copernicus should bring more unity to this. Furthermore, it is the intention to reform the training policy in such a way that from now on it will be geared to HRM and organisational development, whereas previously it was not linked to the strategic objectives of the organisation. Training is now perceived not as an individual right of the civil servant but rather as a means to improve the performance of the department. The aims are to develop competencies that are necessary for job performance, that fit in with the career aspirations and development of each staff member and can be of strategic importance for the organisation. All staff members are made responsible for their development and employability. Identification of the need for training has to take place in a dialogue with line management in the framework of coaching, mentoring or performance appraisal. The local P & O units define the training curricula for civil servants and make up the training plan for their organisation, taking account of central guidelines. Ideally, an organisation models itself via a permanent process of organisational development with a view to becoming a learning organisation.

An interesting initiative in the field of management development is the Public Management Programme for federal civil servants. Every year, 40 young, promising civil servants are trained with a view to occupying management positions in the future. Besides intensive training sessions on modern public management, the training programme also consists of traineeships in national and international government organisations. The purpose of the Public Management Programme is to assist civil servants in the acquisition of the necessary knowledge, skills and attitudes to support the process of modernisation. Training is organised by two universities (one Dutch and one French speaking) so that civil servants can come into contact with the most recent findings of scientific research regarding public management.

In the Copernicus memorandum, the terms job rotation and (horizontal) mobility (*via* the internal mobility database of *Selor*) are also mentioned. The option of mobility has always existed but was more an escape route for civil servants who wanted to change jobs for personal reasons. It, therefore, has a rather negative connotation. The purpose, today, is that mobility will enhance competency and career development. As a basis for promotion, not only will performance be taken into consideration but also competency development gained from job rotation. In order to give civil servants an alternative to the vertical career, there will be a valorisation of expert functions. Civil servants will have the choice between two basic career paths: a management career and an 'expert' career. One of the effects of these reforms should be an improvement in the quality of leadership.

Last but not least, the new appraisal system is to become a central catalyst for competency management. The old system was a rather bureaucratic instrument without strategic purpose. The new system aims at cultural change, characterised by an open communication channel between executives and their staff. It should also

make competency and career development possible. Every service will have to define its own objectives and timing in an operational plan. On the basis of this, superiors will determine staff objectives and career needs. This personal plan will be the basis for appraisal. Appraisal will not only assess the work done but identify future needs to assist staff in gaining advancement. In particular, which competencies should be developed and how can that be done. The new appraisal system will be implemented over the next few years. It will be an important test case for the new view of people management, which is part of the Copernicus plan.

Remuneration policy

At present there are still negotiations going on concerning a more modern remuneration policy. The current remuneration of civil servants is not competitive *vis-à-vis* the private sector and other governments in Belgium. Taking into account the budget situation of the federal government, it is not easy to solve this problem. In the current remuneration system, the salary of civil servants is determined by two basic factors: grade and seniority. Job evaluation has not been taken into account up to now, neither has performance. One of the objectives of the Copernicus plan is to change the basic components of the remuneration system: the importance of education, seniority and grade will diminish, while the importance of responsibility, performance, competencies, employability and teamwork will grow. Taking into account the tradition of a remuneration system based on the principles of bureaucracy, it is not easy to change the system, not least because an agreement has to be reached with the unions.

An important first innovation in the remuneration system was the introduction of job evaluation to determine the pay of the new top management. A job evaluation system was introduced taking into account 12 criteria including knowledge, multidisciplinarity, contextual insight, complexity, innovation, leadership, planning and co-ordination, capacity to change, interaction, autonomy, impact and size of the department. As the objective was to pay market competitive wages to the managers, pay rose greatly. A new top manager of the federal government earns three times more than a former secretary general (more or less 187,500 Euro now instead of 62,500 Euro before). The principle of job evaluation, however, was not fully applied as all top managers of the new departments have the same salary, although the weight of their jobs is not the same. The reason for this standardisation is that ministers could not accept 'their' managers should earn less, as this could be interpreted as their portfolio being less important. In contrast to some remuneration systems for top officials abroad remuneration of the new managers is not performance related. On top of their basic remuneration, they do, however, have a special pension plan and a car.

In the new remuneration system being introduced for the rest of the staff, an element of performance-related pay is being considered. One line of thinking is of position and task-oriented allowances, which relate to key positions or for occupying a certain office. There are also plans to introduce performance-related pay for obtaining objectives, first for individuals but later for teams. For the time being,

however, performance related pay remains a controversial concept. Traditions and principles of equality in the federal government strongly resist this.

An important change to the remuneration system is the introduction of competency-based pay. As stated above, development of staff is one of the major elements of the Copernicus reform. To encourage this development, a system of assessment of competencies will be introduced. The system offers civil servants in levels A, B and C the possibility to earn an extra 'competence allowance' on top of their normal pay. The aim is to encourage federal government employees to develop their competencies continually so as to perform better and to qualify for functions at a higher level. The competency assessment will be composed of two elements: first, an assessment of the technical (so called 'hard') competencies during a practical test and, second, an assessment of the behavioural ('soft') competencies *via* interviews based on the behavioural events method. Six basic competencies, which can be found in every civil servant's job description, will be assessed. These include technical expertise, interpersonal relations, dealing with information, dealing with tasks, personal functioning, and leadership. In order to differentiate between civil servants the six competencies will be divided into eight professional levels.

It is noticeable that their superiors will not carry out the assessment of the competencies of the civil servants. Trade unions claimed not to have confidence in the assessment capacities of the incumbent executives. Therefore, for the next three years, *Selor* is charged with the organisation and execution of the tests. This conflicts with the idea of new people management, which assumes that line managers have the responsibility for assessing the competencies of their personnel. Participation at the competency assessment is on a voluntary basis, except for new recruits who are obliged to do the test after completing their traineeship.

DISCUSSION

It is clear from the description of the changes taking place in both the Flemish and federal governments in Belgium that competency management has become a central anchor of their new HR policies. Introduction of competency management is clearly linked with the organisational and cultural changes occurring at both levels of government. A holistic approach to competency management can be observed. There is vertical integration of competency management with the vision and strategy of the organisation and there is also horizontal integration as competencies are linking different processes of HRM.

If we compare the Flemish and federal cases, however, clear differences can be observed. One difference is that Flemish policy is building upon a tradition of modern HRM which was installed 10 years ago and which already contained the seeds of competency management. The history of modern HRM and competency management at federal level, however, dates only from the start of the Copernican revolution in 1999. This makes the introduction of competency management much more difficult at the federal level, as the foundation is lacking.

A second important difference reflects the cultural context. There is a clear difference in vision and mentality concerning the civil service between the North (Flanders) and the South (Wallonia) of Belgium. Flanders is much more oriented

towards Anglo-Saxon and Scandinavian countries and therefore supports new public management reforms quite easily. In the French speaking part of Belgium traditional conceptions of public service are still strongly adhered to. These cannot easily be reconciled with competency management. At federal level, both cultures co-exist, making change more difficult.

A third difference relates to the strategy of introducing competency management. In Flanders, a lot of attention is paid to the construction of a global competency framework, which is considered basic for competency management. At federal level, a global competency framework does not exist. Competency profiles are constructed *ad hoc* and when they are needed for specific HR processes. For example, in order to select the new top managers, a job description and competency profile was developed but there was no fundamental discussion on the profile of new managers as a group. In Flemish government, however, the competency profile of the new managers is discussed profoundly, before starting the selection procedure.

Last but not least, the impression is that at federal level less attention is paid to the specificity of competency management in the public sector. This is very clear in the competency profile of the new public managers where generic competencies related to a government context are not taken into account. At Flemish level, however, the first step in competency management dealt with defining the specific values for the Flemish government.

The evolution towards competency management is hindered at both levels by common institutional factors. First, the Belgian administration is known for its strong legalistic tradition. Personnel management is defined in terms of rights and duties of personnel, which are anchored in detailed regulations and procedures. This impedes flexible personnel management primarily oriented towards the goals of the organisation, which is a condition for competency management. Second, personnel policy is still very centralised. Important instruments of steering such as recruitment and selection are the responsibility of central institutions. The enhancement of the responsibility of line managers has only been realised to a limited degree. In competency management, the role and responsibility of line managers is essential. Third, the Belgian administration has a tradition of a closed career system and security of tenure. This system can be seen as contrary to competency management, which aims to put the right person in the right place according to their competencies, in order to maximise their added value to the organisation. Finally, the cultural hindrance to competency management cannot be underestimated. Values such as objectivity and equality are strongly anchored in the Belgian public sector, meaning that everyone should have equal opportunities and should be treated in a fair way. It is difficult to reconcile the existing culture with differential treatment of individuals as a result of differences in performance or competencies. However, an essential characteristic of competency management is differentiation among individuals according to their added value.

These institutional factors are changing but it will take time as institutions tend to be resistant to change. It is unrealistic to expect any revolutionary change in the short term because of the introduction of competency management. But it is clear that from now on, no return to the old situation is possible.

ENDNOTES

[1] At the time of publishing the core values still have to be validated by the Flemish government.

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II.3. Competency-based Management in the Dutch Senior Public Service

Elzeline van Vulpen & Francisca Moesker

This chapter looks at the use of competencies as a tool in the Senior Public Service (SPS) of the Dutch central government. After presenting a profile of the SPS and the SPS Office it explores the background and structure of the competencies and discusses how they were devised. It sheds some light on the concept of competency, competency language and its current usage. The chapter concludes with a discussion about the anticipated developments in the use of competencies in central government in general and in the SPS in particular.

THE DUTCH SENIOR PUBLIC SERVICE

The Dutch Senior Public Service (SPS) was set up in 1995 and comprises the top 650 managerial posts in the Dutch central government, including the Secretaries-General, the Directors-General, their substitutes and the Directors. The senior directors on Scales 17 and above have formed part of the SPS from its inception. Managers on Scale 16 joined the ranks of the SPS with effect from 1 January 2000 and the SPS now largely comprises all senior managers in central government, i.e. managers holding mandated responsibilities and powers in areas of personnel and finance or managers of a higher standing.

The objective of the SPS is to inspire professionalism and integrity in the central public service and to drive innovation in central government. Factors such as the increasing complexity and international character of policy issues and the need for flexibility within the public service sector in order to operate effectively in a dynamic environment, were the main reasons behind the formation of the SPS. One of the underlying objectives of the SPS is to enhance cohesion in the central public service. Systematic investment in people, mobility and quality underpins the process of preparing and implementing government policy, which is, after all, the key task of central government. The mission of the SPS is to enhance the organisation through management development.

The SPS Office develops, co-ordinates and implements the policy necessary to achieve the objectives of the SPS. Its activities focus on controlled mobility by making a pre-selection when there are vacancies at SPS level. It also offers career counselling, individual development in the form of training and coaching SPS members and creates inter-ministerial synergy. These activities are supported by research and development.

The work undertaken by the SPS Office focuses particularly on the personal development of SPS members. This is based on the belief that individual development can lead to organisational development. Mobility is an essential tool for development. The SPS Office supports the vacancy-filling procedure for senior posts in all ministries. The Office facilitates, offers advice and is responsible for the quality of the candidates nominated for vacant posts. Ministries wishing to fill vacancies will carry out their own selection procedures and ultimately appoint the successful candidate. The SPS Office does not bear ultimate responsibility for appointments, although the Minister of the Interior and Kingdom Relations must approve these. Other rules apply to the Top Management Group (Secretaries-General and Directors-General). The SPS Office consolidates the corporate identity of the central civil service and has an important role in promoting communication between the ministries.

The SPS Office is the responsibility of the Ministry of the Interior and Kingdom Relations and is answerable to the Minister of the Interior and Kingdom Relations. The minister is responsible for the standard of the civil service in general and the human resources policy covering all civil servants in central government in particular. It is managed by the Director-General of the Senior Public Service and is staffed by Management Development Consultants (MDCs), policy advisors and office staff to support its primary tasks.

COMPETENCIES

Central government is in a constant state of flux as policy issues are becoming more complex and the international aspect is becoming an ever greater priority. Within the civil service, organisational arrangements and strategies are constantly being modified to meet today's needs. This is also changing the demands placed upon senior managers in the civil service who must be flexible enough to be deployed where their talents can best be used. Moreover, civil servants at SPS level are expected to display personal leadership skills in addition to being excellent managers.

Amid the dynamics referred to, a set of common features can be identified that apply to senior civil servants. A benchmark was badly needed and following recent developments in other countries, a system based on management competencies was opted for. A generic conceptual framework, in the form of management competencies, makes it possible to define with precision the requirements, in terms of behaviour characteristics, for a particular post and to communicate that appropriately. The conceptual framework also makes it feasible to produce an accompanying system for evaluating, controlling and developing managerial qualities. The competency system also emphasises the point that the posts in question are management posts in the public sector.

The question frequently asked is 'what is the added value of using competencies in preference to other criteria to gauge an employee's performance, today and tomorrow?' The answer to that question depends on how competencies are understood and used in practice. The line taken by the SPS is that competencies are behavioural criteria which have been clearly defined and which are directly

observable. They are not personality traits, which are *not* necessarily directly observable in behavioural patterns. The added value of using competencies as criteria is that a verdict on somebody's behaviour can always be communicated. This aspect of behaviour can be recognised and discussed with reference to examples, based on the STAR (Situation, Task, Action, Result) formula.

Furthermore, competencies have added value as a tool in that they make it possible to establish a given strategy. The mission statement and objectives of an organisation may offer clues as to what the core competencies are. Moreover, the behaviour of individual employees can be related to the mission statement and objectives of the organisation: the objectives can in turn be translated into departmental objectives and then into individual objectives. Specific behaviours, expressed in terms of individual competencies, are required to achieve individual objectives.

The SPS Office has developed a competency language in recent years specifically for senior managers in the central civil service. This language makes it possible to express the skills and qualities of human resources in terms of *observable behaviour*. The terminology allows posts and the qualities required to be described objectively. In this way, organisation and people can, therefore, be matched objectively.

Development of the SPS competencies

The SPS competencies have come about through desk research, practical analysis by surveying the factors determining effective job performance, a comparative survey of 21 established competency management systems and interviews with key persons. An outside consultancy firm assisted a working group, made up of Management Development (MD) officers from the SPS Office and ministries, with the development of the competencies. The progress made by the working group was discussed at regular intervals with a group acting as a sounding board, comprising senior managers from the central civil service.

The fundamental idea behind the development of the competencies was that *observable aspects of managers' behaviour* had to form the basic criteria. An essential prerequisite is that competencies must be based on the tasks discharged by the organisation in question, the job context and the critical job-related situations which managers must handle effectively. In other words, SPS competencies must be geared to civil service managers and based on an analysis of developments occurring in the tasks and organisation of the civil service and on analysis of specific situations where managers must prove their worth.

As part of the verification process to check whether the competencies are in fact tailored to civil service managers and to drum up support from the target group, the success factors for twelve typical managerial posts were analysed in a series of interviews with managers. The results were discussed with them and a first draft of the competencies was subsequently discussed with the Secretaries-General, the Directors-General, the Human Resources Directors of the 13 ministries and with MD officers at various ministries.

In addition to meeting the above-mentioned requirements, namely that they must form part and parcel of the organisation and be compatible with the practice of day-to-day management, the competencies must:

- be identifiable, transparent and relevant to the people who have to apply them,
- be defined in terms of observable and hence appraisable qualities,
- have a practical added value for the development of career planning tools, such as career and suitability appraisal, assessment and preparing development plans,
- be founded on empirical evidence and relate to competency systems which have proved their worth in practice.

The SPS competencies were approved by the Council of Ministers in 1997 and subsequently introduced.

The SPS competency management system

From the SPS perspective the term 'competency' is another word for behaviour criterion. Each competency has been clearly defined and spelt out in terms of behavioural aspects. Competencies can be looked at from two angles: the organisational angle and the personal angle. The organisational angle entails defining the behaviour required for performing a particular job well: that is the behaviour that a person must demonstrate to be successful and efficient in the job. The personal angle looks at the behaviour that a particular person shows now or has shown in the past. A diagnosis can then be made to decide which type of behaviour is effective and to define those behavioural aspects suitable for development. The context in which a given behavioural pattern is demonstrated must be taken into account as an integral part of the process.

The idea of working with a competency management system is to create as perfect a match as possible between the person and the organisation, by defining the need for development. An important aspect of this is to make sure that the competencies are compatible with the organisation's mission statement, the ensuing core tasks and the main situations relating to those core tasks. The relevant personality competencies determining the success factor must also be identified.

The SPS competency language covers 42 competencies in all, spanning the specific and cultural diversity of civil service posts. An important point to note here is that the language devised by the SPS relates specifically to managerial posts. Notwithstanding their diversity these posts have a number of competencies in common which are seen as typical of managerial posts in the central civil service. These competencies relate to the potential for development in members of the target group and the relationship between individual performance and developments throughout the civil service sector. The potential for development is mainly reflected in the following competencies:

- *self-awareness*: this will enable managers to be the 'architects' of their own careers as they are free to decide what they can do already and what they must develop.
- *learning ability*: is the curiosity that is needed for personal development.

Appraisal of individual job performance will depend on developments in terms of policy-making, image, central government as an employer and the credibility and integrity of governmental action. This can best be translated into the following competencies:

- *environmental awareness*: the art of interactive policy-making and picking up signals from society and political quarters,
- *staff development*: sufficient awareness of this is of vital importance in times of a tight labour market; this competency hinges on the recruitment and continued development of talented civil servants,
- *persuasiveness*: to approach the various stakeholders or groups 'engagingly' with the right arguments at the right time,
- *integrity*: this is a core competency for all civil servants without exception,
- *initiative*: ability to show a proactive attitude.

The above seven core competencies, or 'the magnificent seven', form the core of all managerial posts in the civil service. With the addition of any context-specific competencies, if necessary, it will be a straightforward task to make the entire range of SPS competencies suitable for all job grades or scales in the civil service.

The SPS Competency Management System consists of two levels or standards. The standard which the behaviour of civil service managers holding posts in Scales 17 and above must reach is based on 28 management competencies which are divided into seven related and identifiable clusters: coherent management, problem solving, interpersonal skills, operational effectiveness, impact, resilience and affinity with public sector management (See Table 7). To discharge the duties of an SPS job at this level successfully, a senior manager will be expected to achieve an average score of 'satisfactory' in all seven clusters as a bare minimum. The score will, of course, also identify the need for development.

Managerial posts in the central civil service on Scales 16 and below offer a greater diversity of tasks than managerial posts in the scales above. For that reason the standard comprising 28 competencies is no longer an adequate tool. To ensure that due and proper account is taken of the diversity of the managerial posts in the civil service, the option exists for a bespoke standard to be defined for these posts by making a selection from the SPS range of 42 competencies which can be found listed in the Appendix. The competencies for effective behaviour can be selected from this range to build up a competency profile as part of a job or personality profile. The resulting profile constitutes the standard for the job or grade in question.

Table 7: Competency Framework for Senior Civil Service Scale 17 and above

a	**Coherent management**	**e**	**Impact**
a 1	Future vision	e 1	Verbal presentation
a 2	Goal-oriented management	e 2	Self-confidence
a 3	Networking ability	e 3	Persuasiveness
a 4	Coherent leadership	e 4	Perseverance
b	**Solving problems**	**f**	**Resilience**
b 1	Information analysis	f 1	Energy
b 2	Judgement	f 2	Resistance to stress
b 3	Conceptual flexibility	f 3	Motivation to perform
b 4	Decisiveness	f 4	Ability to learn
c	**Interpersonal skills**	**g**	**Affinity with public sector management**
c 1	Listening	g 1	Awareness of environment
c 2	Interpersonal sensitivity	g 2	Political awareness
c 3	Flexible behaviour	g 3	Integrity
c 4	Helping subordinates develop	g 4	Dedication
d	**Operational effectiveness**		
d 1	Initiative		
d 2	Being in control of operations		
d 3	Delegating		
d 4	Mental agility		

IMPLEMENTATION AND APPLICATIONS OF THE SPS COMPETENCIES

The SPS competencies have been systematically introduced to the ministries and members of the target groups in stages. In 1998 the Director-General of the SPS attended senior consultative meetings held between the Secretary-General and the Directors-General in every ministry to give a presentation on the competency management system (CMS) and to explain its applications. In the wake of the rounds of presentations the SPS Office concentrated on introducing various applications of the CMS. This gave an opportunity for civil servants who had to work with the system to gradually inwardly digest the competencies concept.

Competencies were first put into practice when they were incorporated into the career planning forms and used as a resource for noting points made at career planning interviews. The aim of the career planning interview is to make an assessment of an SPS member's future career or personal development aspirations. SPS competencies help to chart a senior civil servant's performance. The information on file is primarily intended for the person concerned and their managers and is to be used for development purposes. Interviews are conducted on an annual basis for the first two years that a senior civil servant holds a new post, as part of the process of 'acclimatisation' to the new job. Experience has shown that career planning interviews can be reduced to one every two years once a civil servant has held a post for three years and reached the required standard in that job.

Since competency profiles are not available yet for SPS posts on Scale 16, the seven core competencies defined for the central civil service are being used. It is recognised, though, that an addition to these is necessary in the context of career development. Each ministry will add the competencies which it deems relevant now and in the future in view of its specific tasks, culture or working environment. Any career proposals for a post on Scale 17 will be subject to an appraisal based on the 28 competencies. The supervisory manager is expected to provide explanatory comments in writing for each cluster score. The form is signed by the supervisory manager and the staff member concerned and passed on to the SPS Office.

At this stage the form is intended as an incentive to conduct the career planning interview or to make the appropriate arrangements for one to be conducted. The SPS Office checks the forms specifically for the need for development and raises this point during the career planning interviews which it conducts with the person concerned. The SPS Office also uses the forms submitted to monitor the progress of the career planning interviews between the staff member and the supervisory manager. The forms are not currently used for matching purposes. Finally the forms give an idea of how the supervisory managers or reviewers feel about the 'standards' and whether the same standards are being applied throughout the civil service sector. No official evaluation of this aspect has yet been made.

As well as being used to evaluate individual competencies from the development aspect, which is touched on in the career planning form, the CMS is suitable, from an organisational perspective, as a support tool for creating job vacancy profiles. The requirements for a particular post can be split into the standard of knowledge and expertise required by the successful candidate, on the one hand, and the standard of behaviour required for performing the job successfully on the other.

The SPS Office has laid down procedures for compiling job profiles for SPS posts; the procedures take account of both knowledge and behaviour of the job profile. The behaviour of the successful candidate is described on the basis of competencies taken from the language of the 42 competencies. About eight competencies, relating to the core characteristics of the post, will be listed for any job vacancy. All ministries will then use the job vacancy profile, as a tool for management and professionals, to prepare descriptions of SPS vacancies.

The SPS Office has engaged a number of outside psychological assessment centres to relate the assessments, which are part of the selection procedure or a development tool, to the SPS competencies. In this way a check can be made on the presence of certain competencies required for a post or the need for development can be gauged.

A competencies game has been devised for the SPS Office about self-awareness and personal development as an informal means of becoming familiar with the use of competencies. The purpose of the competencies game is twofold: to make people think about their competencies and to encourage them to talk to others about their competencies. The game focuses on the analysis of such questions as:

- do I like doing the things I'm good at?
- are my strengths used to the full in my current job?

- what competencies should I or do I want to develop?
- to what extent does my self-image tie in with that of my 'environment'?

Answers to these questions may help to increase a person's self-awareness, to direct personal development more effectively, to match jobs and talents better and most of all will enable people to discover their personal 'sources of energy'.

The game consists of a number of playing cards showing aspects of competencies. These are taken not only from the 42 SPS competencies, but there are additional competencies so that people other than SPS members can play the game. The competencies can be 'scored' in different categories (see Figure 6: the competency game). The objective of the game is ultimately to arrive at 10 to 12 personal core competencies. The game offers the option of playing three other variants than the one depicted, allowing others to join in.

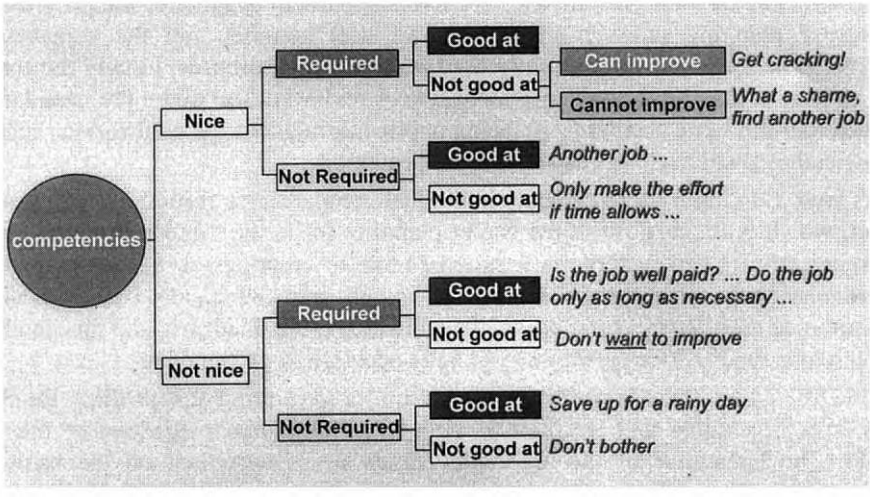

Figure 6: The competencies game (*Competentiespel*® RVA)

As stated earlier, the 42 competencies have been arranged into behavioural aspects. These behavioural aspects have formed a basis for compiling a detailed questionnaire to test whether someone has particular competencies. The required competencies can be selected from a database compiled for that purpose and a questionnaire is then produced which asks about particular behavioural aspects in random order. The questionnaires have also been used for 360° appraisals, where they have been given to the supervisory manager, colleagues, staff members as well as the candidate.

An order of precedence for someone's competencies will eventually emerge when the scores for each question are entered in the relevant programme. The competencies can often be clustered. The positive cluster may reveal a certain leadership style, for example 'push' or 'pull' or be based on IQ (intellectual intelligence) or EQ (emotional intelligence). Negative scores can often be clustered too. The database provides tips for the development of weak competencies and for

the development of a particular style of leadership. These may ultimately result in a personal development plan. This application has been developed but not yet implemented. Pilots are in preparation.

There are core competencies in any job. They are the competencies that are the decisive factors for the effective performance of the job. These test the value or worth of a civil servant. Analysis of the these core competencies is a specific and practical method for defining the competencies at which managers must excel if they are to perform the job successfully. Such an analysis means that job features can be translated directly into the qualities that managers require for the job.

The most characteristic core situations and relevant competencies for SPS posts have been identified and recorded in book form on the basis of an analysis of a representative sample. The core situations that apply to the job in question can be selected from this list when a job vacancy profile is compiled. The competencies pertaining to those situations will then be relevant to the vacancy in question. The job must, of course, be analysed closely to check whether any additional core situations now apply.

COMPETENCY-BASED MANAGEMENT IN THE SPS: TODAY AND TOMORROW

Competencies are used in the SPS for development purposes and offer an opportunity to talk about development issues in a common language with all the parties concerned including the civil servant, the supervisory manager, the MD or career advisor. No management decisions with legal status implications are taken on the basis of the career planning forms. When it comes to a job vacancy, however, a competency-based assessment can be used to determine a candidate's suitability. In that case the assessment result will be used to support a decision to appoint a candidate. The 28 competencies provide a benchmark for the selection procedure.

Most ministries are now in the process of introducing a form of competency management, either based on the SPS system or otherwise. Generally speaking, ministries are applying the SPS competencies to the SPS target group, although other competency languages are also in use but most are interrelated. The essential point at this stage is to ensure that competency management becomes part and parcel of operational management. Any differences between competency languages will be easier to bridge once the use of competencies has become an established process.

