

**The Effective Use of Competencies  
In the Irish Civil Service**

**CPMR Discussion Paper  
19**

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In the Irish Civil Service**

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## Foreword

This paper is the nineteenth in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the Departments of Finance, the Environment and Local Government, Health and Children, the Taoiseach, and Public Enterprise, and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found on its world wide web site: [www.irlgov.ie/cpmr](http://www.irlgov.ie/cpmr); information on Institute of Public Administration research in progress can be found at [www.ipa.ie](http://www.ipa.ie).

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We would also like to thank Karen Isaac for her help in the preparation and presentation of the paper and the IPA's publications division for its production.

Responsibility for the content of the paper, however, rests with the authors.

**Michelle Butler and Sile Fleming**

**January 2002**

## Executive Summary

This research explores the development of competency-based human resource management (HRM) in the Irish civil service. It builds on the research outlined in three previous CPMR discussion papers, on key HRM challenges facing the Irish public service, flexible working in the public service and the development of personnel management in the civil service.

The paper begins by exploring some of the concepts of competency-based approaches to HRM. Three issues outstanding in the literature are identified:

- whether competencies should be understood as behavioural traits or personal dispositions, or whether they should relate to a specific body of knowledge and skills required to do a job effectively
- whether competencies should refer to a minimum standard required or to the characteristics of proficient or excellent performance
- how broad or narrow competency statements should be, the danger being that if too broad they can be difficult to apply to specific situations, but if broken down into too many criteria they can become atomised or result in unmanageable lists.

Current thinking is explored on the potential of competency-based management (CBM) to enable organisations respond to the challenges presented by globalisation, increased competition and constant change. It is suggested that CBM can enable organisations to build internal capacity to respond to such changes by identifying, building and leveraging new competencies, empowering individuals within organisations and encouraging innovation.

Changing perspectives on HRM are explored as is the shift towards ‘soft’ approaches aimed at unleashing the potential that each individual can bring to the organisation. In addition, the review examines the role of competencies in the development of integrated HRM. In the same section of the report, current thinking on approaches to developing competency profiles and identifying competencies is discussed, in order to develop a framework for the effective use of competencies which can inform employee development and employee resourcing activities.

The research then explores the development of competency-based HRM in the Irish civil service. Recruitment and selection is the area where most development in this regard has taken place. Currently, competencies are used as the basis for all aspects of recruitment to most civil service positions and to several local government and specialist positions. Competencies are also used in open competitions for promotion and for some internal promotions. The findings suggest that, in general, the approach has been well accepted by those who have been involved in the process to date, either as interviewers or interviewees. The perceived benefits of the approach include the provision of a holistic view of the person and a greater focus on the fit between what the person can do and the requirements of a job, and greater transparency, fairness and objectivity in the process. Nonetheless, it is also suggested that the process could be improved, particularly in relation to improving its predictive reliability.

The research also outlines competency frameworks developed in three departments. The focus is on how these systems were promoted within departments, the range of competencies identified within frameworks and the process of using competencies. Also included in the review of competency-based HRM is the development of the Performance Management and Development System (PMDS), which was launched by the Taoiseach in May 2000. In the light of the development of an integrated competency-based approach to HRM, as outlined in Chapter Two of this paper and in the Programme for Prosperity and Fairness (PPF), a comparison is undertaken of the competencies found in the PMDS and those found in other competency frameworks used in the civil service. This comparative review highlights the similarities that exist between the various competency frameworks. Integration of the frameworks is possible, but integration should allow departments the flexibility to tailor generic competencies towards the business that they do. Achieving a balance between developing competencies that are relevant to those using them, and competencies that are sufficiently generic to preserve the civil service as a unified system in HR terms, is identified in the research as a particular challenge for managers.

The research also explores current thinking and current trends in the development of competencies in other public administrations, with a view to informing thinking on how CBM might be developed further in the Irish civil service. The critical success factors in the development of approaches to CBM highlighted on the basis of international experience to date relate to:

- leadership and top-level commitment to the process and employee participation in the development of frameworks
- effective communication at all levels in the development of profiles and regular feedback to individuals on their performance
- clear links between competencies, business plans and organisational objectives, and clarity about roles, work responsibilities and standards of behaviour required of employees
- clarity about the roles of managers and employees in the CBM approach
- an emphasis on training and developing people, rewarding good performance and dealing with underperformance
- integration of competencies and CBM into HR strategies
- monitoring and evaluation of the effectiveness of the approach and its implementation and integration.

## Introduction

### 1.1 Setting the scene

Over the past two years, the Committee for Public Management Research (CPMR) has undertaken a series of research studies to promote and help to inform debate on the key human resource management (HRM) challenges facing the Irish public service. The first of these studies, CPMR Research Discussion Paper No. 10 (Humphreys and Worth-Butler, 1999) identified a number of key HRM issues which warranted more detailed research. Since then, two further studies have been undertaken, *Flexible Working in the Public Service* (Humphreys, Fleming and O'Donnell, 2000, CPMR Research Report No. 3) and *From Personnel Management to Human Resource Management: Key Issues and Challenges* (Fleming, 2000, CPMR Discussion Paper No. 16) which focuses on the decentralisation and devolution of HRM and the professionalisation of the HR function. This fourth detailed study in the series focuses on the role of competencies and the process and challenges involved in identifying and developing competencies.

The development of competencies in the Irish civil service began in the mid 1990s with the Civil Service Commission developing competencies for use in recruitment. The competencies are grade-based and to date competency profiles for most grades up to assistant principal level have been compiled. Plans are in place to cover the staff officer and principal officer grades. The profiles are used as the basis for all aspects of recruitment and advertising. Application forms and pre-application briefing material are based around the key competencies identified. The profiles are also used as the basis for selection tests and for interviewing candidates. In addition to recruitment, profiles are used for internal competitions (promotions).

The Top Level Appointments Committee (TLAC) is also in the process of developing competencies to be used for assistant secretary and secretary general competitions. Although competitions were previously based around the requirements for particular roles, it is envisaged that the use of competencies will provide a more systematic approach and will ensure that both grade and role requirements are identified.

In May 2000, a centrally designed performance management and development system (PMDS) for all government departments and offices was launched by the Taoiseach. The formal launch, which was the culmination of three years of consultation between management and the unions, was followed by a detailed series of dissemination events and mechanisms to promote understanding within departments and agencies of the purpose of the new system and the process to be used. The initial focus of the new system is directed at the introduction of role profiles and competencies. Broadly, the system will be concerned with clarifying the contribution that each role contributes to the achievement of organisational objectives; identifying the competencies (knowledge, skills and behaviours) required to perform the role; and the delivery of training and development to enable staff to acquire the identified competencies. While there is no specific deadline for the full implementation of the system, under the *Programme for Prosperity and Fairness* (2000) the payment of additional pay increases will be dependent on, among other things, the implementation of this system. It is intended that the sub-group of General Council which was set up to design the system will continue to play a monitoring role, in order to assess the issues arising from implementation and to inform thinking as to how the new system could be linked to an integrated HRM strategy.

In addition to the work being promulgated centrally, a small number of departments had already undertaken initiatives to introduce competencies before the launch of the PMDS, including the Department of Foreign Affairs, the Department of the Environment and Local Government and the Department of Public Enterprise. This research also includes these systems in its review of the current use of competencies in the civil service.

## **1.2 Rationale for study**

The need for and benefits of an integrated approach to the development, management, promotion and mobility of staff was highlighted by Humphreys and Worth-Butler (1999, CPMR Discussion Paper No. 10) and Fleming (2000, CPMR Discussion Paper No. 16). The use of competencies as a basis for decision making in this range of key HR activities has increased in both the private and public sectors since the mid-1980s. Typically, competency profiles are produced through competency studies that are designed to identify ‘clusters’ of knowledge, skills and attitudes that are required to perform particular roles or jobs.

Research into the effective use of competencies has the potential to inform a number of developments currently taking place in the public service. Within the civil service, there is evidence of a shift towards competency-based approaches in some HR activities. For example, in recent inter-departmental competitions, as well as in internal competitions in some departments, competency profiles have been developed and used to inform selection techniques. Similarly, under the performance management and development system in the civil service, competencies form one of the key aspects of role profiles, which will be used to develop and manage performance. Best practice would suggest that the effective use of competencies is maximised where there is co-ordination and integration between competency-based approaches to different HRM activities, including employee resourcing (recruitment, retention, mobility, promotion) and employee development activities. The identification of a framework which would assist in developing such an integrated approach is therefore of benefit in informing a wide range of HR practices. While the analysis in this paper primarily focuses on the civil service, it is anticipated that many of the concepts and issues raised also have relevance to similar developments taking place in the wider public service.

### **1.3 Terms of reference**

The terms of reference for this study were that it should include:

- (a) A focused analysis of relevant national and international literature to identify best practice approaches which use competencies to inform decision making in employee development and employee resourcing activities.
- (b) An analysis of the challenges involved in:
  - identifying and developing competencies and competency profiles
  - linking competency profiles with employee resourcing and employee development activities
  - identifying how competency-based approaches to employee development and employee resourcing can be most effectively integrated and co-ordinated.
- (c) An overview of the existing and proposed future practices in relation to the usage of competency-based approaches in the Irish civil service.
- (d) Based upon the information gathered at each level of the research, a proposed framework to assist departments in:
  - the use of competencies to inform employee development and employee resourcing activities

- integrating the use of competencies across employee resourcing, employee development and performance management processes.

#### **1.4 Research approach**

The research approach for this project comprised:

- A review of the literature regarding the development and use of competencies in employee resourcing and employee development activities and the identification of best practice approaches to these issues.
- A focused analysis of relevant developments in Ireland and other OECD countries in relation to the usage of a competency-based approach to HRM activities.
- Interviews with representatives who are involved in the promotion, development and use of competencies in HRM, from central and local government departments, the Office of the Civil Service and Local Appointments Commissioners and the Top Level Appointments Committee

In Chapter Two, the role of competencies in integrated HRM is explored and a number of considerations in terms of best practice are identified from the literature. In Chapter Three, the range of competency-based approaches being developed in the Irish civil service is explored and particular issues to be addressed are identified. In Chapter Four, the range of approaches being taken across several other administrations is explored, in order to identify potential issues and lessons to be learned. Chapter Five, by way of conclusion, draws all of the findings together and identifies key issues to be addressed in taking competency-based HRM forward in the Irish civil service.

## The Development of Competency-Based Approaches

### 2.1 Introduction

In this chapter the aim is to outline the development of competencies and competency-based management in public and private organisations over recent years, describe the context in which that development has taken place and explore current thinking on the effective use of competencies. The chapter begins by exploring the terms competence, competency and competencies and the competency-based approach is set in the context of the potential benefits to civil service organisations and civil servants alike. Further, it is argued that competencies have an essential role to play in facilitating an integrated approach to HRM, in shifting the emphasis in management from compliance and control and in enabling individuals to reach their full potential within the organisation. The chapter concludes by outlining current thinking on good practice in developing competencies that really matter.

### 2.2 Competence, competency and competencies

The terms competence, competency and competencies are used in different ways in the literature, perhaps reflecting some degree of confusion about the differences between the three concepts. Hollis and Clark's (1993) summary of principles and terms in the competency-based approach is useful in this regard:

- 'People are either *competent* or incompetent, to do a task. The 'competent state' is capable of definition and assessment.
- People hold, or lack, a particular *competency* (which may be capable of definition at different levels of expertise).
- People have, or do not have, *competencies* to do a job. These competencies may include a wide range of particular competency areas and may specify levels of expertise within each competency.
- People demonstrate their *competence* by their occupational behaviour (performance)' (Hollis and Clark, 1993).

In particular, there are three issues outstanding in the literature. Firstly, should competencies be seen primarily as behavioural traits or personal dispositions, or rather

should they relate more specifically to the knowledge and skills required to perform a job effectively? Boyatzis for example refers to competencies as:

An underlying characteristic of a person in that it may be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge which he or she uses (cited in Garavan et al, 1995, p.534).

Hoffmann (1999) uses the term 'competency' to refer to this 'behavioural' approach, which he suggests is more likely to be used in the private sector. Parry's (1996) definition of a competency is along the lines of the 'standards' approach:

... a cluster of related knowledge, skills and attitudes that affects a major part of one's job, that correlates with performance, that can be measured against well accepted standards, and that can be improved via training and development (p. 49).

The second issue is whether competence is a minimum standard, or demands the attributes and capabilities found in proficient or excellent performance. The concern is that in expressing competence as a minimum standard it might be seen as a 'lowish' standard (Jessop, 1991) and would be less likely to encourage optimum performance. However, in using artificially high standards, individuals may be excluded who would otherwise be capable of fulfilling a role. To get over this issue, some occupations use 'threshold' and 'optimum' standards. Threshold standards would be the minimum required to be considered capable, but an individual would then be expected to develop further towards optimum levels.

The third issue relates to how broad or narrow competencies should be. The concern is that, if competency statements are too broad and vague, it is difficult to apply them and to make judgements about them. On the other hand, if competencies are broken down into too many criteria, the list can become unmanageable. The approach taken in some occupations is to identify a small number of key or 'core' competencies as broad statements, which are then broken down into more specific statements relating to aspects of roles, functional areas, or 'domains' to provide evidence of capability (domain-referencing).

Parry (1996) suggests that a competency must comprise *related knowledge, skills and attitudes* to be effective. For example, he suggests that developing competency in effective time management involves *knowledge* (how much an hour of one's time is

worth), *skills* (how to prioritise, delegate etc) and *attitudes* ('doing everything isn't as important as doing the 20 per cent that contributes 80 per cent to the organisation's effectiveness') (p.50). He also stresses that a competency must be something that affects a *major* part of a job. Thus for example, if a particular task is a non-critical or an infrequent element of a job, there may be limited merit to spending time and effort in developing competencies required to complete such a task. Finally, Parry suggests that a competency must not only correlate with performance on a job but also be capable of being both *measured* against well-accepted standards and *improved* through training and development.

Throughout the competency literature, there is a particular tension as to whether the 'softer' aspects of competence should be included in competency frameworks, or whether the emphasis should be on standards of performance or 'hard' job-specific abilities. For example, while authors such as Parry (1996) suggest the focus should be on competencies that are clearly measurable and that can be targeted in training, other research (see Butler, 2001) highlights the importance of the less tangible, softer attributes necessary to be consistently effective in a role across different contexts and over time.

### **2.3 The growing interest in competencies and competency management**

Over recent years there has been a growing interest in the use of competencies and competence management and a general acceptance that to be effective, organisations must be able to attract, retain, develop and effectively manage the very best people. There is also a greater understanding of the link between success and approaches to management that emphasise the vital contribution required of employees if organisations are to meet their objectives (Pickett, 1998, Baruch, 1998). The increasing importance of competency-based approaches in both private (Lawlor, 1994) and public sector organisations (Hondegheem and Vandermeulen, 2000) can be linked to four forces:

- a change in the nature of work from mass production to consumer friendly production and service work
- growing competition between organisations due to globalisation
- organisations being forced to change rapidly because of the changing environment
- traditional organisational careers being revised due to flatter organisational structures.

Hartle (1995) suggests that since the 1980s organisations have become more performance-oriented with an increasing focus on outputs, linking job performance to organisational objectives and performance bonuses. However, he suggests that many organisations have not yet moved on from this, to a focus on continuous improvement, viewing employees as the most important asset, and looking at new ways to motivate staff and to manage the work environment – the features of successful organisations. Further he suggests:

Successful organisations will be characterised by ‘empowered’ rather than ‘command and control’ environments and will provide a climate which encourages innovation, flexibility, team-working and quality of delivery. They will be customer rather than supplier driven. They will adopt team-working and networking approaches and rely increasingly on the specialist knowledge of their workers and the ability of their managers to ‘add value’ by harnessing and developing that knowledge (Hartle, 1995, p.46).