The Ministry of the Interior and Kingdom Relations has set up what is known as a 'civil service competency management support centre'. This is a competency platform for the promotion of competency management in the civil service and exchange of experiences. The support centre organises a range of activities designed to promote competency management throughout the service. A growing number of people who are involved in the introduction of competency management in different parts of the service are now taking part in activities arranged by the competency platform. The SPS Office is represented on the platform.

Use of SPS competencies has increased by leaps and bounds since their introduction. The job vacancy profile based on competencies is now part of

established practice and the civil service as a whole is now getting to grips with competency management. Yet the application of competencies is still in its infancy, with many question marks hanging over the future of competency management.

Career planning forms have not yet proved to be an effective method for gauging potential, although they could be an effective tool in the process. At the moment it is a tall order for the SPS Office to gather in all the completed career planning forms. With the future in mind, the SPS Office envisages a personal career planning file for all SPS members, containing objective information on a civil servant's strong and less strong qualities and a report on the development activities undertaken. Each SPS member will be responsible for managing his or her own file. The file must in any case include evidence, such as a 360° feedback survey and/or an appraisal to show that the SPS competencies are being applied. A career planning file along those lines will ensure that everybody possesses up-to-date information on their profile which is essential for future career moves and which is more objective than the career assessment compiled by the supervisory manager. New applications of the competencies framework will be found along with efforts to optimise the current applications. Work is continuing on the use of 'core competencies' and the development of a 'tips' database, which is not yet fully operational. In addition, the international orientation is to be made part of the competency language. Possibilities are also being examined to see how the competencies can become a performance management tool to analyse not only outputs and results but also how those results have been achieved.

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APPENDIX: ALL 42 BEHAVIOURAL ASPECTS OF SPS COMPETENCIES (IN ALPHABETICAL ORDER)

Ability to learn: familiarises quickly new subject matter, learns from mistakes
Adaptability: functions well in changing circumstances
Anticipation: spots critical situations in time and acts
Being in control of operations: sets priorities and parameters and monitors
Coherent leadership: gives direction and guidance to the group
Commitment to work: shows commitment to profession and tasks
Conceptual flexibility: capable of identifying different scenarios, not blinkered
Co-operating: contributes to joint results and works well with others
Courage: does not avoid risks
Customer oriented: recognise needs and interests of customers and show respect
Decisiveness: takes decisions, makes choices, commits
Dedication: dedicated to tasks of government and own job- inspires others
Delegating: trusts in subordinates and allows them to develop
Energy: being active for long periods of time, working hard, indefatigable
Flexible behaviour: changes style of behaviour depending on the situation
Future vision: ability to distance from day-to-day issues and think long term
Goal-oriented management: formulates and communicates clear goals
Helping subordinates develop: coaching, mentoring and supporting staff
Information analysis: recognising, using and making information available
Initiative: recognise opportunities and acts accordingly
Integrity: consistently maintains social and ethical standards in word and deed
Interpersonal sensitivity: recognises feelings and needs of others, empathy
Judgement: good at weighing up courses of action and taking right decision
Listening: capable of picking up information from verbal messages
Mental agility: able to focus on fast-changing events and reacts effectively
Motivating: stimulates and inspires others, expresses appreciation of others
Networking ability: develops relationships with others inside and outside the organisation.
Organisation-oriented steering: translating long term goals into short-term focus
Organisation sensitivity: recognises impact of own actions on other parts of organisation
Perseverance: maintains plan of action until completed or no longer attainable

Persuasiveness: able to convince others of point of view and gain support
Planning and organising: setting priorities, budgeting and making it happen
Political awareness: has attention for relevant events, anticipates political risks
Progress control: inspects all activities, notes deviations and adjusts
Resistance to stress: functions efficiently under deadlines and with setbacks
Self-awareness: searching actively for personal feedback, aware of own limitations
Self- confidence: radiates self-confidence and always projects this to staff etc
Self-developer: continually searching for ways of self-improvement
Self-motivating: set high demands on self and achieving them
Task-oriented steering: gives subordinates clear instructions on what and how
Verbal presentation: presents facts and ideas clearly and communicates

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II.4. Competency Assessment in Finnish Higher Education

Turo Virtanen

In higher education, the competencies of academic staff have long been understood as the most important resource for the success of these institutions. The increasing pressure on performance, along with the financial difficulties of universities funded by the state, has triggered efficiency calculations where the intellectual resources are set against the output of departments and universities. Demands for increased productivity, quality and societal effectiveness related to the doctrine of new public management (Hood 1991), have increased pressures to bring universities under the control of more rational management as it is understood in business organisations. In these circumstances, the competencies of academic staff are expected to be formally defined, measured and developed by organisational mechanisms. The pursuit of more efficient and effective systems in recruitment, promotion and pay has resulted in more explicit and formally designed systems of competency management in academic organisations (Virtanen 2000). This chapter outlines a model of academic competency assessment and relates that to performance-related pay for academic staff. The model is then used to describe and analyse a system of academic competency assessment in the University of Helsinki, Finland.

ACADEMIC COMPETENCIES

Academic competencies are understood here as the competencies of university academic staff, notably professors and lecturers. But what are competencies? Following Ellström (1997), a competence or competency can be seen as an attribute of an employee referring to 'a kind of human capital or a human resource that can be transformed into productivity'. This is different from qualifications that Ellström defines as 'requirements of a certain class of work tasks (a job)'. Competency, therefore, is an attribute of an employee in relation to ideal job performance.

The focus on the jobs of professors and lecturers directs attention to responsibilities of teaching, researching and a variety of other tasks where competencies inherently related to teaching and researching are needed. Although the identity of university organisations and academics comes from scientific expertise, the present conditions under which research is done have strengthened the value of teaching qualifications, leading projects and departments, raising external funding, assessing the quality of teaching and research, national and international co-operation, and so on. The major part of this, excluding individual teaching, is often summed up under the concept of leadership. Managerial and political pressures on academic staff have generated literature on university leadership (Bargh *et al*

2001) and departmental leadership in higher education (Knight and Trowler 2001). All academic staff have encountered the pressures of being more accountable to the wider society. Questions of societal responsibility cannot be avoided when forms for research funding compel applicants to anticipate the societal utilities of the proposed research.

As in any human competency, academic competencies can be explored in terms of knowledge, skills and values. These are generated by human abilities to create and use knowledge, to behave skilfully and to support one value over another. All three can also be used to analyse the functions of research, teaching, leadership and societal responsibilities and the qualifications related to each of them as normative attributes of the job. Knowledge is understood here in the classical sense as a justified true belief, where justification is based on rational evidence but where the truth is never directly observable or testable. This concept of knowledge is narrower than the concept of knowledge customarily used, for example, in the literature on knowledge management (Davenport and Prusak 2000), where knowledge is often understood to include tacit aspects of expertise, assumptions and even feelings. Tacit knowledge can be shown in behaviour but not described in verbal expressions. In this sense, tacit knowledge is close to the concept of skills. Skills refer to abilities that have been acquired by practise and gradual internalisation in the pace of successful learning. Skills cover both thinking and behaving. Values are understood here as beliefs, attitudes and norms that constitute motivation functional to the job in question. To the extent they are internalised and difficult to express and justify, they constitute the latent structure of professional culture.

In research, knowledge refers to scientific theories, empirical research results, methodologies and philosophy of science. All of them can be assessed by their breadth and depth in relation to the qualifications required for research work. Skills in research may refer to a variety of things that are learned by practising and that have become a more or less tacit part of reasoning and behaving in the research process. They include designing creative research, reading and understanding literature in a variety of ordinary and even artificial languages, collecting and analysing data, reporting and communicating (also in foreign languages). The values of research are related to the value of knowledge contrasted with other values like wealth, health, justice, power and aesthetic values. Researchers are expected to rate pure knowledge, truth and epistemic utilities (e.g. simplicity) higher than other values compared to ratings in other professions. Different schools of thought weigh knowledge with their own paradigmatic value scales. In this respect, research competencies and qualifications are always contestable. The ethics of science is both related to priorities of research objects and methods of data collection, anonymity, fair citations, peer review, publicity, openness to criticism and so on. All these imply that some beliefs, attitudes and norms are better than others, for example in relationships with colleagues. Consequently, there is a diversity of research cultures even within a single discipline.

In teaching, knowledge is related to the substance of the courses implying a tight connection to knowledge requirements of research work. Knowledge of effective teaching methods, pedagogical theories and philosophy of education behind them has been relentlessly emphasised, when consistency of teaching standards and

quality improvement have become a taken-for-granted issue. Development of new information technology has increased the variety of teaching methods. This has put more pressures on academic staff to acquire sufficient knowledge of teaching technology. Teaching skills is an old theme, if it is understood as arousing the interest of students and forming, in the end, a community of disciples to continue the work of the 'master' or academic expert. The challenges of increased numbers of students, demands of closer interaction with students in the form of more efficient tutoring and supervision and applications of new information technology have broadened the scope of teaching skills to embrace a variety of teaching situations. Teaching skills are to a great extent different from skills in research, because teaching is more communicative than research. The values of teaching refer to attitudes towards students in general and towards different forms and methods of teaching and education. Quite often academic staff rank research higher than teaching. The ethics of teaching, from the point of view of the teacher, are related to questions of willingness to develop as a teacher, fair marking, supporting versus sanctioning and exemplary behaviour towards students.

In leadership and societal responsibilities, qualifications depend to a great extent on the functions and positions of the academic staff in question. In this respect, the profile of professors and lecturers is typically dissimilar. General knowledge of higher education policies and leadership theories is beneficial for academic staff working in leadership positions (heads of research institutions and departments, deans, rectors). Knowledge of public policies and the network of public and private organisations and their actions close to one's own discipline is a precondition for fruitful interaction with practitioners. Knowledge of other universities, scientific societies and funding institutions, science centres, conference organisations, scientific journals and public media - local, national and international - is important for all academic staff. Significant skills are linked to leadership, most of which can be acquired and developed by training and experience (some still, however, think that leadership skills are innate and cannot be learned). Communication skills are related to leadership, but even without the context of leadership good communication skills are valuable, for example, in popularisation of science, in co-operation with practitioners and other scholars as well as in proposing new programmes and securing their funding.

In terms of values, qualifications of leadership and societal responsibilities originate from the tensions of public and private interests of individuals and organisations on the one hand and university autonomy and dependence from the rest of the society on the other hand. The survival and success of universities and their sub-units requires scholars who are willing to contribute also in administrative roles and promoting organisational interests. This may coincide with scholars' private interests, if they are not concentrated on a purely scholarly career. Also organisational citizenship behaviour (van Dyne *et al* 1994), often in the form of voluntary work for the scientific community or academic organisation, is normally encouraged and expected. Understanding of the justified societal role of science and universities varies by discipline and by research orientation. Close links with the external environment may jeopardise the critical and intellectual functions of universities. However, openness to external demands, strengthened by the increased

financial impecuniosity of universities, has augmented the importance of scholars who are willing to take seriously the challenge of fruitful co-operation between the academic and non-academic worlds.

The above description of the qualifications related to scholars' functions in scientific research, teaching and other responsibilities is based on a general outlook of western academic communities and their development trends. There is no authorised description of these qualifications or functions that could be found as a formal decision. They are part of western scientific and academic culture that varies to some extent across disciplines and national contexts. Depending on the country, the qualifications and functions of academic staff may be regulated by governmental norms or not. Very often certain formal academic degrees are required. They are expected to guarantee at least the minimum qualifications related to knowledge, skills and values. Also the main structures of academic competency assessment procedures may be legally specified. In Finland, there are legal norms for both qualifications and competency assessment.

In Finland the duties of university teachers are laid down in a governmental statute (309/1993) as follows: advance learning in one's field, supervise students, conduct examinations as prescribed, inform university about one's teaching, publications, scientific and artistic activities and conducted examinations, carry out the duties related to membership of university's administrative posts and bodies and undertake other duties prescribed and take part in the selection of new students to the extent considered equitable. According to the same statute, professors have to carry out and supervise scientific research (or artistic work in art academies), lead the development of science (or arts) in their field, examine theses and advance learning in their field. These duties are mostly related to teaching and research but also internal administration. There is no reference to interaction between the university and the wider society but it can be incorporated in the other associated duties prescribed.

The statutory duties of professors and other teachers are formal legal rules and they constitute also the ground for formal qualifications of teachers set out in statute 309/1993. Professors must have qualifications in scientific research (or artistic work in art academies), teaching skills and, when important for the job, familiarity with practice in the field in which they teach. The statute specifies also the criteria for scientific competence: it is assessed by applicants' research and published work, ability to lead research, teaching materials with scientific value and other academic merits and degrees. Nowadays, there is no minimum requirement for academic degrees. Formerly, a doctorate was necessary and, in practice, it is still expected today. The Finnish academic tradition includes the entitlement of 'docents' who sometimes work as ancillary teachers. They are required to have a doctorate, be experts in their academic speciality, show an ability to conduct independent scientific research, as indicated by previous research and publications, and have good teaching skills. Senior teachers, lecturers, assistant teachers and senior assistants are required to have licentiates or doctorates, good teaching skills, and familiarity with best practice if it is considered important. The same regulations relate to university lecturers, clinical teachers and doctor assistants (all new positions of the University of Helsinki), but they are required to have doctorates.

There are some exceptions to the requirement of doctorate for the positions mentioned above, such as assistants are only required to have a masters degree.

ACADEMIC COMPETENCY ASSESSMENT

As the competencies of academic staff are the main resource of universities and a crucial asset in their competition for excellence, the attempt to know more about the qualities of these competencies is normally taken-for-granted. In general terms, there are at least three organisational functions where competency information is needed: recruitment, promotion and pay. Recruitment and promotion are related to career, while pay may, at least in principle, be relatively independent of the length of work career.

In the recruitment of academic staff, competencies are assessed as part of ranking the candidates. In promotion, the process is often less formal, since internal and partly vague information about the key candidates is crucial. Because evidence of good performance is broader in promotion than in recruitment, actual performance plays a bigger role in promotion than in recruitment. Recruitment may rely more on competencies, in the absence of informative performance records. In pay, competencies and performance are only some of the factors that determine the amount of pay. In fact, performance-related pay is a relatively new feature in academic pay systems. Other and more traditional factors in the determination of university pay are competition in the relevant labour market, influence of trade unions, informal favouritism and discrimination (gender, age, race), length of employment (seniority) and extra administrative responsibilities.

Competency assessment elicits information for decision-making on recruitment, promotion and pay. When this information is incorporated into decision-makers' previous knowledge of the needed competencies of academic staff, we can talk about the knowledge frame of competencies. Since academic institutions are knowledge-intensive organisations, academic staff are very keen and careful in screening knowledge claims. Validity of the knowledge of staff competencies with potential relevance for career and pay is not overlooked. When the valid assessment of scientific knowledge carried by scholarly publications is possible only for scholars doing research in the same field, peer review processes have emerged as the main procedure for eliciting credible information on the scientific merits of academic staff. The credibility of peer review processes is the only factor that can maintain and increase academic staff trust in any knowledge that assumes scientific competence. This affects the selection and ranking of information sources and the organisation of eliciting information on academic competencies.

The validity of knowledge of academic competencies does not guarantee that academic staff accept the decisions based on this knowledge. The scale of competencies in different competence areas may be contested and the appraisal of an individual's level of competence (the point on the scale) may be disputed. Legitimacy is largely based on who makes the decisions and who can influence the information upon which decisions are made. In academic institutions, collegial decision-making is expected, because the authority of knowledge and academic reputation is based on peer review and collegial recognition, not on formal

organisational hierarchies - at least this is what the 'front stage' of academic science shows. When the consequences of competency assessment are related to academic career and pay, the private interests of single members of staff may collide, although impartiality and the public interest of the scientific community is implicitly expected. The decisions should be legitimate at the community level and not only for those who benefit.

Although the validity of competence knowledge and the legitimacy of the organisation of assessment are achieved, the efficacy of competency assessment in relation to organisational strategies gives the rational ground for the whole system of competency assessment. Decisions based on the assessment of the competencies of academic staff must support the recruitment of the best candidates, promotion of the most talented with good performance records and overall achievement of better performance. When competency assessment provides information for performance-related pay, competency assessment is part of the reward system of an organisation. In general, previous studies of merit pay show that, where it is difficult to validly measure performance, a relationship of trust is necessary and that trust should be high for a performance-based pay system to work (Lawler 1971, Lawler 1976, Siegall and Worth 2001). In this way, validity of knowledge of competencies, legitimacy of decisions on competencies, and pay scales linked to levels of academic competence, are all interrelated.

In sum, an academic competency assessment system should meet the following requirements:

- *validity:* assessment should yield information that supports knowledge creation on the true nature of academic competencies,
- *legitimacy:* the scale of competencies and the appraised levels of attained competence, with their consequences, should be acceptable to the whole community,
- *efficacy:* assessment should increase the efforts of academic work (incentive) and promote the achievement of organisational goals (goal-achievement).

A general model of competency assessment of academic staff outlined above is presented in Figure 7.

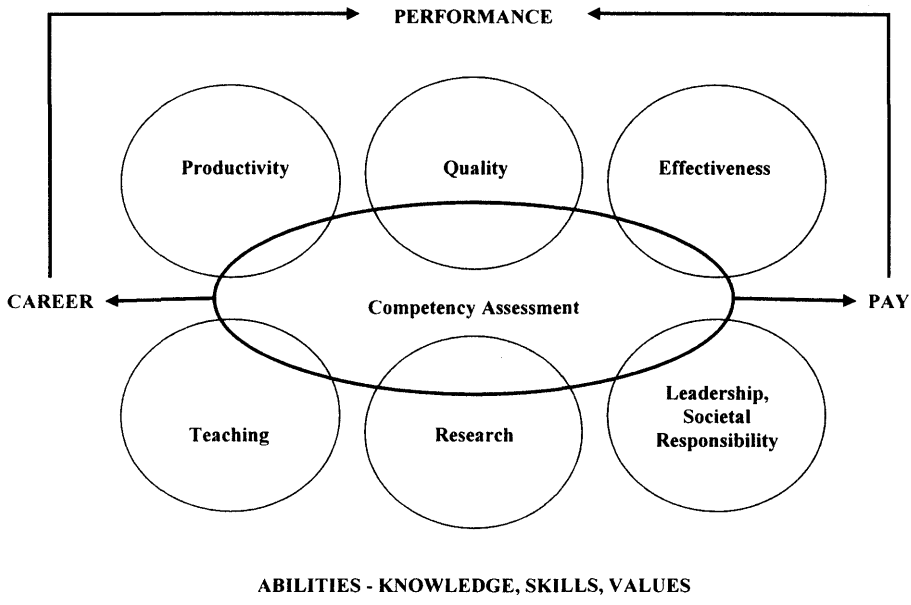

Figure 7: A model of Academic Competency Assessment

In Finland, legally specified competency assessment is only required when professors are recruited. In legal terms, there is no difference between internal or external recruitment. When there are no separate norms for promotion, the system of academic tenure track is not known. Formal procedures for selecting and appointing professors are regulated by law 856/1991 and statute 1581/1991 (for a more detailed analysis, see Lawler 1976). Appointment is possible only after formal competency assessment. At least two but often three referees or assessors are selected to assess and rank the applicants. There are no formal requirements about the academic status of referees but normally they are professors from other Finnish universities or from abroad. Sometimes there is concern about the selection of referees, because a consensual ranking of applicants given by the referees practically ensures an individual's appointment.

Referees are expected to represent different fields covered by the pool of applicants and the particular research field in question. This is to assure the quality of assessment. Applicants have to be given an opportunity to appeal against the proposed set of referees before their selection is made final. Applicants are often obliged to demonstrate their teaching skills to the faculty or department. By tradition, the scientific competence of applicants has been considered the overwhelming criterion for appointment. Teaching skills are now stressed more than ever but they are probably still less important than research competence. Many universities have set rules about weighing, demonstrating and documenting these skills but formulation of formal rules about weighting teaching merits in relation to research merits has been considered to be very difficult.

The three best candidates are selected from the pool of applicants and are proposed by the relevant faculty board to the nominator (chancellor or equivalent). After the decision is taken, applicants have 30 days to appeal against the decision if they wish. This happens quite often but appeals are generally unsuccessful. The contents of referee statements are not legitimate grounds for appeal, only legal flaws in the procedure. The evaluation and nomination procedure for docents is about the same but less structured than the one related to professors. Other categories of the academic profession are recruited by faculty board or an equivalent body or rector without a legally specified procedure for competency assessment.

CASE STUDY: ASSESSING ACADEMIC COMPETENCIES IN THE UNIVERSITY OF HELSINKI

The background to competency assessment of academic staff in the University of Helsinki is the reform of academic positions that took place in the late 1990s. The purpose of the reform was to relate teaching better to academic research, to require a doctorate for all academic positions with teaching responsibilities, to support academic career advancement, to explicate the tasks related to positions established for postgraduate students and to decrease the number of job titles. The resultant academic positions are: professor, university lecturer or clinical teacher, doctor assistant and assistant. The positions of traditional lecturers with heavy teaching loads are now being converted to positions of university lecturers requiring a doctorate and having less teaching but the obligation to do research. Doctor assistants, appointed for three years, are being established for teaching and postdoctoral research. Assistants, appointed for five years, can be postgraduate students as before.

In 2000, this reform was followed by a collectively bargained contract on staff posts in the University of Helsinki and pay scales relating to all academic positions. The pay scale is now more flexible than before. Although all salaries specified in collectively bargained contracts for different positions are formally minima, they are rarely exceeded. In other Finnish universities, the traditional fixed pay scale for each position is still the norm, except for professors. However, all universities follow the common contract that makes it possible to allocate one or more additional increments based on above average performance for about half of the number of positions in all major staff categories. In addition, academic staff of faculties of medicine, who are working in university hospitals, can get a hospital increment. Due to its particular contract, the University of Helsinki has been able to create an additional pay system for academic staff. For carrying out of this more flexible pay system, a competency assessment procedure has been established and implemented since 2000.

According to university policy, competency assessment is used when appointing academic staff to positions of professors, university lecturers and clinical teachers, in raising the pay of staff appointed earlier to these positions and in preparing proposals for granting performance increments. The Rector, after compulsory and consensus-seeking negotiations with trade unions, gives performance increments for five-year periods but other pay rises, related to competency assessment, are

permanent and the Dean decides them. However, decisions on permanent pay rises are put into effect only if faculties have money (dropping pay is not possible). These decisions are risky since funding in Finnish universities is based mostly on degrees. Current pay scales of academic positions of the University of Helsinki are set out in Table 8.

Table 8: Pay Scales and Task Levels by Academic Positions in the University of Helsinki, Finland

Positions	Pay scale (Annual salaries, minimum-maximum Euro)	Task level descriptions
Professor	A29 A30 (47470-66852)	Research highly esteemed by international scientific community.
Professor	A28 A29 (43042-60625)	Research esteemed by international scientific community.
University lecturer	A26 A27 (35251-49774)	Research highly esteemed by national scientific community and / or scientific competence for teaching of high standards.
University lecturer Clinical teacher Doctor assistant	A24 A25 A26 (29683-45019)	Teaching / research esteemed by national scientific community; for clinical teacher especially in medicine.
Assistant	A20 A21 A22 (22142-33514)	Postgraduate research. Teaching.
Ph.D.-student in Graduate School	A18-A20 (20051-22142)	Tasks assigned by graduate school.

Source: Specifying Collective Bargaining Contract for Higher Education 12.12.2000-31.1.2003, Section A.I: University of Helsinki. The pay scale for Ph.D.-students is specified by General Contract and may vary by Graduate School.

Note: With 0-6 seniority increments (except for Ph.D.-students), including extra vacation pay estimated as half of one month's salary, without performance and hospital increments, since 1.3.2002.

The table also includes formal definitions of task levels related to different pay levels specified by the collective bargaining contract. Task levels can be understood as competence levels. The task levels of professors are defined only in terms of research, while other categories also include teaching. One interpretation is that only research merits qualify for higher pay. Many have criticised this as precisely the old and too narrow interpretation of the duties of professors. In practice, other factors are taken into consideration too. Neither should one forget that research competencies affect also the scientific quality of the contents of teaching. According to the specifying collective bargaining contract, most university lecturers should be in the upper category but the needs for career advancement and competence have to be taken into account also.

The University has set out rules for the procedure of competency assessment but eight out of nine faculties have specified their own. University-level rules require the Dean to decide when the assessment is undertaken but the process starts on the initiative of the head of department or the member of staff who wants to be assessed. The assessment is carried out by an assessment group consisting of three members all appointed by the Dean: Dean or Vice-dean as chair, one permanent member from the department in question, and one member from the staff group of the position in question (the relevant union organisations need to be heard before the selection of the member). In addition, there is a student member majoring in the subject in question but he or she is involved only in the assessment of teaching merits. The period of appointment of the group is equivalent to the term for elective administrative organs of the University (three years).

Table 9: The achievement portfolio

Achievement in Research and Post-graduate Teaching	Achievement in Teaching	Other Achievements
• Quality and quantity of publications • Academic examiner and referee • International activities • Externally funded research projects and their leadership • Co-operation with domestic and foreign research groups • Utilisation of research findings • Co-ordination and leadership of national graduate schools for PhD-students • Number of PhD-students under supervision • Teaching and tutoring methods in PhD-supervision • Number of supervised and completed dissertations • Pre-examiner and opponent of dissertations • Awards and other marks of honour	• Extent of teaching duties and teaching methods (e.g. lectures, small groups teaching, web-based teaching) • Extent of guidance and tutoring (supervision of MA-theses, seminars, individual tutoring) • Authorship of text-books and course materials, applications of new technology • Feedback from students and colleagues • Participation in the assessment and development of department's teaching activities • Training and activities in university pedagogy • International connections • Awards, grants and other marks of honour • Other activities related to teaching	• Major national and international expert tasks and positions of trust based on scientific and teaching merits • Major university level positions of trust, memberships of board and task force and other administrative responsibilities based on scientific and teaching merits

The assessment is based on the materials the teacher conveys to the group. The university has made a separate decision on the university portfolio that is a

subjective description of the applicant's achievements. If requested, the merits have to be verified with appropriate evidence. University portfolios are to be used in all appointments to teaching positions. A university portfolio covers all areas of academic work: research, teaching, administration, and societal activities. The items of these areas are described in Table 9 as the University specifies them. Although the salaries of all state officials are public in Finland, university portfolios and competency assessment decisions drafted for pay rises are not, excluding representatives of trade unions in negotiating individual performance increments with the rector.

Three faculties out of nine have specified the competencies for different pay scales more explicitly. The summary of competency descriptions of the Faculties of Art, Social Sciences and Veterinary Medicine are presented in Table 10. The definitions of competencies applied in the Faculties of Art and Social Sciences are very similar. In Veterinary Medicine, the competencies of professors do not normally include competencies in teaching. In Art and Social Sciences, teaching competencies are presented also for professors, but what is exceptional is that competencies of administrative leadership and development work are mentioned only in the decisions of these two faculties. In the competency definitions of the three faculties mentioned above, there is nothing about international versus national value of research, although they are present in the collective bargaining contract and the university-wide decision on academic competency assessment. The Faculties of Theology, Law, Education, Science, Medicine and Agriculture and Forestry apply the definitions in the specifying collective bargaining contract. However, many have found the explicit emphasis on international merits too science-oriented for national disciplines like jurisprudence and history. While there are differences between faculties in definitions of competence levels, the threefold competence structures (research, teaching, and other merits) of university portfolios binds the decision-making on academic competence in all faculties. Most faculties have adopted their own rules specifying the technical structure of university portfolios intended for competency assessment.

The number of assessment groups follows mostly the number of departments within the faculties. Exceptions are faculties of Theology and Medicine with only one assessment group. In other faculties, there are three to 11 groups. The Faculty of Art with very many departments has organised the assessment in four larger groups in order to establish more consistent and objective practices. The assessment is generally carried out once a year (in three faculties twice a year). The assessment started in 2001 and by the end of March 2002 the competencies of about 120 professors and 55 university lecturers or clinical teachers had been assessed. This corresponds to approximately 26 per cent of professors (total 461) and 12 per cent of lecturers and other teachers of the same category (472): the number of all teachers and researchers being about 3350 in 2000.

Table 10: Pay scales and summary of competence descriptions by academic positions in three faculties: Art, Social Sciences, and Veterinary Medicine

Positions	Pay scale (Annual salaries, minimum-maximum in Euro)*	Competence descriptions
Professor	A30 (52347-66852)	Highly distinguished, qualified for appointment by invitation (e.g. academy professor, leading center of excellence, working in eligible foreign university, very successful in Ph.D. supervision, marks of honour).
Professor	A29 (47471-60625)	After appointment continued successful research and teaching and / or scientific and administrative leadership and development.
Professor	A28 (43043-54970)	Appointed professor, no extra merits.
University lecturer	A27 (38975-49774)	Qualified for professor by external examiners (not necessarily earlier appointment) merits in pedagogy.
University lecturer Clinical teacher	A26 (35251-45019)	Docent; after appointment continued successful research and teaching and / or other scientific and administrative work for several years.
University lecturer Clinical teacher	A25 (32119-41018)	Docent without extra merits or doctor who has successfully taught, researched and / or been responsible for other scientific and administrative tasks for several years after completing the doctorate.
University lecturer Clinical teacher	A24 (29683-37908)	Doctorate without extra merits.

Source: Documents of the Faculties of Art, Social Sciences and Veterinary Medicine. Other Faculties apply directly the definitions of specifying collective bargaining contract (see Table 8).

Note: With 0-6 seniority increments, including extra vacation pay estimated as half of one month's salary, without performance increments (5655/ increment for professors, 2058 / increment for university lecturers), without hospital increments (12335-20532 for professors of medicine), since 1.3.2002.

DISCUSSION

The duties of academic staff, criteria for scientific competence and procedures for assessing professors' and docents' competencies - as regulated by governmental statutes - form the relatively stable background for university level competency assessment of academic staff. An external but less stable environmental factor is the national collective bargaining system, together with the resulting definitions of

academic competencies in relation to pay scales. Under these circumstances, the University of Helsinki has succeeded in negotiating a relatively flexible pay system for academic staff, which has enabled the establishment and implementation of an additional system of competency assessment and its integration within the pay system.

The Faculties of Art and Social Sciences have modified the formal definitions of competence levels reached by collective bargaining the most (Tables 8 and 10). The refined definitions have turned the competency levels to more easily measurable ones, especially reference to academic titles (academy professor, docent, marks of honour), appointments, qualifying periods after appointment and administrative tasks. These neutralise decision-making on competence levels appropriate for applicants. It is more risky to appraise applicant's national and international esteem in a more direct manner. It may be that the multi-paradigmatic nature of the humanities and social sciences explains part of the additional refinement. As such, these refinements can be found in university portfolios on which assessment is to be based in all faculties. The content of university portfolios is mostly lists of titles, appointments and completed tasks. Consequently, university portfolios provide only indirect information on the knowledge, skills and values of applicants.

Perhaps the most important indirect information on competencies is provided by earlier competency assessments based on traditional academic peer review processes. These are mostly related to appointments, academic research funding and publications - all parts of university portfolios. Part of these assessments has already included assessment of academic performance. They provide indirect evidence on knowledge, skills and values relevant for successful academic work. In fact, the three academic members and one student of the assessment group are only able to assess the competencies of academic staff by comparing the portfolios as collections of indirect and formal information on competencies and academic performance. Productivity can be inferred from the quantities of publications, students, referee work and administrative duties in relation to length of career. The standing of publishers, awards, hierarchical status of administrative duties and positions of trust can settle quality and effectiveness.

The validity of competence knowledge assessed by the assessment group is based on indirect and formal information. However, validity assumes also the tacit knowledge of each disciplinary community, exemplified by the success stories embedded in the organisational culture. The valid knowledge of the expressions of quality and effectiveness presupposes academic socialisation. Academic reputation measures indirectly academic competence and performance but also interacts with them. Reputation is beyond perfect description but it has an effect on the interpretation of portfolios. The inclusion of this tacit knowledge is signalled by the collegial composition of the assessment group. Applicants probably trust the results of assessment better when they know that decision-making is also based on tacit knowledge of academic competencies. Trust is further strengthened as assessment is based on the portfolios drafted by the applicants themselves. It is also crucial that decision-making relies on indirect and formal indicators of competence, since the assessment group is not competent in analysing primary data on research competencies. For example, if the members of the assessment groups were expected

to read and understand the scientific publications of the applicants, applicants would probably not trust the procedure. All this adds both to the validity of knowledge of competencies and the legitimacy of competency assessment.

The efficacy of the competency assessment system is relatively good because it can be used in recruitment and pay. During the first year, the system has also been able to assess a number of applicants who have received pay rises. At least at the beginning, the assessment procedure is welcomed because it results in pay rises in a predictable way. It is also welcomed, since it sets up an incentive system that previously senior academic staff have lacked. In the short run, assessment will differentiate and increase the average salaries of academic staff. It will also reward good performance. In the long run, the assessment system has to prove its efficacy as an effective incentive mechanism. At the same time, the system has to be integrated with the new pay system based on demands of the job, personal competence and performance that is to be established in the whole state government in a few years.

It is obvious that the pursuit of a more comprehensive, transparent and consistent system of competency assessment can create new incentives for academic staff, when it is integrated with performance-related pay. The legitimacy of assessment is largely based on arrangements that emulate traditional authority structures of academic institutions but mixing them with new streams of union and student participation. The validity of assessment is largely based on the credibility of information on earlier peer reviews and tacit knowledge of academic reputation embedded in everyday practices of particular scientific communities.

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Competency Management in the Public Sector
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II.5. The Competency Dimension of Leadership: A Study of Top Managers in Swedish Public Administration

Louise Moqvist

Sweden, like most other European countries, has been confronted with the need to review the skills and competencies it needs in its public sector and to decide how best to attract, retain and develop them. Each year central government agencies submit reports on their efforts to ensure an adequate supply of skills and competencies. A special report by the National Council of Quality and Development (Danielson 2001), based on the returns for 1999, revealed that of the 223 reports submitted in that year some 60 per cent of agencies were into performing competency analyses although most identified problems in developing frameworks.

Problems in recruiting skills were experienced by 60 to 70 per cent of agencies although these problems related mainly to IT and other technical staff including scientists, lawyers, economists and specialist teachers. Most agencies had individual development plans designed to deal with retention problems, which appear to be most acute amongst the 20 to 34 age group. Another strategy is to develop alternative career routes which may, for example, include project management, internal consulting roles, instructors and scope for secondment to other agencies. In the past mobility has been very limited because of an emphasis on formal skills requirements and on narrow areas of skills. Many agencies report, however, that restructuring had assisted in encouraging mobility but there were still too many barriers, caused to a great extent by the highly fragmented nature of the Swedish administrative system.

Skills and competency development is rated highly by all agencies and emphasis is placed not only on formal training courses but also on mentoring, in-house seminars and the importance of disseminating knowledge and good practice to create a learning organisation. Development appraisals are conducted in most agencies and provide a means of identifying skills short-falls and strategies for meeting those and also for raising levels of motivation amongst staff.

The Danielson Report concluded that although there was much evidence of systematic skills and competencies analysis in the agencies there was room for improvement. In particular there was a need to create more development paths. This pointed, in turn, to the need for more collaboration between agencies and a more holistic approach to knowledge management which may best be led from the centre. The report highlighted the 1999 survey carried out by the Institute for Personal and Corporate Management at Upsalla University in co-operation with Cranfied

University in the UK. This showed that leadership and work supervision were identified as the most important areas for development amongst the countries in the study. In Sweden leadership was rated the highest priority of all followed by IT. The rest of this chapter reports on a study of leadership in the Swedish Higher Civil Service which contributes to the wider debate about how to construct competency frameworks.

LEADERSHIP

Leadership has undoubtedly become a key factor in our understanding of organisations and whether they succeed or fail. This is evident from the mass of leadership literature, research and consultancy over the last 20 years. Leadership is seen as the one and only solution to - or, in more modest descriptions, a precondition for - the need for change that faces the present-day world of organisations. The leadership debate in the public sector is no exception. Leadership is emphasised as a crucial factor in the modernisation efforts under way in Swedish public administration. These efforts are intended to pave the way for three basic values - democracy, the rule of law and efficiency - to be fulfilled throughout the sector (Government Offices of Sweden 2000). One powerful assumption underlying this marked focus on leadership is that the leader has a major impact on what happens in the organisation and can direct and control it and its outcomes. This assumption is especially salient in management literature (Fureston 1996). Few people deny that leaders influence their organisations. However, empirical research has yielded some interesting findings that call for more complex notions of the relationship between leaders and their organisations and of leadership (McCall *et. al.* 1978, Stewart 1983, Hales 1986, Hultman 1989). The new challenges, which organisations are said to be meeting at an ever-accelerating pace, are also assumed to have implications for their leaders. What used to constitute effective leadership may not be appropriate in present-day organisations. What is the new leadership role? How can we understand leadership competencies in the organisational world of today and tomorrow? Answers to these questions are sought by examining 'self-image'. In a Swedish study of school administrators' leadership style, Stålhammar (1984) argues that self-image is important to the chosen leader role and it is also a key component of competency. It is defined as 'perception of the self in the context of other people's values' (Sparrow and Hilltop 1993).

This chapter examines leadership competencies in the light of self-image among top managers in Swedish public administration. It is based on a study comprising 31 interviews with top managers (excluding director-generals) in eight Swedish public authorities. It is part of a two-year project designed to contribute knowledge about top managers' work and competency needs in a changing public administration.

CONCEPTS AND THEORETICAL FRAMEWORKS

Competency and leadership are two central concepts within the framework of this chapter. They are introduced below with reference to previous research.

Competency: Individual, technical and social

Competency is commonly defined in terms of individual abilities. The types of ability concerned have been variously treated by different researchers. One narrow definition has come to consist solely of cognitive abilities, such as knowledge and intellectual skills. Other definitions extend the notion of competency to apply to other types of ability. Ellström (1992) specifies five different types:

- psychomotor factors, i.e. various types of perceptual and manual abilities,
- cognitive factors, i.e. various types of knowledge and intellectual skills,
- affective factors, i.e. capacity relating to will and emotion,
- personality factors, i.e. capacity related to personality traits,
- social factors, i.e. various social skills.

Distinguishing the nature of competency has also been treated in various ways in the literature. In cognitive-skill perspectives, competency is usually defined in the light of individual abilities. This, however, may be regarded as a relatively restricted definition since it omits ambient factors, such as the person's job. The notion of competency may also be seen as tied to the kind of work a person carries out, and is perceived as an ability to cope with this work (Ellstrom 1992; Kock 2002). The notion of competency has traditionally been dealt with from a rational point of view: competency has, in other words, been defined in the light of actual circumstances relating to the individual and work. Another approach to competency may be to see it as determined by an institutional context. Institutional theories in organisational analysis are the point of departure for this view (Johansson 2000). These theories rest on the assumption that the external environment has a bearing on what happens in organisations. Surrounding organisations are institutional notions, (i.e. social constructs), sometimes defined as 'taken-for-granted' views of the nature of reality. Institutional notions appear to determine how things are perceived in the individual organisation. Institutional requirements are quite distinct from the rationally and technically justified demands imposed in an organisation. Accordingly, competency may be perceived as part of a broader context in which institutionalised notions have more of a bearing on the determination of skills than individual ability or the actual demands of a person's job. With this line of reasoning, competency has three dimensions: individual, work-related or technical and social.

Leadership as a social construct

Like many of his predecessors Yukl (2002) in his knowledge overview of leadership states that there is no universal definition of the notion. On the contrary, there are a

plethora of definitions created with reference to various individual and group interests and issues. Among them, however, Yukl (2002:2) finds something that may be described as common to the majority:

> *Most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other people to guide, structure, and facilitate activities and relationships in a group or organisation.*

The lowest common denominator appears to be that leadership is a process of influence in some form. This presupposes, accordingly, a relationship with one or more other people - often termed 'followers' in leadership research. The relationship between leader and led is a well-researched area. One basic assumption of this view is that leadership is tied to certain people, groups or units that exert influence over others.

An attempt was made above to define competency as a concept related to institutions and social constructs. Similar ways of defining leadership may be found in the literature on leadership. The nature of leadership is thus seen as a result of social constructs of the phenomenon, which emerge in human interactions (Sjpstrand *et al* 1999: 24).

> *One option is to regard leadership as a kind of flow in people's more or less structured relationships and interactions. The character and content of the relationship then takes pride of place, while the categories (leader and led) assume more subordinate status. The relationship gains status as a phenomenon in its own right and, as such, can also be developed, changed or dissolved - the relationship exerts influence over the players and vice versa.*

A definition of leadership that immediately suggests itself is put forward by Hultman (1998), who argues that leadership is located at the intersection between different social networks. Leadership is created in the mutual relationships that make up social networks. Hultman extends this line of reasoning by describing social networks as comprising of loyalties. Leadership consists in these loyalties, which in turn are shaped by both contextual and institutional values. This chapter adopts a social-constructionist definition of leadership and a conceptual framework, which is in line with a wider study of changes in Swedish public administration.

Definitions of leadership have frequently been formulated in relation to other notions that are deemed closely related, such as management. Here, too, several researchers make their voices heard and employ diverse ways of describing differences between management and leadership. Kotter (1999) for example sees management as dealing with complexity and aimed at creating predictability and order. This is effected through various processes including setting operational goals, establishing action plans complete with time schedules and allocating resources, organising and staffing, monitoring results and solving problems. Leadership, on the other hand, is aimed at generating change by developing a vision of the future and strategies for making the requisite changes; communicating and explaining the vision and motivating and inspiring people to attain the vision. Management and leadership are thus seen as discrete processes, although a single person may exercise

them. Which of the two processes is the most important or how these can best be integrated is determined, in Kotter's view, in the light of the prevailing situation. Kotter follows a line of reasoning reminiscent of the type of notion characterised as fashion trends or everyday conceptions, and which empirical research - including his own - has shown to be questionable (Tyrstryp 1993; Lind 1998). Focusing on this reasoning is nonetheless relevant, since this type of reasoning appears to play a major part in determining organisations' perceptions (Furesten 1996).

Empirical research on what managers do has been conducted since the 1950s. The first known study was presented by a Swedish researcher in 1951 (Carlsson 1951). Since then, a series of researchers have presented studies with similar purposes (Mintzberg 1973; Cohen and March 1974; Kotter 1982; Stewart 1982). Yukl (2002) summarises the results of studies addressed primarily at managers in the private sector as follows:

- the pace of work is hectic and unrelenting,
- the content of work is varied and fragmented,
- many activities are reactive,
- interactions often involve peers and outsiders,
- many interactions involve oral communication,
- decision processes are disorderly and political,
- most planning is informal and adaptive.

Hultman (1998) presents a similar overview, but with the focus on studies of managers in the public sector - specifically, school heads. He finds that the results tally with those found by Yukl in his overview. In Kotter's (1982) view managerial work should be understood in the light of its complexity and uncertainty. In such circumstances, managerial behaviour is both rational and efficient. Managers work efficiently in these conditions by drawing up an agenda, (i.e. a kind of work guide comprising informal plans) and by creating a network that can then be used to implement the agenda.

A STUDY OF TOP MANAGERS IN THE SWEDISH PUBLIC ADMINISTRATION

What is the self-image of top managers in Swedish public administration? This section examines that question in terms of both leadership and managerial work based upon interviews with 31 top managers in eight Swedish public organisations.

A dominant view of leadership

A point of departure for this study was to investigate the notions of leadership entertained by senior managers in Swedish public administration. How do these managers regard their own leadership? First, leadership appears to be perceived similarly by all 31 managers studied. There are negligible variations, or none at all,

in the way they describe their leadership. A dominant picture of leadership thus emerges.

Four different conceptions of leadership stand out when the managers talk about their present and future leadership. First, they describe leadership as, in many respects, a matter of showing the way. As one said

'This business of providing images of where we are going and getting collective backing for that is, I think, a tremendously important part of leadership.'

What the manager has to be capable of is creating visions, setting goals for activities and imparting inspiration, enthusiasm and conviction to co-workers so that they understand and wish to live up to these goals. When leadership is described in this way, the manager's role becomes one of pathfinding, of formulating visions and conveying them throughout the organisation. It is not only a matter of describing the goals but of placing them in a broader context, explaining and discussing with employees why they exist, making something meaningful of the visions and goals and of the work carried out in conjunction with them. It is also a matter of being able to describe and clarify the requirements that the authority's work must meet in order to attain these goals. All this appears to be an expression of the leader's ability to structure the life of the organisation and help to create holistic understanding and meaning. Another responded stated:

'I think staff who understand the purpose of the organisation, what is expected of them and why they are there generally make the right choices and choose the right priorities - do the right things, quite simply - and I think that's the crux. Then you have to do those things in the right way, and that's my problem, generally speaking. And that means that one of the key tasks for me as a leader is to create that understanding.'

The manager shows the way - the overall objectives. At the same time, however, respondents pointed out that the staff enjoy great freedom to decide how to attain these objectives. The manager's role, in this context, also means making it easier for employees to attain them.

'What (leadership) is all about is staking out the destination, showing the path and paving the way, so to speak.'

One function of the manager is to create favourable conditions. In this context, the survey managers identified practical requirements in the form of financial and spatial conditions, mental aspects, such as feedback, encouragement, discussion and support. Many managers ascribe immense importance to this facilitating role.

Existing notions concerning the manager of the future involve further delegation of managerial responsibility to subordinates. As one respondent said:

'Well, I can envisage managers getting a more pronounced leader role and staff very much shaping their own jobs and doing a tremendous lot without the manager interfering, so to speak. I think there'll be even less detailed control in the future and that managers who go in for controlling things in detail will soon be out of the running. No, what I believe in is greater co-worker responsibility.'

In particular, increased staff responsibility will result from more and more managers being appointed on other than purely objective grounds. Some of the

managers included in this study have little or no expertise in the sector in which they work. Accordingly, dialogue between manager and co-workers does not deal with specialist issues to any great extent. The staff can look after these matters more or less on their own. When asked what the effect of greater employee responsibility would mean for leaders, one manager stated:

'Well, it's very unstable. I found that while we used to draw up the annual report, plans and things like that together, I now leave that to the groups. (You used to do it yourself?) Yes, I was more . . . well, they played a part in it, but we had more extensive discussions. I pushed the whole process more. Nowadays, I end up being some kind of editor of these documents. And then I try to keep my hands off and not distort them too much. So I'm now more of what you might call a co-ordinator, more of a catalyst than a pathfinder and guide.'

In the relationship between managers and employees, the former seem no longer to be the obvious driving force. Instead, the interviewees spoke in terms of clear goals and staff who assumed responsibility and were self-starting. On the other hand, they emphasised that there was still a need for someone to co-ordinate all these forces for a joint purpose, and who also has a capacity to define what should be done jointly. Visions are, moreover, a recurrent theme in the managers' references to the future. As one commented:

'I think visions are extremely important and will be above all in the future. Work generally then, in the information society, will be increasingly independent, more creative and more knowledge-oriented or whatever you like to call it. That's where this visionary leadership comes in, and it's going to be more and more important. So you have to be aware of this goal, and make sure the vision exists. And I think that's relevant in public services as well.'

When jobs are increasingly calling for independence, creativity and knowledge, and when the people who have to carry them out are, to an ever higher degree, being given and seizing opportunities to work in this way, a different kind of leadership is required. What is needed is no longer a leader who says what is to be done and how but one who co-ordinates work towards a more general vision. As the person quoted above puts it, the manager must be more of a catalyst. The influence managers exert in their leadership role is indirect and this seems to mean that it is exerted by means other than control and rules. The vision and the capacity to impart inspiration and enthusiasm about it will be the future leader's potential means of influence. The manager will stand alongside the employees in their everyday work, co-ordinating it and providing inspiration for something that everyone can share. With this reasoning, we can see how four clear notions of the leader have emerged: pathfinder, supporter, co-ordinator and inspirer. The first two stand out most clearly when managers talk about present-day leadership, while the latter two are more salient in notions of leadership in the future.

The research, reported here, found a consensus to exist concerning notions of leadership. There is an image of leadership that clearly emerges as dominant and is expressed in terms of the four different roles outlined above. This image varies somewhat, depending on whether it is current or future leadership that is discussed. Another clear pattern relates to the importance of leadership. Leadership is described

as having become more important over time by the respondents and is perceived today as a tremendously important part of managerial work. As one respondent stated:

'I think leadership is considerably more important today than it was when I started. Then it was the managerial role that was emphasised, at least in this organisation. There were extremely powerful managers but their leadership was limited. What they did was very much a matter of running the show, issuing orders and spelling them out in detail and you had to make an appointment to talk to them. That's a thing of the past now. These days, it's leadership and group dynamics that count.'

Several people state that, in managerial positions, they gradually began pondering the nature of leadership, how to exercise it and how they themselves functioned in their own leader roles as indicated in the following discussion:

(During the ten years for which you yourself have been a leader, have you seen any changes in approaches and values relating to leadership?) 'No, but I didn't observe the situation at the start. I didn't think or reflect so much initially. I drifted into a job and then we were busy restructuring, so I thought very little about it. Then I went on a longish course and started reflecting more. So I suppose it was only a couple of years ago I went on a course and started reflecting.' (What was it you discovered?) 'That it was an important job, and the manager meant a tremendous lot. It's not just a matter of signing papers, issuing and receiving and passing on information - there's more to it than that, I discovered.'

This interviewee seems to be expressing her feeling of having noticed an entirely new dimension of the work after a while. Others say they have always thought in terms of leadership; the fact that leadership as a concept receives more general attention today reinforces and confirms their reflections, rather than imparting anything new. What all the managers have in common is that they consider leadership a familiar notion these days. On a personal level, they are aware of the notion and believe it is a key aspect of the job. This section has dealt with ideas about leadership, i.e. the ways in which people talk about, and choose to perceive, leadership. To supplement this line of reasoning, further questions sought to see how managers describe their work and how leadership was reflected in the actual jobs they did.

What managers do and don't do

In the empirical study on which this chapter is based, the managers interviewed were asked to describe their everyday work. What is their working day like, and what do they actually do? The study showed that, for most managers, the work is to a high degree administrative in nature, i.e. they devoted most of their time to tasks required to maintain activities in their current state. One said:

'Leadership is also, I think, about getting things to flow on their own for any length of time - trying to establish routines in the business, so that you don't have

to keep taking measures at frequent intervals. Instead, the office managers have functions, powers and resources to run things for extended periods.'

When the subjects of change and development are raised, it is usually a matter of the kinds aimed at retaining and/or rationalising an existing structure. Tasks aimed at achieving long-term change and development, and involving new ways of thinking and acting on an everyday basis, are more exceptional. Very little time is, for example, devoted to work on visions. Asked whether they felt there was scope for new and visionary thinking, two interviewees replied as follows:

'I can think in a visionary way up to the point I'm capable of it. There are masses of things going on - such as this result.'

'Well, I suppose I think that if you exclude everything that comes our way in everyday life, everything that has to be done and preferably has to be done now, then of course there's scope (sic) especially, in fact, since I travel so much. In a way it's a luxury, because then you have those hours on the train or whatever it is, and you can spend that time thinking and testing ideas, and so on.'

Everyday work is described to a large extent in terms of such day-to-day tasks as distributing and delegating work, short-term planning and follow-up. Much of the time is also said to be spent providing support for the staff. In response to the question *'Out of all this, the everyday tasks, what are your priorities*?', one respondent said:

'Supporting my heads of section. What does that mean? That they must be able to get help and advice from me when they need it, and right then, not on any other day, so to speak.'

The work seems primarily to be a matter of everyday, immediate problems that need to be aired and solved jointly. There is thought to be scope for innovation but this scope does not appear to be particularly extensive in relation to work that is more in the nature of maintenance. Working on visions takes up a very small fraction of regular working hours and appears, to the extent that it takes place at all, to be something the managers have to do in their spare time. In cases where regular working hours are used for this purpose, it is often a matter of getting opportunities for privacy, such as time spent travelling on business (see the above quotation). Management-group meetings and external networks are said to make up a formal arena for work on innovation and visions. But at the same time, interviewees said that these issues were usually ousted by ongoing aspects of the current situation, and that the meetings did not serve as arenas where innovation was made possible. Summing up, the study so far shows that managers spend most of their time on current, everyday matters. Few managers spend time on visionary thinking and action in their day-to-day work. The few occasions devoted to this work seem to be linked to personal reflections in private time and only to a limited extent to strategic discussions in the work arena.

The competency dimension

Competency is an issue closely related to the nature of leadership and work. Which type of competency is regarded as important, and what do these managers see as their needs of competency development? Are notions of leadership and actual work reflected in the managers' way of talking about competency issues?

Of the managers interviewed in this study, one had only completed upper-secondary school, four had partial higher education, 20 had a first (undergraduate) degree and six had completed postgraduate studies. The level of formal skills is thus high in the group. In addition, most had also attended various types of in-service and further training courses over the years. Moreover, these managers have the experience they have gained during their careers. Roughly half have worked in central government for more than 20 years.

Do these managers currently feel a need to develop their competencies? They all stated that there are things they would like to become better at. On the one hand, there are purely specialist matters relating to their field of work and its context for example language skills, knowledge of the EU, a better grasp of public-service activities, the political side of their work and familiarity with the changing environment in which their organisation operates. Some mentioned knowledge of the leader role of the future and competencies in communication associated with leadership skills. The link between competency needs and leadership was confirmed when managers described situations at work when they felt their skills were inadequate. Almost all the managers cite various types of staff-related situation. Examples included dismissal, co-workers who do not perform well in their jobs, problems in the work team, and other types of conflicts that were perceived as sensitive. Many stated that they lack skill in communicating with their subordinates and some managers emphasised the difficulties of getting their message across and securing staff support on various issues. The leadership dimension of the work appears to be the part where managers feel the inadequacy of their skills most keenly. As one commented:

> *'You need both (specialist knowledge and leadership competency) but, after all, you've had the training on the specialist side - you've studied that. I mean, you haven't been to university and learned communication and leadership, but then they're courses that aren't very big, anyway.'*

In most cases, these people have been recruited because of their specialist skills. The training they have undergone is of a specialist nature and the same applies to their experience. At this level, too, the great majority probably have experience of management and leadership. But, as the person quoted above points out, it is not particularly common for them to have training in this field, other than in the form of one or two short courses.

The competency needs specified in terms of the managers' current situation partly recur when they describe the competencies they think they will need in the future. For example, leadership skills are emphasised in many contexts. These include being a capable, manager, letting co-workers assume more responsibility, serving as a coach and directing others with clarity by means of dialogue. The

controlling type of manager who dictates the details of work is being superseded by one who bears in mind the overall aims of the organisation and works to ensure that the group is pulling in the same direction. Communication skills are central to that managerial role. In addition, the interviewees referred to their need to understand and deal with the surrounding world. In this respect, the customers represent a key external factor. Managing customer relations and dealing with customers' expectations are important for the future. Understanding and coping with environmental factors also means having the ability to manage information as well as the capacity to develop activities in response to environmental changes. The competency needs emphasised here are clearly linked to the present and future image of leadership depicted in the previous sections. Leadership competency is sought, and in particular the ability to manage the relationship between leader and led, and to formulate a vision in the light of a comprehensive understanding of activities in relation to the surrounding world and to communicate and obtain staff support for the vision.