The focus on competencies is reflected in several schools of thought over recent times (as outlined by Horton, 2000a). The strategic management approach became popular in the 1970s and 1980s in the US and was seen as the key to competitive success. Thinking also turned to how organisations could predict, understand and respond to market changes in order to remain successful. In addition to analysis of the external environment, the need to ‘identify and mobilise’ internal resources, including human capital, was recognised. Of particular interest from the point of view of this study are the ‘resource-based school of economics’ and the ‘distinctive competence’ idea. The central premise in the resource-based school is that ‘organisations are accretions of specialised resources that can be used to gain a privileged market position’ (Horton, 2000a, p.308). However, an organisation’s resources are only competitively important to the extent that they are ‘valuable, rare and difficult to imitate’ (Horton, 2000a, p.309, citing Barney, 1997). The need then to be able to identify and develop the organisation’s core competencies and capabilities in order to successfully exploit their resources, is the central theme of the ‘distinctive competence idea’ as developed by Prahalad and Hamel (1990; 1993; 1995).

As Horton (2000a) suggests ‘All organisations have different types of resource 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’ (p.309). Further, she suggests that the latest thinking in the US is that ‘sustainable competitive

advantage in the long run is seen to arise from the ability to identify, build and leverage new competencies' (citing Sanchez and Heene, 1996a; 1996b).

Emphasising leadership, people, structures and culture as key factors (see Figure 2.1), Brodtrick (1991) and Hunt (2000) identify several critical attributes in successful organisations. Brodtrick's analysis is based on well-performing government organisations in Canada; while Hunt focuses on Atticus's (2000) findings on organisations that are able to respond to change – 'change-able' organisations.

One of the latest concerns for organisations is the pace of change and their ability to respond effectively. The pace of change also affects public sector organisations. A key issue for them is their ability to respond to changes in the needs and priorities of citizens and in the environment in which services are delivered. Writing about 'change-able' organisations, Hunt suggests that:

Companies that develop their own people, resources and internal skills to initiate and manage change get the most benefit from change programmes. They anticipate what they have to do and go out and do it. They don't wait for competitive and technological pressures to arrive and engulf them – nor do they simply turn to outside consultants for salvation (Hunt, 2000).

Thus, for organisations to be effective and successful, a clear link is required between leadership, strategy and the development of internal capacity (including development and management of the appropriate skills and competencies) to deliver responsive services. People need to be given clear direction in terms of what needs to be achieved, and empowered, supported and developed to deliver those objectives. There needs to be an emphasis on continuous improvement and responsiveness to on-going changes. The use of competencies to effectively unleash latent potential within an organisation demands a link between strategic and personal objectives, frameworks that devolve responsibility and accountability and a focused approach to training and development. Pickett (1998) suggests that the successful organisations of the future will be those who value knowledge as an asset and who will have an environment and culture that actively encourages and rewards learning and the sharing of knowledge within the work-place.

Figure 2.1 The attributes of successful organisations

	<b>Well performing government organisations</b>	<b>Change-able organisations</b>
<b>Leadership</b>	<i>Participative leadership</i> – not authoritarian or coercive, ‘leaders envision an ideal organisation, define purpose and goals, then articulate these and foster commitment’ (Brodtrick)	<i>Effective change leadership</i> – from the top, with clear role responsibilities  <i>Selecting the right targets for change</i> – that fit with strategy, are measurable against identified benefits, focus on customers, competitors and/or cost
<b>People</b>	<i>An emphasis on people</i> – people are challenged, encouraged and developed ... given the power to act and to use their judgement.	<i>Developing an internal capability</i> – through seeking to learn, involving staff fully and developing a centre of excellence on change issues and techniques
<b>Structures</b>	<i>Building the right structure</i> – a stated policy for change that is supported by effective operational and business processes and is people-centric	<i>Innovative work styles</i> – staff are self-reliant rather than dependent on control from an outside authority.
<b>Culture</b>	<i>A mindset that seeks optimum performance</i> – People hold values that drive them to always seek improvement in their organisation’s performance  <i>Strong client orientation</i> – organisations focus strongly on their clients.	<i>Growing a change-sustaining culture</i> – clearly stated benefits and behaviours supporting the value of change.

Sources: Brodtrick (1991) Hunt (citing the work of Attica 2000)

## 2.4 Competencies and changing perspectives on HRM

Baruch (1998) highlights the short-comings of traditional 'hard' approaches to HRM where the emphasis is on making the best use of resources (including human resources) and aligning HR strategies with business plans. Baruch argues that this approach to HRM uses and involves people as passive actors. By contrast, the 'soft' approach emphasises that people are one of the key factors involved in whether or not an organisation can deliver, and that HRM must unleash the potential that every individual can make to the organisation. Thus the soft approach emphasises people as a valued asset, as proactive actors who can be trusted and who should be developed. It emphasises participation and empowerment and expects that in return for truly demonstrated leadership and commitment to people, people will demonstrate true commitment and loyalty to the organisation. While the hard and soft approaches are not mutually exclusive, Baruch suggests that it is the soft approach that has the potential to provide the leverage to move organisations forward, to change-enable them and to provide competitive advantage.

In this light Horton (2000b) suggests that competency-based management represents a cultural change towards greater employee self-direction and responsibility in the search for excellence rather than standard performance. Hondeghem and Vandermeulen (2000) give some specific reasons for introducing competency management into the public sector:

... competency management is a leverage for public organisations to transform their bureaucracies into efficient and flexible units. In a bureaucracy, the civil servant is just an anonymous being in a huge administration. A competency-based approach to personnel management puts the human being at the centre of attention and underlines the importance of human resources to reach the objectives of the organisation. Competency management can be a tool to change the bureaucratic culture in public organisations into a more personalised organisational culture (Hondeghem and Vandermeulen, 2000, citing Van Schaardenburgh and Van Beek, 1998).

Hartle (1995) suggests that it is not just the organisation but also the individual who stands to benefit from the competency-based approach. The organisation benefits from better planning, better communications, improved managerial capabilities an empowered workforce, focused development planning, better value for money, and improved performance at all levels. Similarly the benefits for individuals can include clarity about what they are required to do, better dialogue with managers and colleagues, better quality management, feedback and support, more freedom to decide on the 'what' and 'how' of performance, a structured framework for developing performance and potential, better recognition for doing good work and an opportunity to meet expected performance in a structured and consistent way.

Hondeghem and Vandermeulen (2000) suggest that, along with a shift to the competency-based approach, there has also been a shift to competency management. They suggest that rather than a *replacement* for performance management, it is appropriate to view competency management as *complementary* to performance management. It is suggested that competency management addresses many of the shortfalls of performance management, where the focus is on results and outputs, and that competency management supports the development of a strategic and integrated approach to performance management. Incidentally, the features of a strategic and integrated approach presented are: 'an integration of HRM with the strategy of the organisation; a coherent HRM policy across policy areas; and adjustment, acceptance and use of HR practices by line managers and employees as part of their every day work' (Hondeghem and Vandermeulen, 2000, p.345).

Within competency-based HRM, Hondeghem and Vandermeulen (2000) suggest that there are three possible roles for the HR function. The first is the customer service model, where HR managers serve line managers as customers. The second is the organisational development or consultancy model, where the HR officer functions as an internal consultant to the line manager on a range of organisational issues. The third model is the strategic HRM model, where HR managers act as full members of the strategic management team, linking HR policy to agency mission, goals and policy.

## **2.5 An integrated approach to HRM – the role of competencies**

The development of an effective competencies framework can provide opportunities for individual and organisational growth and, in the longer term, can enhance the success of an organisation. More specifically, when used effectively competency-based approaches can act as a powerful development and motivational tool for staff. Research carried out in the UK in 1994 (see Garavan et al, 1995) highlights a range of motives for the introduction of competencies, which are illustrated in Table 2.1.

*Table 2.1 Reason for introducing competencies*

<b>Reason</b>	<b>per cent</b>
Performance improvement	28 per cent
Training and development	21 per cent
Culture Change	19 per cent
Better Recruitment	13 per cent
Qualifications/Standards	8 per cent

*(Source: Garavan et al, 1995, p. 539).*

Interestingly, while the most common reason for the introduction of competencies was to improve performance, the numbers who did so for recruitment and training and development purposes are also significant. In a study carried out by the Hay Group (see HR Focus, 1996) of competency practices in 217 companies, it was found that 90 per cent of companies used competency-based appraisal for employee development purposes, while 88 per cent used them to make selection or hiring decisions. This study also showed that almost 25 per cent of the companies surveyed had competency-based pay systems in place. Research cited by Pickett (1998) also highlights employee development and recruitment and selection needs as common motives for the introduction of competencies.

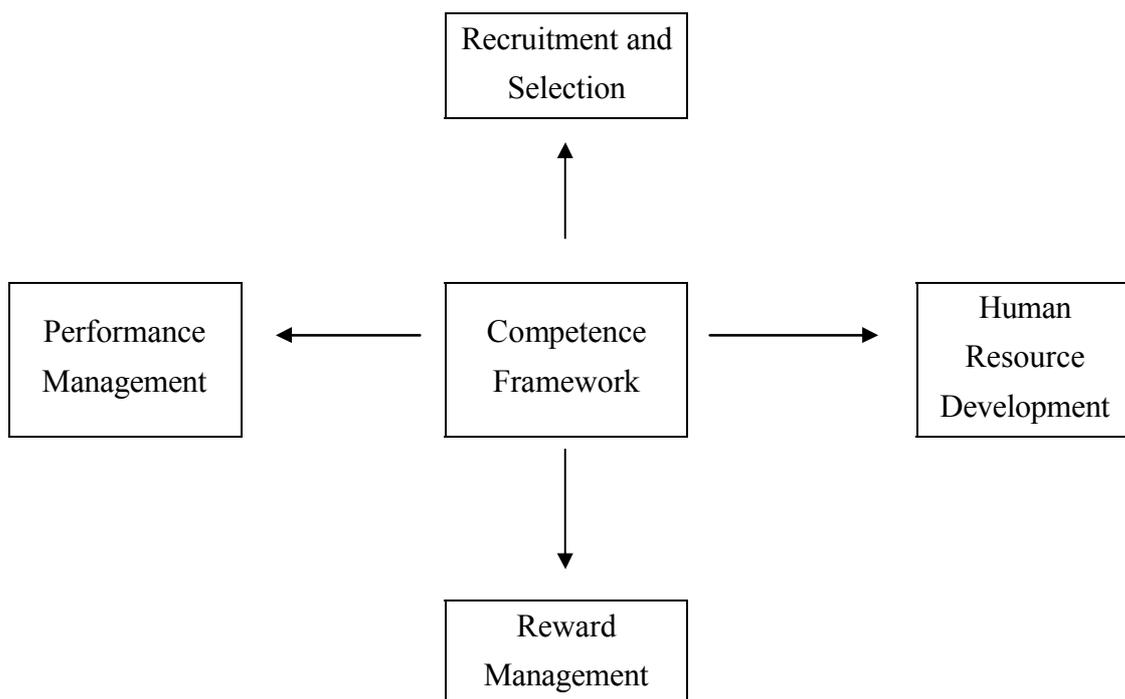
The potential role of competencies in achieving an integrated approach has been highlighted by Klein (1996):

Competencies align and integrate all HR systems if the behavioural standards of excellent performers become the foundation for recruitment, selection, pay, performance management, promotions and development (p.1).

Armstrong (1997) stresses that competencies lie at the heart of HRM since they are ‘directly linked to a fundamental aim of strategic HRM – to obtain and develop highly competent people who will readily achieve their objectives and thus maximise their contribution to the attainment of the goals of the enterprise’ (p.200). He suggests that a competence framework can provide an invaluable basis for integrating key HRM activities and achieving a coherent approach to the management of people, and illustrates this in a framework which is outlined in Figure 2.2.

Similarly, Mirabile (1997) argues that while competency models provide potentially valuable information, they will be useless if they are not promoted using a coherent and systematic implementation strategy, supported by appropriate structures and processes including HR systems. For example, if identified competencies are not linked to the performance management system, or if different criteria are used to select or promote people, confused signals will be sent out to employees as to what really matters in terms of behaviour and performance.

*Figure 2.2*



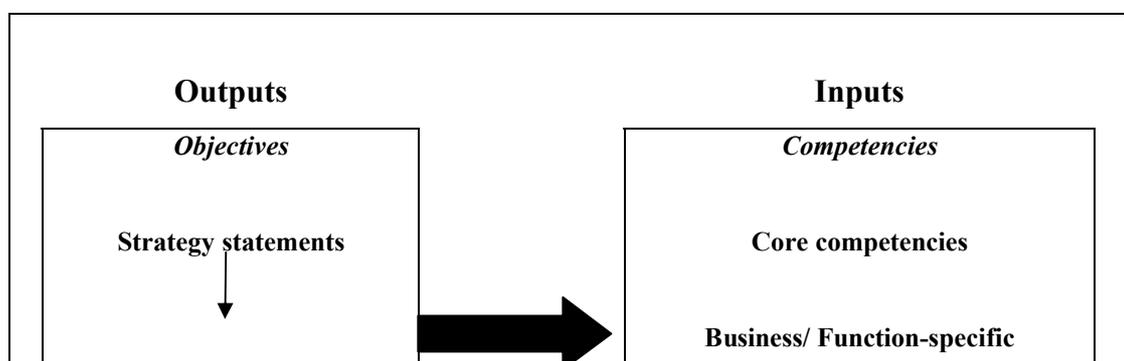
Clearly, when competencies are being identified, existing approaches to HRM activities, such as performance management, training and selection, should be considered in order to assess the level of ‘fit’ between these policies and competency-based activities. This is particularly important if a strategy-based approach has been used to identify competencies, i.e. where competencies are linked to the achievement of strategy.

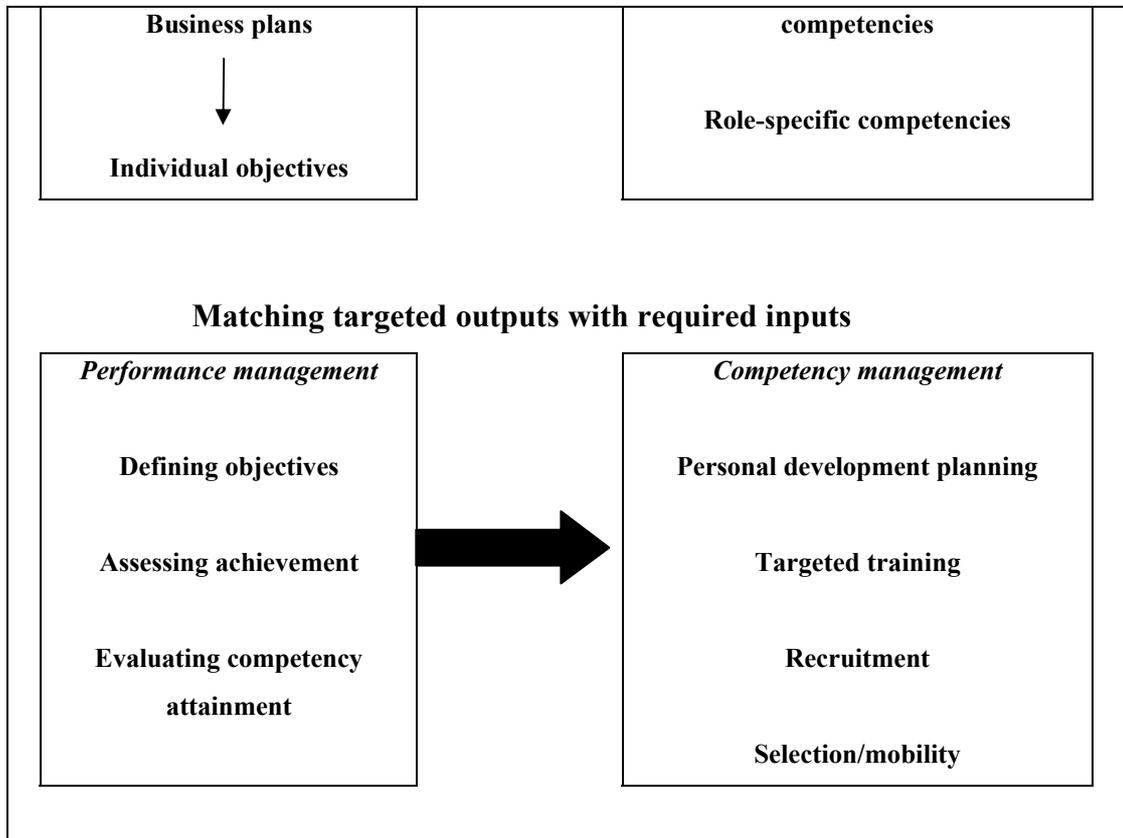
## 2.6 Linking outputs and inputs in integrated competency-based HRM

Clearly, the emphasis in performance management is on individuals, teams and organisations being able to demonstrate what has been achieved – the emphasis being on outputs and evidence of achievement. A further distinction is made in the literature between outputs and inputs and how the two are linked in integrated HRM. As previously outlined, Hondeghem and Vandermeulen (2000) make the distinction between performance management, which focuses on what has been achieved, and outputs and competency management, where the focus is on sourcing and developing the skills and competencies required to deliver the outputs.

Further, they suggest that it is appropriate to view the two aspects of HRM as complementary rather than competing. In an integrated approach to HRM, performance measurement is concerned with outlining the objectives to be achieved by the organisation in strategy statements, which are then reflected in business plan objectives and objectives set for teams and individuals. Thus, in integrated HRM (see figure 2.3) the focus of performance management is on outputs, and on setting out what needs to be achieved, which is supported through training, development, recruitment and selection in order to match the inputs required.

*Figure 2.3 Outputs and inputs in integrated HRM*





In describing competencies, it is suggested that they are best expressed as outputs. Accordingly, Hartle (1995, p.66) identifies three types of measures that can be used to describe competencies required for different jobs within an organisation:

- *output targets* – ‘hard’ measurable output targets often derived from accountability/ key result area statements
- *competencies* – the display of certain behaviours (e.g. initiative, achievement orientation) which are associated with superior performance in a job
- *tasks* – the completion of certain pre-determined tasks to the required standard.

Expressions of competencies such as these can form the basis of performance management and can be linked to training and development through personal development planning.

## **2.7 Towards a framework for developing competency profiles**

Having identified an overall framework for competency-based management (e.g. PMDS), the organisation then needs to translate identified competencies down to the individual job level. The process of doing so can be facilitated by a range of mechanisms including focus groups (e.g. for team-based projects), job-analysis interviews, questionnaires, examination of job descriptions and performance appraisal. An alternative approach to identifying competencies at the individual job level (Esque and Gilbert, 1995, p.46) is set out in figure 2.4. Regardless of the mechanism used, it is important that there is a 'fit' with the overall approach used.

### 2.7.1 Key challenges

While the approaches considered in section 2.7 are useful in assisting in the development of competency profiles, they will be of limited use if the organisation does not focus on 'identifying competencies that really matter' (Esque and Gilbert, 1995, p. 46). For example, best practice suggests that where too many competencies are identified, they become unusable or meaningless, with the result that they end up 'gathering dust on the office shelves' (Pickett, 1998, p. 106). Pickett (1998), for example, argues that it is very difficult to achieve significant performance improvement in more than two to three areas and suggests that it is essential to focus on the smallest number of critical elements that are important to a job.

### Figure 2.4 A process for identifying competencies that really matter

- Define the mission of the job – what is the ultimate product or service that results from this job? Does this product/service best describe how the overall job contributes to the organisation? How would I know if that mission had been achieved?
- Describe the major outcomes required to achieve the mission.
- Define performance standards for each major outcome. What are the requirements of success for each outcome? How can each requirement be measured? How well do the best performers perform against these measures?
- Identify known barriers to achieving the identified performance standards. What has prevented people from achieving these standards in the past? Which barriers, if overcome, will provide the greatest performance improvements?
- Determine which barriers will be best overcome by training the performer. Would

the barriers be best addressed by training or are there reasons other than training needs which are creating barriers e.g. lack of clarity in performance expectations, poor performance feedback, inadequate 'job tools'? Can these barriers be addressed through non-training means e.g. through the development of a continuous performance management process?

- Develop and deliver training. What is the briefest training that will allow the performer to overcome the targeted barrier?

*(Source: Esque and Gilbert, 1995)*

In other words, it might be argued that in terms of developing the right mix and number of competencies 'less is more'. This can be challenging however, as it may be difficult to identify core competencies which span grades and functions. At the same time, it should be borne in mind that the more competencies that are identified and the greater the diversity of competencies between individual roles, the more difficult it will be to monitor their effectiveness, to use competencies as a basis for HR decision making (e.g. training and development programmes, promotion decisions) in an effective and equitable manner, and to ensure a fit with the overall competency approach.

Finally, it should be recognised that the introduction of a competency-based approach requires considerable time and resources if it is to be successful. Research (cited in Garavan et al, 1995) suggests that the implementation of a competency approach typically takes between twelve and twenty-four months. Briscoe and Hall (1999) warn that many organisations become so embroiled in developing elaborate sets of competencies that they do not pay adequate attention to the implementation stage and lose sight of what they are actually trying to achieve.

### *2.7.2 Critical success factors*

There are a number of other factors that are critical to the success of competencies. For example, it is generally held that for competencies to be effective they must be integrated into all aspects of training. In other words, the design and delivery of training must support and complement the development of identified competencies. A number of contributors (see Pickett, 1998, Garavan et al, 1995) have identified other critical factors that are instrumental to the success of competencies, which are worth considering.

- Competencies should be related to realistic workplace practices as opposed to being based on characteristics, tests or training activities.
- They should be expressed as clear outcomes; an outcome is the result of an activity not the method or process used to achieve it. Competencies should be capable of being demonstrated, observed and assessed.
- Competencies frameworks should provide ‘a common language’. In other words the language used to describe competencies should be simple and capable of being both understood by and being relevant to managers.
- They should be capable of being transferred: regardless of whether they are related to personal effectiveness or specific occupational skills, they should be general enough to have the potential for transfer to other organisations or occupations.
- Effective communications, allied with strong support of top management, are key factors critical to the success of competencies.

### *2.7.3 Assessing standards against competencies*

Once competencies have been established, it is important that defined standards of performance, against which an individual’s attainment of a competency can be assessed, are established. There are two issues of importance in this regard. Firstly, it is important that outputs and pre-defined standards are established for each competency, so that it will be possible to specifically identify whether an individual has displayed evidence of the competency in question. While outputs may be relatively easy to establish for technical aspects of a job (e.g. proficiency in the usage of technology), it may be more difficult in the case of behavioural competencies such as leadership. In the case of such a competency, it will be necessary to identify the key indicators which would determine the effective display of a competency.

Secondly, having agreed upon visible outputs which would provide evidence of the attainment of a competency, it is also necessary to put in place mechanisms to rate the level of attainment of a competency. There are a range of evaluation mechanisms that can be used to assess the performance of an individual against pre-defined competencies. Mirabile (1997) for example outlines a number of approaches, and their associated shortfalls, that can be used to rate an employee’s competence against a competency profile. These include:

- Absolute rating scales – a range of ratings is used (typically on a scale of 1 to 5) against each competency to assess the competency level of an individual. The difficulty with absolute ratings is that they tend to produce ratings that cluster

around the middle of a scale and they are limited in the extent to which they can differentiate between performance levels.

- Forced-distribution rating scales: limits are imposed as to how many times a particular rating can be used for a job or employee.
- Paired-comparison ratings: these can be either be based on ranking of all competencies against each other according to their criticality to a job, or ranking of all employees against each other according to their effectiveness or competence.

Typically, the evaluation or ranking of proficiency in respect of competencies might take place during the performance appraisal process. In this context, as with any other rating system, it is critically important that employees are clear as to the purpose of such evaluation, particularly if competencies are to be used as a basis for more than one decision-making process.

## **2.8 Conclusion**

It is suggested in this chapter that developing competency-based approaches to integrated HRM is likely to be of tremendous benefit to civil service departments and to individual civil servants; a considerable amount of work has already been undertaken to develop and implement competency-based systems. This chapter has also identified a range of challenges and issues involved in the process of developing competencies. The range of approaches identified suggests that there is no one best approach to developing competencies, because the appropriate approach will vary depending on the strategy and values of the organisation, the nature of behaviours required to perform effectively and the nature of supporting HR systems. Nonetheless, it is possible to identify a number of key features which should be emphasised in the development of a competency-based approach:

- There should be clarity regarding the overall approach being adopted and the link between organisational, unit and individual objectives, and between objectives and competencies. Attention must be paid to developing clear standards against which performance against a competency can be measured.
- The development of a competency-based approach implies change and therefore should be implemented as part of a planned programme of change. The success of such a programme of change will depend on a range of factors, most critically top management support and clear communications as to the purpose and nature of the changes involved.

- Ideally, competencies should be integrated with other HR decision-making processes, most notably training and development. Care must be taken however that where they are used as a basis for monetary and non-monetary rewards such as pay and promotion, other HR activities such as training and development and performance management are in place to support the attainment of competencies.
- More specifically, competencies identified in a competency framework must:
  - be competencies that really matter and be the right mix of requirements for a role
  - address knowledge, skills and attitudes to fulfil a role effectively
  - be capable of being demonstrated, measured and improved
  - be expressed in clear terms and common language
  - be realistic, relevant and general enough to be transferred from one context or situation to another, and
  - be integrated into all aspects of training.

## **Experiences of Competency-Based Human Resource Management in the Irish Civil Service**

### **3.1 Introduction**

In order to explore the progress made on the development of a competency-based approach to HRM in the Irish civil and public service, interviews were undertaken with key individuals from the Department of the Taoiseach and SMI Human Resources Working Group, the Top Level Appointments Committee (TLAC), the Office of the Civil Service and Local Appointments Commissioners (CSC/LAC), and the Centre for Management and Organisation Development (CMOD). The focus of the interviews was on: the perceived advantages and disadvantages of a competency-based approach; progress made to date on the design and development of competency frameworks and competencies; the key challenges to be addressed; and possible ways forward. In addition, discussions took place with individuals who had experience using competencies as interviewers and as candidates, and with individuals involved in the development and implementation of competency frameworks in three government departments.

### **3.2 Overview of the range of approaches being developed**

Currently, competency frameworks are used as the basis for recruitment, selection and promotion, and within a small number of departments for performance management/appraisal and development. In addition, a civil service-wide performance management and development system (PMDS) has been developed and is being rolled out. The current range of approaches used and their common features are outlined in Figure 3.1. These approaches are then described briefly in the sections following.

Figure 3.1 Common features of the range of current approaches

	<i>PURPOSES</i>	<i>FOCUS</i>	<i>TYPES OF COMPETENCIES</i>
CSC/LAC	Recruitment, selection and promotion	Mostly on grades, also roles in specific competitions	<i>Generic competencies</i> <ul style="list-style-type: none"> <li>• Task orientated</li> <li>• Interpersonal skills</li> <li>• Personal qualities</li> </ul>
TLAC	Recruitment and promotion	Assistant Secretary and General grades	<i>Generic competencies</i> <ul style="list-style-type: none"> <li>• Professional integrity</li> <li>• Strategic contribution</li> <li>• Corporate control</li> </ul>
PMDS	Performance management and development	Role-based linked to business planning objectives	<i>Four clusters containing 17 (generic) competencies</i> <ul style="list-style-type: none"> <li>• Personal effectiveness</li> <li>• Thinking and problem solving</li> <li>• Managing for results</li> <li>• Group and interpersonal effectiveness</li> </ul>
Departmental	Development; performance management; promotion	Generic, related to grade or role	Based around clusters or core competencies

### 3.2.1 The Civil Service and Local Appointments Commissioners (CSC/LAC)

As previously stated, work began on the development of competencies in the CSC/LAC in the mid-1990s and to date competencies have been used for open and confined competitions into the following grades and roles:

- assistant principal, administrative officer, executive officer, higher executive officer in the civil service
- third secretary in the diplomatic service
- trainee auditors in the Office of the Comptroller and Auditor General
- IT grades in the civil service
- statisticians in the Central Statistics Office
- health board chief executive officers

- county and city managers
- An Garda Síochána
- prison officers.

In addition, it is reported that a detailed job analysis for the staff officer role is due to be completed this year.

There are three recruitment grades in the general civil service: clerical (clerical officer), executive (executive officer) and administrative (administrative officer). Appointment to the grades above these levels is by promotion – moving those already employed within the system to higher grades. Typically, a grade profile includes an overview of the work of the particular grade, a summary of the type of person that CSC/LAC looks for and a set of core competencies listed under three categories: task-orientated, interpersonal skills and personal qualities. Each core competency has a title, a summary statement to capture what is meant by the competency title and a set of behavioural indicators that would be observed in someone demonstrating the competency. Under the three categories there are different sets of competencies and types of competencies, depending on the grade profile. Examples of *task orientated* competencies are: research, analysis and decision making, organisation and planning, work management skills, effective use of resources and appreciation of public sector issues. Examples of *interpersonal skills* are: managing individuals and teams, communication, initiating and maintaining relationships, interpersonal effectiveness and leadership potential. Examples of *personal qualities* are: personal focus, commitment to achieving quality results, openness to change, commitment to self-development, decisiveness and proactive stance and working under pressure.

Information provided for applicants for competitions is based on the competencies contained in the grade profile. Candidates are provided with guidance to enable them to prepare for the interview. Based on specific core competencies, candidates are asked to submit in writing descriptions of what they would consider to be their ability in each area and to provide specific and detailed examples. Interview questions are then based around the skill areas and responses submitted. In some competitions, exercises or presentations are required of candidates to demonstrate analytical or oral communication skills. Also, in confined competitions, structured written information will be sought from the candidate's direct supervisor on the candidate's capability, based on the grade profile.

### *3.2.2 The Top Level Appointments Committee*

Building on the competencies developed by the CSC/LAC, the Top Level Appointments Committee (TLAC) is in the final stages of developing competencies for use in assistant secretary and secretary general promotion competitions. The competencies will be used as the basis for the whole application process and to inform the interview process. External consultants were engaged to develop the generic competencies through consultation with secretary generals and a sample of assistant secretaries. Extensive job analysis was undertaken and international thinking was drawn upon.

### *3.2.3 The Performance Management and Development System (PMDS)*

#### *The Hay Report (Hartle et al, 1997)*

In January 1997 Hay Management Consultants were commissioned to assist with the design of a performance management process for the civil service. The authors identified six key areas for development in the Irish civil service, based on their analysis of the features of the most admired and successful companies operating globally. They were

- a shift in top management style and practice and a sharper focus by everyone on mission statements and strategic plans
- clarity in relation to skills and competencies
- increased and sustained investment in training and developing people
- the development of clear policies and processes for succession and promotion
- the development of a more direct link between performance and reward
- improved employee communication and consultation, including upward and lateral feedback.

On this basis, Hartle et al emphasised the need to develop an integrated human resources strategy, where performance management would be supported by changes in four other areas: how work is organised; how work is valued; how people are rewarded; and how people are selected, developed and motivated.

The guiding principles for the new framework for performance management are that it should

- reinforce the vision and values of the civil service
- clarify individual/team responsibilities and accountabilities
- help people to identify the competencies and skills they need to achieve their objectives and
- allow for upwards feedback, and eventually the use of 360 degree feedback.

The process should be: open and transparent; an effective catalyst for developing people to their full potential; aligned to the strategy of the civil service; a continuous process (not a once-a-year event; consistent in approach but permitting sensible variations between departments; and inclusive of all aspects of performance i.e. results and competencies, team and individual.

The PMDS was developed in partnership with the unions as a system that applies to all staff and which ‘will be seen as relevant and helpful in achieving business objectives and which will contribute in a real way to individual and team development’. It is aimed at doing so by bringing together strategy, business plans and the work of staff at all levels. ‘It is a continuous process directed at achieving organisational objectives by ensuring that all staff know what is expected of them in terms of targets and standards, are kept fully informed of progress being made and that they have, or can acquire the knowledge, technical skills and other competencies they need to carry out their work in an efficient and effective way’ (Martin Cullen TD, 2000).

Thus three key themes emerge in the literature promoting the PMDS:

- The importance of aligning individual objectives with those in business plans and strategy statements, thereby refocusing team and individual efforts on achieving the objectives of the organisation.
- An emphasis on identifying and meeting development needs in order to enable individuals and teams to maximise their contribution to the organisation meeting its objectives. This emphasis on training is also reflected in increased allocations for training from 2 per cent of payroll in 1998 to a target of 4 per cent by 2003.
- A key role for managers in monitoring and managing performance.
- An annual performance management cycle has also been agreed and is outlined in Appendix One.