DISCUSSION

The purpose of this chapter has been to investigate how managers in public administration refer to competency in relation to their own self-image. Self-image has been described in terms of leadership and the work performed. The basis was a study of 31 senior managers in Swedish public administration. The study showed that the notions of leadership expressed by the managers were very similar and a clear pattern emerged when they described leadership. This pattern describes leadership as showing the way, facilitating goal attainment, co-ordinating and inspiring staff to work for a common vision. Another discernible pattern in the managers' concepts of leadership was that its importance has increased over time and that it is regarded today as a key feature of managerial work.

When the managers described the nature of their actual work, a somewhat different picture emerges. The work appears to focus essentially on maintaining activities in their present state. Very little time is devoted to work focusing on the future and visions. Accordingly, it is hard to imagine leadership, as conceived by the managers, being a particularly salient aspect of the job. Interviewees stated that a high proportion of their working hours is spent on contacts with staff and that these often involve indicating what has to be done and supporting co-workers in their attainment of short-term goals. But the time allocated to the leadership role involving work on visions appears to be limited or non-existent. Finally, the competency needs expressed most frequently by these managers were concerned with leadership skills. Like notions of leadership perceptions of competency-needs appear congruent to a high degree. The picture that has emerged has various dimensions. Notions of leadership and competency needs appear to be based on similar foundations. On the other hand, conceptions of the work performed by managers differ somewhat. Here, for example, there is very little in the way of the visionary, future-oriented dimensions that so clearly distinguish the interviewees' ideas about leadership and competency needs. In other words, notions of leadership

and competency are not fully reflected in their accounts of their actual work. The ambivalent picture that emerges appears very similar to Kotter's (1999) reasoning concerning management versus leadership. Conceptions of leadership and competency are close to Kotter's definition of leadership, while conceptions of the work are comparable to Kotter's definition of management.

How can leadership competency be interpreted in this context? Should we interpret the concept in the light of managers' ideas about leadership or their notions concerning the actual work? Different notional frameworks conceivably generate different ways of dealing with competency issues in an organisation. Ideas about leadership appear, for example, to generate competency needs involving relationships, visions and divergent thinking whilst ideas about work seem to generate needs relating to systematic, rational and analytical thinking. On which of the two notional frameworks should we base our approach to competency issues?

We should, perhaps, choose not one notional framework but take both into consideration. What further complicates the picture, however, is that managers themselves choose to describe their competency needs principally in the light of ideas about leadership, not ideas about the actual work. This might be interpreted as meaning that the managers are guided by a normative conception of leadership - one that they do not perceive as fully matched by their actual jobs. Competency needs are thus described by these managers with reference to these normative notions. Focusing on the actual work as such does not appear to hold any great interest for them.

An entirely different approach to competency issues would be to derive one's premises from empirical research on what managers actually do. Only to some extent can their own notions of leadership and their actual jobs be said to tally with the picture shown by empirical research. How can this be interpreted? One explanation is that the social contexts in which leadership is construed, and in which managers take part, stem not from empirical research on managerial work, but from theoretical, normative notions that are models or ideal types. By participating in these social contexts, managers learn to talk about their leadership and their jobs in a particular way. These social contexts may, for example, be managerial courses of various types.

In Stewart's (1982:92) opinion, for example, 'Much management training tends to assume implicitly that managers are analytical and goal-oriented and that what is needed is information that will improve their analysis. This is, the research suggests, unrealistic'. Like Stewart, Kotter (1999) propounds a view of managerial training as unrealistic in terms of actual circumstances (Kotter 1999). Managerial training has, he considers, conveyed recommendations on how managers should behave that directly contravene the picture of effective leadership indicated by his study.

How, then, can leadership competency be conceived if one adopts a perspective based on empirical research? It would involve seeing competency as in part the ability to reflect upon one's own work, i.e. its actual content. The focus thus shifts from the normative to the actual. Stewart (1982), for example, postulates that it is important to reflect on how well managers understand their jobs, and what distinguishes the way they perform them. In purely practical terms, for example,

understanding aspects of other managers' work or describing their own jobs to others may help them to reflect on the work they do. With this kind of premise, managerial training may conceivably assume importance by supporting managers' own reflection about their jobs, rather than their adoption of a controlling function in terms of conveying a particular, given way of thinking and of perceiving leadership.

This chapter has sought to describe leadership competency on the basis of managers' self-image, i.e. perceptions of their own leadership and work. Two approaches were initially adopted: one focusing on what has been defined as leadership and the other management. What these two approaches appear to have in common is that they are based on normative notions. A third approach to perceiving leadership competency, founded on empirical research, was then introduced. This departs from normative and institutional assumptions and rests, instead, on a more reflective view of reality.

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II.6. Modest Beginnings for Competency Management in German Public Services: Developing Competencies for Already Competent Lawyers?

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At first sight it seems impossible to write a country chapter on competency management in the German public sector because there is very little evidence that competency management exists. Indeed, the presumption of many personnel managers and line managers in the German public sector is that a lawyer has all the competencies and skills needed to deal with current and future challenges in the public sector. Furthermore, due to some special conditions in the German public sector there are few incentives for public employers to implement competency management. Nevertheless, with some reflection it is possible to describe the experiences with competency management of some pioneers in personnel management in Germany. One such good practice example of competency management is the Prime Minister's Department (*Staatskanzlei*) Schleswig-Holstein which is a state (*Land*) in the north of Germany. The Prime Minister's Department Schleswig-Holstein was awarded the Speyer Quality Award in 2000 for excellence in staff participation but also for its competency management (see http://www.dhv-speyer.de/Qualitaetswettbewerb/).

This chapter first analyses why competency management has such a low-key status in the German public sector. Second, it outlines what kinds of competencies are needed in the German public service. Third, it describes the case of the Prime Minister's Department of Schleswig-Holstein as a public agency that has actively responded to these challenges. Finally, it concludes by reflecting upon which triggers may increase the importance of competency management in the German public service in the future.

THE EXCEPTIONAL SITUATION OF THE GERMAN PUBLIC SECTOR

Whereas competency management is *'en vogue'* in the public sectors of most OECD countries, there is little reference to it in personnel management in the German public sector. Indeed, when attending conferences on public sector modernisation in Germany it is striking that the discourse since the introduction of the 'new steering model' in the early 1990s (KGST, 1992 and 1993) has remained unchanged. Academics as well as reformers are still very much focused on the introduction of staff dialogue, performance agreements and staff assessment based on results in

public agencies. What is also significant is that the circle of people debating these personnel management issues in Germany has remained very small.

This makes it hard for German conference organisers to vary their speakers and for public sector staff attending these conferences and seminars to hear about different approaches. One solution would be obviously to invite more speakers from abroad, such as the authors of this book, but German public administration still tends to be very inward looking. In particular, many lawyers firmly believe that it is impossible to transfer lessons from abroad to the German public sector because each legal system is unique.

Indeed, the German public sector, and in particular local authorities, suffer from the lack of an 'administrative policy', which does not exist in Germany. This means that, unlike the United Kingdom with its strong top-down control approach, managerial reforms are based on voluntary initiatives of innovators that are most numerous at local level. As a result, implementation of the 'new steering model' - the German variation of 'New Public Management' - has been much more cumbersome than reform critiques predicted and reform enthusiasts feared.

The fact that a small group of reformers keeps debating the same personnel management issues over and over again may be an indication that the problems have remained the same. To some extent they are. For example the civil service law has remained unchanged, which makes it very difficult, or even illegal, for reform pioneers to introduce performance-related pay[1] or to allow for fast-track careers of high-performing staff. Therefore, it is no surprise that many local authorities are still busy implementing elements of the new steering model even though after more than 10 years it hardly merits the attribute 'new' any more.

Unlike many other OECD countries public employers also have little incentive to get themselves familiar with competency management or even to introduce it in their public agency because so far Germany still suffers from unemployment and a considerable budget deficit. This means that public employers are not too worried about attracting staff with the exception of information and communication technology (ICT) staff where some labour market problems are evident. By and large, there are still large numbers of young lawyers eager to become civil servants for life, in particular, as the market for solicitors in the private sector has become saturated.

More importantly, personnel management is still low on the agenda of most public agencies as the need to achieve increasingly large savings has priority at present. Many public agencies still have recruitment freezes so that it would seem paradoxical to reflect which competencies are needed in the future. This means that overall competency management is a rather 'exotic' issue in the German public sector and by no means reflects main stream thinking or practice. As the recently published progress report of the Federal reform programme '*Modern state - modern administration*' shows, the heading chosen for the section on personnel management is 'More performance at a lower cost - the Federation as a moderniser' (Federal Ministry of the Interior, 2002:3).

From this state of the art one may easily conclude that there are simply few windows of opportunity for competency management in the German public service

and no need to adopt this instrument. Yet, as is the case with other European Union and OECD countries the environment in which public agencies operate has changed significantly. Furthermore, in spite of the modest reform progress achieved so far in the German public sector, in particular, especially in the area of personnel management, the organisational structure and management of modernising public agencies has changed. The following section analyses what kind of new competencies are needed in these modernising public agencies.

NEW COMPETENCIES FOR THE MODERNISERS IN THE GERMAN PUBLIC SECTOR

From regulators to service providers and community activators: German local authorities

As mentioned before, most public sector reforms in Germany take place at local level. Therefore, local authorities can be expected to have the greatest demand for new skills and competencies, and as a consequence, also for competency management. But what kind of competencies do German local authorities need today? They have been subject to the same fiscal pressures and 'New Public Management' ideas as local authorities and public agencies elsewhere in Western Europe with the exception of the United Kingdom where local authorities also experienced strong political pressures. The special characteristic of the German way of public sector reform is that reforms at local level are not directed or guided from the 'center' but initiated by a non governmental organisation (NGO) called the Local Government Centre for Management Studies (KGSt). This NGO embarked, in the 1990s, under its then president Gerhard Banner on a vast reorganisation movement based on the 'new steering model'. The thrust of this German adaptation of the corporate management model which emerged in the mid-1980s in the Dutch city of Tilburg is directed towards the radical reorganisation of local authorities in order to improve their managerial capacity as a service provider (for a detailed description, see http://www.tilburg.nl/english/modeluk.htm). The new steering model fell on fertile ground and initiated a whole wave of managerial reforms which later caught on at state and even federal level (Klages and Löffler, 1998). Ten years after Gerhard Banner introduced the new steering model in Germany, many local authorities have made their resource management procedures more flexible and improved their customer orientation. In particular, most local authorities put strong emphasis on output costing which often involved defining hundreds of outputs or so-called 'products'.

Clearly, the focus of the new steering model was on efficiency and customer satisfaction, not on local community or local democracy (Banner, 1999-2000:17). But local citizens are not just customers. They are also voters and, in some limited but very vocal cases, they also show the desire to engage in debate on local 'quality of life' issues, such as the environment and community safety, or to contribute to local projects and local public services. In other words, the citizen as a co-planner or a co-decider in public issues has become a reality in Germany, in particular at local level (Bogumil, 2002:30). As a consequence, we can currently observe a second

reform-wave which focuses on the new role of German local authorities as community activators: meaning that Germany has had major reforms regarding representative, direct and participatory democracy at local levels. The extension of representative democracy, whereby voters vote for both a candidate and a party, and the expansion of direct democracy using referenda, has increased the individual voter's weight and reduced party influence accordingly. There is also a wide range of other grass-roots initiatives revitalising participatory democracy in German local government. However, most local authorities lack the political and administrative infrastructure to support and sustain community participation and to link it to democratically elected bodies at local levels (Banner, 1999-2000).

These changes are not limited to the local level even though the term *Bürgerkommune* (citizens' community) indicates that these governance reforms are most manifest at local level. Many *Land* governments have started to experiment with managerialism and governance as well. In particular, the *Land* governments in the north of Germany - Bremen, Hamburg and Schleswig Holstein - have been very active reformers, which is also due to the fact that they faced and still face very severe fiscal pressures.

It is evident that these modernisers require staff with a different set of skills. Nevertheless, most reform efforts focus first on economic issues, such as the introduction of output costing and increased flexibility in financial management, whereas 'soft' elements such as staff development are secondary (Klages, 1997:132). However, many reformers have recognised that a unique focus on instruments does not lead to the desired results. Without any doubt, staff development has been the most neglected element of the new steering model. A more comprehensive implementation of the new steering model and the change of public service providers towards moderators and partners of their stakeholders is only possible by acquiring new competencies.

Changing demands on public sector staff and managers in modernising public agencies

As a result of the changes taking place in the German public sector, in particular at local level, the role of public sector staff is changing from one of administration to management (Farnham *et. al.* 1996). It is also becoming one of activating stakeholder participation and mediating the stakeholder interests. It goes without saying that the administrative law state still requires the new public sector employee[2] with the corresponding competencies to be knowledgeable of administrative law. The question is, what do these new roles imply for public sector employees in terms of professional, technical, social and personal competencies. These different types of competencies are briefly explained below.

The Study Report of the Local Government Centre for Management Studies on personnel management categorises the demands of a job into the following areas of competencies (KGSt, 1999: 14f):

- professional:
  This category includes explicit professional knowledge which can be acquired through the education system, training on the job, external training programmes and other staff development programmes.
- technical:
  This category refers to the skill to use professional knowledge in specific situations at the workplace in an adequate way.
- social:
  This category refers to skills in dealing with people and adequate forms of behaviour which are necessary to fulfill specific tasks at the workplace.
- personal:
  This category describes the values and personal characteristics which are needed to fulfil specific tasks. In reality personality competencies are difficult to distinguish from social competencies.

In Germany as well as other OECD countries, managerialism has changed the demands upon staff and managers. For both, additional competencies have become necessary. As far as staff are concerned the implementation of the new steering model obviously requires better knowledge of public management. The delegation of resource management to the front line implies that first level managers need knowledge of personnel management. Furthermore, staff should have technical competencies to work towards operational goals. Performance information has to be communicated to other parties as well, which means that new technical competencies in presentation techniques have become necessary. However, the categories of competencies that have become most important are social and personal competencies. In particular, willingness to take responsibilities, to act in an autonomous way, and the capacity to solve problems and take decisions have become central. Last, but not least, group and team work demand new personal competencies. For example, public employees have to be able to identify themselves with the public agency as a modern service provider. Most importantly, public sector employees have to be cost conscious as tight finances, often even budget cuts, continue to be a basic parameter of all public sector reform activities in Germany.

Table 11 identifies the new staff competencies required in the local authorities which want to make the step from regulators towards modern service providers.

Table 11: New competencies for staff in the German public sector

Professional competencies	*Technical competencies*
• Knowledge of Public management • Personnel management	• Ability to work towards operational goals • Presentation techniques
Social competencies	*Personality competencies*
• Autonomous problem-solving and decision-making abilities • Willingness to cooperate and to work in teams • Flexibility	• Identification with the local authority as a service provider • Cost consciousness • Willingness to take responsibility

Source: KGSt, 1999, p. 17.

Implementation of the new steering model also calls for managers of a new type-those practising a co-operative leadership style. It is important that managers give their staff the necessary leeway so they can manage resources efficiently. The new competencies required from managers in the German public sectors are summarised in Table 12.

Table 12: New competencies for managers in the German public sector

Professional competencies	*Technical competencies*
Knowledge of: • Cross-cutting public management issues • Public management • Personnel management	• Techniques of how to make performance agreements • Management techniques (e.g. project management)
Social competencies	*Personality competencies*
• Process management • Ability to deal with conflicts • Ability to motivate	• Ability to take responsibility and to self-assess • Personal integrity • Ability to take risks

Source: KGSt, 1996, p. 14.

However, these new competencies are not sufficient in order to develop the new steering model further towards good governance. It becomes more and more evident that the staff of citizens' communities also requires new governance competencies in strategic and external 'relationship management'. As Table 13 shows, these governance competencies are different from the managerial ones sketched above In particular, they put a strong emphasis on new social and personal competencies which enable public sector staff 'to improve the effectiveness of public policies by negotiating and agreeing with external stakeholders on the goals to be achieved and the governance processes which are required to produce the desired public policy outcomes' (Bovaird and Löffler, 2003 (forthcoming)).

Table 13: Demands for new governance competencies in the German public sector

Requirements expected by citizens' communities	***New governance competencies needed***
Requirements	*Professional competences*
Getting staff to focus on quality of life, in terms of outcomes for users and other stakeholders and also quality of working life for fellow staff	Knowledge of strategic management concepts and techniques
Reporting the quality of life and of governance processes to external stakeholders	Evaluation and performance measurement skills in relation to quality of life and governance processes
Requirements	*Technical competences*
Consultation with citizens and other external stakeholders before all major decisions are made	Citizen feedback and market research skills
Getting stakeholders to agree trade-offs and compromises within decision-making processes	Negotiation skills
Requirements	*Social competences*
Developing community leadership and organisational leadership	Leadership skills
Developing and maintaining accountable partnerships with citizens/private sector/non-profit sector as co-producer of public services	Capacity to network effectively with different individuals and organisations; capacity to deal with conflicts
Recruiting, training and promoting staff in ways which increase the diversity of the public service in terms of gender, ethnicity, age and disabilities	Awareness of equalities of gender, ethnicity, age and disabilities
Making better use of staff resources by increasing mobility within the public sector and also between other sectors and other areas	Flexibility in dealing with different contexts and cultures in different sectors
Requirements	*Personality competences*
Recruiting and training staff who behave and act as partners of external stakeholders and to help stakeholders to help themselves	Capacity to trust external stakeholders and to behave in a partnership oriented way
Accepting change to new external and internal demands as a perennial task	Personal learning capacities

Development of the new competencies

The big question is how can all these new competencies be developed? Without any doubt, they will require a new emphasis on staff development in the German public sector. More investments in staff training are needed in order to update professional and technical competencies but also the nature of staff training has to change. It is unlikely that staff will acquire the new social and personal competencies when sent on specific public sector training courses at irregular intervals where they are isolated from their external stakeholders, partners and rival providers and the rest of the world. Indeed, competencies in negotiation, conflict management and networking may often be acquired much faster and effectively outside the public sector. Civil service training calls for new concepts of interactive staff training which bring people together from different sectors and allow them to share their experiences and perceptions. Furthermore, new social and personal competencies also put a strong focus on tacit forms of learning. Job enrichment, job enlargement and job rotation may be ways of promoting tacit learning but the theory of the learning organisation also suggests that organisations need to develop systematic knowledge management (Busse, 2000). However, this is not likely to happen in the German public sector in the short term.

It is evident that most public agencies are still suffering from budget cuts which means limited financial resources are available for staff training. In many cases, these resources are being used for ICT courses in order to strengthen the implementation of e-government. However, e-learning may open up new forms of cost-effective staff training in developing new professional competencies. Most civil service colleges and other public providers of training courses for public sector staff are still at a very early stage in using e-learning in Germany. It is more likely that some universities and private sector companies will recognise this market gap soon and exploit it.

Civil service training institutions in Germany are not only required to adopt modern ICT to promote new forms of learning but also to conceive new concepts for training courses which allow civil servants to learn from and with staff from other sectors. Given the very low job mobility in Germany between sectors, such inter-sectoral training seminars do not exist yet. They will require German civil service training institutions to run courses in partnership with umbrella organisations in the private sector or the non-profit sector which would definitely also be a learning process for the executive management of such institutions. At present, it is still better for young civil service candidates to have a law degree or a degree from a civil service training institute than a MBA from a business school. Indeed, many colleges (*Fachhochschulen*) for applied sciences have set up new courses and degrees in public management, such as the College for Technology and Economics in Berlin (http://www.fhtw-berlin.de/). Master level students with this qualification are readily recruited by all kinds of public agencies, even at the federal level. As far as knowledge management this is still regarded as a theory and not a practice in the German public sector. In 2000 only two public agencies submitted in the knowledge management category at the Speyer Quality Award.

There is not only a need for the use of competency frameworks in training and development. New competencies also have to be considered in the recruitment and selection of civil servants. Unfortunately, most German public agencies are still very much focused on professional competencies in their recruitment practices. The general assumption is that lawyers have the necessary knowledge and skills to enable them to do any job. As a result, even Departments like Economic and Financial Affairs at Federal and *Land* level have been dominated by lawyers rather than by economists or social scientists. However, these patterns are slowly changing. In particular, local authorities have been seeking actively to recruit accountants and social scientists.

Last but not least, new competencies only develop if they are part of staff appraisals. Again, very few public agencies in Germany are using competency frameworks in their staff appraisal systems. In practice, most staff appraisals in the German public sector do not even live up to performance management requirements. They only take place every two years and they are considered as a pure formality as employers only give good marks anyway. Employers have few incentives to differentiate between different levels of performance as poor ratings would have no consequence except lead to difficulties for the employer with the staff council or even legal action at court. From a performance management perspective, most staff appraisals in the German public sector are irrelevant.

The sobering reality of personnel management in the German public sector makes the good practice of the Prime Minister's Department in Schleswig-Holstein even more outstanding. It should be stressed that the competency management outlined below not only includes the Prime Minister's Department but has also been implemented throughout the whole public administration of the state of Schleswig-Holstein. Even subordinate public agencies of this state, such as the financial administration and schools, have been eager to follow the example of the state administration.

COMPETENCY MANAGEMENT IN THE STATE OF SCHLESWIG-HOLSTEIN

Personnel management as a cornerstone of public management reforms in the state administration

Unlike other public organisations in Germany, the reformers of the state of Schleswig-Holstein have been very much aware of the fact that organisational reforms have to be supported by personnel management reforms and that this also requires financial investment. This is all the more remarkable since Schleswig-Holstein has been suffering from a serious budget deficit and high debts for many years. Without doubt, the financial crisis triggered the public management reform but, at the same time, the reform in Schleswig-Holstein has never been simply a savings reform disguised as administrative modernisation.

It is also important to stress that the public management reforms have been promoted by the First Minister, Heide Simonis, the first woman in Germany to hold such high office, from the very beginning and not left to a reform unit with no real

support in the departments. She also marketed the reforms actively within and outside the state administration. Again British readers should note that the reforms have not been imposed or even pushed by the federal government.

The starting point for the reform process in Schleswig-Holstein was the participative development of a mission statement which gave each civil servant and public employee a chance to feed in their ideas and suggestions of what a better state administration should look like (Hoppe, 2001:179). The modernisation programme was developed on the basis of a mission statement which included four key objectives:

- reform of organisational structures, in particular flattening of hierarchies,
- performance review which should look for possibilities of contracting out and privatisation,
- development of a performance management system, including a more flexible execution of the budget,
- modern personnel management including the usual elements of the 'new steering model', but also a strong focus on competency management.

Personnel management and the state administration

Unlike many other public agencies the state administration in Schleswig Holstein did not adopt an off-the-shelf solution from the private sector but developed most personnel management instruments in-house. All instruments are based on the vision of an autonomous and responsible employee (Hoppe, 2001:181). The objective of personnel management in the *Land* is to promote the new core competencies of performance orientation and a readiness to learn.

The personnel management concept included a whole array of elements:

- mission statement,
- guidelines for staff appraisals,
- guidelines for promotions,
- training programmes,
- flexi-time and part-time arrangements,
- teleworking,
- reforms of civil service law, in particular the introduction of performance-related pay,
- reform of the classification system.

Each of these elements was decided by the state government in 1995 and agreed with the umbrella organisations of the German trade unions. This is not a special initiative of the state government of Schleswig-Holstein as in Germany almost any public management reform requires the consent of the trade unions and staff council (Klages and Löffler, 2002).

It becomes evident that staff development is a key element of the personnel management reforms in Schleswig-Holstein. The state government and trade unions agreed on a definition of staff development which was also incorporated into the

staff appraisal system in 1995. According to this definition, staff appraisal has the purpose 'to reconcile the goals and demands of the state administration and its needs with the individual expectations, needs and capabilities of all employees. In particular, staff development aims at recognising the performance potential and competencies of all employees, to maintain them and to promote them according to the requirements of current and future tasks in consideration of the personal ambitions of the employees' (Hoppe, 2001:182). In concrete terms, staff development includes five building blocks:

- guidelines for the co-operation between employees and managers,
- competency profile of managers,
- regular discussion between staff and managers,
- a staff evaluation of managers,
- a development seminar for managers.

Clearly, one can recognise here the vision of a co-operative management style behind these elements. Each element seeks to improve communication and co-operation between employees and managers. At the same time, there is a strong emphasis on development of managers. This is because in the German public sector most managers have very few management competencies. The traditional focus has been on professional competencies which has meant that managers have typically been 'high-performing clerical officers' who did not care much about personnel management' (quoted as a citation from a board of inquiry by Hoppe, 2001:183). In general, managers had traditionally not been well prepared to undertake management functions. Consequently, the state administration of Schleswig-Holstein saw a need to focus on the development of managers as managers.

Guidelines for co-operation and management and the new competency profile for managers

The purpose of the guidelines is to operationalise the mission statement and describe a framework for co-operation between management and staff in the state administration of Schleswig-Holstein. The guidelines are not a mere wish list but have been integrated into the staff-manager dialogue and also constitute part of the managers' assessment by their staff. Furthermore, the guidelines are central to the manager development seminars. The guidelines consist of:

- recognition of performance and constructive criticism,
- delegation of tasks, decision-making and responsibility,
- development of trust-based working relations,
- information and transparency of decisions,
- promotion of women,
- joint planning and co-ordination,
- promotion of team and project work,
- individual agreements of goals and monitoring of goal achievement,
- individual promotion of employees,
- stewardship of managers.

They are also reflected in the new competency profiles for managers (Table 14). It is no surprise that this competency profile only focuses on personal, social and technical competencies given the already strong focus on professional competence in the German public sector. It is noticeable that the list of competencies includes creativity/innovation and reflection and self-criticism as important personal competencies. These values have not traditionally had a high status in the German public sector, which is probably true of many other European countries as well. It is evident that these competencies have had a strong impact on traditional personnel recruitment in the state of Schleswig-Holstein. The over emphasis on professional competencies has given way to a strong focus on personal and social competencies.

Table 14: Competency profile for managers in the state administration of Schleswig-Holstein

Personal competencies	*Social competencies*	*Technical competencies*
▪ ability to follow up issues ▪ ability to take decisions ▪ ability to be critical ▪ self-criticism ▪ sense of justice ▪ ability to deal with stress ▪ readiness to take responsibility ▪ creativity/innovation ▪ reliability ▪ competence to express oneself orally ▪ ability to understand things quickly ▪ intellectual flexibility	▪ ability to cooperate ▪ ability to work in teams ▪ ability to recognise different life and work situations of women and men ▪ ability to communicate ▪ ability to integrate ▪ willingness to inform ▪ empathy ▪ recognition of social and health problems ▪ recognition of the potential of staff ▪ recognition of high performance/ability to motivate ▪ openess ▪ ability to deal with conflicts ▪ ability to perform at a high level	▪ time management ▪ work planning and programming ▪ conceptual thinking ▪ good judgement ▪ good understanding of economic issues ▪ performance orientation ▪ ability to set priorities

Source: (Hoppe, 2001:187)

Staff-manager discussions and staff evaluation of managers

Staff-manager discussions take place once a year. These are not used for staff appraisal but focus on staff development. The aim is to recognise the potential of staff and to consider their career development. The topics which are typically discussed include the goals which have been agreed between staff and manager and to what extent they have been achieved. The staff member and the manager also analyse the impact of training courses on goal achievement. Another major topic is how far lack of support of the manager could have made it difficult for the employee to reach the agreed goals. At the end of the discussion new goals should be agreed, including ways of reaching them. The meeting ends with review of career planning.

The whole discussion is strictly confidential and is not recorded in the individual's personal file. Nevertheless, both staff and manager may agree to forward specific agreements e.g. on training courses to be taken or on job rotation, to superiors and the personnel manager. The state administration has designed guidelines for the implementation of staff interviews (Innenministerium Schleswig-Holstein, 1998) and made them obligatory for all levels of the state administration, including political secretaries of state and heads of departments.