### *Implementing the PMDS*

The identification and use of competencies are central to the new PMDS. The first stage of implementation involves the identification of core competencies (particular competencies which are core to and reflect the organisation's values) and the development of role profiles (outlining the key competencies required of a job-holder).

Typically, a job will require seven or eight competencies, some of which will include the knowledge and skills required to do a job well and the remainder of which will be behavioural competencies. Departments are best placed to identify the knowledge and skills required, drawing on the strategy statement, the business plans and the quality customer service action plan. The guidelines for departments set out a behavioural competency menu, which comprises seventeen competencies which have been clustered into four main categories, as outlined in Figure 3.2. These competencies were derived from work undertaken across the civil service and are aimed at representing the full range of work undertaken across departments and offices. The approach being promoted within departments is that in the first year the focus should be on identifying three or four behavioural competencies as a foundation for further development.

The guidance (Subcommittee of General Council, 2000) emphasises the importance of behavioural competencies to effective working and the successful accomplishment of a job. It also suggests that the distinction between knowledge, skills and behaviour can be blurred in some areas and that, in the case of some skills and competencies, training focused on the underlying behavioural elements can lead to higher performance.

A substantial element of the implementation of the PMDS is training. Initially each department established a project management team made up of representatives from all levels of the organisation. The project management team received training from the Centre for Management and Organisation Development (CMOD), during which the PMDS forms were customised to meet the needs of the department. Project management teams then organised training within the department, either using internal resources or arranging training through an external provider.

Figure 3.2 Competencies in the PMDS

<p><b><i>Personal Effectiveness</i></b>  Achievement drive/commitment  Self confidence  Initiative  Teamworking  Communications</p>	<p><b><i>Thinking Style and Problem Solving</i></b>  Analytical thinking  Conceptual thinking  Decision making/judgement  Specialised expertise</p>
<p><b><i>Managing for Results</i></b>  Managing budgets and resources  Information seeking and management  Concern for clarity and work quality</p>	<p><b><i>Group and Interpersonal Effectiveness</i></b>  Networking/influencing  Interpersonal understanding  Customer service  Managing and developing people  Leadership</p>

There is a three-staged approach to training throughout the first year of implementation, the first phase focusing on preparing managers and staff for the planning stage of PMDS activities. The second phase will focus on performance management, followed by performance management activities. The third phase will then focus on the review aspect, followed by review stage activities. Provision was included in the Change Management Fund for departments to engage specialist advice on training programmes required to support the implementation process.

Another vital element is evaluation and monitoring, and it is recommended that arrangements should be put in place, both centrally and in departments and offices, to underpin the implementation process by

- assessing the outcomes and experiences gained in implementation, and
- informing future decisions on key issues, including the organisation of work, grading structures and reward and recognition mechanisms.

At the departmental/office level the secretary general and the management committee (MAC) have the overall responsibility for successful implementation. The partnership committee has an integral role in the process of implementation and evaluation. At the central level, the existing PMDS Sub-Group of the General Council is responsible for developing the framework for evaluation of the PMDS as a whole. This framework will also allow the lessons learned through evaluation within departments and offices to be fed back in a structured way into the decision-making process at the central level.

At the time of writing, it is reported that project management teams have been established within departments and that staff training is under way. Training is well advanced or completed in a small number of departments, but in several departments implementation has been slowed by industrial relations difficulties, or the need to arrange training through external sources because of lack of in-house capacity.

#### *3.2.4 Departmental schemes*

A small number of departments began work on developing competency frameworks well before the launch of the PMDS, with varying degrees of success in terms of implementation. In the following section three approaches, drawn from the Department of the Environment and Local Government, the Department of Foreign Affairs and the Department of Public Enterprise are compared. These show the range of similarities in thinking and identify issues that could be considered in further advancing the development of competence-based approaches to integrated HRM.

Work at the Department of the Environment and Local Government began in 1996/97, when the introduction of a 'Performance Review Process' (PRP) was agreed through local bargaining in response to the requirements of pay restructuring among executive officer (EO), higher executive officer (HEO) and administrative officer (AO) grades. The aims of the PRP were to

- provide an objective assessment of performance which motivates, improves staff morale and, in turn, positively affects performance
- develop staff competence
- relate the work of staff to the objectives set out in business plans.

In 1997 the Department of Foreign Affairs introduced a 'Performance Appraisal System' (PAS) aimed at third secretary, assistant principal, first secretary, counsellor and principal grades. The aims outlined in the system documentation are 'to maximise the contribution made by each member of staff in achieving the Department's aims and objectives, and to do this in a way which motivates staff, improves morale and has a positive impact on performance'. The PAS documentation also emphasises that there is a link between departmental, divisional and individual objectives; that appraisal should not be seen as an annual event but part of the daily work of the department; and that appraisal be used to identify training and development needs to improve performance.

In the Department of Public Enterprise, work began in 1998 to develop a competency approach for internal promotion. This approach was used initially for assistant principal and principal grades and later extended to include all grades. The aim was to move to a more objective approach to promotion, given the desire within the department to move away from promotion based on seniority alone.

In the two frameworks used for performance review/appraisal (the Department of the Environment and Local Government and the Department of Foreign Affairs), the general process involves identifying objectives, a review of achievement and the reasons for non-achievement, identifying objectives for the next round and identifying training and development needs. The review is carried out on an annual basis between members of staff and their managers. Managers also have a key role in assessing competencies in the framework used for promotion by the Department of Public Enterprise. The key differences between the three schemes relate to the competencies identified and the use of levels and ratings for each competency. Examples of particular aspects of the three departmental schemes are included in Appendix Two.

This research also examined approaches taken to develop and implement departmental schemes and some of the critical success factors involved. Key elements of successful approaches included :

- A clear sense of commitment for the programme from the top including a launch by the minister and/or secretary general.
- The establishment of a project management team at the outset to support and promote ownership of the programme throughout the organisation and to oversee the development and implementation of the programme. It is also found that having a direct link between the project management team and key decision makers was useful. This can be achieved through the partnership committee.
- The allocation of adequate resources for training and implementation. Where there were difficulties, it is suggested that these occurred because resources dedicated to implementation, training for staff and incentives for staff to be involved were not adequate.
- Effective communication.

Different approaches were used across departments to develop and refine competencies. In two departments, a participative approach was used to identify competencies, using interviews and focus groups. In one department, external consultants were used to assist in the process. Competencies were then further refined through discussions with the MAC and union representatives. In the other department, competencies were based on those identified in the Hay report and amended to particular grades in consultation with union representatives.

### **3.3 Comparing competencies across the range of civil service frameworks**

In this review of the range of approaches being taken to develop and implement competency frameworks across the civil service, several similarities and differences are identified, along with a range of factors that are critical to success. Similarities and differences are also to be found in concepts of competence and how they are translated into competency statements and applied to different grades.

One particular concern expressed by several interviewees was the fit between the various frameworks and competencies. The current use of competencies across a range of HR activities (recruitment, promotion, training and development and performance management) demonstrates the potential that competencies have as the ‘common language’ in HRM and in the development of an integrated approach to HRM. As is stated further in Chapter Four below, the general approach in other countries has tended to be to introduce competencies as the basis for just one or two HR activities and then, once the process has become embedded, to extend and further integrate the range of HR activities based around competencies.

As can be seen from the review of the competencies used within departments (see Appendix Two), similar concepts of competence can be identified relating to management, communication and effectiveness. When compared with the competencies contained in the PMDS and those used by the Civil Service and Local Appointments Commission, there is considerable overlap between schemes. An analysis of the competencies identified across the range of frameworks reviewed is presented in Figure 3.3. This demonstrates the similarities in concepts of competence targeted across the various schemes. A more detailed analysis of the competencies found across the range of frameworks is presented in Appendix Three.

Figure 3.3: Comparison of competencies found in departmental frameworks and those used by the CSC for AO/AP competitions

Competencies included in the PMDS framework		Departmental Frameworks			CSC
		DELG	DFA	DPE	AO/AP grades
<i>Personal effectiveness</i>	Achievement drive/commitment	3	3		3
	Self confidence	3	3	3	3
	Initiative	3	3	3	3
	Team working	3			3
	Communications	3	3	3	3
<i>Thinking style and problem solving</i>	Analytical thinking	3	3		3
	Conceptual thinking	3		3	
	Decision making/judgement	3	3	3	3
	Specialised expertise	σ			
<i>Group and interpersonal effectiveness</i>	Networking/influencing	3	3		3
	Interpersonal understanding		3		3
	Customer service		3		3
	Managing and developing people	3	3	3	3
	Leadership	3	3	3	3
<i>Managing for results</i>	Managing budgets and resources	3	3		3
	Information seeking and management	3	3		3
	Concern for clarity and work quality	3	3		3

Notes:

3 = similar competencies found to that in the PMDS

σ = PMDS competency only very partially met

See Appendix Three for a more detailed comparison

### 3.4 Current thinking on the use of competencies in the Irish civil service

A key element of the research was to ascertain the views of individuals on the effective use of competencies, based on their experiences to date of promoting, developing, implementing or using competency-based approaches. For example, some respondents had been involved in Civil Service Commission/ Local Appointments Commission recruitment and promotion activities, either as members of interview panels, or as applicants. Other respondents had been directly involved in the identification of competencies and the development of frameworks.

In general, interviewees were in favour of the competency-based approach, and suggested it had been well accepted by those using it and that it represented a significant improvement on traditional approaches to recruitment and selection. A key theme identified in discussions was that the competency-based approach could be a mechanism to unlock potential within departments, to enable them to become more strategic and responsive, and to move from the traditional command and control model.

The explicit use of competencies in HR activities provides an emphasis on development, both for the organisation and for the individual. It can provide a sharper focus on the skills and attributes that are important for advancement in the civil service and provides clearer direction for those wishing to advance themselves on what they need to be developing. Also, by providing a focus on what is required of future managers and leaders, it has the potential to improve the range of competencies being developed in management feeder pools. Further, it is suggested that the development of an integrated competency-based approach to HRM could enable the responsibility for personal development to be placed firmly with each individual, giving them a greater role in their own career advancement.

The Performance Management and Development System (PMDS) is seen as the central pillar in the new HRM agenda and competencies as the 'glue' in the development of the (strategic) HRM system. The general view of the PMDS is that it will provide a sound framework for HRM across the Irish civil service and, in the longer-term, in the public service as a whole. It is anticipated that over the longer period the CSC/LAC, TLAC, PMDS and departmental frameworks will be combined into a seamless framework. This suggests that over time competencies will become the common language in recruitment and selection, promotion, personal development and reward and recognition. Critically, one of the anticipated aims of the development of the PMDS is that it will take the subjectivity out of performance management and provide a credible system. Initially, it is suggested that the focus should be on recruitment, selection and training. The use of the competency-based approach for reward and recognition is seen as a longer-term aim. The general feeling is that the system will need to be fully embedded and shown to be credible before it is used as the basis for reward and recognition.

More specifically, the perceived benefits based on experience to date of using competencies in recruitment, selection and promotion are:

- *Holism* – this approach provides a holistic view of the person rather than focusing solely on tasks. For example, the competency-based interview ensures a structured approach to what is discussed during the course of an interview, providing a more balanced view of the candidate.
- *Relevance* – the approach provides a greater focus on the fit between what the person can do and the requirements of the job, rather than on qualifications or years in service. The focus of the recruitment, selection and promotion processes will be on how the candidate can fulfil these requirements. Candidates are required to think in advance about how they can demonstrate each of the competencies identified. Because candidates have been able to reflect on their capability in advance, a more meaningful discussion can be achieved in the interview situation.
- *Objectivity* – by explicitly stating what is required for each competency and ensuring that assessors and interviewers are working to the same understanding of what is being assessed.
- *Fairness, openness and transparency* – by setting out the basis for assessment in advance, providing a fair and open ‘playing field’ on which to compete and providing feedback on performance. Some respondents backed up this notion of ‘fairness’ by highlighting the increasing diversity in the recruitment candidate pool and those selected. In addition, those involved as interviewers stated they were confident that the best candidates had been selected in interviews where they had been involved.

The approach was also reported to be more practical than traditional approaches. As reported by one respondent: ‘once the process is mastered, the structured approach is much easier and candidates are more comfortable once they sense the general style of the interview’. Board members usually agree in advance who will focus on each of the competencies to be covered and the approach ensures interviewers ask questions that are directly relevant to the position being filled.

Although generally in favour of the approach, interviewees suggested competency-based HRM is still very much in its infancy in the Irish civil service and they also identified several limitations to the approach. In the recruitment area – the area where the approach is most developed to date – it was suggested that the approach could be developed further beyond the structured interview. It was also suggested that ongoing review of the process is required to ensure that it does not become stagnant or open to exploitation. In this regard, it was suggested that predictive reliability, which would have been an issue with traditional approaches, is still an issue to be addressed in the competency-based approach. For example, it was suggested that the danger remains that someone could exploit the system and ‘get through’ because they are good at the process. Also, some individuals may be better able to sell themselves or may be good at particular tests, but be lacking in the experience-based knowledge required in a role.

On a similar theme, another concern was that, because the approach is so explicit and the requirements are outlined in advance, someone could provide made-up examples or be coached on how to respond to questioning. It was suggested that it can be difficult to validate the examples provided. However, having someone on the interview panel who knows the sector well can help and a good interviewer can unpick the examples given to check their authenticity.

An issue identified by those involved in the development of competencies for recruitment, and particularly for promotion, was how the process could be used to test ability at a higher level than the level at which a person is currently required to perform. The current process requires a candidate to identify examples of how they have demonstrated their capability in the past. However, when this issue was put to those involved as interviewers, it was suggested that candidates will find examples of how they have demonstrated such qualities in the past, even if they are not required in their current role. In addition, it was suggested that candidates are often required to act up or assist at a higher level in their current roles. Further, it was suggested that in some senior roles, where perhaps candidates would be required to fit into the role immediately, not being able to find examples to demonstrate the key requirements would suggest that a candidate would not be suitable for the role.

It was also reported that, as a result of the structured approach (although valued by those interviewed), the process is considerably more time-consuming than traditional approaches, both for applicants and for interview board members.

Rooney and Flood (1999) identified similar issues to those discussed in this section in their survey of interview board members. A summary of their findings is presented in Appendix Four.

A small number of broader issues were also identified by respondents, such as the fit between the competency-based approach and the current structures, processes and culture of the civil service. The compatibility of the competency approach and the current hierarchical system that applies in the civil service was also raised. The perceived benefits of the common grading system are that it permits mobility around the system, but it is suggested that there are too many layers and that the hierarchical system limits the contribution that capable but more junior individuals can make to work beyond their grade.

Another issue is that the focus of competencies used for recruitment currently is on grade (with the exception of those recruited to specialist posts) and that criteria could be better linked to the role that the departments fulfil. Likewise, it is suggested that while the common framework that will be provided by the PMDS is important to enable mobility, nonetheless competencies will also be required for functional areas such as information technology, personnel and finance. Specific and different competencies will also be required for leadership and management.

The current 'co-operative culture' where individuals do not like to highlight gaps in colleagues' abilities was also highlighted as an issue by respondents. It was further suggested that due to increasing demands on staff it is vital that each individual contributes effectively. However, it was stressed that the emphasis in developing competency-based approaches needs to be on developing people and identifying development needs and on individuals taking responsibility for their own development, rather than focusing on under-performance. Further, it was suggested that if individuals are given the opportunity to play a significant role in their organisation and to develop their full capacity to make a better contribution, then underperformance will largely take care of itself.

Emphasising the importance of training in the implementation of competence-based approaches to HRM, interviewees drew attention to the importance of departments being able to meet the training needs that are likely to fall out of the PMDS process. It was suggested that there currently is an over-reliance on outside training and taught programmes, and that other ways to develop people need to be considered such as coaching, mentoring, mobility and exchange. Human Resource functions within departments will also need to be ‘skilled up’ to enable them to provide expertise, advice and support for line managers.