The introduction of staff evaluation of all managers was much more controversial in Schleswig-Holstein even though it is still far off a 360 degree appraisal which is now quite common in the higher levels of the civil service in the UK. The state administration agreed with the trade unions that it would be left up to the manager to pass the results of this evaluation to his/her superior. Again, this voluntary character of the staff evaluation of managerial performance has to be understood on the basis of the mission statement which promotes the idea of autonomous and responsible staff and managers. The staff evaluation process has been described by Hoppe (2001:188). First, the manager does a self-assessment on the basis of a semi-structured questionnaire and at the same time his/her staff fill out a questionnaire. The responses are aggregated and summarised and passed on to the manager. Second, the manager compares the self-assessment and the staff assessment. Third, after these steps have been completed a discussion between the manager and the staff takes place. Usually an external moderator will structure the discussion but if the manager and staff wish, the meeting can take place without a moderator. At the end of the meeting the manager and her/his staff agree goals which are assessed in the next staff evaluation a year later.

Development seminars for managers

Whereas all previous elements of the staff development programme are obligatory, the seminars offered to managers are voluntary. The target group are managers who have just been promoted into managerial positions or who will be so shortly. The development seminars are advertised throughout the state administration and usually take place about 10 times a year. In selection the staff appraisal plays an important role as do recommendations but neither are a precondition.

The state administration made significant efforts to develop the management development seminars in-house. A staff survey was carried out in which some 29

staff members were interviewed and four workshops were held. This not only ensured that the development seminars were tailored to the needs of the state administration but also built up broad support for this important element of the staff development programme. The development seminars are run by two external psychologists who are supported by four to six trained managers from different parts of the state administration, who have an observer role. A maximum of eight managers are admitted to the development seminars which lasts two days in total. It consists of exercises and role plays which are typical of assessment centres. This practical part lasts for one and a half days and is followed by an 'observer conference' where the participants structure their observations. The following day each participant has a feedback meeting with a psychologists and an observer. At the end of the meeting training needs are identified and an individual training plan is drafted. The individual feedback is highly confidential and each participant is guaranteed that no document will be passed on to their superiors or third parties. About two weeks later a career planning meeting takes places which includes the three participants of the feedback meeting plus the direct superior and the relevant personnel manager. The objective of this extended meeting is to agree on a career development plan.

Evaluation of the programme has shown that the development seminars have been very beneficial. In brief, the main results of a survey of the particpants and the observers, gave the following results. First, the development seminars showed that it is possible to diagnose strengths and weaknesses of manager's competencies and to make concrete recommendations in order to improve them. Second, participants thought that attendance at the development seminars increased their motivation and that they could transfer the lessons learnt into daily practice. Since the development seminars also entail the investment of significant personnel and financial resources, the state administration has also built up a performance monitoring system which should evaluate whether the development seminars have really changed behaviours and reached the right target group.

Evaluating the implementation of competency management in Schleswig-Holstein

As mentioned above, the personnel management system in Schleswig-Holstein underwent an extensive external evaluation by a team of assessors of the German Civil Service College in Speyer when the state administration applied for the Fifth Speyer Quality Award in 2000. This evaluation included assessment of written documentation and a one-day site visit with interviews and presentations of various stakeholders of the state administration. As a result of this external evaluation, the state administration of Schleswig Holstein was selected as one of the three prize winners in the category of personnel management. The *laudatio* highlighted the broad staff participation in the personnel management reforms and the depth and coverage of the reforms. The assessors were confident that 'the highly innovative staff development concept' was on its way to becoming an obligatory standard instrument in the whole state administration' (see http://www.dhv-speyer.de/Qualitaetswettbewerb/).

There can be no doubt that competency management and the way it has been designed and implemented in Schleswig-Holstein is highly advanced and innovative by German public sector standards. However, there are some gaps in the Schleswig-Holstein concept which have to be remedied. First, departments are free to choose an assessment centre approach for the selection of managers but this is not obligatory. If the competency approach is not chosen for staff promotion and recruitment the question is whether departments will really choose a new generation of managers or continue to focus on professional competencies. The development seminars could identify managers with very weak managerial competencies but then it would be too late to reverse this decision. Second, the top management is exempt from the development seminars. The reasoning is that these managers would have long-term management experience so there would be less learning outcomes for this group. Furthermore, it may be very difficult if not impossible to change behaviours of top managers and it may be more effective to focus on the competence development of younger middle managers. It is evident that this argument puts the whole concept of staff development in question by implying that some members of staff are incapable of learning.

Furthermore, the whole competency management approach in Schleswig-Holstein is not meant to threaten anybody. But what happens if some members of staff, and managers in particular, do not buy into the new managerial philosophy and do not change their behaviour? At present, there seems to be no strategy to deal with staff who no longer fit into the changing system. It would be desirable to design some exiting strategy if other staff development programmes or reassignment of tasks prove ineffective. Otherwise, the young recruits and middle managers may lack the critical mass and weight to bring about cultural change, especially if the top management does not develop the required new personal and social competences.

CONCLUSION

This brief analysis of the state of the art of competency management in the German public sector shows that some good practice, such as described in the example of the state administration in Schleswig Holstein exists, but competency management is by no means a central reform issue in Germany. The prospects that this is changing in the short-term is rather bleak. It seems that labour market conditions and the state of public finance in Germany have to change first - public employers only have the incentive to increase the attractiveness of the public service when labour markets are tight and when there is more money available to do so. At present, competency management is not considered a priority in the public sector.

Nevertheless, there is much more discussion about new competencies required for elected politicians, in particular at local level. There is now more awareness that one of the reasons why the new steering model has not developed its full potential is that members of local councils have not changed their behaviours. While many politicians speak the new public management language they do not behave at all as strategic managers or moderators. There are some exceptions, such as the mayor of the City of Arnsberg who actively promotes a role change of elected politicians in his council (Bogumil, 2002), but overall politicians do not see a need for the

development of new professional, personal and social competencies. It is unlikely that it will be possible to persuade many politicians to take part in training programmes such as offered by the Local Government Centre for Management Studies (KGSt). A more feasible strategy may be to engage politicians as well as employees more into partnership projects which brings them together with a whole array of stakeholders from the private and non-profit sectors. This may trigger the change of behaviours more effectively than role-plays in expensive development seminars.

ENDNOTES

[1] For example, the senior management of the City of Detmold had almost been taken to court because they paid each staff member a bonus of 100 DM (in total 800.000) in order to reward budget savings of Mio. DM. In the end, the staff had to pay the performance bonus back.
[2] The term public sector employee includes here both Beamte (civil servants covered by public law provisions) and Angestellte (non-manual staff covered by private sector law).

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II.7. What Competency Management in the French Civil Service?

Gilles Jeannot & Yves Lichtenberger

The French Ministry of the Civil Service (*Ministère de la fonction publique*), which is responsible for negotiations on the status of civil servants, has recently launched an inter-ministerial project: the GPEEC (*Gestion prévisionnelle des emplois, des effectifs et des compétences*) which translated is 'Employment, Workforce and Competencies Planning'. The project aims at promoting human resources planning. Each ministry has been asked to appoint a representative in order to produce a state action plan. The two other major employers of civil servants - regional and local authorities and hospitals - have launched similar actions. The term 'competency' has thus officially been put on the public personnel management agenda. In reality, however, the plan has only been carried out on paper. The issue of employment (i.e. number of employees) is commanding most attention, as all personnel managers share a common concern: that of the ageing of a large number of civil servants who will be retiring in the next few years. Consequently this problem has become the most urgent issue in the debate on new personnel management models.

The question of competency-based management has been a key issue in debates in French enterprises where certain aspects of this type of management are close to the concerns in the civil service. It is therefore relevant to compare practices in the public and private sector although experiments in the transfer of competency-based management methods from the private to the public sector in France have been rare and generally without much success.

The aim of this chapter is to review current practices in the public sector in the light of the debate about competencies within the private sector rather than to analyse failed transfers from the private to the public sector. After briefly summarising the terms of the debate in France and identifying the main issues associated with the emergence of the concept of competencies, we analyse how the competency-based management approach corresponds to the general principles of personnel management in the French civil service. Finally, we examine a number of recent innovative experiences in the public sector.

THE COMPETENCY DEBATE IN FRENCH ENTERPRISES

The subject of competencies first surfaced in human resources management (HRM) practices in France during the mid-1980s. This was a response to strong criticism, in the late 1960s, of the reduction of human work to the execution of mechanical and servile tasks. It reflected the fact that new organisational forms were being experimented with, which involved employees and called for their co-operation.

Decision-making was being decentralised throughout organisational hierarchies and workers were being granted freedom to take initiatives in the organisation of their work.

In many respects this new practice was a return to earlier traditions when workers had a large degree of autonomy and their skills, expertise and commitment were recognised and valued. The idea was to nurture trust in employees who were responsible for meeting the requirements determined by the work context including customers, colleagues and all those involved in achieving an enterprise's common goals. However, attempts to define employee motivation and relational skills exposed the limits of an organisation based on job prescriptions. More innovative firms could no longer function with employees who simply carried out instructions. In this respect, the trend was not a return to organisation of jobs in the traditional sense; it was above all an invention of collective occupations, in the sense in which today's firms say they are refocusing on their 'core competencies'. The competency debate therefore concerns individual qualities but also the organisational methods facilitating their expression and development. Firms have learned that competency cannot be reduced simply to the evaluation of employees. It also encompasses the relationship between employees and their organisations. This can be improved in a number of ways: better training of employees, improving their working conditions, the composition of working teams, the behaviour of supervisors and the clarity of the objectives given to staff. Usinor, the main French iron and steel company and a pioneer in this respect, expressed this idea in an agreement with its trade unions. This saw the introduction of 'the professional dialogue', a yearly meeting and discussion between an employee and her/his immediate supervisor, which is an opportunity for mutual adjustment between the two and the driving force behind competency-based approaches (Lichtenberger and Paradeise 2001).

The introduction of 'competency-based approaches' has been a pragmatic organisational innovation and not the application of a particular existing model. Firms, which embarked on it, finally adopted the practice not so much because they thought it was a principled move but because they believed they could no longer function as they had done in the past. Two main reasons explain the move by companies. First, there were internal reasons related to loss of motivation by employees. Bureaucracies and organisations with Taylorian methods keep a tight grip on individuals, by enclosing them in a restricted job with prescribed tasks, which leave no space for initiative or the development of employees' competencies. In the 1970s the Taylorian model began to impose high costs on industrial firms due to low morale and the repeated strikes it generated. Firms met the challenge by automating the most mechanical tasks as much as possible. That, in turn, shifted even low-skilled human work towards jobs requiring risk management, initiative in dealing with the unexpected, adjustments to variety and change and customer demands.

Second, there were external reasons related to the growing demands for quality. Firms improved their products and learned to better serve their customers, who were becoming increasingly demanding. Performance was no longer reduced solely to the skills of a few workforces or to the rationalisation of the production process. It was based less on cost cutting than on increasing the value of the service produced. As

both Usinor and Renault put it, the 'customer-oriented' firm, whether in the industrial or service sector, is defined above all as a 'producer of solutions' (Gadfrey and Zarifian 2001)

In the late 1990s, on the initiative of the *Mouvement des Entreprises Françaises* (MEDEF), the main French employers' confederation, a large comparative study of enterprise practices was undertaken, called *'Objectif-Compétences'* (Medef 1998). Trade union confederations, consultancy firms and universities participated in the project. Two key events were the 10th International Training Day in October 1998 in Deauville and the opening of negotiations on the reshaping of occupational training systems, in 2001. Two main trends emerged throughout the debates. First, there was a move towards competency management and focusing on the transformation of HRM techniques. As with human resources planning, the idea was to redefine the competencies expected from employees and the reward for achieved results. In this way the organisation keeps control over trends in employment by defining job descriptions, in a top down approach, and focusing on the necessary knowledge and appropriate behaviours required.

Second, management by competencies meant focussing essentially on a redefinition of corporate strategy and working within it. Competencies are no longer seen as prescriptions set down by the organisation but rather the way in which employees at each level appropriate the strategy and redefine the organisation. From this point of view, it is the development of employees' competencies that drives the transformation of the organisation. Competency frameworks describe the actions to take and the problems to solve in order to increase the performance of a service, team or firm.

The above dynamic leaves room for multiple definitions of competency, depending on its use. Instructors, organisers and social partners each put forward their own approach during negotiations. One of the most comprehensive definitions is that of Usinor, incorporated into the agreement signed in 1990: 'competency is a validated operational know-how' (Usinor 1990). Another is that of Medef: 'competency is a combination of knowledge, expertise, experience and behaviours applied in a given context. It can be observed when implemented in a professional situation' (Medef 1998). This definition of competency is closer to the US approach than to the traditional French conception that has traditionally been based on 'qualifications'. An employee's qualifications are related to his/her potential and are linked to a specific work situation and a corresponding educational level. Competency, on the other hand, is related to observed efficiency in performing a job. It is not necessarily correlated with an educational level but includes an assessment of levels of 'responsibility' that cannot be directly related to specific 'know-how'.

There are multiple types of competency frameworks. The first, influenced mainly by training needs, aims essentially at identifying knowledge and know-how. These frameworks are similar to those for professional qualifications. The second type is based on a list of behaviours and is used primarily for supervisory or managerial categories, where it is particularly difficult to identify necessary expertise. Frameworks often contain contradictory requirements. For example, being a negotiator implies both listening and defending one's point of view, but this leaves

undefined the most important element, that of combining these two capacities. Nevertheless, they serve as a basis for discussion *a posteriori*, in order to learn lessons from a given experience. The third type of framework is based on the identification of the most significant activities of an occupation or professional situation. In fact it would be more accurate to talk of 'action', rather than 'activities' in this respect, since professional objectives and problems which need to be solved are described, rather than the activities through which they are encountered or solved. In some cases frameworks are linked to salary scales in which individuals occupying the same rank do not have the same salary, depending on their level of responsibility.

The issue of formulating competency frameworks has arisen in recent years along with the growing importance in the labour market of competency validation. Since 1991, a French law has provided for any person to draw up a *'bilan de compétence'* ('competency review') in collaboration with an external management consultant. An in-depth analysis of an employee's motivations, skills and professional experience can be made with a view to reconsidering or redefining future career objectives and obtaining assistance in drafting a suitable *curriculum vitae*. In 2001 negotiations between the social partners opened the prospect of redefining and re-evaluating individual qualifications in terms of deployed competency, therefore allowing them to broaden their possibilities of mobility and professional and career development. In late 2001 the social modernisation law established the principle of a right for all workers to validate their experience (*validation des acquis de l'experience: VAE*), and defined a framework of diplomas, degrees, titles and other qualifications that could be obtained in this way. So far, national education institutions have been the vehicle for implementing this policy and all professional diplomas and curricula have been thoroughly transformed and revised in the last few years. The diplomas, however, are designed essentially to validate formal qualifications rather than experience, namely a level of education rather than a degree of practice. The social partners are committed to redefining the qualification system but they only have very limited experience of the occupational structures within firms. Their task is an arduous one and their dispersed experience is difficult to generalise. This latter tendency can be compared to the experience of the British National Council for Vocational Qualifications, with its search for alternatives to traditional qualifications granted by the academic system. Such a national framework now exists in the UK and is being used to assess standards of competence at five levels ranging from the basic level of demonstrated skills in any occupation to Level 5 which corresponds to strategic levels of professional activities and management. The British model has influenced the development of a similar framework in the United States (See chapter 1 by Horton).

GENERAL CIVIL SERVICE STATUS: DIFFERENT FROM BUT NOT NECESSARILY CONTRADICTORY TO A COMPETENCY-BASED APPROACH

At a first glance, the management principles of public sector organisations in France seem far removed from the competency approach. Personnel management in the civil service is based on the principles of competitive entrance examinations and a career service. Recruitment is accomplished through objective competitions (concours) among young candidates. There is an official age limit, for entry to a lifetime career, with possibilities of regular advancement within a *corps*, with or without a change of rank, or mobility to another higher *corps* again through competitive exams.

There are exceptions to this model. The general civil servant status applies to only some public employees and other groups have their own status. For example, with the recent switch to a professional army, the 'position' model was opted for. Most military personnel are recruited for three or six years before returning to civilian life. Another example is the employment of contract workers who are recruited, on the basis of qualifications, for a limited period. In most cases, however, they remain in the public service throughout their career without, however, the possibility of changing their position. This mode of recruitment has been sharply reduced in recent years especially in state-run services. There have been several plans to integrate these contractual workers into the *corps* of civil servants and stop new recruitment. Local authorities and hospitals, however, continue using contractual personnel because of advantages of flexibility.

Recruitment by competitive examinations is motivated in France above all by the democratic principle. The aim is to maintain equality of access to the public service and anonymity, in order to avoid discrimination. It is also based on the principle of a meritocratic elite as only the best candidates gain entry. It does establish *de facto* a particular approach to competency. Typically, young people who apply for the *concours* have just obtained their university degree and the examination is based on academic questions and exercises. The *concours* aim at impartiality but do not necessarily test the competencies required for specific positions in the public service. This discrepancy is remedied afterwards, in part, through in-house training but some shortfalls often remain.

Compared to the private sector, we can see in the civil service a real tension between an academic-oriented definition of qualifications, on the one hand, and competencies related to problem-solving capacities in concrete situations on the other. This is a common criticism of the major state institutions which nominate very young and inexperienced individuals into senior positions because they have graduated for example from the *Ecole Polytechnique* or the *Ecole Nationale d'Administration*, both elite preparatory schools for entry to the *grand corps*. But the same phenomenon is found in less prestigious positions. Two famous articles on police officers and teachers (Monjardet 1987, Demaily 1987) show that these organisations are divided between those who hold their position on the basis of formal academic knowledge and qualifications and those who emphasise their on-the-job learning experience. A phenomenon related to the current unemployment

crisis in France tends to reinforce the value of academic qualifications, resulting in 'over-qualified' individuals participating in competitive entrance exams for lower jobs. For example, graduates with five years at university after the *baccalauréat* (equivalent to A-levels) are applying for positions requiring only the *baccalauréat*. They are then at an advantage in internal competitive exams based on academic qualifications, compared to others who have learned on the job.

A priori, the career system is less focused. In some cases the career is detached from assessment of competencies. That is the case, for instance, with primary and secondary school teachers. Careers are linear, without any change of rank, and the job occupied remains the same throughout the person's career. The result is that career management takes account only of criteria such as years of service and not ability to teach. But in some state institutions there are possibilities for recognition of competencies. Promotion through change of rank is one such opportunity for an assessment of competencies. So too are competitive examinations to change to another *corps*, where they are based not on academic tests but on real working situations. Allocation of jobs plays an important role too. If the head of a service has the freedom to choose among the members of one or more *corps*, the person filling the position can be selected on the basis of acknowledged competencies in former jobs. We also see a difference between grade and function in many administrations. Some staff are given more responsibility than they are supposed to have because their immediate superior acknowledges their competencies. This phenomenon, which reinforces the competency dimension, is nevertheless unsatisfactory because informal recognition such as this is not translated into a salary increase. It may, however, lead to a promotion that bypasses the competitive exam (*'promotion au choix'*).

COMPETENCY-BASED FRAMEWORKS

The idea that professions evolve and that training, recruitment and personnel management should closely follow this evolution has now been accepted for several years in certain administrations. The inter-ministerial Manpower Planning project (GPEEC) has enabled the Ministry of the Civil Service to gather information on initiatives developed throughout the ministries. This approach comprises six different aspects: 1) an inventory of available human resources; 2) a medium-term projection for retirement; 3) the identification of future missions and related jobs; 4) consequences for employee numbers; 5) an analysis of discrepancies between trends and needs; and 6) proposals to reduce these differences. Only the third point is related to a competency-based approach (*Ministère de la fonction publique et de la réforme de l'Etat*, 2001).

Two types of initiative can be distinguished in this competency-based approach. First, there have been highly ambitious initiatives to define general frameworks of occupations. These consist of a list of all the jobs occupied by staff in an organisation and the identification and description of homogeneous practices. The best example here is the National Police. To cover all the various posts in the police force, 580 jobs have been identified and recorded. For each of these, a job description, with general characteristics, has been drawn up, which can be used for

recruitment purposes. All these were validated in 1997. Yet, according to the police services, they have not been used in practice. This contrasts with the private sector where competency frameworks have been used for outlining salary scales and job allocation. The grids developed in the police, despite their comprehensiveness, are not actually used for daily personnel management. Furthermore, trade unions, which originally accepted their creation in order to obtain salary rises, have not supported their use for anything else. Thus, very little use has been made of the framework and, due to major reforms in the police force, the framework is already obsolete five years on.

More modestly, many services or ministries have undertaken studies either to describe existing jobs, in order to facilitate training programmes, or to identify changes in missions and thus to define new competencies which are required. For example, the Ministry of Environment has highlighted the need for 'officers responsible for repetitive issues with a lesser strategic importance, defining an own field of responsibility' (*Ministère de l'aménagement du territoire et de l'environnement*, 2000). In the Ministry of Social Affairs, they have stressed the need for 'heads of service' with new competencies. These exercises have been restricted to a general level of analysis and have not been directly related to daily management (Bercot *et al* 2000)

There are thus, on the one hand, cumbersome bureaucratic approaches without any transformation in routine methods of staff management and, on the other hand, lighter and probably more useful studies but with limited goals. In contrast to these disappointing examples, the following section describes two cases: the management of a corps of state engineers and the integration of staff with a temporary status, which have been successfully implemented. Although not representative, the two examples indicate the context into which one can incorporate competency-based management in public organisations in France.

MANAGING LEARNING CAPACITIES: THE CASE OF STATE CIVIL ENGINEERS

The *corps* of state civil engineers in France represents an interesting case illustrating that the public sector can practise competency-based management 'without knowing it'. It also highlights flexibility within the civil service status. The Ministry of Infrastructure (*Ministère de l'équipement*) consists of two *corps* of engineers, one recruited from the prestigious *Ecole Polytechnique* and the other, in a subordinate position, consists of state civil engineers (ITPE). These two *corps* fill most technical and management positions in the ministry's services responsible for roads and town planning. Although allocation of hierarchical functions has traditionally been segregated between the two *corps*, in recent years senior management positions have been gradually opened up to ITPE engineers.

In this situation of *de facto* competition, the union defending ITPE interests, which works closely together with the ministry's human resources division, has opted for a strategy oriented towards the expansion of the *corps* rather than internal management based on seniority. The main objective has been to enhance the opportunity for members of the *corps* to occupy managerial positions. Promotion to

the second ranking level (grade level) which allows access to top managerial positions is therefore very important.

Observations of promotion commissions and statistical analyses of promotions reveal an agreement between management and trade unions around the key principle of competency management. While management officially establish criteria of relevance, for example, by agreeing to geographical mobility towards the east or the north of the country and the unions impose values of equality, effective choices show a convergence on criteria perceived to be characteristic of managerial positions. The main criterion is a capacity for pluri-disciplinarity, that is ability to work on road construction as well as on town planning, which enables management of services across more than one area. Functions related to personnel management as opposed to technical functions are also valued more than before. In our discussions with various actors, we have observed that criteria such as the capacity to assume *ad hoc* responsibilities, to show a capacity for innovation and an all-encompassing vision, now weigh quite heavily. When promotion commissions meet, we noted that criteria concerning the ability to manage staff, identify problems globally and be innovative seem to be more determining than criteria related to the content of posts and geographic and functional mobility. These new criteria are assessed on the basis of evaluations made annually by the head of services.

All these criteria contribute towards the recognition and valorisation of the capacity to occupy senior management positions. This orientation is found not only in promotion. It influences the production of services as well. The fact of favouring mobility from one sector to another involves considerable costs for the organisation. This means that in many situations an engineer is given the management of a service in an area of activity in which she or he has no experience. This also involves a cost in terms of occupational training. One could say in this respect, that the organisation opts for a medium-term objective of enhancing the managerial competencies of its staff, rather than a short-term objective of efficiency.

Today, although managerial competencies are seen as important, they are not enough. Technical competencies are proving to be of increasingly strategic importance. Therefore parallel careers are being constructed. In fact the previous management model penalised individuals who chose to enhance their technical know-how, because they were more interested in the subject than in promotion. Gradually the technical level of the services of the Ministry were questioned as decentralisation and initiatives of the European Commission (application of the directive on public engineering) put these services into *de facto* competition with others. While there had always been a mode of management of specialists, who worked in research and design departments and were treated comparably, there had been no recognition for engineers who, without leaving the operational services, wanted to accumulate know-how in a particular domain.

The project was therefore formulated to generate competencies of 'generalists in a specific field', that is, engineers involved in operational practices but who, as their careers advance, accumulated different points of view and experiences in a given domain. The personnel management division in the Ministry has planned career paths, which allow an accumulation of technical competencies in a particular domain, which is no longer based on a logic of specialisation related to high-level

experts or researchers. For example, in the area of water purification one could imagine an initial post for managing the building of water purification plants, followed by a second post in a service offering consultancy to decision-makers in this domain and then a post in the legal services in charge of the application of laws concerning the pollution of rivers. The incumbent could then be promoted as department manager of the service in charge of the environment or work in a town responsible for the provision of its water supply. It would also be possible to include in this career path a position in which the managerial component is more important but in a service in which significant actions are undertaken in the specialist field. The person would then acquire technical, legal and organisational capacities in the same field, as well as negotiation and team-leadership skills.

The example of the Ministry of Infrastructure shows that it is possible, in agreement with the trade unions, to conceive promotion procedures which take account not only of the grade and number of years in service, but also competencies or the 'characteristics of an individual that are causally related to effective or superior performance in a job' (Boyatzis 1982). Initially this would concern managerial competencies and behaviour *vis à vis* staff and outside partners, and then, in a second stage, the capacity to master technical actions.

RECOGNISING COMPETENCIES IN TRADITIONAL EMPLOYMENT: THE CASE OF INTEGRATION OF YOUNG EMPLOYEES IN LOCAL AUTHORITIES

The project *nouveaux services emplois jeunes* (new services for youth between 18 and 26) is one of the noteworthy actions in the field of public sector employment in France, considering the number of its beneficiaries (Law n° 97-940 of 16 October 1997). On 18 January 2002, the Ministry of Employment and Solidarity was proud to announce that 350,000 young people had been recruited within this framework. The question of integrating these young people into the civil service is of interest to us here in so far as it links the supporting of available competencies with a more traditional approach focused on formal qualifications.

Since the 1980s government has increased the number of jobs with temporary status, with the aim of creating posts for the jobless without recruiting new civil servants. Most of the work was community work involving *contrats emploi-solidarité*. The employment contract was intended for disadvantaged persons, in particular the young unemployed, long-term unemployed, unemployed over 50 and recipients of the RMI minimum subsistence income. This employment was typically in part-time jobs paid at the minimum legal wage, financed by the state and made at the disposal of local authorities and other associations. The work was extremely precarious.

The government of Lionel Jospin (Prime Minister 1995-2002) went a step further in this approach with the *nouveaux services emplois jeunes*. In this project the jobs created were full-time, with state aid of up to 80 per cent of the minimum wage (the difference being paid by the employer) and with a guarantee of five years' employment. In order to ensure that this was not simply a disguised way of recruiting new civil servants, the principle was that these new recruits were to be

employed in 'new services' that did not already exist. These jobs could be situated in associations or local authorities within the public sector. At the local authority level, the jobs included areas such as sports (coaching), urban security (community policing, maintenance of facilities), social assistance (public letter-writer, assistance and advice to immigrants, help with transport), environment (education in sorting waste, maintenance of parks and nature reservations, education in environmental issues), culture (library hosts) and employment support (advice and information). Some jobs correspond to previous state functions that were progressively abandoned for financial reasons and whose social role has been rediscovered e.g. caretakers of buildings. Others correspond to new functions such as education in sorting waste and public letter writing. In total, 65,000 such jobs have been created in local authorities alone.

The idea behind this project is, if these new services really meet the population's expectations, that this will stimulate the emergence of a market that in the long run would provide employment. This hypothesis seems highly unrealistic and most of the jobs being created are unlikely to leave the public sphere. When the system was launched, many observers were very concerned, seeing it as a 'time bomb' that would explode when employers got rid of these young employees after five years. At the moment, however, it appears that many young people have not remained in these jobs for the full five years and have found other employment. Also, the end of the five years coincides with the beginning of a wave of retirement in the civil service. This project may, therefore, be a clever way of preparing for those departures - provided that the different modes of recruitment can be adapted.

Emplois jeunes was defined by its objectives. There was no formal educational qualification as the spirit of the law was to offer jobs to those who were unlikely to find work by other means. In practice, however, this has not entirely been the case, for in some cases employers have not hesitated to engage highly qualified people, even if it has meant supplementing the salary, thus partly contradicting the spirit of the law. As many as 65 per cent of the beneficiaries employed by local authorities have a *baccalauréat*. The law emphasises criteria of competencies rather than qualifications. The idea was to promote inventiveness and the capacity to deal concretely with new problems. The development of these *emplois jeunes* has consequently led to the recognition and reproduction of these competencies. Studies have identified the new competencies required in the new jobs and the result has been the definition of training programmes and the creation of degrees corresponding to these new functions. The new degrees stem from new needs in the professional environment as well as from the dynamic of the educational system. The recruitment of 350,000 young people over five years represented a significant job market likely to drive the educational system. Even if the training in this case is provided by educational institutions, definition of its content is based largely on professional criteria.

When the question is raised of the integration of the *jeunes employes* into the services of local authorities, a tension is seen between this pragmatic mode of recognition and development of competencies and the statutory principles of the local public service. Concretely, the relation between a list of occupations defined in practice and a list of formal jobs in the civil service presents several problems as

when the *emploi jeune* diverges *de facto* from the philosophy of the 'new service'. However, this does not apply to really new jobs. In that case it is necessary to match new functions, for example education in sorting waste, with old ones such as public health staff or with very broad categories such as technical staff. In any case, the person has to pass the competitive entrance exam, which implies a required educational level. Some young people who have shown their ability to deal with problems on the job would not have been allowed to sit for the examination. Others would not have succeeded in the competitive entrance examination which involve educational tests that do not correspond to competencies deployed in practice.

This discrepancy is now leading to proposals for a new mode of recruitment that is challenging usual practices in the public service, with a competitive entrance examination specifically for those who occupied posts in the areas concerned. The principle of such competitive examinations was established in Article 18 of the Law of 2001-2 3 January 2001, completing Article 36 of the Law 84-53 of 25 January 1984. These exceptional terms of recruitment reflect a trend towards a competency-based approach.

Even if the issue in the creation of *emplois jeunes* and in their reclassification as municipal services is 'employment', there is also a question of 'competency'. Unlike typical jobs for which there is a precise job description, the *emplois jeunes* have had to invent their own work. Only those who have effectively managed to meet the challenges have been retained. Young people with little education have thus shown themselves in some cases to be more competent than those with qualifications. This action is largely result-oriented and based on competency frameworks. By creating specific training and then exceptional recruitment procedures, these competencies have been recognised in contrast to traditional educational criteria and methods used in competitive exams in the civil service.

CONCLUSION

The above examples have shown two approaches in the valorisation of competencies in the French public sector. In the case of the engineers, the action is close to a competency-based approach related to the organisation, even if we are still far away from competency management. In the case of the reclassification of *emplois jeunes*, we are closer to approaches in which professional or occupational competencies and their corresponding demonstrated behaviours are validated. Even if the cases are not typical, they have the merit of indicating how a trend from a qualifications-based approach to a competency-based approach to personnel management can take place gradually and pragmatically, without disrupting the principles of the traditional civil service. In terms of guidelines for action, these examples suggest that personnel managers should focus more on the tools used in the recognition of an individuals' learning during their careers, an essential dimension of the statute, than on traditional exam-oriented competency frameworks, which seem until now to have reinforced bureaucracy more than to remove it.

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II.8. The Competencies Required in Public Management: A Case Study in Italy

Francesco Cerase

The process of governing and the public administration systems of European states have been undergoing radical changes in the course of the last quarter of a century. These changes have deeply affected the organising of administrative action and in particular the competencies required of public managers. First, this chapter briefly reviews three main developments in the process of governing; second it draws attention to the major organisational changes involved in these developments and spells out the most relevant implications and consequences for competencies in public administration, with specific reference to management practice. Finally, drawing on an empirical study of Italian administration, it compares these implications and consequences with more traditional competencies.

DEVELOPMENTS IN THE PROCESS OF GOVERNING AND PUBLIC ADMINISTRATION SYSTEMS

In the course of the last 20 years three closely interrelated developments have deeply affected the process of governing and the public administration systems of European states. First, there has been the explicit or implicit acceptance and adoption of what has come to be known as the ideas and principles of New Public Management (NPM). There is a general consensus that these ideas have brought about a 'global management revolution' in the public sector (Kettl 2000). It is sufficient here to recall the basic tenets of this revolution. Epitomised in the words of 'marketisation' and 'managerialism', adoption of the NPM approach has involved the introduction of private sector management principles and methods in running public affairs. As a consequence, slogans and catchwords such as 'managing by objectives and results', 'value for money', 'cost-effectiveness', 'consumer choice', among others, have become the guiding principles in planning and conducting the action of public administrations. Rather little attention has been paid, however, to how all this has actually affected the notion and the protection of the public interest, although, paradoxically, market principles have been usually advocated in its name. Indeed, whatever benefits marketisation and managerialism have had in terms of cutting costs and increasing productivity and efficiency, they have led to a fragmentation in the performance of public action, not to mention the risks that commodification of the public sphere entails for preserving 'public spiritedness' (Cooper and Yoder 1999, Box 1999, Cerase 1999).

Second, there has been advancement and strengthening of the process of European integration. Referred to as Europeanisation, this process has been defined

'as the emergence and development at the European level of distinct structures of governance.... Europeanisation involves the evolution of new layers of politics that interact with older ones' (Risse *et. al.* 2001:3). For the purpose of this discussion what matters is that the policies of the member states and their administrative structures have been influenced, more and more, by decisions taken at European level (Hèritier 2001: 3). Whether this influence amounts to a subtraction, reduction or displacement of regulatory functions from the single state to the European Commission is of less interest here than the fact that it has set in motion a reorientation in the action of member states and their administrations.

As Pierre (2000: 9) points out, because the EU has no power of coercion its policies can get 'implemented more on the basis of agreement and compliance than enforcement'. Moreover, the administrative systems of the member states are not responding or adapting in the same way to Europeanisation and discussion is quite open as to the theoretical framework best suited to interpret these differences or the variables that play a more decisive role (Jacobsson *et al* 2001a, Haverland 2000). Furthermore, there is evidence that various parts of the central administration of single states are being affected by Europeanisation to quite a different degree (Jacobsson *et.al.* 2001, Cerase 2000).

Third, there has been the emergence of a new conception of 'governance'. This is viewed as a new mode of interaction between the centre of government and society. It refers to the changing role of government in society and to 'its changing capacity to pursue collective interests under severe external and internal constraints' (Pierre and Peters 2000:7)[1]. Whether it is seen as a response to the weaknesses of marketisation (Rhodes 2000:54) or as 'the acceptable face of spending cuts' (Stoker 1998:18), what counts is that a reorientation in the relationship between state and civil society is at stake. Governance is aimed at reaching 'mutually acceptable decisions' or even facilitating society in doing 'more self-steering rather than depend upon guidance from government' (Peters 2000:36)[2].

This new conception of governance implies an awareness on the part of the centre of government that it can no longer hold a dominant position, let alone a monopoly, in the process of governing and that there exists an interdependence between the different interests and actors involved in any given issue. As Pierre and Peters (2000:1) put it, 'a key reason for the recent popularity of (this new concept of governance) is its capacity to cover the whole range of institutions and relationships involved in the process of governing. This interdependence cannot be governed hierarchically any more and the emphasis turns on reorienting state action in order to reach an effective co-ordination of the different interests at play, rather than on steering it through hierarchy'. The guiding principle is that co-ordination can be reached more effectively by negotiation, exchange, trust and reciprocity rather than by issuing orders (Rhodes 2000: 61). To turn this principle into administrative practice is not an easy task. Furthermore, the persisting heterogeneity and looseness with which the concept of governance is dealt with in academic literature does not assist the process.

The major organisational changes involved

To some extent these developments have been congruent with one another. The fact that the values that inspire European policies and directives are those of economic liberalism has supported the adoption of NPM principles and the new governance has retained some of these principles as well. Together these developments have led to the emergence of a new way of conceiving the process of governing that impinges upon the meaning and the scope of administrative action. What is asked of state bureaucracy is to intrude less, to make fewer incursions into civil life, to do less 'rowing' (Osborne and Gaebler 1992) and provide an effective management of the regulatory framework within which the actors can pursue their interests. Whatever reservations one might have regarding these developments, they are affecting the beliefs and value systems that modern administrative action has come to rest upon, as well as the organisational arrangements it has adopted.

The literature on the changes marketisation and managerialism have brought to, and prescribed for, the running of organisations in the public sector is vast. The adoption of NPM principles and criteria has had a sweeping impact. In particular, it has involved making administrative units more manageable and autonomous, reducing operational costs, shifting attention away from procedures and putting more emphasis on outputs and results (Hood 1995:96-97). Competition and rivalry have been stimulated rather than kept under control. Pay has been increasingly tied to productivity and performance. Keeping to the rules and rule enforcement has been relaxed and seen as tools to be used flexibly. In the end the managerial approach has implied shifting commitment from 'obligations' to 'utilities' (Virtanen 2000: 340-1). As hinted above, not all consequences have been beneficial. A less acritical acceptance may perhaps be more timely. Fads and buzzwords that make up the grammar of management gurus do not necessarily deserve immediate credit nor should they be applied without question to the organising of public endeavours (Collins 2000).

Considerable less attention has been paid to the organisational changes the advancement of European integration has had or may bring about. The more Europeanisation puts into question the traditional role of national governments as gate-keepers of single nation-states and calls for a reinterpretation of the ways to safeguard and pursue national interests, the more it requires rethinking the support that the administrative branch of the state provides and how to manage it. Not all parts of the state administration are affected by the EU or to the same extent. This is leading to a specific EU-related 'segmentation' in domestic administration (Jacobsson *et. al.* 2001b: 6-7) that may have far-reaching consequences. Furthermore, these effects have been spreading to different aspects of organisational life. They concern not only the rules and regulations in the field of work but also the employment and training of personnel, the exchange and interaction with other administrative units and external bodies and above all their working practices and tasks (Jacobsson *et.al.* 2001a, Cerase 2000).

Less attention has also been paid to the organisational arrangements of administrative action the new conception of governance calls for. Yet with new governance 'traditional models of public sector command and control need to be

replaced by more relaxed and decentralised management models' (Pierre and Peters 2000: 27). More to the point, a better knowledge of what these arrangements might be is badly needed if policy networks, usually considered the specific form of regulation associated with the new governance, are to operate effectively. In as much as policy networks provide the mechanism for mobilising resources dispersed among public and private actors (Börzel 1998a and 1998b, Rhodes 2000), what this mobilisation requires more than anything else is to face and deal with co-ordination problems. More and more, this represents the crucial organising function the public actor at central level will be called upon to perform. To sum up, as a consequence of these developments, organising administrative action has come under increasing pressure to change in three major directions: openness to the context of action; flexibility in respect to rule-making and rule enforcement; and the search for co-ordination with other social forces. At this point the question to be asked is, in the face of these organisational changes, what competencies are required of public managers to enable them to perform effectively?

IMPLICATIONS AND CONSEQUENCES FOR COMPETENCIES IN PUBLIC ADMINISTRATION PRACTICE

Much attention has been paid to the effects of NPM on organisational change and managerial competencies but relatively little has been written about the effects of Europeanisation and the shift from traditional government to the new governance. Yet it is in the area of competencies that these developments may reveal differences in emphasis or priorities and which need to be examined. More explicitly, the competencies needed to participate effectively in the process of governing at the European level or in policy networks at the national level may be different from those required to meet specific requirements according to NPM principles.

Starting from the ambivalence intrinsic to the concept of competency is a good way to approach these differences. The concept refers both to the attributes, personal characteristics, experience and motives that enable a person to perform successfully in a given job, as well as to the established standards that a person must meet in order to perform satisfactorily (Horton 2000, Spencer and Spencer 1993, Hirsch and Strebler 1994). Each one of the developments mentioned above stresses this ambivalence in as much as it calls for the acquisition of new knowledge, skills, abilities, the search for new motives and learning how to put them into practice in order to meet new performance criteria and standards. Important traditional skills, related to writing or giving instructions, continue to be needed in public management as growing emphasis is placed on skills related to communication, negotiation, persuasion and co-ordination. In a study by Ferlie and Pettigrew (1996) on the National Health Service, changes in the style of management focused on chief executive officers being increasingly concerned to build and maintain links and institutionalise strategic alliances. Key networking skills were identified as: 'strong interpersonal, communication and listening skills; an ability to persuade; a readiness to trade and to engage in reciprocal rather than manipulative behaviour; an ability to construct long-term relationships' (*cited* in Rhodes 2000:7). In this context, what matters is that the content of the negotiation or co-ordination may be quite different

according to the actors involved and the scope of their interests and demands. Indeed, standards for an effective performance may be quite different as well.

The developments required call for a change of what has aptly been called the commitments or value competencies a successful performance is based on (Virtanen 2000:336-8). In this sense they may call for contrasting ethical commitments that may be hard to reconcile. For example, in Virtanen's words, 'the morality of self-interest is in-built in NPM, since internal and external competition is seen as one of the major instruments of enhancing efficiency and accountability'. (Virtanen 2000:338). Successful performance is epitomised by coming as close as possible to meeting the objectives set out for any single unit. Not only are the subsequent objects of commitment 'qualitatively different from the egalitarian principles that are essential in the public service of welfare states' (*ibid*: 339) but they may not be easy to reconcile with those of an effective co-ordination and harmonisation of the different interests involved in a successful performance according to the new principles of governance.

So far, discussion on new competencies has centred mainly on expectations. Attention will now be more directly addressed to practice. First, are the competencies of public officials and in particular of managers actually changing? Second, how much is the expectation of change in line with what is put into practice? Third, what competencies are considered more important than others? And finally, what evidence is there that individuals are responding and accepting the changes? Indeed, this last element may turn out to be decisive in understanding what is actually happening in everyday practice. The organisational reforms referred to above and the ensuing changes in competencies imply a substantial if not drastic change in employee working conditions, behaviours and habits. From the point of view of individual workers the changes envisaged may require, to varying degrees, giving up previous norms, knowledge or skills in order to make room for new ones. In this sense to learn what is new may require that certain ways of doing things must be discontinued, as they are no longer considered valid. Whether, and how much, the individual is willing and ready to do this cannot be overlooked. The individual's response or adaptation to change depends on his/her capacity to understand and master the new work and skill requirements but also depends on their work vision.

CHANGING COMPETENCIES IN PUBLIC ADMINISTRATION PRACTICE: AN EMPIRICAL STUDY

To answer the above questions a systematic understanding of how present working conditions, characteristics and norms of employees are being affected by changes in the process of governing is required. A survey of the current context, content and job requirements of the work of local branches of the Italian Ministry of Finance throws some light on the effects of the introduction of NPM in the public service. Its findings, however limited, may serve to highlight some of the issues at stake.

The survey was conducted in three local revenue offices of a region in Southern Italy[3]. The Ministry of Finance represents an interesting case study since it is presently undergoing a fundamental organisational reform as a consequence of the adoption of the NPM 'agency' model. The questionnaire used in the survey was a

slightly modified version of the O*Net questionnaires[4]. Through standardised cross-occupation descriptors related to different work content areas such as: knowledge, skills, abilities required as well as work activities and context, the O*Net data collection programme is designed to capture in an exhaustive way what people actually do in performing their jobs within organisational processes (U.S. Department of Labor 1999a). In a rapidly changing work force, what is needed is a viable occupational system able to identify occupations as they emerge. To this effect, O*Net is a complex, multivariate, descriptive system that considers attributes of both the occupation and the worker, putting them in relation to one another (Peterson *et. al.* 1995, vol. I: 6-7). In this sense the description scheme is conceived at once as both systematic and dynamic.

Public administrations can be considered among the potential users of O*Net data as through its use they can best assess their occupational demands and finalise their development programmes. Indeed, in this case study, the O*Net data collection program was an effective tool to identify the working conditions the reform project of the Ministry impinges upon. Furthermore, since the database includes information regarding work content areas, ranging from knowledge to skills, abilities and work styles, it may provide an effective means to approach the different dimensions involved in the notion of competency discussed above.

In this survey the O*Net questionnaires were simplified (in particular several items were eliminated) and reduced into a unique questionnaire of 127 questions with the addition of a face-sheet with 14 questions related to the worker's previous education, training and job-experience. The questionnaire was administered to a total of 208 employees and seven managers[5]. In two offices all the employees were interviewed - 75 and 41 respectively, including three and two managers. In the third office the survey was conducted on a random sample stratified according to level of job qualification - this amounted to 99 employees, including two managers. In line with the potential use of the data collected for personnel development programmes, the managers of the three offices were also asked to complete the questionnaires for each category of workers[6]. Finally the questionnaire was divided into six sections dealing with:

- generalised work activities: work activity means a set of similar actions that are performed together in many different jobs; this section asks about a series of different work activities and how they relate to the worker's current job, that is, the job the worker presently holds[7]; 26 questions relating to work activities were included in the questionnaire,
- work-related areas of knowledge: knowledge areas mean sets of facts and principles needed to deal with problems and issues that are part of a job; this section asks about a series of different areas of knowledge and how they relate to the worker's current job; 16 questions relating to knowledge were asked,
- work-related skills: skill means the ability to perform a task; as such it is usually developed over time through training or experience; a skill can be used to do work in many jobs or it can be used in learning; this section asks about a series of different skills and how they relate to the worker's current job: there were 28 questions related to skills,

- job-related abilities: ability means an enduring talent that can help a person do a job; this section asks about a series of different abilities and how they relate to the worker's current job; there were 15 questions related to abilities,
- work styles[8]: work style is a personal characteristic that can affect how well someone does a job; this section asks 12 questions about different work styles and how they relate to the worker's current job,
- work context: this refers to working conditions; there were 30 questions asked about the work setting and its possible hazards, the pace of work and the worker's dealings with other people and how they describe the worker's current job.

Following the O*Net model for the questions concerning work conditions and work style, the rating refers to 'how often' it happens, 'how much' there is of it or 'how important' it is. For the questions concerning work activities, knowledge areas, skills and abilities, a two-step rating is used. The first concerns the *importance* the item has in performing the job the worker holds; the second step relates to the level at which it is *needed.* The two ratings need not be in relation to each another, in the sense that, for example, a skill like 'active listening'[9] may be very important in the performance of a given job and yet be needed at a very low level such as that corresponding to 'taking a customer's order'. Alternatively a work activity like 'working with computers' may also be very important and yet be needed only at the level of 'entering employee information into a computer database'.

It must be noted that if the strength of the O*Net programme resides in the fact that it is designed to incorporate occupational descriptions across all sectors of the economy in a standardised way (Peterson *et al.* 1995 Vol.1), that may also, in turn, be its weakness. The information collected may in fact provide a somewhat simplified overview that obscures the specificity and subtleties of the requirements and job content of occupations in financial offices dealing with planning, assessing and checking revenues. In particular, the O*Net survey by itself may fail to grasp the collective dimension involved in the employee's job performance, a dimension that pertains to the competency of the office as a whole and how that interacts with the competency of the individual worker. It has been argued that new expertise is not simply the outcome of the acquisition of new knowledge but is rather constructed through its development and application in a given context (Hatchuel and Weil 1992). Both these sets of considerations need to be taken into account in examining the findings of the survey. In the context of this discussion, attention will be given to:

- the items to which the workers give maximum importance in contrast to those to which minimum importance is given,
- the difference between these items and those indicated by their managers.

Only the items on work activities, knowledge, skills, abilities and work styles are examined below. The figures in Tables 15-24 are 'average values' - ranging from 1 to 5 of the degree of importance each category of workers has attributed to every item.

WORKER PERCEPTIONS OF COMPETENCIES

In general, the degree of importance the different categories of worker attribute to most items varies a great deal. In particular, the data show a considerable variation both in the items indicated as the most and least important. An examination of this variation offers a number of interesting suggestions. Starting with work activities, those that appear to be the most important, particularly for the workers of low and middle categories, are inner-oriented activities, such as 'getting information', 'communicating with supervisors, peers, or subordinates' and 'establishing and maintaining interpersonal relationships' (see Table 15). This inner-orientation seems, however, to be hardly connected to the adoption of new management principles in as much as these call for a constant monitoring and evaluation of office activity. Indeed, 'monitoring processes, materials, or surroundings' and, to a lesser extent, 'estimating the quantifiable characteristics of products, events or information', have both been indicated among the least important activities (Table 16). The perspective appears to be somewhat different for the managers. In their case, as expected, the most important activities, such as 'making decisions and solving problems', 'developing objectives and strategies', and 'guiding, directing, and motivating subordinates', are those specifically pertaining to their organisational position (Table 15).

Turning to knowledge areas, we observe, on the whole, that the knowledge considered to be the most important to carry out one's job appears to be still the traditional office knowledge based on 'law and government' and on a 'good command of the language' (see Table 17). Relatively new knowledge areas, such as those related to 'communications and media', 'education and training' or even 'sociology and anthropology', continue to be considered less important (Table 18).

Table 15: Five most important work activities according to worker category and managers

Five most important work activities	Worker category										
	B1 and B2		B3		C1		C2		C3		Managers
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Getting information	2.95	2.78	3.06	2.89	3.34						
Evaluating information to determine compliance with standards									3.56		
Processing information	2.63										
Making decisions and solving problems							3.40			4.72	5.00
Updating and using relevant knowledge.	2.63				3.40	3.78		4.11	3.96		
Developing objectives and strategies											4.86
Organising, planning, and prioritising work							3.40			4.72	5.00
Working with computers	3.60		3.80	3.67		4.06	3.80	4.11	3.60		
Interpreting the meaning of information for others			3.29		4.33						
Communicating with supervisors, peers, or subordinates	2.84	3.06	3.24	3.22	3.43			4.17	3.56	4.72	
Communicating with people outside the organisation			3.06	2.89		3.94	3.80	4.28			
Establishing and maintaining interpersonal relationships	2.84	3.06		3.22	3.34	3.78	4.20	4.39	3.59		
Resolving conflicts and negotiating with others						3.78					
Performing for or working directly with the public		3.28		3.33							
Developing and building teams						3.83		4.17		4.72	4.86
Guiding, directing, and motivating subordinates							3.60			4.72	5.00
Performing administrative activities		2.94				3.78					

(1) Average values of degree of importance given by the *workers* to each work activity. The five highest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each work activity (related to workers). The five highest values are reported in the table.

Table 16: Five least important work activities according to worker category and managers

Five least important work activities	Worker category										Managers
	B1 and B2		B3		C1		C2		C3		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Getting information										4.06	
Identifying objects, actions and events								3.56		3.94	3.71
Inspecting equipment, structures, or materials	1.40		1.50		1.90		1.40	3.56	2.30	3.89	3.29
Monitoring processes, materials, or surroundings	1.24	1.89	1.47	2.11	1.87	3.06	2.20	3.56	2.07		
Estimating quantifiable characteristics of products, events or information	1.38					2.83	1.60		2.41		
Judging the qualities of objects, services, or people		2.06									
Evaluating information to determine compliance with standards		2.06									
Developing objectives and strategies		1.94	1.65	2.11	1.74				2.37		
Scheduling work and activities						3.17					
Organising, planning, and prioritising work				2.22							
Performing general physical activities	1.20	1.44	1.40	1.61	1.20	1.94	1.40	1.78	1.20	1.83	2.00
Working with computers											3.71
Assisting and caring for others								3.56			3.57
Performing for or working directly with the public										3.83	
Developing and building teams			1.65								
Guiding, directing, and motivating subordinates	1.20	1.78	1.40	1.78	1.60						
Providing consultation and advice to others						3.17					
Performing administrative activities							2.40				

(1) Average values of degree of importance given by the *workers* to each work activity. The five lowest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each work activity (related to workers). The five lowest values are reported in the table.

Table 17: Four most important knowledge areas according to worker category and managers

Most important knowledge areas	Worker category										
	B1 and B2		B3		C1		C2		C3		Managers
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Administration and management										4.44	4.47
Clerical	2.98				3.45		4.00		3.74	4.61	
Economics and accounting							4.00				
Customer and personal service	2.95	2.67	3.24	2.94				3.72			
Personnel and human resources								3.72		4.44	4.47
Production and processing								3.72			4.43
Computers and electronics	3.38	2.83	3.71	3.44	3.68	3.50	4.80		3.70		
Mathematics		2.56									
Psychology						3.28					
Italian language	3.52	3.28	3.65	3.39	4.04	3.89	4.00	4.11	4.04		4.43
Law and government			3.65	2.89	3.66	3.67	4.20	3.94	4.15	4.50	4.71

(1) Average values of degree of importance given by the *workers* to each knowledge area. The four highest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each knowledge area (related to workers). The four highest values are reported in the table.

Table 18: Four least important knowledge areas according to worker category and managers

Least important knowledge areas	Worker category										
	B1 and B2		B3		C1		C2		C3		Managers
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Administration and management		1.50	1.65	1.67		2.56					
Clerical								2.56			
Economics and accounting		1.72									
Sales and marketing	1.19	1.67	1.41	2.11	1.51	2.67	1.60	3.11	1.44	3.67	3.43
Personnel and human resources	1.35	1.72	1.65	2.11	1.79						
Mathematics								3.11		3.28	2.57
Sociology and anthropology	1.59		1.41	2.06		2.56	1.40	2.78	1.81	3.11	2.57
Education and training	1.63				1.85	2.83	1.80				
Foreign language					1.94			3.11	2.00	3.11	3.00
Communications and media							1.60	3.56	2.00		3.43

(1) Average values of degree of importance given by the *workers* to each knowledge area. The four lowest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each knowledge area (related to workers). The four lowest values are reported in the table.

These observations appear further strengthened by the fact that reading, writing and speaking are by far the most important skills for almost all categories of employees (Table 19). Only in very few cases do the relatively new skills, such as 'active learning', 'monitoring' and 'time management', turn out to be considered amongst the most important ones. Furthermore, skills related to 'management of financial, material or personnel resources', together with 'systems analysis', are generally considered the least important. Even managers, whilst attributing maximum importance to 'operations monitoring', 'system evaluation' and 'judgement and decision making', at the same time give minimum importance to the 'management of financial and material resources' (Table 20).

Table 19: Five most important skills according to worker category and managers

Five most important skills	Worker category										Managers
	B1 and B2		B3		C1		C2		C3		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2	(1)	(2)	av
Reading comprehension	3.37	2.61	3.71	3.00	3.96		4.60	4.06	4.04	4.61	
Active listening	3.19	2.72	3.29	2,83	3.45	3.50			3.74		
Writing	3.01	3.06	3.18	3.22	3.70	3.94	4.00	4.28	3.96	4.72	4.86
Speaking	3.21	2.94	3.59	3.11	3.66	3.72	3.40	4.06	3.78	4.72	
Mathematics	2.72										
Active learning			3.29	3.00					3.70		
Learning strategies						3.39					
Monitoring							4.00			4.61	5.00
Co-ordination					3.19			4.06			
Persuasion						3.39					
Instructing										4.72	
Service orientation		2.89				3.44					
Operations monitoring						3.39		4.11		4.61	5.00
Systems evaluation											5.00
Judgement and decision making						3.39				4.61	5.00
Time management							3.60			4.61	

(1) Average values of degree of importance given by the *workers* to each skill. The five highest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each skill (related to workers). The five highest values are reported in the table.