### **3.5 Conclusion**

This review of current approaches to developing competency-based human resource management in the Irish civil service suggests that a considerable amount of work has already been undertaken. The introduction of the PMDS is well timed to follow on from the development of strategy statements and business planning within departments and, building on the work previously carried out by the Civil Service and Local Appointments Commission on competencies, offers an opportunity to re-focus efforts on building an integrated approach to HRM. The findings suggest that the approach is reasonably well-received across the service and that the potential benefits are acknowledged. Nonetheless, a number of issues to be addressed have been identified and potential dangers have been highlighted.

Four key challenges were identified by respondents in implementing and further developing the competency-based approach.

- Staff must be convinced that the approach is not just another management fad and that there will be sustained commitment, including building on and developing systems once bedded in.
- Leadership, both at the central and departmental levels, is vital to ensure that PMDS does not become a superficial exercise and that it builds capacity within departments. A particular difficulty for staff will be in finding time for training and later for planning and assessing performance.
- The frameworks that are currently in place need to be merged into one seamless system.
- It will be necessary to monitor and evaluate the competencies used and the effectiveness of the structured interview approach. In this way it will be possible to

assess how the competency-based approach can be further developed and rolled out of the PMDS.

In the next Chapter, the development of competency-based HRM across other public services is explored.

## **International Experiences of Developing Competency-Based Approaches**

### **4.1 Introduction**

The OECD (2000) and the International Labour Office (ILO) (1998) report a number of current themes in human resource management across countries. The first is an increasing skills shortage, the exception in OECD countries being Germany and Mexico. Secondly, the ageing profile of employees in some administrations is of concern. This is partly because of shortages in IT and specialist skills among older employees and partly because of the concerns about the adequacy of feeder pools into senior positions, as a high proportion of those retiring in the near future will be at senior positions. The third issue relates to retention and competitiveness in the public service and the fourth relates to the need to build leadership in public services. The development of competency-based HRM (CBM) and the development of an integrated approach to HRM are seen as ways in which countries can address these issues. In addition, CBM is seen as a way in which organisations can move from being reactive to outside forces to ‘focusing on building internal resource strength, thus enabling them to adapt readily to change’ (Treasury Board Secretariat (TBS), 1999).

### **4.2 The development of CBM approaches across countries**

In a comparative review of approaches across countries to developing the use of competencies, several similarities and differences can be identified relating either to views about the potential to be gained from CBM or relating to fundamental differences in the structure and organisation of public services. Approaches to CBM reported in the British, Canadian, Australian, New Zealand, Flemish<sup>1</sup> and Dutch civil services are outlined in Appendix Five. The key themes emerging and lessons reported from experiences thus far in those countries are discussed in the following section.

### **4.3 Current themes in developing CBM**

Five key themes can be identified in this comparative review of CBM.

#### *4.3.1 Centralised or devolved approaches*

In many countries a two-pronged approach is being taken to competency-based HRM. On the one hand there is a clear focus on building leadership and management capacity for the future. Several administrations are developing a senior civil service or senior executive service, for example New Zealand, Holland, Australia, Britain and the United States, involving a review of selection criteria, training focused on developing leadership competencies and, in some cases, the development of a competency-based approach to developing and identifying potential leaders. As for managing other staff, the second prong is focused on promoting a CBM approach but, rather than imposing a universal framework, providing guidance and support for departments and agencies to develop their own competency frameworks. This reflects the fact that several administrations by their very nature are decentralised or federal structures, the exceptions in this review being the Flemish and Irish civil services. It would seem that there is no one best approach and that there are pros and cons to adopting either a centralised or a devolved approach. The potential benefits of the largely devolved approach are that staff will have a greater sense of ownership and that it is more likely that the competencies identified will be relevant to those using them as a basis for development and assessment. The potential disadvantages are the loss of the sense of unity across the service and difficulties in terms of using competencies as the basis of mobility across functions.

#### *4.3.2 CBM as the basis for an integrated approach to HRM*

The integrated approach to HRM implies that competencies provide a common language through which an organisation can specify the criteria for recruitment and selection, training and development, mobility and promotion and performance management, in order to enable it to meet its current and future objectives.

While the Dutch Algemene Bestuursdienst service (ABD) framework for top civil servants is reported to be a good example of an integrated approach to HRM, in the other countries there are differences apparent in the degree of integration either sought or achieved across organisations. One approach is to develop competencies initially for training and development and then, once established, to consider how they can be developed further in other areas of HRM. The review across countries suggests that the focus of CBM is currently developmental rather than controlling; that is, competencies are mostly used for training and development and least of all as the basis for pay and rewards. Competencies are also used widely for recruitment, placement and appraisal. However, it seems that the focus of CBM tends to be on just one or two areas and there are few examples of integrated approaches. Further, Luce and

Lynch (1998) suggest 'the jury is still out' on the gains to be achieved from the alignment of all HR systems around a competency concept.

#### *4.3.3 The link between CBM and business planning*

It is suggested in Chapter Two that for competencies to provide the leverage required for organisational objectives to be met, the development of competencies needs to be linked into, and fall out of, the business planning process. This is reflected in thinking across countries developing CBM approaches. For example, in Canada, organisations are required to develop their own competencies based on their own culture and values (Public Service Commission (PSC), 1998). The 'Framework for Good Human Resource Management in the Public Service' was developed by the Treasury Board Secretariat (TBS) in partnership with departments to help organisations to integrate HRM with business planning. The framework defines five key result areas, each of which is measurable against a set of expected success criteria and performance indicators. These can be used by organisations to identify a set of performance indicators based on their mission, priorities, culture and values. The thinking is that organisational and employee competencies can then be designed by identifying the competencies that employees need to apply to the job in relation to the performance indicators agreed for the organisation. In Britain, one of the principles in the introduction of new performance management systems is to ensure that 'every individual or team should have stretching objectives for which they are clearly accountable, linked explicitly to the outcomes sought in their organisation's business plans' (Cabinet Office, 2000).

However, there is some discussion as to whether competencies should be about what is achieved in an area (outputs) or the qualities that a person should bring with them to the workplace (inputs). Concepts of competence as outputs are useful in competence appraisal/performance management and identifying the contribution of the team or individual to the organisation achieving its objectives. However, a focus on inputs is also required in areas such as recruitment and selection and personal development planning. The Framework for Good Human Resource Management was developed in Canada to assist organisations in this respect.

There are also suggestions that some attributes (inputs) cannot be learned, or are difficult to observe or assess, but are critical for effective performance and therefore should be the focus of selection. The TBS (1999) refers to Spencer and Spencer's (1993) iceberg model to suggest that there are some competencies (above the surface),

such as knowledge and skills, that are visible, easy to observe and measure and therefore translate more easily into observable criteria. Below the surface, competencies are just as important but are less visible and less easy to observe and measure, such as personal qualities, attitudes and values. The TBS suggests that because it is not so easy to develop competencies that exist below the water line through training, it might be more appropriate to focus on selecting candidates who already have such competencies.

#### *4.3.4 The holistic approach to CBM*

The PSC in Canada (Slivinski and Miles, 1996) has developed a model for a 'wholistic' approach (the WCP) to CBM as a form of guidance for organisations to develop their own competency frameworks. Their definition of competence is deliberately broad so that it can be applied to all elements of HRM and can reflect the complexity of the individual at work. They refer to competency as:

... those characteristics of an individual that underlie performance or behaviour at work (p.2).

They propose that behaviour in the workplace is best understood as an interaction between an individual's competencies and the organisational context. Seven categories of competencies that apply to the individual have been identified:

- aptitudes
- skills and abilities
- knowledge
- physical competencies
- styles
- personality
- principles, values, beliefs, attitudes and spirituality
- interests.

They describe the organisational context as being as dynamic and multifaceted as the individual and state that '... the importance and expression of competencies is intimately connected to the work environment and context. The WCP stresses the importance of matching the competencies of the individual both to position characteristics and to the overall organisational context' (p.8).

The organisational (contextual) factors included in the model are: hierarchical levels, roles, organisational life cycle and corporate culture. In terms of an integrated approach to HRM, the PSC claims that the WCP puts competencies at the forefront of HRM activities as the common language that links them together.

#### *4.3.5 The compatibility between CBM and existing organisational arrangements*

One outstanding issue is the compatibility of CBM with certain organisational arrangements, reflected to some degree by the establishment of other reforms along with the development of a CBM approach. For example, in Canada, the TBS has been working for some time on the development of a universal classification standard that will allow public service employees to transfer more easily between jobs that are in different occupational groups and at different levels, provided they have the skills and knowledge required (Leadership Network, 1997). In Australia, the number of job classifications was reduced considerably from over 100 in 1988 to eight work levels by 1994 (Hunt and Meech, 1991; Holmes and Wileman, 1996). Prior to the reduction in numbers of job classifications through the Office Structures review, jobs were divided into many unnecessary components within and between occupational groups, obstructing movement across and through the system.

In both the Canadian and Australian cases, the aim is that the development of a CBM approach will complement, support and build on the work on job classifications. Also, in several administrations, team working is being developed. Competencies will provide a useful basis for bringing together a team to work on a specific project. However, the emphasis here would not be on all team members having the same set of competencies but on complementarity – the best mix of competencies is brought together to achieve the objectives of the project. Reflecting the need to be ever mindful of the compatibility of competency frameworks and organisational structures and culture, the TBS (1999) suggests that the first step in developing a CBM approach should be a business case analysis to identify the most appropriate approach to apply to the organisation.

#### **4.4 Lessons in developing and implementing competency-based HRM**

The literature has several recommendations on successful development and implementation of competency-based approaches, drawing on experiences of work carried out in a range of countries on developing systems and reform. These are discussed in the following sections.

#### *4.4.1 CBM as the basis for effective performance management*

The Australian PSMPC (1996) outline ten 'essential' characteristics of effective performance management.

1. Managers provide leadership and integrate performance management with other aspects of their work in managing people.
2. People understand that their performance directly contributes to the ongoing success and viability of their agency.
3. Individual and team responsibilities and their performance are clearly linked to the attainment of programme and corporate goals and the needs of clients.
4. Individuals and teams have a clear understanding of their work responsibilities and the standards of work expected of them.
5. Individuals and teams meet the standards of behaviour expected of public servants.
6. Managers monitor and assess the performance of their people.
7. Individuals and teams receive regular feedback on their performance against programme and corporate goals.
8. Managers make use of the potential of all their people and develop skills in encouraging individual career planning.
9. Improved and valued performance is recognised and rewarded.
10. Managers seek to improve poor performance and address continuing poor performance.

#### *4.4.2 Preparing for change - critical success factors in the implementation of CBM approaches*

There are some lessons outlined in the literature on success in developing and implementing systems. The Canadian PSC (1998) identify five key success factors in the implementation of a competency-based approach to HRM:

- commitment and support from senior management
- simplification of the organisational structure to ensure consistency with the competency model
- employee participation in the development of competency profiles
- the establishment of clear links between competencies, the mission, values and the business plan
- ensuring adequate communication between management, employees and those designing competency profiles. It is suggested that for some organisations this

would have involved revisiting certain stages of the project where communication was inadequate.

In another report in 1999, the TBS identify ‘corporate conditions for successful implementation of competency-based management’.

- Firstly, they suggest that the CBM works best in organisations with a culture that fosters participative decision making, innovation, individual flexibility, growth, excellence in performance and continuous learning.
- Secondly, they suggest that there should be a strong drive within the organisation to implement a competency approach and that all levels of management should assume a strong leadership and championship role for the long-term. It is suggested that if the concept is not important to management, then it will not be important to the rest of the organisation. An executive steering committee can provide the platform for decision making, confirming business objectives, providing strategic direction and building buy-in.
- Thirdly, it is suggested that specific direction that is consistent across the organisation needs to be agreed by senior management. The project should have the commitment, participation and long-term buy-in of key stakeholders. This will involve collaboration and meaningful consultation with stakeholders throughout the development and implementation stages. Managers also need to take ownership and drive the process.
- The fourth point is that effective communication is critical in order to engage everyone and ensure support. Thus, a strong communication strategy is required to ensure that everyone understands why CBM is being implemented and the benefits to be gained from it.

#### *4.4.3 Good practice approaches to developing competency profiles*

The TBS (1999, p.7) identifies a standard approach that has been applied in several private sector organisations and which they suggest may be useful in public service organisations. Companies:

- ‘based competencies on the organisation’s corporate culture, values and business strategies to enhance competitive advantage;
- used the executives of the organisation and the business mission and strategies as starting points for identifying a specific direction and consistency in applying competencies;

- defined competencies in terms of how performance could be enhanced by applying job-specific skills and behaviours;
- positioned CBM as part of an overall business strategy or change process, and not as a stand-alone end in itself;
- integrated competencies into current human resource systems where the need was greatest as opposed to revamping programs around competencies; and
- aligned actual behaviours with those behaviours that were valued in the organisation’.

In addition, the TBS (1999) set out a series of steps for organisations to consider when developing competency profiles, based on research findings on effective implementation of competency profiling. Key recommendations relating to the general approach include making a business case for CBM; developing a project management plan and methodology; identifying primary sources of strategic direction and integrating the strategic business values and priorities; training; communication; and evaluation. More specifically, relating to the identification of competencies, a balanced approach is recommended to collecting information on existing jobs towards developing a competency profile. A range of possible approaches is identified which includes: direct observation; behaviourist-based interviews; critical incident or stakeholder interviews; panel of experts; focus groups; surveys; job analysis; competency databases; competency card decks; benchmarking with similar organisations; and databases containing information on performance. Cross-validation of results is recommended using another method. It is suggested that profiles should be tested for reliability and to ensure that competencies can be measured and observed. It is also recommended that competencies be defined in terms that are understood by the target population and that competency language is consistent across the target population.

#### **4.5 Conclusion**

This comparative review suggests that there is a significant emphasis on the development of competency-based human resource management in reforms across countries. The approach is generally accepted as a way to build capacity within public service organisations and as an appropriate response to current HRM issues. This review also suggests that although countries are adopting similar approaches to CBM, there remain significant differences in opinion on certain aspects. This possibly reflects the fact that CBM is still a relatively new approach and it will take time for the real

lessons to emerge. This also applies to evaluating the true benefits of CBM, as suggested by the TBS:

Organisations are only now beginning to apply CBM 'around the fringes of HRM' and as it takes at least three years to implement CBM in any one human resource area, few organisations have been able to measure the effectiveness of CBM (TBS, 1999, p.6).

There are some significant outstanding issues

- Should the emphasis be placed on developing a universal framework or might it be more appropriate instead to provide support to enable organisations to develop their own frameworks? It is suggested that the selection of one or other approach would involve a trade-off between retaining the sense of unity across the civil service and ensuring ownership and relevance at the level of individual civil servants.
- What degree of integration should be sought between HR activities? Should competencies be seen as the common currency in all HR activities?
- How can compatibility between competency-based approaches and team working be achieved?

Nonetheless, there is a general sense that the competency-based approach is better than traditional approaches to HRM and that there is considerable potential to be derived from it in terms of providing organisations with the leverage required to achieve their objectives. On the basis of experience to date, it would seem that the key success factors are:

- leadership, commitment and support from top management, championing CBM as a part of the overall business strategy and as a longer-term commitment
- employee participation in the development of competency frameworks and the identification of competencies, buy-in and ownership
- adequate communication between management, employees and those designing profiles
- the establishment of clear links between competencies, business plans, strategy and the attainment of organisational goals
- clarity about roles and work responsibilities and the standards of work and behaviour expected of employees

- clarity about the roles of managers and employees in the performance management process
- an emphasis on regular feedback on performance and on training and developing people
- valuing and recognising good performance and addressing continued poor performance.

In the following chapter, the findings from the review of CBM in the Irish civil service and those from this comparative review are brought together in order to identify the range of issues to be addressed to further progress the development of CBM in the Irish civil service.

## **Conclusion: Key Issues in the Effective Use of Competencies**

### **5.1 Introduction**

The aim of this chapter is to draw together the findings from the review of current thinking on competencies, the review of approaches being developed in the Irish civil service and current developments in a range of other countries, and by doing so to identify issues to be addressed towards the effective use of competencies in the Irish civil service.

### **5.2 Competence and competency-based management in a civil service context**

The range of views explored on competence and on the development of an integrated approach to competency-based human resources management suggests that competence in the civil service context is about the ability to fulfil a role effectively. More specifically, the competency-based approach is about identifying the attributes of those who perform best in a role and targeting recruitment and training on ensuring that those in the roles have the attributes required. Thus the competency-based approach is focused on the search for excellence and on continuous improvement. The integrated approach emphasises the link between outputs (achievements) and inputs (competencies), where performance management is concerned with accountability for the achievement of personal, team or organisational objectives, and competence management is concerned with identifying and developing the competencies required to achieve these outputs. In the integrated competency-based approach to HRM (integrated CBM), competencies are the common currency and provide the glue between all HR activities – recruitment, selection, placement, training and development, promotion and performance management.

### **5.3 The benefits of competency-based HRM**

Internationally, CBM is seen as a way in which organisations can address current HRM issues, to build internal capacity and to enable organisations to be better placed to respond to activity sectors and employee needs. In Australia, for example, CBM is being used to achieve the flexibility needed to address concerns of over-centralisation and excessive prescription in management and procedures in the workplace, while

maintaining a high level of accountability. It is also aimed at encouraging skill formation and improving the focus on the customer. Evaluation of CBM in the Flemish system suggests it can positively influence behaviour and motivate staff, that it has been widely accepted as just and fair and has provided a clearer focus on results and improved communication.

This research identified several benefits of competencies and their use in HRM, on the basis of experience thus far in the Irish civil service and on the basis of international experience.

*In recruitment and selection it suggests that:*

- by focusing on the range of competencies required in a role, a holistic view of the candidate can be achieved
- the approach ensures that selection criteria are more relevant to a role than in traditional approaches where the focus was on qualifications and years of service
- the approach is a more objective because the focus of assessment is on explicit criteria and a common understanding of what is being assessed
- the system is more fair, open and transparent because the basis for assessment and recording of performance is outlined in advance.

*It suggests that the benefits for the organisation include:*

- enhancing internal capacity and responsiveness, and maximising the contribution that each individual makes to the achievement of the organisation's objectives
- providing a basis for a strategic approach to HRM planning by identifying the range of skills and competencies required in an organisation
- enabling the skills and competencies required in an organisation to achieve its key objectives to be identified, thus providing a vehicle to drive strategy forward
- supporting the development of management and leadership competence and enabling individuals within the organisation to develop as managers in the future, by explicitly outlining the skills and competencies required for effective management.

*For the individual it suggests that:*

- CBM is a basis for HRM that is more objective, fair, transparent, open and relevant than traditional approaches
- CBM provides a focus for personal development and career advancement by explicitly outlining what is required within a role at various levels in the organisation
- CBM makes explicit what is required of each individual at each level within the organisation, thus outlining the contribution that each can make to the organisation achieving its aims
- CBM can be used as the basis for recognition and reward.

#### **5.4 The current status of CBM in the Irish civil service**

The current situation in the Irish civil service in relation to recruitment and selection is that almost all posts filled through the Office of the Civil Service and Local Appointments Commissioners (the Commission) are filled using the competency-based approach. The development of competencies across the range of grades and specialist roles represents a considerable undertaking on the part of the Commission. The process is under on-going evaluation by the Commission and consideration is also being given to how the competency-based approach can be developed further beyond the structured interview. The competency profiles are also subject to on-going review; for example, in advance of a major competition, the competencies are reviewed to ensure that they continue to be relevant to the positions being filled. The results of evaluations of the process (the structured interview process) thus far suggest that the competency-based approach currently in use is seen as a more effective, relevant and fair way to identify suitable candidates for positions.

The findings also suggest that although the approach is a considerable improvement on traditional approaches, further attention needs to be given to how the predictive reliability of the process could be improved. It is suggested that the skill of the interviewer plays a vital role in this regard, in terms of being able to probe effectively beyond examples provided in order to test their accuracy in fulfilling the competency. Specific training could be provided for interviewers in this regard, although it is recognised that it can be difficult for those involved on interview panels to find time to attend training.

Competencies are also used as the basis for promotions that are channelled through the Commission. TLAC is in the process of developing competencies for use in

promotions to assistant secretary and secretary general level. However, the use of competencies for internal promotions is much more ad hoc and in several departments internal promotion is still based largely on consistency. One of the difficulties, raised by some interviewees concerning the use of competencies in promotion, is making the link between what someone has done in the past and what would be required in a higher-level position. Interviews alone may not provide sufficient evidence of ability and other methods to complement interviews might need to be considered to improve this aspect of the process.

The PMDS provides the basis for performance management and personal development planning, complementing the work carried out previously on recruitment, selection and promotion. We have made a distinction in this paper between the use of competencies that focus on inputs (the attributes that an individual brings to the workplace), which it is suggested are suitable as a basis for recruitment and selection, and those that focus on outputs (results and achievements at the organisational, team and individual level), which it is suggested are more suitable for performance management. Both types of competencies are contained in the PMDS. Potentially the PMDS provides the link between the organisation's key objectives and the competencies required by individuals within an organisation for the organisation to achieve these objectives. It can also target training and development on the competencies that will be required of individuals in the future to contribute effectively to the organisation.

The high level launch of the PMDS by the Taoiseach, and the scale of resources allocated to developing and implementing the system, reflects the level of central support for its introduction. Currently, implementation is underway within departments. Project management teams have been established and trained. The focus in implementation is on training all staff about the effective use of competencies, the PMDS system, planning and assessing performance, identifying training needs and the development of role profiles. There have been some difficulties along the way, relating mostly to industrial relations issues and training capacity within departments. The implementation of PMDS also comes at a time of tremendous change within departments, the civil service, the economy and Irish society as a whole, which brings its own pressures and the dangers associated with change fatigue.

In continuing to embed the strategic management approach, the key objectives outlined for the next phase of modernisation in the Programme for Prosperity and Fairness (PPF) are:

- the design and implementation of performance management systems
- putting in place integrated human resource management strategies
- improved organisational flexibility
- better targeted training and development
- strengthening organisational capability. (PPF, 2000, p.21)

This review suggests that the time is right for the Irish civil service to develop an integrated CBM approach, building on the work carried out in recruitment and promotion and performance management. In doing so, the introduction of performance management (PMDS) in the longer-term will also need to be supported by other HRM reforms, including the following:

- changes in the four areas identified in the Hay report (Hartle et al, 1997): how work is organised; how work is valued; how people are rewarded; and, how people are selected, developed and motivated;
- an emphasis on participation and empowerment, acknowledging that people are a critical success factor in the organisation achieving its aims;
- actively enabling line managers and staff and devolving appropriate HR responsibilities from the centre, while ensuring that HR practitioners have the skills and competencies required to support line managers and staff (Humphreys and Worth-Butler, 1999; Fleming, 2000). The PMDS guidance (Subcommittee of the General Council on the Introduction of the PMDS, 2000) states that the introduction of the PMDS is part of an overall HRM strategy based on the devolution of authority and responsibility for staff to line managers;
- ensuring training and development opportunities are adequate to address needs identified during the PMDS process.

While PMDS provides a framework for the identification of behavioural competencies, departments also need to identify core competencies and role profiles, which can be used as the basis for the identification of individual job competencies. However, there appears to be some confusion about the role of core competencies and many departments have gone straight to the development of role profiles without first researching and making explicit their core competencies. In addition, a vital element of the annual PMDS process will be matching competencies to the achievement of objectives set out in business plans. This provides the link between individual, team and organisational effectiveness. As can be seen from the comparative review in Chapter Four, the importance of this link is also emphasised in CBM approaches being developed in other countries.

The potential benefits of integrated HRM are outlined in Chapter Two. To date a centralised approach to the development of competencies has been adopted in the Irish civil service. This largely reflects the traditional centralised approach to recruitment, selection, placement and funding of staff, which *Delivering Better Government* (1996) suggests will continue to be the practice. Consistent with this, PMDS was launched and is being implemented as a civil service-wide initiative with a common approach to identifying competencies and a common set of behavioural competencies. In our review of approaches in other countries, in contrast, the approach taken in most public services is to identify a set of competencies for senior civil servants and to support departments/agencies to develop their own competency frameworks. The perceived benefits of this more decentralised approach are that competencies are more relevant to the business undertaken by various departments and there is a greater sense of ownership of schemes and support from top management.

However, the research also indicates that without a common framework, it is difficult to support lateral and vertical mobility throughout the system. The review of practice in other public administrations, and international thinking on the effective use of competencies, emphasises the need to reflect specific organisational values and strategy in competency frameworks. In all, this would suggest that while the CSC/LAC, TLAC and PMDS competencies provide a common service-wide framework for HRM, there may be particular merit in allowing departments to be flexible in tailoring universal competencies towards the business that they do, given that competencies need to be adequately generic across the civil service as a whole in order to preserve the unified system. Clearly a significant management challenge lies in balancing these two priorities. This is an issue that will need constant review in order to avoid the dangers of over-centralisation on the one hand and an uncoordinated approach on the other.

In terms of integrating HR activities, the review of current approaches across countries suggests that examples of truly integrated HRM in public services are rare to date and the typical approach is to focus on just one or two elements of HRM at first and build the system up from that.

One particular issue raised in this context in the Irish civil service is that the various competency frameworks have been developed in isolation, links between them are not explicit. There is a particular challenge to integrate the various frameworks in the future. However, the review of the fit between competencies currently used in the Irish system suggests that the competencies identified thus far might not be very different. Indeed it might be possible to retain current competencies where appropriate. There is also scope to include existing competencies, where these can be identified as core competencies, or those that refer to specific knowledge or skills that are critical to a role. PMDS should not be seen as a replacement for existing schemes. Rather, existing competencies should be incorporated into PMDS during the development of role profiles. It is also vital that the PMDS is integrated into management practices, rather than be seen to exist in parallel to current management systems and processes.

Two areas were identified by interviewees, and also supported in the international literature, where it is suggested conflicts could arise with CBM. The first is in relation to team-based working, which is becoming more popular in the private and public sectors. The competencies required in a team need to be complementary, rather than having all team members meeting the same criteria. This suggests that in recruiting to teams, consideration be given in advance to the various roles required within the team and the competencies required for each of these roles. Secondly, it is suggested that competencies may not work so well in a hierarchical system such as the Irish civil service, where responsibilities are allocated on the basis of grade rather than on the ability of each individual. For example, a CO would not be asked to undertake duties assigned to an EO, even if known to be capable of doing so. This issue has been identified in other countries, where a review of grading systems was undertaken before introducing CBM. On this basis, it is recommended that these two issues should be given particular consideration in monitoring and evaluating the implementation of PMDS.

### **5.5 Critical success factors in the effective use of competencies**

This review of the effective use of competencies in the Irish civil service suggests that significant progress has occurred over recent years in the development and use of competencies and that the benefits of the approach are widely accepted. A range of issues to be addressed in order to drive development further is identified. By way of conclusion and drawing on the findings from the review of literature presented in Chapters Two and Four, and the review of current issues in the development of an integrated approach to CBM in the Irish civil service, seven key factors can be identified relating to success in implementing integrated CBM.

1. *Leadership and commitment from top management* – is required both at the centre and within departments to drive the development of integrated HRM forward, and to further develop approaches that have already been established, such as the structured interview approach used in recruitment. Difficulties reported by other countries in implementing systems relate to developing ownership and getting the support of senior management, resistance from trade unions and delays in implementing systems or the emergence of a piecemeal approach. On the basis of experience, considerable investment is required to develop and implement a CBM approach. It requires long-term commitment from managers and staff before an organisation decides to embark on it. Within departments, successful

implementation and long-term buy-in from staff will also depend on the commitment and support of managers at all levels and their ability to drive the process. Direction is also required from the top within departments, to ensure that the values of the organisation, which could be outlined as core competencies, become integrated into frameworks.

- 2 *Effective communication* – is required between the various levels within the organisation, to promote the benefits of integrated CBM approaches to individuals and the organisation and to keep the implementation momentum going. Effective communication is also required between managers and staff in the performance management and development process, including regular feedback on performance against objectives.
- 3 *Participation* – the involvement of stakeholders in the identification of competencies and regular information to ensure long-term buy-in, to promote ownership of processes, competencies and achievements and to address issues as they arise. In identifying competencies, it is vital to ensure that they are meaningful and relevant to staff in the work that they do, but also that they have the potential to drive the strategic objectives of the organisation forward. With this in mind, and in view of the need to ensure ownership of the process, the competencies and the achievements, departments will need to be mindful of the level of involvement that staff have in the development of profiles and systems. A key element of the implementation of PMDS is five days training for all staff. There may be other ways in which participation could be enhanced particularly in the development phases, for example by using consultation in the identification of core competencies.
- 4 *Clarity of objectives, processes and principles* – if individuals are to contribute effectively to team and organisational objectives, they need to know what is required of them and how their personal objectives link in with the objectives set out in business plans. In addition, individuals need to be aware of the role that is required of them in performance management.
- 5 *Monitoring and evaluation* – is required to ensure effective implementation of systems and on-going review of the effectiveness of systems and competencies once they become established. The monitoring process should also focus on the

integration of HRM activities and conflicts with other aspects of HRM should they arise.

- 6 *Training and an emphasis on development* – effective training for all staff is vital to the success of the PMDS and this is reflected in the resources allocated to training in the implementation phases. However, one issue arising currently is the capacity within departments to provide training for all staff over such a short period of time. It is also noted in this review that a particular focus is required, in the development of CBM, on building internal capacity through targeted training and development. Further, there is currently an over-emphasis on attending training courses. Other ways to develop people should also be considered, such as coaching, mobility, exchange, shadowing a colleague or mentorship.
- 7 *CBM as a management tool* – if CBM is to be effective it must become and be seen to be a part of the normal day-to-day work of managers. In addition, CBM needs to be integrated into HR strategies and activities.

More specifically, a number of key considerations should be kept in mind when identifying competencies and developing a competency framework:

- It is important to explicitly link the identification of competencies to the organisation's business strategy. For example, in the strategy formulation and implementation process, typically performance indicators and outputs are established for high level and divisional objectives. In this context it is important that competencies, however they are identified, are relevant to agreed indicators and outputs. Otherwise they will not be meaningful to employees.
- The culture and values of the organisation also need to be reflected in the competencies selected. The identification of a small number of core competencies can help in this respect.
- It is also important to decide on the most appropriate mechanisms to be used for identifying competencies. For example, if a performance management system already exists it may be appropriate to retain several existing competencies. In other cases, questionnaires, surveys or focus groups could be used to identify/adapt generic competencies to roles or functions. Many organisations focus on the behaviours of high performers in the process of establishing competencies. While this may have merits, it may also create difficulties, for example, where an opaque system is used to select such high performers, with the result that other individuals may feel excluded or undermined.

- In selecting and defining competencies for inclusion in competency frameworks:
  - the mix of competencies is more important than the number and care is required to ensure that competency profiles are manageable;
  - competencies can be expressed as core or generic competencies – that can be applied to all individuals across an organisation or can be related more specifically to grade or function or role. Competency profiles relating to an individual job-holder typically contain a mix of types;
  - competencies should be expressed in clear and unambiguous language that can be applied to all related work-based practices.
- Finally, as Chapter Two highlights, it is important during the competency identification process that mechanisms are put in place to identify desired levels of attainment against competencies and the individual's level of performance against such standards. As a result, when competencies are introduced, individuals are clear as to what is expected and how they will be assessed or rated.