Table 20: Five least important skills according to worker category and managers

Five least important skills	Worker category										
	B1 and B2		B3		C1		C2		C3		Managers
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2	(1)	(2)	av
Mathematics										3.11	3.00
Negotiation		1.78		2.06							
Instructing		1.78									4.14
Operational analysis				2.06		2.83		3.44		4.00	
Equipment selection								3.44		3.78	3.71
Quality control analysis	1.40			1.89			1.80				
Systems analysis	1.40	1.78	1.59	2.06		2.78	1.60	3.44	2.41	3.61	
Systems evaluation		1.78				2.78			2.52		
Judgement and decision making			1.65								
Management of financial resources	1.12	1.78	1.47	2.06		2.78	2.00	3.44	2.07		3.86
Management of material resources	1.36		1.29			2.78	1.60	3.44	1.89	4.06	3.71
Management of personnel resources	1.22		1.59				2.00		2.19		

(1) Average values of degree of importance given by the *workers* to each skill. The five lowest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each skill (related to workers). The five lowest values are reported in the table.

In the light of these considerations, it is not surprising that oral and written comprehension, together with written expression, are by far the most important required abilities (Table 21). It turns out, however, that, after 'vision', that may indeed be considered an ability of little importance for the work the employees surveyed do, the other least important abilities appear to be 'originality' and 'fluency of ideas' (Table 22). This hints at a work situation still characterised very much by routine and repetition.

Finally, after 'integrity', 'self-control' is the work style that in general, including managers is considered the most important (Table 23). Conversely, 'innovation' is by far the least important (Table 24). It is interesting that 'leadership' was considered by most categories of employees, with the noticeable exception of managers, as one of the least important work styles. These findings suggest that leadership is still thought of as leading 'someone else' rather than being ready to take a lead in any given situation. Furthermore, they suggest, in spite of the efforts to stimulate employees to take initiatives and active responsibility, that passiveness in carrying out one's job remains their prevailing attitude.

Table 21: Three most important abilities according to worker category and managers

Most important abilities	Worker category										Managers
	B1 and B2		B3		C1		C2		C3		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Oral comprehension	3.30	3.28	3.71	3.39		4.06		4.44	3.63	4.61	4.43
Written comprehension	3.33	3.11	3.94	3.28	3.89	4.06	3.60	4.44	3.93	4.61	4.71
Oral expression	3.30				3.85		3.60				
Written expression					3.94	3.89	3.60	4.44	3.81	4.61	4.43
Problem sensitivity											4.57
Deductive reasoning							3.60				
Category flexibility				3.17							
Number facility			3.65								
Memorisation		3.00									

(1) Average values of degree of importance given by the *workers* to each ability. The three highest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each ability (related to workers). The three highest values are reported in the table.

Table 22 : Three least important abilities according to worker category and managers

Least important abilities	Worker category										Managers
	B1 and B2		B3		C1		C2		C3		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Fluency of ideas	2.04	2.28	2.35	2.39	2.49		1.80	3.44			
Originality	1.70	2.28	1.76	2.61	2.04		1.40		2.44		
Problem sensitivity		2.39							3.44		
Inductive reasoning											3.57
Category flexibility						3.17		3.44			3.57
Number facility						3.17		3.44		3.28	3.29
Memorisation										3.78	3.57
Vision	1.96		2.29	2.56	2.13		1.40		2.59		2.86
Selective attention						3.00		3.44		3.78	

(1) Average values of degree of importance given by the *workers* to each ability. The three lowest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each ability (related to workers). The three lowest values are reported in the table.

Table 23: Three most important work styles according to worker category and managers

Most important work styles	Worker category										
	B1 and B2		B3		C1		C2		C3		Manager
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Achievement/effort		3.17					4.40				
Initiative										4.89	
Leadership											4.86
Co-operation		3.17						4.33			
Social orientation				3.39							
Self-control	3.48				4.02		4.40	4.39	4.00	4.89	4.86
Stress tolerance	3.47									4.89	
Adaptability/flexibility		3.44	3.82	3.56		4.06			3.74		
Dependability			3.82		3.98	3.89					
Integrity	3.98	3.94	4.06	3.78	4.45	4.67	4.60	4.83	4.33	4.89	4.86

(1) Average values of degree of importance given by the *workers* to each work style. The three highest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each work style (related to workers). The three highest values are reported in the table.

Table 24: Three least important work styles according to worker category and managers

Least important work styles	Worker category										
	B1 and B2		B3		C1		C2		C3		Manager
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	av.
Achievement/effort											4.29
Initiative	2.64				3.13	3.50			3.37		
Leadership	1.48	1.83		1.61	2.02	3.33	3.00	3.89	2.70		
Co-operation											4.29
Social orientation										4.72	3.86
Stress tolerance						3.56		3.89			
Innovation	2.12	2.28		2.22	2.34		2.80		2.74	4.28	4.00
Analytical thinking		2.28		2.56		3.56	3.40	3.89		4.72	

(1) Average values of degree of importance given by the *workers* to each work style. The three lowest values are reported in the table.

(2) Average values of degree of importance given by the *managers* to each work style (related to workers). The three lowest values are reported in the table.

Differences between workers and managers perceptions of competencies

Comparison between the items indicated as the most or least important by the workers and their managers is intended to highlight how the expectations of the management differ from the actual job situation of their subordinates. It also indicates the direction in which change should be sought. The following comments are based on the assumption that managers, when asked, were in fact familiar with the current jobs of their employees.

On the whole, for all work aspects, the degree of importance given by managers tended to be higher than those given by the workers. This suggests that in general the expectations managers have regarding the content of their employees' job are higher than the workers themselves experience or perceive. Furthermore, the data show that for all the work aspects surveyed and for almost all categories of workers there is always some discrepancy between the items indicated as more or less important by the employees and those indicated by their managers. In particular, for skills and abilities, this discrepancy appears to be greater in the case of the items considered to be least important (See Tables 20-22). For work activities, on the other hand, the discrepancy is particularly strong for the highest level of employees (Tables 15-16).

All the discrepancies that emerged, however, are hard to reconcile within a single coherent interpretation. In the case of work activities, for example, the discrepancies hint that managers expect their employees to be more engaged in new management activities than is actually the case (Table 15-16). Thus they attribute greater importance to activities such as 'developing and building teams', or 'guiding, directing, and motivating subordinates' than do employees. The same can be said about the discrepancies concerning skills, in as much as 'operations monitoring' or 'judgement and decision making' are among the skills to which managers give greater importance (Table 19). In the case of abilities, however, the answers given by the managers are substantially in line with those given by their workers. In fact, the former also attribute greater importance to more traditional abilities such as oral and written comprehension or written expression (Table 21).

CONCLUSION

As stated above the Italian system of public administration in general and the Italian Ministry of Finance in particular is undergoing radical organisational change. The introduction of NPM is calling for new competencies, values and practices. The empirical research into three local revenue offices sought to identify how far the changes are actually affecting the competencies required of employees and managers in particular. The answers supplied on the basis of the survey data are rather ambiguous. On the one hand, managers, both in regard to their own job and to that of their subordinates, express a general consensus that new competencies, seen as a combination of new knowledge, skills, abilities, work styles, are gaining greater importance. On the other hand, this is not what most employees experience or perceive.

Taken together, the findings suggest that in everyday practice, traditional competencies still count a great deal and new competencies are far from the leading motivation in reorganising of administrative action. Furthermore, even when new competencies emerge as most important, they tend to overlap with, rather than replace, established bureaucratic ones. Organisational change may indeed require both replacing old competencies with new ones but also integrating the new with some traditional ones.

What is more important, however, is the discrepancies that have emerged both between the different categories of workers and between the different dimensions of competency examined. These may in fact result in new ruptures in the working process. Here perhaps is the learning point of the research. In the push for change and the need to introduce new competencies to bring that change about, this requires changing the logic of action of all the actors concerned. Its success will depend on how coherently it succeeds in involving all employees at every level. A bottom up approach to change is called for.

ENDNOTES

[1] Or, as Kettl puts it, 'the market-driven processes risk atomising government programs. Government officials are principally responsible for producing the outputs defined in their contracts, not necessarily for how well their programs connect with others' (Kettl 2000, p. 12).

[2] This is, however, only one of the many ways in which the term has been used to characterise the models of interaction between the public sphere and civil society (Rhodes 2000, pp.55-63; Stoker 1998; Jun 2001).

[3] The survey was conducted in collaboration with researchers of the National Institute of Statistics (ISTAT) and with the support of the top management of the Regional Direction of Revenues of the Ministry of Finance of Campania. The latter offered the suggestions that led to the choice of the three local offices. The fieldwork started in December 2000 and was completed in the following March 2001.

[4] The O*Net (The Occupational Information Network) is a standardised occupational database under test by the US Department of Labor. Information and reference to it have been found on the web (www.doleta.gov/programs/onet). As a way of full acknowledgement, I specify that this is the source of all the details on the O*Net questionnaires reported in the text (see also, The US Department of Labor 1999). The questionnaires have been used for personal research purposes and the modifications made to the original have been hereafter specified.

[5] In the O*Net collection programme, instead, the questionnaires are self-administered and the 'abilities' questionnaire is submitted to experts.

[6] According to the new Ministry of Employment national contract, the following categories have been considered (from bottom up): B1, B2, B3, C1, C2 and C3. The criteria used for the new job classification in public employment national contracts have been somewhat derived from new public management principles (cf. Bonaretti and Codara 2001).

[7] This, and the following definitions, are those reported in the original O*Net questionnaires.

[8] In the O*Net version the questions on *work styles* are included in the *knowledge* questionnaire.

[9] This is defined as, 'Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times'.

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II.9. Competencies for Countries in Transition: A Case Study of the Polish Civil Service

Witold Mikulowski

This chapter analyses the problem of competencies faced by public administration in countries in transition. It applies a competency management approach as an instrument for analysing the coherence between the personnel management system in the public sector and research and education in public administration in Central European countries, with special reference to Poland. After outlining the conceptual framework, it describes the problem of competencies in public administration and their adequacy for the needs of countries in transition. It explores the evolution of education and research in the field of public administration and the development of competency management within the legal and institutional framework of the Polish civil service. Finally, it considers whether the competency management approach can help to secure closer integration of the civil service personnel management system with education and training in public administration to ensure both the individual and organisational competencies that are needed in countries in transition.

THE CONCEPTUAL FRAMEWORK

Public administration and public management

The relation between public administration and public management constitutes an important conceptual problem, which has to be clarified before any evaluation of education and training in the field of public administration can be made. Public administration is an element of any national governance system. It is part of the executive power, subordinate to central or local government and carries out directly state regulatory functions and provides public services. Public management can be considered a part of the public administration system which is responsible for its internal organisation and functioning, for mobilisation and the effective use of its resources such as finance, personnel, infrastructure and equipment.[1] However, public management also constitutes a part of every other element of a national governance system including parliament, judiciary and independent constitutional authorities. Another distinction between these two concepts can be based on a functional approach distinguishing administrative and managerial functions.

In national governance systems, which steer a country's social system, public administration plays the role of regulator and its function is to regulate the behaviour of different elements of governed society such as individuals, organisations, enterprises and civil society (Mikulowski 1974, Hughes 1998). In this case, the

administrative function constitutes the output or 'products' of its public organs. Managerial functions ensure that a number of diverse activities are performed in such a way that a defined objective is achieved. It concerns especially the task of creating and maintaining conditions in which desired objectives are achieved by the combined efforts of a group of people (Kulesza and Izdebski 1999, Hughes 1998). As internal functions of every organisation, managerial functions are common to every element of the governance structure. In the public administration system they appear in administrative organs undertaking regulatory tasks as well as in the institutions in charge of public service delivery. In both types of activity they secure effective functioning of each organisation concerned.

Education and research in public administration and their institutional and legal framework

Education in public administration involves all activities that aim at developing the competencies needed in the field. These competencies include knowledge, know-how, individual and collective behaviour and attitudes necessary for effective realisation of public administration objectives which are an integral part of a country's governance system. Today they must take account of the prospects for European integration and the European governance system. This approach allows us to identify both administrative and professional competencies and the general administrative culture not only inside the public administration system but also in its environment, including other governmental and non-governmental institutions involved in the realisation of administrative functions. Their involvement can take the form of participation in the policymaking and decision-making process, supervision and control, for example by legislative and judicial institutions, or the exercise of delegated functions by civil society institutions. It concerns also the involvement of persons and institutions, which are users, customers or clients of public services or subjects of the regulating activities of administrative organs.

The adequacy of education in public administration for public sector needs cannot be effectively analysed and understood without a systematic approach to its institutional and legal frameworks. The institutional framework of research and education includes all public and private institutions directly involved in research and educational activities in the field, as well as all public and private bodies involved in preparing, regulating, controlling and evaluating these activities and delivering institutions. Included in the legal framework of education in public administration are all the rules regulating:

- content, form, duration and sanction of the different types of educational activities in the field,
- authority to conduct different types and levels of these activities,
- procedures and conditions of delivery and official recognition of diplomas and other documents sanctioning them.

Competencies, competency management and competency framework

Competencies are the knowledge, know-how and behavioural aptitudes, which members of organisations need to secure its effective functioning and realisation of its objectives (Mikulowski 1999). Horton (1999:2) refers to the distinction made between input oriented definitions of competency (or competencies) considered as *'behavioural characteristics of an individual which is causally related to effective or superior performance in a job'*, and output oriented definitions of competence(s) which is *'the ability to perform activities within an occupation to a prescribed standard'*. In this chapter, competencies are considered as outputs or products of educational institutions that become the inputs of employing organisations. The combination and interaction of 'individual competencies' creates an 'organisational competence' of the organisation's teams, different elements of the organisation's structure and finally of the organisation in its entirety.

Competency management can be defined as the HRM function which aims at the development of knowledge, abilities and attitude of an organisation and of individual members in the organisation (Fletcher 1991, Van Schaardenburgh and Van Beek 1998). It involves evaluation of quantitative and qualitative competency needs by adequate organisational instruments and procedures of personnel management such as recruitment, staffing and job descriptions, training and development, motivations and so on (Hondeghem and Vandermeulen 1999). An organisational competence can be considered as a characteristic of an organisation, which constitutes an output or result of a competency management consisting of an effective combination of skills, knowledge and aptitudes, structures, management systems, technologies, procedures and personnel instruments (IDS 1997).

The concept of a 'competency framework' refers to a list of competencies and to a tool by which competencies are expressed, assessed and measured (Hondeghem and Vandermeulen 1999). This approach, however, is too narrow for such a complex macro-organisation as public administration. It should include also:

- the institutional and cultural environment which produces and makes available the competencies which public administration can select and hire,
- the mechanisms which public administration uses for evaluation and formulation of its competency needs and which interacts with its environment to make them available,
- the instruments which public administration uses to develop and adapt to its needs the competencies already available.

COMPETENCY PROBLEMS OF PUBLIC ADMINISTRATION IN COUNTRIES IN TRANSITION

In 1990, Central-Eastern European countries began the process of transition from communist systems of governance to liberal democracies and market- based economies. This process involved a fundamental change in the basic ideological and legal principles underlying both their political regimes and their economies. It did not automatically involve a modernisation of public administration, which was

necessary to operate the new regimes and make public service delivery more effective and efficient. The reference model of public administration adopted by the transitional societies was at the beginning, and still remains, Weberian not managerial (Strebler *et al* 1997). The new regimes are supposed to be *Etats de Droit*, based on legality and secured by a politically neutral civil service, obedient to democratic governments. Completion of legal frameworks for the new governance systems still constitute the major priority and the main criterion of progress in this process. Unfortunately, new legislation is still much more influenced by ideological options and political considerations than by concerns of effectiveness and efficiency.

Fundamental changes are common to each country in transition but priorities, options and timing concerning practical problem solving are much less evidently shared by each of the different countries. Their different social and political systems are still looking for a clearly identifiable and coherent ideological framework. In each country, social expectations are high and motivation remains strong. But knowledge of the economic, social and cultural possibilities and constraints are often insufficient, as is an appreciation of the consequences of different choices (Jabes 2000).

Transition is essentially a learning process and lessons from abroad are only of limited utility. This kind of vicarious experience was very limited in the past[2] and even new experiences of one country in transition are never directly transferable to another. However, the fact that transition was initiated with the strong will of governments and societies wishing to integrate rapidly into the European Union with hope of benefiting from similar levels of social and economic development, is limiting choice of options and is effectively pushing reform in the same direction. Reform programmes of all main political parties and successive governing coalitions are similar. Their western partners supporting the process with important financial and technical assistance share these aims and objectives. Due to globalisation and general patterns of modern governance, the mainstream is moving slowly towards the standardisation process of western administrative systems (Mikulowski 2000, Common 1998).

One of the most important conditions of successful transition is availability of necessary competencies at different stages of this process and at different levels of government and public administration (Chevalier 1998). Some competencies existed in the pre-transitional period but these were not equally developed in each country and generally were not well adapted to the new challenges facing them. This was especially the case regarding the competencies needed during the conception of the reform strategy, elaboration of legal and institutional frameworks, implementation of reform measures and readjustment of reform programmes. They were not easy to develop in the short term (Mikulowski 1999).

The competencies needed must be identified and assessed. Then they have to be developed and managed. This implies efficient mobilisation, use and improvement of the competencies available, development of new competencies and reinforcing those, which are in short supply. Evaluation of competency needs also has to be done by governments. In democratic governance systems, this function should also involve other partners, like training institutions, trade unions and employees' associations. Development of new competencies is normally the direct responsibility

of the educational system, which should take into account the needs of its clients, preferably in collaboration with them. In countries in transition, this requires a fundamental revision of existing training programmes in the field of public administration and public sector management. In many cases, it is necessary to develop radically new training programmes and even new training institutions.

POLISH RESEARCH AND EDUCATION SYSTEMS: DEVELOPING COMPETENCIES IN THE FIELD OF PUBLIC ADMINISTRATION

Post-1945 Poland did not have any training institutions or programmes specialising in public administration. The study of law, economics, social and political sciences was the pre-entry education, which opened the way for careers in the public sector. But any technical or general education was sufficient if the candidate was considered politically acceptable. The last criterion was more important than any educational level and many high-ranking officials, at this time, had no higher education. Post-Stalinist liberalisation, economic difficulties and relatively open access to the western world led to recognition of the need for more competent administrators and managers. A new policy started in the early 1960s with the creation of an undergraduate (bachelor level) programme called 'Professional Administrative Studies', attached to the Law Faculties. It was intended to train rapidly, on evening courses, a large number of people already working in the public sector and party apparatus. They were often high-ranking governmental and party officials who feared loosing their position and being replaced by a younger and better-trained generation.

In the early 1970s a supplementary two-year programme was developed, mostly for the same population who wanted now to obtain the same level of education as all young people finishing their studies[3]. It also gave them the opportunity to obtain a Master in Public Administration degree (MPA), also by attending evening classes. From this time all law faculties were renamed Faculties of Law and Administration and started a five- year MPA programme for day students. Because of the large number of candidates for evening courses, each faculty opened subsidiary centres. Some of these later became independent faculties or private schools, which started to spread very quickly after the end of the communist regime. Nowadays, many of them offer at least a bachelor and sometimes an MPA programme.

During the 1960s and 1970s, in-service training also increased as the need to improve the competencies of public employees was recognised. This occurred in different sectors of public activity and led to the development of many training centres belonging to different ministries, trade unions and public enterprises. But these activities were not co-ordinated, planned or programmed at any inter-ministerial, national or regional level. During this period, the Polish authorities decided to open the 'National Centre for Improvement of Executive Staff (NCIES). It was provided with well equipped facilities and the highest quality trainers who were recruited from the best university professors of the Faculty of Management of Warsaw University and the Institute of Praxiology of the Polish Academy of Sciences, which had very extensive contacts with the best West European, American and Canadian universities. The Centre used modern training methods and teaching

materials, completely unknown elsewhere in Eastern Bloc countries at this time, and of very limited use in the universities even now. This special training system for top public managers prepared the ground for the future postgraduate National School of Public Administration (NSPA), created in 1990. The creation of this school, located in the same building, put an end to the NCIES which was closed for purely political and ideological reasons as it was seen as the 'managerial elites fish pond' of the former regime. Unfortunately, the NSPA training programme is much closer to the traditional administrative approach than to the modern managerial approach of the former NCIES.

Models of public administration studies

The well-developed institutional framework and large number of pre-entry and in-service programmes of education and training in public administration are not sufficient to satisfy its competency needs. A large part of the problem lies in the content and methods of the educational and training programmes. Unfortunately, a model of interdisciplinary administrative studies did not exist in pre-war Poland, or anywhere else in East Europe at this time, and the political and ideological constraints of the communist era prevented their development when progressive modernisation was taking place in this field in the western world.

Administrative studies in Poland were and still are largely dominated by the study of law and more particularly constitutional and administrative law. The autonomy and specificity of administrative studies were never completely recognised. A graduate of administrative studies is rated much lower than a law graduate. In comparison with legal studies, programmes of administrative studies consist of more administrative law, public finance and finance law, some history of public administration and some administrative science which may contain references to public management (Kulesza and Izdebski 1999). The programme generally includes a course on organisation and management but this tends to be business oriented. One of the reasons for this, and probably the most important, is lack of public management specialists among university professors. The situation is better in in-service training programmes, due to a much stronger involvement of international technical co-operation in this type of training activity. But even there references to Polish practice or research in public management are rare and training programmes are more theoretical than practical.

The evolution of research in the field of public administration and public management: impact on the content and methods of education and training

Developments in research into public administration and public management in all Central European countries have been closely linked to developments in the political situation. Poland has a very old and strong academic tradition[4] and organisation studies were well developed before 1939. After the war the Management and Organisation Scientific Institute and the Society of Scientific Organisation and Management were reactivated. Courses on organisation and management were given at some universities and new books appeared. From 1947, however, the theory of

scientific management and administrative science were banned as bourgeois sciences inherently related to a capitalistic system. The first book devoted to administrative science, by an eminent specialist of administrative law and public administration, Franciszek Longschamps de Berrier, ready for publication in 1948, was banned by the censor and immediately destroyed. One copy survived, however, and was eventually republished in 1991 (Kie 1999).

After a political thaw, which started in Poland in 1956, a new period of development in organisation and management theory followed. Researchers presented different approaches across a range of departments and institutes opened in various universities and other research institutions. In 1966 the Polish Academy of Sciences created an independent Institute of Praxiology which co-operated with some university centres in developing an interdisciplinary praxiological theory of organisation and management. It conducted a lot of important research programmes and published many valuable books. But the dynamic and autonomous development of this institute and its many contacts and exchange programmes with the western world did not please the political establishment, which decided to put its activities under political control. This resulted eventually in its closure and replacement by the Institute of Organisation and Management headed by a member of the Central Committee of the Communist Party. In turn, also for political reasons, this Institute was closed in 1976 and its personnel dispersed to other research institutions, which continued its work.

The 'administrative approach' was one of several approaches that started to develop during this period. The first textbook on administrative science stressed that administration, in the widest sense of the term, can be defined as organising (Langchamps de Berrier 1991). From 1964 to 1979 four other textbooks on administrative sciences or theory of organisation and management were published (Starosciak 1964, Dawidowicz 1972, Leonski 1972, Sluewski 1979). Specialists of administrative law wrote all, except one. But apart from textbooks, written for students, there was no particular scientific research conducted in the field by university faculties. On the other hand, some important research concerning public administration was conducted by the Institute of Praxiology of Polish Academy of Sciences, Institute of Organisation and Management and by NCIES. During this period Poland was participating actively in numerous meetings of the International Institute of Administrative Sciences (IIAS) and its affiliated associations[5].

However, the political climate was slowly deteriorating, especially after 1980. During the 1980s many eminent specialists of organisation and management emigrated whilst others abandoned the politically dangerous field of public administration to concentrate their interests on the less sensitive field of business management. When transition started in 1989 nobody was involved or interested in public management. Specialists of administrative law, who were teaching the subject mistakenly called administrative science, ignored the organisational and managerial dimension of public administration and were engaged mainly in reforms of the legislative framework. Specialists in management were engaged in the transformation of the economy and business management. Nobody was there to focus on the managerial aspects of administrative reforms. Research activities in the field of public management and organisation made little impact. There was no

research centre concentrating on this subject and national publications, as well as translations of foreign authors in this field, were limited in number.

COMPETENCY MANAGEMENT IN THE POLISH CIVIL SERVICE

The first legislation regulating the legal status of public sector employees was the Employees of State Offices Act (1982). It was the first Civil Service Act in the communist bloc. It defined the rights and obligations of state administration employees occupying clerical positions, including the obligation to develop their professional competencies. Newly recruited employees were obliged to follow a 12-month period of theoretical and practical training in preparation for the duties of a state official. The preparatory programme concluded with a qualification procedure, which was a pre-condition of definitive employment. Nominated officials were also subjected to periodical qualification appraisals affecting their career development.

The first Civil Service Act, in the post communist era, was adopted in July 1996 and came into operation January 1997. It was largely based upon the French model civil service, with four hierarchically structured categories of nominated civil servants. Its application was suspended, however, by the newly elected Coalition Government in 1997 and replaced with a very different model inspired this time by Germany. The new system has two categories of state civil servant: employees, employed on a contract basis, and nominated officials. Both categories together comprise the Civil Service *corps*. The new Civil Service Act was adopted in December 1998 and became operational from January 1999.

The new Act applies only to employees occupying clerical and managerial positions in governmental administration placed under the Prime Minister's authority. It excludes the *corps* of the Foreign Service, which is regulated by separate legislation; also it does not apply to:

- the armed forces and all public servants bearing uniforms and arms,
- public employees occupying professional positions in different public services such as education, health and social services, who, generally speaking, are governed by the labour code.

Currently in Polish public sector personnel management there are three different legal frameworks. First, all state administration is governed by the *Civil Service Act* and *Employees of State Office Act*. These are complementary and compatible and present, at least theoretically, a comprehensive and coherent personnel management system. Second, there is the system, which includes all personnel of public institutions not under the authority of the Prime Minister such as Parliament, Presidential Chancellery, Supreme State Control Chamber and Judiciary Administration. These personnel are governed by the *Employees of State Office Act* and many particular and specific regulations, which give a great deal of autonomy over personnel management to each public institution concerned. There are in fact very few common rules especially concerning competency management. The third group, local government, is governed by the *Self-government Employees Act*[6], which contains almost no rules relating to competency management and none related to training.

The competency management system

The Civil Service in Poland is placed under the authority of the Prime Minister who defines the professional qualifications required for execution of official tasks that are not fixed by particular laws or regulations. The Civil Service is controlled by the Chief of the Civil Service (CCS) assisted by his deputy, the Office of Civil Service, general directors of ministries and office directors of central, regional and other specialised governmental bodies. The CCS is charged to organise and conduct civil service qualification procedures for nomination to official positions and competitive appointment procedures for high-level civil service positions. He is required to keep a register of educational and training institutions authorised to organise and deliver civil service training. The Civil Service Council, a consultative and advisory body to the Prime Minister, is charged with ensuring that qualification and competitive appointment procedures respect the principles of professionalism, impartiality, political neutrality and honesty. It also evaluates the annual central programme of civil service training activity elaborated by the CCS. The General Directors of the Office are responsible for day to day personnel management.

Contrary to the general principle of open and competitive recruitment, announced in the Civil Service Act, initial recruitment is open but not really competitive. Posts in the civil service are published but selection of candidates is based on formal verification of legal and other qualifications and an internally organised selection procedure that selects but without any guarantees of an objective choice being made. The Civil Service Act does not contain any rules concerning this procedure or any reference to a bye-law, which could regulate this sensitive matter[7]. There is a common opinion that public administration is corrupt and dominated by nepotism and partisan influences. There appears to be a lack of legal guarantees that recruitment is based on objective evaluation of the required competencies and this is certainly a factor impeding change. This perception is damaging and contradicts the officially declared objective to create a professional and politically neutral civil service.