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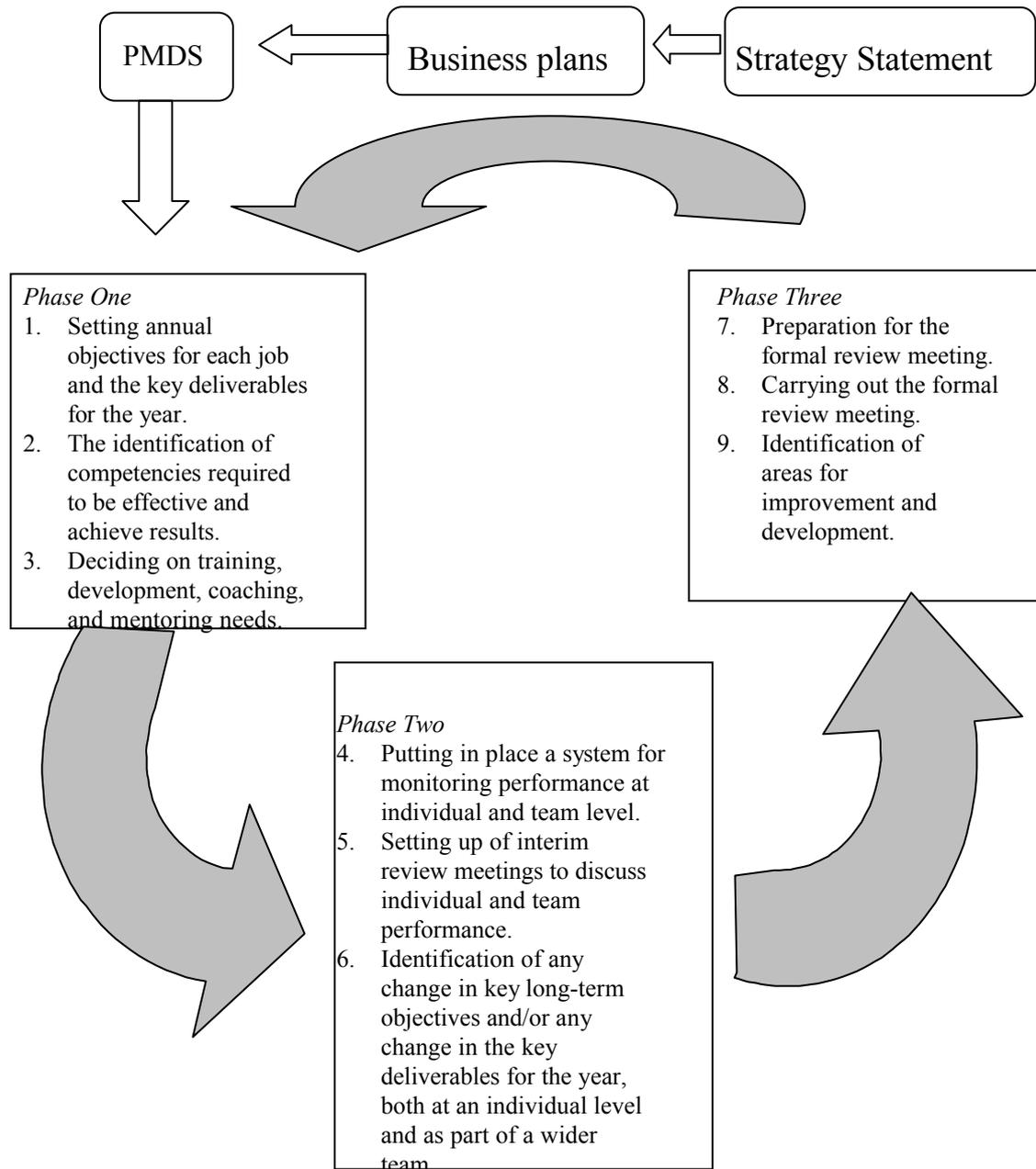
**Notes:**

- 1 'Flemish' is the term used by Hondeghem and Vandermeulen (2000) in their review of CBM
2. The term Wholistic used in the PSC literature refers to competence as an integrated concept. The term holistic is also used in the literature, in a different sense, to refer to competency-based frameworks that are applied to the whole of an organisation

## Appendix One

### The Annual Performance Management Cycle

In practical terms the PMDS system will revolve around an annual cycle with three distinct phases:



## **Appendix Two**

### **Competency Frameworks Developed in Three Government Departments**

One example of the products of the development process (the Performance Review Process pack) is described in Figure One. This pack also outlines the Performance Review Process.

*Figure One The Performance Review Process pack in the  
Department of the Environment and Local Government*

In the Department of the Environment and Local Government, the final products of this development work are outlined in three documents (the PRP pack): the competency framework; the review document; and a document outlining the performance review process.

- The competency framework outlines the seven competencies and the related levels.
- The review document contains three sections; the review section, the objective setting section, and the training and development summary.
  - In the review section the work objectives agreed in the previous year are set out with the reviewer, indicating if they were met, any reasons why they were not met and planned action resulting from them. This may include planned training or development or carrying the objective forward to the following period. Reviewers are also required to record progress against competency development. In addition, progress against personal development objectives set for the review period are reviewed along with the outcomes and any further action required.
  - In the objective setting section the objectives for the coming year are set out, along with competency development objectives (including agreed variations to the competency framework for the role) and agreed personal development objectives.
  - The document is then concluded with a training and development summary.
- The third document outlines the principles and purpose of the PRP and the key elements of the review process, and provides guidance on setting and reviewing objectives, the annual review of performance process and completing the review document

The competency framework used in the Department of the Environment and Local Government scheme contains seven competencies that can be clustered as follows:

<b>Effectiveness</b>	<b>Management</b>	<b>Communication</b>
<ul style="list-style-type: none"> <li>• Personal effectiveness</li> <li>• Team effectiveness</li> <li>• Organisational effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Information management</li> <li>• Resource management</li> <li>• Managing performance and development of teams and individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Communication</li> </ul>

For each competency there are four levels that can be applied to specific grades: basic (clerical officer), proficient (executive officer/staff officer), advanced (administrative officer /higher executive officer) and expert (grades over and above HEO). As the scheme was originally aimed at EO and HEO grades, there is a set of behavioural statements to describe the competency for each of the basic, proficient, and advanced grades. The 'expert' box is left blank to accommodate competency over and above HEO levels.

In the competency framework developed by the Department of Foreign Affairs, there are three clusters of competencies in the performance appraisal framework, each containing several competencies:

<b>Communication Skills</b>	<b>Personal Effectiveness</b>	<b>Managing Resources</b>
<ul style="list-style-type: none"> <li>• written</li> <li>• oral</li> <li>• networking</li> </ul>	<ul style="list-style-type: none"> <li>• leadership</li> <li>• decision making/judgement</li> <li>• analytical ability</li> <li>• self-reliance</li> <li>• flexibility</li> </ul>	<ul style="list-style-type: none"> <li>• planning</li> <li>• financial</li> <li>• staff</li> <li>• information</li> </ul>

The competencies are outlined in competence statements with four dimensions (not levels) called 'indicators' per competency, which describe key qualities that the staff member is expected to display. These indicators carry equal importance and describe different dimensions that might be demonstrated for each competency in relation to the work of the department. Separate competence frameworks have been developed for the three grade levels – counsellor/principal; first secretary/assistant principal; and third secretary.

In the framework developed by the Department of Public Enterprise, competencies are based on those in the Hay report and have been amended to apply to the roles within the department and following discussion with unions.

**The six competencies used for AP competitions are:**

- written communication
- verbal communication
- leadership and self confidence
- sound judgement and decision making
- initiative and conceptual thinking, and
- commitment to good people management and development.

The competencies for other competitions vary slightly – for promotion to PO the sixth competency is extended to include the change agenda and in competitions for HEO leadership is replaced with organisational skills.

## Appendix Three

### Comparison of Competencies found in the PMDS with those found in Other Frameworks

Competencies included in the PMDS framework			Departmental frameworks		CSC	
Cluster	Competency	Descriptive statements	DELG	DFA	AO grade	AP grade
<i>Personal effectiveness</i>	Achievement drive/ commitment	Have a strong focus on results	P	P	P	3
		Set new challenges and strive for improvements	3	3	3	3
		Set challenging standards and goals for yourself and others	3	3		3
	Self-confidence	Work confidently within agreed parameters	3	3	P	3
		Take and stand by decisions	P	3	P	P
		Deal confidently with difficult situations and setbacks	3	3	3	3
		Present oneself with assurance	3	P	P	3
	Initiative	Anticipate what needs to be done and do it	3	3	3	3
		Anticipate what needs to be done and go beyond what's expected	P	P	P	3
		Make forward plans and be adaptable to changing circumstances	3	3	3	3
		Be capable of new thinking and be creative in developing effective solutions	3	3	3	3
	Team working	Be a good team player, work well with others	3	3		3
		Encourage and support others	3	3		3
		Seek to resolve team tensions	3			
	Communications	Be able and willing to communicate	3	3	3	3
		Present factual information effectively, both orally and in written form	3	3	3	3
		Have good writing skills	3	3	3	3
		Be effective in oral presentation	3	3		3
		Be a persuasive communicator	3	3		3

*Legend:*

P = broadly similar to PMDS competency

3= very similar to PMDS competency

DELG = Department of the Environment and Local Government

DFA = Department of Foreign Affairs

A detailed breakdown of competencies was not available for the Department of Public Enterprise

Competencies included in the PMDS framework			Departmental frameworks		CSC	
Cluster	Competency	Descriptive statements	DELG	DFA	AO grade	AP grade
<i>Thinking style and problem solving</i>	Analytical thinking	Break down projects into simple steps	P	P		
		Think through issues logically and set priorities	3	3	P	P
		See relationships between issues and identify coherent solution	3	3	P	P
	Conceptual thinking	See patterns/trends in data	3			P
		See the links between related information	3	3		P
		Provide clear and useful explanations	P	P		P
		Think creatively ('out of the box')	P	P		P
		Think strategically	P	3		P
	Decision making/ judgement	Assemble the facts and outline course of action	3	P		P
		Weigh up pros and cons and make recommendations	3	3		P
		Consult and seek advice when there is no precedent				
		Apply good judgement, especially where a degree of risk exists	P	3	P	P
		Make decisions where there are conflicting issues	3			
	Specialised expertise	Offer specialised advice to others	3			
		Be accepted by colleagues as 'expert'				
		Draw on innovations and best practice in devising solutions				

*Legend:*

P = broadly similar to PMDS competency

3= very similar to PMDS competency

Competencies included in the PMDS framework			Departmental frameworks		CSC	
Cluster	Competency	Descriptive statements	DELG	DFA	AO grade	AP grade
<i>Group and Interpersonal Effectiveness</i>	Networking/ influencing	Appeal to people and win them over		P	3	3
		Make effective contacts	3	3		3
		Build behind-the-scenes support		P		P
		Keep others well informed	P	3		P
		Develop key relationships	3	3		3
	Interpersonal understanding	Understand explicit content		P	P	P
		Understand other underlying feelings and concern		P	3	P
		Use this understanding to achieve agreement		P	3	P
	Customer service	Be helpful in dealing with customers				
		Offer appropriate advice				
		Anticipate customer needs and work to meet them		P		P
		Help organisations to respond effectively to customer needs		3		P
	Managing and developing people	Clarify roles and responsibilities	P	3		3
		Check progress and offer useful feedback	P	3		3
		Let people know what is needed	3	P		3
		Coach people through an activity				3
		Provide help, advice and support	P	3		3
		Offer assignments and development opportunities				
	Leadership	Manage a group or a team	P	3		P
		Develop a vision for the future	P	3		P
		Keep people informed about developments	3	P		
		Guide the performance of others	3	3		3
		Make choices and decisions which take the organisation forward in a changing environment	3	3		P

*Legend:*

P = broadly similar to PMDS competency

3= very similar to PMDS competency

Competencies included in the PMDS framework			Departmental frameworks		CSC	
Cluster	Competency	Descriptive statements	DELG	DFA	AO grade	AP grade
<i>Managing for results</i>	Managing budgets and resources	Monitor income and/or expenditure	3	3		
		Present case for monies/funding	P	3		
		Address inappropriate use of monies and tackle irregularities	P	P		
		Make resource allocation decisions and evaluate them	3	P		3
	Information seeking and management	Collect information to assess the present state of a problem or situation	3	3	3	3
		Find out the reasons why something happened			P	P
		Develop and put in place information systems	3			
		Manage information effectively	P	3	P	P
	Concern for clarity and work quality	Be clear about what's expected and ask for help when unsure				
		Set standards for others	3	3		3
		Challenge existing standards	P	P	P	3
		Check the work of others	3	3		3
		Be accurate and organised	P			P

*Legend:*

P = broadly similar to PMDS competency

3= very similar to PMDS competency

## **Appendix Four**

### **Summary of Study carried out by Rooney and Flood (1999)**

The findings of a survey carried out by the Office of the Civil Service and Local Appointments Commissioners (the Commission) with board members who participated in structured interviews are reported as ‘very positive and encouraging’ (Rooney and Flood, 1999). It is reported that 95 per cent of respondents said that they thought the structured interview was a good or very good way of identifying quality candidates to go forward for the position in question, and 65 per cent said the approach was more effective than ‘traditional’ style selection approaches (35 per cent remained neutral and said that it was less effective). It is also reported that the majority of respondents felt the structured interview approach was more relevant to their understanding of the work of the role in question, more effective in identifying a candidate’s abilities in job relevant areas and fairer as a method of assessing a candidate’s abilities than the traditional approach.

In the survey there were some concerns raised by respondents relating to predictive reliability, for example:

- that despite the advantages of the process over traditional approaches, the potential still remains for a candidate who performs well on the day to get through, while those who may perform better in the role but not so well on the day may not
- where there is the sense that interviewees have been coached, it can be difficult in the structured interview to get through the ‘well-polished interviewee’
- candidates doing the structured interview a second or third time have an advantage over those doing it for the first time.

It was also reported that marking can be difficult for interviewers and that better guidance is required on what constitutes adequate evidence and strong evidence. In addition, it was suggested that the time allowed for questioning under the various headings can be too short and that more time should be allowed for summing up at the end of the interview. It is also reported that the Commission has set about addressing the issues raised.

## **Appendix Five**

### **The Development of Competency-based Approaches in Britain, Canada, Australia, New Zealand, Belgium and Holland**

#### *The British Civil Service*

The British civil service does not have the same unified system found in the Irish civil service; it is more fragmented – made up of forty departments, 137 departmental agencies and more than 300 non-departmental agencies. Horton (2000b) suggests that there is scope for organisations to develop their own performance management systems as a result of this fragmentation. She reports that the British civil service has not gone for a generic system or a ‘big bang’ approach to introducing performance management. She also provides a comprehensive overview of the use of competency-based management in the British civil service, based on a survey of sixty-two ministerial and non-ministerial departments and agencies (representing a 49 per cent response rate from 130 departments). Her findings were that:

- Eighty per cent of respondents had competency frameworks and that only three of the remaining departments did not have plans to introduce frameworks in the future.
- The most common personnel functions using competencies were: staff development (69 per cent), training (60 per cent) and appraisal (58 per cent). Only 21 per cent of respondents used competencies for pay and rewards.
- In two thirds of organisations, the competency framework was used for all staff. Five departments reported that all staff were covered with the exception of senior civil servants who had their own competency framework.
- Forty per cent of organisations reported that their competency frameworks were based around core competencies alone, 33 per cent that they were based around a combination of core and specialist competencies and three organisations (5 per cent) reported that they were using specialist competencies alone.
- The number of competencies included in frameworks varied, the most common range being between six to ten competencies.
- In developing competency frameworks, sixteen (26 per cent) organisations used consultants, twenty-two (35 per cent) developed their own systems in-house, and seventeen (27 per cent) used a combination of the two. The remainder did not

respond or reported that they used a combination of focus groups and brainstorming.

The survey also sought qualitative views on the difficulties experienced in implementing and using competency frameworks and the perceived advantages of competency-based management. In terms of the perceived advantages, it is reported that 'In spite of the problems experienced by most organisations there was widespread support for its 'many benefits''. These benefits included benefits to managers, to employees and staff and to 'the organisation and the quality of its operations'. Benefits to managers included standardisation and having a 'common language', having 'more objective criteria' and 'a fair and defensible framework' for selection, an acceptable method of employee evaluation and for identifying staff needs. It was also reported to have been instrumental in motivating staff to reach their full potential. Benefits to staff included greater transparency in what is required to reach high performance in a job, a fairer and less subjective system in which staff can have confidence, an easier way for staff to build towards promotion and career change, encouragement and opportunity to self develop and the benefits of positive feedback. The perceived advantages for the organisation included greater clarity on strategy, strengths of the organisation and areas where improvement is required, and the possibility to develop strategic and holistic approaches to HRM.

The problems most frequently reported related to lack of ownership by staff, lack of commitment by middle management and lack of ownership and support by senior management. Problems were also reported in relation to difficulty identifying competencies, resistance from trade unions and managers, the speed at which schemes were implemented (many without pilot studies) and the piecemeal approach to implementation. It is suggested that difficulties were more likely to arise where external consultants had been used and less so where the external consultants were from a parent department.

Horton also identifies five organisations that have adopted an holistic approach to CBM: Land Registry; Registers of Scotland, Ordnance Survey, the Civil Service College and the Department for Education and Employment.

The establishment of a new pay and performance management system for the 3,000 members of the senior civil service (SCS) is also a key element of the civil service reform programme in Britain. The system will feature pay awards based on relative contribution, an emphasis on personal development and incentives for high performance. An extensive review of senior civil service competencies was a feature of the development of the system, including:

- interviews and group work with top managers, staff below SCS level, and HR practitioners to explore views on the competencies and behaviours needed for modernisation and effectiveness in the future from people in the SCS
- a detailed review of the career paths of a cross-section of SCS staff, to identify the key skills they have developed in testing situations and their views on role model competencies and behaviours
- analysis of the results of 360 degree feedback in the SCS
- review of competency frameworks in public and private sectors in the UK and overseas (Cabinet Office, 2001).

The Centre for Management and Policy Studies is offering a range of training programmes to support the implementation of the new system.

#### *The Canadian Public Service*

In response to a 'quiet crisis' resulting from significant downsizing, pay freezes and reorganisation in the Canadian Public Service over recent years, La Relève – Canada's public service renewal initiative – was launched in 1997 (La Relève Task Force, 1998). Key issues within the service at that time were the low number of young people, including those in the executive feeder pool, the high rate of retirement among managers, especially at senior level, skills shortages in specific areas and insufficient data on the public service workforce to support strategic human resource planning (Leadership Network, 1998).

La Relève is 'a challenge to build a modern and vibrant institution able to use fully the talents of its people; a commitment by each and every public servant to do everything in their power to provide a modern and vibrant organisation now and in the future; and a duty, as guardians of the institution, to pass on to our successors an organisation of qualified and committed staff ready to face the challenges of their time' (Public Services Commission (PSC), 2000). Key elements of the initiative are the development of comprehensive HRM strategies to replenish and retain a competent workforce, the development of a fair work classification system and the development of an executive compensation package. There is also a clear emphasis on delegating

responsibility for staffing authority to departments and simplifying and streamlining HRM systems and processes. There is an increasing recognition of the importance of competencies and that the development of competencies, recruitment, and training and development measures must be linked to business needs and the changing role of government and be informed by the business planning process. Competencies are seen to 'form the basis of a public service that is more flexible and capable of better responding to activity sectors and employee needs' (Brisson et al, 1998). Clear responsibilities have been assigned to the PSC, the Treasury Board Secretariat (TBS) and Personnel Renewal Council to liaise with departments on pilot initiatives to develop competency-based human resource management (CBM), to share findings and to ensure through the PSC that training and information on how to use competencies to assess employees is available to all managers (Leadership Network, 1998).

Three committees of deputy ministers were established to look at recruitment, workplace well-being and retention and learning and development. The reforms of HRM involve giving departments and managers more responsibility for internal staffing up to the executive level, with the Public Service Commission acting as facilitator and overseer. At the executive level, the aim is to streamline processes and introduce performance standards. Another key feature of La Relève is the development of leadership across the public service. This approach is reflected in the development of performance management systems for executive levels at central level, while departments develop their own systems, with guidance and support from the PSC and the TBS. The TBS (1999) suggests that the initial focus on the development of a generic profile for management levels has happened simply because these levels (assistant deputy ministers and senior executives) are managed corporately. This is being followed up with the development of competency profiles for other management levels by the PSC/TBS. Competency profiles will also be developed through the Learning Advisory Panels for middle managers and information technology, human resource and policy communities. Human Resource Development Canada has developed an overall framework for competency profiling and it is left up to departments to develop their own approaches based on their needs and a business case analysis.

A report by the TBS in December 1999 on a framework for CBM in the public service endorses the use of CBM as one approach to managing human resources. However, it stipulates that this should be done in a consistent, thorough and fair manner and in line with the legislative parameters of the public service and sound CBM practices. It

highlights the ‘significant investment’ required of departments to embark on the CBM approach and the importance of involving all stakeholders in the approach and warns that, before embarking on the process, organisations should be certain that they are committed to its long-term benefits. The approach recommended by the TBS (1998) is that human resource management (HRM) should be integrated with business planning. To achieve this, five key result areas (KRAs) have been identified from which organisations can choose, ‘according to their unique mission, priorities, culture and values’. From the five KRAs, success criteria and performance indicators can be developed, from which organisational and employee competencies can then be designed. The general trend reported is for more homogenous organisations to develop models that cover the entire workforce, whereas the contrary applies in more heterogeneous organisations. Also, federal public service organisations have tended to develop their own ‘context-specific’ models rather than importing generic models.

Brisson et al (1998) report on a survey of fifty-seven federal public service organisations, conducted jointly by the PSC and the TBS, reviewing interest in and use of competency-based human resource management. The survey attempted to compile an overall profile of CBM in the federal public service and to identify the needs of federal departments and agencies needing to be addressed by central agencies. Fifty-six per cent of organisations had CBM initiatives in place, covering 75 per cent of people. Of those organisations, 28 per cent used competencies for learning; 22 per cent for recruitment and staffing; 6 per cent for performance appraisal; and one organisation for succession planning. It was reported that few organisations are at an advanced stage in developing competency profiles or using them and that, although many organisations are interested in developing them, the necessary financial and human resources are not always available. In terms of drivers for change, it is reported that while organisations are prompted to adopt new approaches to manage human resources more effectively in response to major organisational changes, one of the main factors triggering the development of competency profiles has been the La Relève initiative. In developing competency profiles, it is reported that management have made great use of the Human Resources Group and projects have been based on the ‘Wholistic’ (develop competencies for a major part of all of the organisation) or ‘pilot project’ (develop competencies in a directorate or section of the organisation for a specific employee group) approaches.

*The Australian Public Service (APS)*

The most recent reforms of the APS are aimed at enabling it to become more competitive and to respond to the challenges of increasing globalisation, but without losing what are considered to be the best characteristics of the APS – ‘integrity and honesty, professionalism, and a willingness to give comprehensive and creative policy and technical advice’. Key challenges identified for the APS are over-centralisation, excessive prescription in the management and procedures of the workplace, inadequate focus on the customer or client and failure to manage to world best standards (PSMPC, 1998). A key theme in the new employment framework being developed as a part of the reforms and underpinned by the Public Service Act is achieving maximum flexibility while maintaining a high level of accountability. The thinking is that removing central control and prescription as much as possible and formally devolving management powers to agency heads will increase flexibility, while APS values are established in legislation and a new code of conduct that will apply to all staff. Areas where flexibility will be increased include recruitment and selection, including the prescription of qualification, mobility, discretionary payments to staff and dealing with poor performance. This devolution of responsibility is further endorsed in devolution of authority to APS agency heads to agree employment terms and conditions and by the Workplace Relations Act 1996. The Workplace Relations Act sets out a number of requirements within which agencies must work relating to wages policy, funding within agency appropriations, classification and remuneration. The Senior Executive Service (SES) was established in 1984, as one of several wide-ranging reforms in the Public Service Reform Act. The establishment of the SES was aimed at providing a mobile group of managers with common skills that could be used across a wide range of circumstances and roles. Since then, the development of the SES has been a consistent theme in APS reform.

In 1996 the Public Service and Merit Protection Committee (PSMPC) Management Advisory Board commenced a two phased project – Achieving Cost Effective Personnel Services (ACEPS) (PSMPC, 1996). Phase One involved benchmarking sixteen APS agencies with private sector organisations and showed that the direct costs of delivering HRM in the public sector was considerably more expensive than in best practice industries. Phase Two involved an in-depth business process re-engineering review with ten of the original participating organisations. This identified a number of ways in which HRM practices could be improved within APS organisations, along with considerable savings that would result from the changes.

In terms of the development of competency management, the earliest references to be found are around 1990 and refer to the development of competency-based training programmes. The system for the Graduate Administrative Assistant Programme is used both for training and advancement purposes and is organised around a set of core competencies. There are references also to the development by the PSMPC of new selection tests and questionnaires for entry-level recruitment involving extensive trials. This is aimed at providing a single selection system for both administrative and graduate positions and to allow for the assessment of a wider range of work-based attributes than previously. It is also reported that a number of state and territory governments are using this system on a user-pays basis.

Hunt and Meech (1991) outline the approach taken in one government department, the Department of Immigration, Local Government and Ethnic Affairs (DILGEA), to the development of competency-based HRM. They suggest that the development of the approach grew out of an understanding that strategies were required to encourage skill formation and to provide a more flexible approach to work organisation. They report that prior to 1988, there were more than one hundred job classifications in the APS, dividing jobs into many unnecessary components and inhibiting movement across and through the system. The Office Structures Review, which began in 1988, involved the integration of these classifications into eight work levels. Following on this, the DILGEA set about identifying competencies for front line counter staff, with the assistance of an external consultant. A basic competency dictionary was compiled using existing literature, critical interviews with key staff and managers, expert resource panels to advise on and test the validity of the competency dictionary and testing and modelling of the competency profile involving all staff. Five generic competencies were identified and developed further into levels, to reflect a gradual progression through the job classifications. The competency profiles are used as the basis for selection, focused training programmes, career planning and feedback on performance.

#### *The New Zealand Public Service*

The State Services Commission (SSC) (1998) outlines the development of human resources in the context of the reform of the public sector overall. Reform began in the mid 1980s at a time of economic crisis, a newly elected government and increasing interest in emerging microeconomic-based and new public management theories. Initially, the reforms were based around three key concepts: commercialisation, deregulation and privatisation. This was followed by reform of the core public service,

focusing on changing structures and systems. This resulted in fundamental changes to people management and strategies. Reform included devolution of responsibility for human resource management (HRM) from the SSC to the chief executives of departments within the parameters of the State Services Act 1988, including collective employment negotiations. Thus, chief executives were required to be ‘good employers’, to provide equal employment opportunities, to meet requirements relating to notifying vacancies, making appointments on merit and implementing employment review procedures. Chief executives were also required to work in conjunction with the SSC in the development of a Senior Executive Service. Unlike other countries, responsibility for HRM was devolved to chief executives without first establishing government-wide policy frameworks or guidelines beyond those in the State Services Act and departments have been free to develop their own strategies, policies and practice. Accordingly, although the SSC provided some guidance and co-ordinated the developments of a competency-based model of strategic resource management, departments were free to decide on which model they adopted. However, it is suggested that more recently the SSC has been able to ensure greater co-ordination and to get departments to focus on areas of collective concern through its role in assessing departmental performance and providing assurance to government on the current and future capability of the workforce to achieve government objectives (SSC, 1998). Key result areas are contained in performance agreements between ministers and departmental chief executives and are used as a means to link departmental objectives with the objectives of government. Also included is a set of collective ownership interests, which includes a set of expectations relating to HRM. These expectations emphasise the importance of developing and maintaining the human resource capacity to deliver on current and future government requirements, but do not prescribe how this should be done.

Reviews of the reforms to date are limited but some key issues have been identified (SSC 1996, 1998).

- Autonomy within departments in determining job titles, occupational groupings and pay scales have resulted in a trend towards very broad, generic occupational groupings and fewer opportunities for vertical movement.
- There is a need for further attention to building human resource capability, particularly through training and development. It is suggested that the trend towards the use of fixed-term contracts and increased mobility between public and private sectors has undermined efforts to build capability. There is a concern that

thinking has moved towards opportunities to buy in management expertise from the market place rather than developing their own managers. This is reflected in concerns about the supply of suitable candidates for chief executive and other senior management posts. In response, the SSC and Management Development Centre have set up initiatives to address concerns about senior management succession and development. There are concerns also about the shortage of skills in the areas of policy advice and technical specialisms and the ability of the public sector to pay competitive remuneration rates for such skills.

- There is a need for integration of human resource planning with strategic business planning.

#### *The Flemish and Dutch civil services*

Hondeghem and Vandermeulen (2000) outline approaches to competency-based management being developed in the Flemish and Dutch civil services. Differences in the two approaches relate mostly to the fact that the Flemish civil service is highly centralised, in contrast to the decentralised Dutch civil service. The Flemish approach to competency management began in the 1990s following on other reforms including a new mission for the civil service, reorganisation of structures and the creation of homogenous divisions and flatter structures, new personnel legislation and the development of a new organisational culture intended to give line managers more responsibility. A new appraisal scheme (PLOEG) was developed centrally by top civil servants as a strategic instrument. It was designed to improve the performance of the whole organisation and the functioning of teams and individuals within it, as an instrument of communication rather than one of punishment and reward. Before the appraisal system was introduced, job descriptions were developed. A participative approach was taken to increase the acceptability to staff, involving panels of job holders and managers to validate the result areas, activities, critical competencies and indicators of behaviour for forty-five 'function families'. For senior civil servants the process also involved behavioural interviews. The competency profiles distinguished between technical requirements and personal requirements, such as leadership, communication, critical thinking and so on. It is reported that the competency profiles are 'now considered to be a more or less stable element of the evaluation process, while the yearly objectives are a more flexible instrument'.

## Key stages in the annual appraisal cycle

- Managers and staff agree personal objectives for the coming year. These include results-orientated objectives, which are derived from team and organisational objectives and developmental objectives, which are derived from an evaluation of the functioning of the individual with a view to mobility in the organisation. During the year, managers are expected to coach their staff in order to achieve objectives and communication. Leadership and feedback are seen as important instruments.
- At the end of the year, employees are invited to prepare a self-evaluation, which is discussed during an appraisal interview. Managers are required to produce a written report that provides a full description of achievement and development rather than a tick list.
- The final stage of the management cycle is reward and although informal reward is considered to be the most important, a small number of civil servants will also receive a financial reward for exceptional performance. Premiums of 5 to 10 per cent of salary are linked to performance and pay increases can be withheld for poor performers.

The description of competency management in the Dutch civil service is quite different. The Dutch civil service is a very decentralised system and there is no central strategy on competency management. Recent reforms are aimed at developing a more integrated civil service. One of the initial steps is to integrate the top civil servants into a general civil service, through the establishment of the Algemene Bestuursdienst (ABD) service in 1995, as an autonomous organisation reporting to the Minister of the Interior. It is reported that competency management has been an important issue for the ABD from the outset and competency profiles have been developed for all top civil servants. The competency framework is used as the basis for the vacancy profile in recruitment and selection, in personal development planning and for career development.

Hondeghem and Vandermeulen (2000) also report on the lessons learned thus far from the two administrations. They report that there has been considerable evaluation of the Flemish system, which has identified both positive and negative issues. On the positive side it is reported that the appraisal system has been well accepted by employees as just and fair and that, used properly, the PLOEG system can positively influence behaviour and motivate staff. It is also suggested that there is a clearer focus on results, improved communication and information between managers and staff and that managers have more responsibility. On the negative side there are criticisms of the system being 'rather bureaucratic and time-consuming', that it is not always suitable for all situations and all types of staff and that, as a result, some departments have sought to adapt the system to specific situations. It is also suggested that the system has not yet had the desired effect in several areas, for example:

- it is seen as too complex and customer unfriendly to be used as an appraisal instrument
- it is not used sufficiently as a management tool
- it has only had a marginal effect on remuneration and responsibility – although one of the aims of the system was to introduce the principle of pay for performance
- a better link is still required between individual objectives and organisational objectives and the strategic view.

Hondeghem and Vandermeulen report that the competency framework developed in the Dutch senior civil service is a good example of competency management that facilitates the integration of HRM. It is orientated towards the needs of the organisation and building future capacity. The same competencies are used for appraisal, development and career planning and they suggest that competencies provide a common language for communication about human behaviour. Key considerations in the development of competencies were the competencies that are crucial in a government environment, the new vision of the civil service and the competencies required of managers in public management.