Preparatory service takes six months. It is organised by the General Director in conformity with a programme elaborated by the CCS in consultation with the National School of Public Administration. The General Director can totally exempt or shorten the duration of preparatory service if the employee can prove that he/she already has the required theoretical knowledge, practical skills and sufficient information concerning organisation and functioning of the office, for example graduates from NSPA are exempt from preparatory service. He can also extend a programme of preparatory service introducing supplementary elements related to specific tasks of the office.

Preparatory service ends with an examination before an examination commission appointed by the General Director, which verifies the candidate's capacity to apply in practice the knowledge acquired during the preparatory programme. On the recommendation of the commission, the General Director signs a permanent service agreement or termination of temporary employment contract.

An employee of state service, who has a masters degree, two years of seniority in the civil service and at least one foreign language, can become a nominated official

by passing a qualification procedure and being classified within the limits of the number of jobs reserved annually in the budget for recruitment to this position. The Prime Minister defines the details of this procedure and minimum number of points necessary to be taken into account in the final classification. The CCS appoints a team verifying candidates' knowledge, qualifications and experience necessary to fulfil the tasks at this level. The qualification procedure takes the form of an examination. The candidates can obtain supplementary points for: the results of their last periodical evaluation, knowledge of certain foreign languages, successful completion of post graduate studies, possession of a scientific degree or scientific title and possession of prescribed professional qualifications.

This procedure was conducted in 1999 for the first time and only 42 out of 240 candidates obtained the required number of points and were nominated for official status. Only 300 candidates were entered for the second tour of this procedure six months later. It was a small number taking into account that Parliament had authorised nomination of 2800 persons in the 1999/2000 budget (Rzeczpospolita 2000).

Top administrative positions in the state administration are filled by open competition of candidates from nominated civil servants. The competition is organised by the CCS. An examination team appointed by him verifies the knowledge, experience, general aptitudes and leadership capacities of all candidates. Specific requirements for each post are identified in consultation with the employing authority.

The Prime Minister's ordinance defines the mode of organisation and detailed principles of this procedure. The ordinance indicates that the requirements concerning the competed for positions should take into account particularly: the scope of responsibilities; span of control, decision making responsibilities, type and scope of professional contacts and number of subordinate employees. Concerning leadership capacity, requirements should include: analytical skills; creativity; flexibility; self confidence; ability to communicate; resistance to stress; team work and team leading capacities; and strategic thinking. To be admitted to compete, the prerequisites include seniority of employment in certain positions, special professional qualifications or knowledge of a particular language.

Civil servants have an obligation to develop their professional knowledge and participate in training activities that include first training activities centrally planned, organised and supervised by the CCS. Second, they must experience general training activities and specialised training programmes related to specific tasks of the office, planned, organised and supervised by the Office General Director. Third, they must take part in training activities of individual programmes of professional development planned, organised and supervised by the General Director in consultation with the civil servant and strategic management programmes organised for General Directors. Each year, the CCS settles, in consultation with the NSPA, an annual plan and central training programme fixing priorities, types of training activities considered particularly important and other recommendations for the person organising and supervising these activities.

The General Director establishes separately for each civil servant employed in the office, an individual programme for professional development that will

constitute the basis for his/her training activities. Such a programme takes into account: performance appraisal done by the official's direct superior; prospects of his/her career development; office needs and developments and the personal needs and career objectives of the functionary.

A legislative apprenticeship constitutes another interesting form of in- service training that applies not only to officials and employees of civil service *corps* but also to other state employees governed by *Employees of State Offices Act* having a law degree. Legislative apprenticeships are organised by the Prime Minister's Office and last 10 months. Each apprentice is supervised and guided in his/her training activities. The programme of apprenticeship contains lectures, seminars and practical exercises examining legislative projects. The programme ends with written and oral examinations and a certificate, delivered by the Head of the Prime Minister's Office, that confirms success.

DISCUSSION

Every organisation, including all public administration organisations, has to be managed. The question is how effectively? The major shift from the Weberian model of public administration to a managerial one, which started in the 1970s, did not change the essence of public administration activities but it did profoundly change the approach to their management. Unfortunately, the countries of Eastern Europe were only weakly influenced by general trends taking place in public management over the last 30 years in the western world. These developments concerned not only the practice of public administration but also research and education in this field.

Although there is a tendency to assume that the states of Eastern Europe constitute a block, there are significant differences amongst them. The impact of western management ideas was always greater in Poland, where some, not very successful, efforts were made in the 1970s to apply business management techniques in public enterprises. Since the collapse of the communist regimes in 1990, all Eastern European states are more open to ideas from the west. However, development of new personnel management systems and new training programmes cannot be realised without a theoretical under-pinning that has to be developed in universities and other research institutions. This research has to take account of the cultural circumstances and economic realities of each country, as well as recent developments in administrative sciences, administrative reforms, personnel management systems and training programmes in both developed and developing countries[8].

The problems, which have been identified in this chapter, are first, to what extent the competencies existing at the beginning of transition fitted the context of European integration and were sufficient to conduct successfully the reform process. Second, to what extent have existing institutions of research, education and training in public administration adapted themselves to the new context and are able now to provide and develop the necessary competencies. The answer to both questions is rather negative. At the beginning of the transition process, existing personnel management, research and educational systems were clearly not suited to the needs.

Their reform should have been considered the highest priority in the administrative reform process, but were very difficult to realise in practice. In Poland, despite the fact that it started before the transition in 1982, reform is still not completed and in other East European countries reform has hardly begun. For example in Slovakia a new Civil Service law has only just been adopted (Bercik and Nemec 1999).

A reform of education and training in public administration, including programmes and methods of teaching and learning, needs to be based on a strategy built upon an updated theoretical framework and elaborated in collaboration with all stakeholders: employers, governmental bodies in charge of the educational system, public and private training and research institutions and civil society organisations. Well-conceived and managed technical assistance should also be sought. In Poland, whilst international co-operation has been very active, its impact on the modernisation of content and methods of education in the field of public administration, has not been great up to now. There is a need for a fundamental reform of education in the field but no official document presenting a global strategy of education has ever been discussed or adopted. Policies on public administration education, developed in the early 1960s, still dominate to a large extent the main stream of training activities in the field. The creation and successful development of a Polish *Ecole Nationale d'Administration* (ENA) in 1990, combined with a dynamic development of university level private schools offering BPA and even MPA programmes can be considered an expression of an implicit policy of development in this field. Currently, private schools offering public administration programmes are creating a new challenge for traditional faculties of law and administration which continue to offer public administration programmes conceived 35 years ago. The latter are using their position in the Ministry of Education to protect their traditional approach. But many of the new training institutions, collaborating closely with foreign partners in the Europe Union and beyond, are updating and modernising their own programmes.

Poland has recently undertaken an important programme of administrative reforms of central and local administration, local self-government, the social security system, public health service and education. All of these are not yet completed but their implementation has already reached a point of no return. These reforms were necessary and unavoidable but their results are often disappointing and judged critically by public opinion and strongly challenged by many specialists including economists, lawyers, management specialists and social scientists. They are, of course, defended by their sponsors and political promoters. One of the major problems has been lack of the necessary competencies at strategic level and executive levels of implementation. The reasons for this are twofold. The first is insufficient education in the field of public sector management amongst the people involved at all levels of the administrative reform process. This is due in large part to the fact that the programmes and training methods for future Polish administrators have not followed the evolution of the western developed world but are still largely dominated by the study of law. The second reason is that people possessing general managerial competencies are rare in the public sector. Management specialists have not been involved and have been kept away from the administrative reform process, which remains overwhelmingly dominated by lawyers and political scientists and by

legal and political considerations and ideological resentments. Two years ago an Association for Education in Public Administration (AEPA) was created and started to prepare new threshold standards for public administration undergraduate and graduate programmes to be officially approved by a ministerial Accreditation Commission. The guidelines give a quite new approach, which is much more managerial and interdisciplinary. Another important move in this direction was made by the Civil Service Office, which has persuaded the Polish Government to rejoin, after 50 years, the IIAS as a member state and help create a national Polish section. All these events are promising but the most important move, still to come, is the development of public management research studies. These need to be autonomous and interdisciplinary research programmes involving institutions specialising in theories of organisation and management. The latter must recover their leading position in this field, which they lost, and partly voluntarily abandoned, in the early 1980s just when New Public Management started its dynamic development. Research in HRM in the public sector and the relevance of a competency management approach is likely to become one of the most important priorities.

ENDNOTES

[1] This definition of public management is similar to that of Ott, Hyde and Shafritz (1991).

[2] The only case which can be considered as similar to some extent is the case of Guinea (Conakry) after the death of Sekou Toure in 1984.

[3] BA degrees did not exist during this time in Poland and all university programmes were awarding a MA degree after five years of study.

[4] The Polish theorist of organisation Karol Adamiecki (1866-1933) belongs to the precursors of this science along with Frederic W.Taylor and Henri Fayol. The Polish logician and philosopher Tadeusz Kotarbinski (1886-1981) has developed Praxiology - science of effective activity which generated the development of the Polish school of scientific management based on praxiological approach in the 1960s.

[5] The first meeting of EGPA was held in Warsaw in 1972.

[6] The self-government Employees Act was adopted 22 March 1990 in relation to the creation of local self-government on the communal level and extended to two other tiers created in 1998.

[7] The last Polish Constitution of 1997 is very restrictive concerning sources of law and gives a very limited regulative power to the Government. The latter can issue bye-laws only on the basis of a precise authorisation contained in a legislative act.

[8] The experience of developing countries can give an appreciation of the difficulties that have accompanied administrative reform in the context of economic crises, transition from one-party political systems to pluralist democracies and from state owned and controlled to market economies. There are also some useful lessons to learn about international and bilateral technical co-operation.

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PART III

CONCLUSIONS

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Competency Management in the Public Sector
S. Horton et al. (Eds.)
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Competency Management: The State of the Art in the Public Sector?

Annie Hondeghem

This book started with the aim of describing and assessing the state of the art of competency-based management (CBM) in the public sector in Europe. There was evidence that the word competency and the idea of competency management was widely discussed amongst public managers (OECD 1996) and that practices in the private sector were a benchmark for more progressive personnel and HRM departments. CBM appeared to be becoming very popular in the public sector. The questions we sought to answer were: how widespread was the use of competency management, what were the experiences with CBM, is CMB different in the public sector from the private sector and what problems, if any, were being encountered?

THE SPREAD OF CBM IN THE PUBLIC SECTOR

In the Human Resources Management (HRM) literature, competency management ideas are very widespread. Some scholars even talk about a paradigm shift from a job-based to a competency-based organisation (Lawler 1994). The reasons for this shift have to be found in significant changes in society, such as the evolution towards knowledge and service work, globalisation and increased competition, the rapidly changing economic environment which demands greater flexibility from organisations and the flattening of organisations which implies a revision of traditional organisational careers. As with most HRM ideas, the competency movement started in the private sector where one of the purposes of CBM is to gain a lead on one's opponents as it is assuming that the competencies of the organisation and its employees make the difference. The words 'competition' and 'competence' are indeed semantically very similar.

In the public sector, where competition is less evident, it is still present. It takes the forms of competition to recruit and retain staff or human resources, competition for other resources, competition increasingly to win contracts and competition in league tables and organisational outcomes. Economy, efficiency and effectiveness, the traditional measures of performance in the private sector, has now become the mantra of the public sector too. This is the context that in part explains the attractiveness of CBM to public organisations. Notwithstanding the exposure of public organisations to private management ideas, there have been other pressures upon public managers to review their traditional approaches to people management. These include difficulties in obtaining and keeping staff in a rapidly changing public sector and tight labour markets, changes in the role of the state from provider to regulator or facilitator and in attitudes towards users, customers and consumers of

public services (from a producer to a consumer orientation). There has also been the opportunity for doing things differently and doing different things because of the advances in technology. Together with a shift in political culture and a move away from government to governance, public managers have been revisiting the question of what people do they need in the public services today. Other questions include what skills, experience, abilities and attitudes do public officials and workers need to enable them achieve their organisation's objectives? We think, therefore, that a focus on competencies would have happened anyway. The time was right!

Our first hypothesis at the start of this book was that CBM had spread throughout Europe's public services. This hypothesis must now be qualified, as it is evident that it is less widespread than we thought it would be. As in the case with other new management phenomena, we see a clear difference between countries that are more or less influenced by the Anglo-Saxon world and others that are not (Farnham *et al* 1996, Farnham and Horton 2000). It is clear from the first chapter that the competency movement started in the USA and UK. Therefore it is quite logical that CBM is found most in countries which adhere to the Anglo-Saxon traditions and where the English language is widely used in their educational and business systems. Of the nine countries covered in the book Britain takes the lead, with almost 95 per cent of public organisations at central government level using competency frameworks. There is also evidence that it is used in local government and other public organisations such as the NHS (Farnham and Stevens 2000). In some countries like Belgium, the Netherlands and Finland, CBM is clearly in the ascendant. In other countries, however, we can at most speak of experimental cases with CBM but not of general use (France, Germany). It is probably not a coincidence that these latter countries have a strong tradition of constitutional and administrative law as the relation between CBM and civil service law remains quite tense. In Poland, the only east European country, which is in the process of transition from a communist political and economic system to a liberal democratic polity and a market economy, CBM is not yet on the agenda. The debate there is still on the institutionalisation of traditional public administration and personnel management.

Although, therefore, we cannot speak of a general spread of CBM in the public sectors in Europe, some common trends are observable which can all be linked to the competency movement. A first trend is that competencies rather than formal qualifications are increasingly being taken into account by organisations. This supports the idea launched in 1973, by one of the founding fathers of the competency movement, McClelland, that competencies rather than academic qualifications should be considered in selection procedures (McClelland 1973). Competencies are in most countries defined in a broad way and imply skills, experience, attributes and behaviour as well as knowledge. Qualifications are more restricted to educational knowledge and titles. In most European countries, certainly in selection procedures, competencies are becoming more important than qualifications. This implies that traditional examinations and *concours*, as an instrument of personnel management, are losing importance in favour of instruments of assessing competencies. The tension between the traditional approach of the civil

service and the new competency-based approach was described very clearly in the French chapter.

A second general trend is that CBM is regarded as a leverage for change. Public administration systems, throughout Europe, have been subjected to major reforms over the last 20 years and are likely to continue to change in the future. CBM is supposed to support this change process. It is seen as a leverage to transform a traditional bureaucracy into a modern and flexible organisation. This is very clear in the Belgian case, where CBM is a key aspect of the reform process at federal level, as well as at the Flemish level. Competencies provide a common language and common understanding of the necessary and desirable behaviours needed to achieve organisational objectives. They are also seen as instruments to maintain coherence in a fragmented public sector.

The third general trend is linked to the second, as CBM is seen, in different countries, as a vehicle for bringing about cultural change and injecting more flexibility and adaptability and entrepreneurship into organisations. As in the case of HRM in general, CBM starts from the idea that people make the difference and that human competencies are the most important assets of an organisation. We see that in most countries a lot of attention is being paid to the development of employees, with stress being put on employee self-direction (empowerment) and responsibility in the search for excellence. Dialogue with line managers, who are becoming 'people' managers, is very important in this process. The German case study of Schleswig-Holstein provides a good example of this, where annual staff-manager discussions are not used for staff appraisal purposes but focus on staff development. The aim is to discuss the potential of staff and to consider their career development. The conclusion so far is that although we cannot speak of a general spread of CBM in public services in Europe, there is evidence that many ideas linked to the competency movement are in good currency.

HORIZONTAL AND VERTICAL INTEGRATION

One of the differences between traditional personnel management and CBM, according to the literature, is the idea of vertical and horizontal integration (Guest 1987). CBM links the individual competencies of employees to the core competencies of organisations and individual performance to the strategic aims of the organisation (vertical integration) while the instruments of personnel management are all linked and co-ordinated (horizontal integration). Starting from a competency framework for the organisation, rooted in its mission statement and corporate goals, individual competencies are derived and are the point of departure for selection, appraisal, development and reward. If we look at the country studies in this book, however, we must conclude that the goals of vertical and horizontal integration have not been fulfilled. With the exception of the senior civil services of Britain, Belgium and the Netherlands the orthodox HRM approach that one should start from a competency framework, which reflects the reform programmes of government, is not found in all countries. Some countries, like France, even have negative experiences with competency frameworks, which are considered as overly bureaucratic instruments. In most cases competencies are defined in a pragmatic and

ad hoc way. Sometimes they remain implicit and are not formalised as described in the Finnish case on the higher educational system. In those countries that work with competency frameworks, the experience is that it is often a difficult process to identify competencies and to construct competency frameworks.

Another finding is that competencies do not provide the basis for all personnel instruments. Competencies are most common in selection and development and to a lesser extent in appraisal. Competency-based pay systems are quite unusual in the public sector and even in Britain, which has the most advanced system of CBM and where performance-related pay has been a policy since 1988 in the civil service, an element of competency-based pay has only recently been introduced. In countries, like Belgium, where it is planned to be introduced, it remains to be seen whether this will be successful. Several writers and practitioners also doubt whether it is a good idea to have competency-based pay systems (Horton 2002, Van Beirendonck 2001). First, there are still a lot of methodological problems in measuring competencies and different degrees of competence. Second, it might have negative effects on teamwork and the motivation of employees who are not rewarded. Third, it might interfere with other uses of competency frameworks, such as staff development.

Whilst horizontal integration is problematic, this is even more the case with vertical integration. The organisational approach and debate on core competencies in the public sector in Europe is still in its early stages. This is linked to the fact that strategic thinking in the public sector is less developed and more recent than in the private sector. There are reasons for this, which have been examined in the British context by Isaac-Henry (1999). His observations, however, are relevant to all political systems. In the absence of clear mission statements and corporate goals it is not surprising that core organisational competencies have not been identified. Other scholars (Emery 2002, Hood 2002) have pointed out that too little attention is given to organisational and team competencies in the public sector. The focus is still on individual learning and performance. This stems in part from the psychological approach to learning and performance pioneered by McClelland and other psychologists who launched the field of competency management. Here the underlying assumption is that the individual is the primary unit of analysis in understanding organisational performance (Athey and Orth 1999). It is, however, important to define first the competencies of the organisation (its vision, mission and goals) and then to derive individual competencies from these. Definition of competencies at team level can also offer an interesting line of thinking. Indeed it may be sufficient that competencies are available in a team and it is not necessary that everybody in the team have all the competencies. Otherwise one is often looking for 'white magpies' which do not exist. Diversity within a team is a strength and not a weakness for an organisation. Instead of cloning all individuals to the same profile, it can be an added value for an organisation when people with different competencies are working together. Instruments to assess, develop and reward teams, however, are not yet generally available or used in public organisations.

SPECIFICITY OF THE PUBLIC SECTOR

CBM has been copied from the private sector and the question is whether there is a different approach in the public sector. Are there context specific competencies used and are there different personnel instruments required? There is no evidence of a straight transplant, although significant similarities in language and use of competency-based assessment, appraisal and development are evident. What are more significant are the many differences amongst the public sectors in our study. If we compare the competency framework of the British Senior Civil Service, for example, with that of the Senior Public Service in the Netherlands, we see much more attention is paid in the Netherlands to the specific (political) environment top civil servants operate in than is the case in Britain. This can probably be explained by the fact that the British public sector has been modelled on the private sector for some years and the idea of generic management is also more widely accepted. Noticeable by its absence in the British SCS framework is any reference to the political aspects of dealing with power and political sensitivity, which are crucial for all top civil servants. The Dutch system, in contrast, does identify as one of its 'magnificent seven' core clusters of competencies 'affinity with public sector management'. Boyatzis (1982), one of the fathers of competency management, emphasised strongly the need to ensure congruence between the competency framework and the organisation it is to serve.

It is also striking that in some countries great importance is still attached to professional and technical competencies, whilst in others the focus is on social and personal competencies. In the German Schleswig-Holstein case, its competency framework has four categories of competencies. There is great stress on professional and technical competencies, which are linked to the concept of bureaucracy where technical and legal expertise of public servants is its main characteristic. Countries where this point of view is neglected can be criticised for that (Hood, 2002). A professional administration needs indeed not only personal and social skills but also technical and substantive knowledge. Knowledge and understanding of the policy sector in which they operate can be considered a crucial competency for all civil servants, including top civil servants.

In assessing competencies, no real differences are found between the private and the public sector. Instruments such as 360° evaluation, assessment centres and behavioural event interviews are used to an increasing degree in public services in Europe. An important question, however, deals with the model of government, which is taken as the starting point for the development of competency frameworks. As CBM has been modelled on the private sector, there is a chance that competency frameworks implicitly start from the enterprise model. Consultants who support and assist with the introduction of CBM in the public sector often take this model for granted. Competency frameworks with a strong corporate management orientation, however, tend to be very inward looking (Hood 2002). An over-emphasis on management to the exclusion of the other roles of civil servants and public officials can produce very narrow competency frameworks.

In some chapters (Germany and Italy), it is stressed that the vision of government has major implications for the competencies that are needed. Until recently the New

Public Management model was the most propagated model but now the governance model is gaining ground. These two models start from different visions of the role of government in society. In the NPM model values such as efficiency, effectiveness and economy are central; in contrast in the governance model the interaction and dialogue between government and society (the stakeholders) is crucial. As is pointed out in the German chapter, the governance model requires new competencies from public servants such as networking, orientation towards partnership, negotiating skills and so on.

After the vision of government, the institutional and political context of government also has an impact on the competencies needed. For example, it probably makes a big difference whether there is a coalition or a single party government and whether there is a strong central steering or not. It is all the more obvious that in countries in transition, like Poland, other competencies are required from public servants than in developed countries. Also new trends like Europeanisation and globalisation have their impact on the competencies needed. This was clearly demonstrated in the Italian chapter.

Some scholars have claimed that competency management is 'insensitive' to context and neglects public sector ethics, since its adherents project a type of behaviour that is categorically positive. They deny that behaviour may have both negative and positive associations, dependent upon context and an underlying interpretative structure that evaluates how actions should be understood. The neglect of context can promote behaviour that is inappropriate or undesirable in the public sector. The danger is to view competencies as neutral techniques. They are far more than this. They are in effect political actions that influence behaviour, actions, approaches to work and work itself (Townley 1999). Competencies are a mechanism to effect political change and should be recognised as such.

So the vision of government, as well as the institutional and political contexts, have an impact on perceived organisational and individual competencies. There is little evidence in this study, however, that this debate is present in public services in Europe. This should, however, be the most important debate. In the second chapter, Emery gives an impetus to a specific approach of competency management in the public sector. He uses the image of a tree that has its roots in the soil, which consists of a trunk, limbs, branches and leaves. The soil is the environment of government, the trunk is the public organisation, the limbs are the units within an organisation, the branches are the teams and the leaves are the individuals. This image can help to root government competencies in the specific political environment, link organisational competencies to team competencies and then in turn to individual competencies.

SOME OF THE PROBLEMS ENCOUNTERED

CBM has been applied now for some years in areas of the public sector throughout Europe and some problems have been encountered. We can make a distinction between scientific and practical problems. The introductory chapter made clear that there is still a lot of confusion about the idea of competence/competency, while the

concept of 'core competence' is used in different ways in the literature. The construct validity and measurement of different competencies is another common problem to be solved. Criticism has been levelled at competency frameworks, both in terms of method and conceptual assumptions. One criticism is that they are too static, not future focused, identify a limited range of easily measurable competencies and provide more insight into the correct behaviours that are rewarded by management than into what effective performance should be in the future (Townley 1999). Others criticise an oversimplification that is an insult to the complexity of human personality and cite the importance of the social context for the exercise of competencies (Antonacopoulou and Fitzgerald 1996). Above all, however, there is the problem of empirical evidence (Horton 2002). It is expected that competency management benefits organisations but there is very little empirical evidence to substantiate this statement. This was made very clear in the Swedish and the Italian chapters, where there is a difference between the competencies defined in the competency frameworks and the competencies used in daily practice. Competencies are partly social constructs, which are built on ideal types and models of organisations, but they are not tested in practice. The scientific problems of CBM are the same problems that are encountered by HRM in general. These include lack of clarity of concepts, the normative and prescriptive nature of HRM theories and lack of empirical evidence in support of HRM, all of which are criticised in the academic literature (Brewster, 1994). CBM like HRM is often more a matter of faith than a validated practice.

Many practical problems of CBM have also been mentioned in the different chapters. CBM is not yet part of daily operational management and line and senior managers do not always accept ownership of competency management. There is often a huge gap between the constructions of personnel services and their application at operational level. As the British case study showed it is important to carry all the stakeholders with you when constructing competency frameworks, that includes top managers, line managers, trade unions and staff. Failure to do so almost certainly means difficulties in implementation. For line managers, CBM is not always regarded as providing added value to the organisation. As was stated in the Dutch chapter, this seems to be an important challenge for the future.

Another practical problem is the integration with performance management. A lot of effort has been made in recent decades by public organisations to adopt performance management. The idea is that public organisations should be evaluated on their outputs and results and not their inputs. The focus of competency management, however, is on inputs and what people bring into their jobs. The question is how both approaches, performance and competency management, can be integrated in ways that ensure both outputs and inputs are taken into account.

A third problem deals with the danger of a new bureaucracy. Construction of competency frameworks and assessment of competencies require new instruments that sometimes risk becoming ends in themselves. Like all bureaucracies CBM holds the danger of becoming rule bound, time consuming and over proceduralised. In Britain, which can be considered the pioneer of public CBM in Europe, major efforts have been made to simplify competency frameworks and make them more user friendly. In particular, they have provided examples of both positive and

negative behaviours to help managers and peers in identifying standards of performance. Maybe, however, it is important to return to what can be considered as the essence of competency-based management. This is the idea that people are the 'human capital' of public organisations and that they should have every opportunity to use and develop their talents, with a view to providing better services to the public. CBM should not be introduced because it is a fad but because it has the potential for real added value to individuals, the organisation and society.

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List of Abbreviations

AEPA	Association for Education in Public Administration
BEM	Business Excellence Model
CAF	Common Assessment Framework
CBM	Competency-based management
CCS	Chief of the Civil Service
CIPD	Chartered Institute of Personnel and Development
CMI	Chartered Management Institute
CMS	Competency management system
CSC	Civil Service College
CSMB	Civil Service Management Board
DAs	Departmental agencies
EFQM	European Foundation of Quality Management
EGPA	European Group of Public Administration
ENA	Ecole Nationale d'Administration
EQ	Emotional intelligence
FGD	Federal government departments
GPEEC	Gestion prévisionnelle des emplois, des effectifs et des compétences
GTZ	German Agency for Technical Co-operation
HRM	Human Resource Management
ICT	Information & communication Technology
IIAS	International Institute of Administrative Sciences
IiP	Investors in People
IQ	Intellectual intelligence
KGSt	Local Government Centre for Management Studies
MCI	Management Charter Initiative
MD	Management Development
MDC	Management Development Consultant
MEDEF	Mouvement des Entreprises Françaises
MCI	Management Charter Initiative
MPA	Master in Public Administration degree
NCIES	National Centre for Improvement of Executive Staff
NCVQ	National Council of Vocational Qualifications
NDAs	Non-departmental agencies
NGO	Non governmental organisation
NPM	New Public Management
NSPA	National School of Public Administration
NSSB	National Skills Standards Board

NVQ	National Vocational Qualification
O*Net	The Occupational Information Network
OECD	Organisation for Economic Co-operation and Development
PLOEG	Planning, Leadership, Follow-up, Evaluation and Reward (Dutch)
PUMA	Public Management Service
SCS	Senior Civil Service
Selor	Selection and Orientation Office
SPS	Senior Public Service
SWOT	Strengths, weaknesses, opportunities and threats
VAE	Validation des acquis de l'experience

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