

# ***Growing Leaders: Innovations in the Competence Development System of Estonian Top Civil Service***

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**Abstract:** *The aim of this paper is to analyse the experiences of creation, implementation and development of the competency framework of the Estonian top civil service and the possibilities of contributing to the attainment of the state's strategic goals through the development of the competencies of top civil servants.*

*Firstly, on the basis of selected literature, the paper provides a short overview of the notions of competencies and competency frameworks.*

*Secondly, the paper describes the creation, implementation and updating of competency framework of top civil servants of Estonia.*

*Thirdly, the paper discusses the efficiency of different methods in the development of competences of top civil servants.*

**Keywords:** *competence system; civil service; innovation.*

**JEL:** *J45; J62; J88.*

## **Introduction**

Competencies have been the central theme in the public service reforms in various states over the past thirty years. Technological development, a rise in civic activity and the loss of citizens' trust in governments have considerably changed the role of the public sector and public management. Instead of being loyal bureaucrats' and politicians' sidekicks, executives in the public service are expected to take personal responsibility for the efficiency and effectiveness of their work, focus on the strategic goals, be open and constantly develop themselves (Changing Times, 2004). With the aim of making the traditional bureaucratic public administration model more effective, customer-centred and flexible, competencies and competency frameworks have been used, above all, in the case of officials of a higher level.

Competency frameworks have been used the most in recruitment, selection and development and less in performance appraisal and in the principles of payment of wages (Horton, 2009). The triumph of competency frameworks in the public sector began in the United States where the top civil service competency framework was created in 1979 for the purpose of improving senior officials' skills and capabilities. Thereafter competency frameworks have been applied in the

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United Kingdom, Germany, Sweden, Japan and various other states (Hood & Lodge, 2004).

Although competency frameworks have mostly been created with the aim of increasing flexibility, customer orientation and cooperation in the management of the public sector, various authors are not certain whether the frameworks created to that end actually contribute to the achievement of these aims or increase the individualist approach and the passing along of the former values even further (Hood & Lodge, 2004).

Following the restoration of independence, in 1991 the Republic of Estonia was facing the same challenge as the Central and Eastern European states through 1989-1990: to ensure that the administrative organisation is able to ensure democracy and the market economy (Viks, 2002). The need to successfully cope with these functions was the main reason for reforming the administrative organisation of the state.

The importance of the quality of management and managers of the public sector in the attainment of the state's strategic goals and the need to centrally attend to the selection, evaluation and development of top executives in the civil services were emphasised in the Civil Service Development Concept created in Estonia in 2004 (Avaliku teenistuse arendamise kontseptsioon, 2004). Secretaries-general and deputy secretaries-general as well as the directors general of boards and inspectorates were identified as top civil servants. The competency framework of the Estonian top civil service was created in 2005 and the Government Office was entrusted with its implementation.

This paper analyses the experiences of creation, implementation and development of the competency framework of the Estonian top civil service and the possibilities of contributing to the attainment of the state's strategic goals through the development of the competencies of top civil servants.

The first chapter discusses the notions of competencies, competency frameworks and competency management. The second chapter analyses the creation and implementation of the competency framework of the Estonian top civil service. The third chapter focuses on updating the competency framework and the fourth chapter on the development of the competencies of top civil service. The fifth chapter contains a summary and conclusions.

### **Definition of competencies**

Traditionally, *competence* or *competency* means the formal or legal power of a person or institution, but it may also mean the capability of an organisation to cope with certain operations or a person's ability to perform certain functions (Hood & Lodge, 2004).

Three types of approach to the definition of competency can be distinguished in the management theories of the last quarter of the 20<sup>th</sup> century:

- 1) competencies as something uniquely characteristic of an organisation, which make the organisation effective. In the field of strategic management Prahalad and Hamel introduced the definition core competence, describing the strengths of the organisation, which are important for the implementation of the strategy of the organisation and which cannot be copied by others (Prahalad & Hamel, 1990);

- 2) competencies as the abilities and capacity of an individual.

This approach to competencies is mostly associated with the name of David McClelland, a psychology professor of Harvard University, who in an article published in 1973 called upon paying less attention to the results of classical examinations and tests and more attention to the work-related demands posed by life when evaluating employees (McClelland, 1973). According to McClelland, top performers use specific knowledge, skills and behaviour that allow them to successfully do their job.

This approach to competencies was further popularised by the work of Richard Boyatzis who developed the general competence framework in 1982. In his approach competence is something that is permanently characteristic of a person, has a causal link to excellent performance in a work situation and helps to predict the person's behaviour in the performance of various functions (Boyatzis, 1982).

Emphasising the behavioural component of competencies is important in the event of this approach;

- 3) competencies as the prerequisite for coping with certain functions.

This approach does look at competencies as something characteristic of an individual, which serves as the prerequisite for performing certain functions, but lacks a behavioural aspect. This approach is rooted in, on the one hand, the traditional German approach (so-called technical competencies) and, on the other hand, the British professional qualifications system introduced in the middle of the 1980s.

In practice, the last two approaches have melted together and McClelland's initial definition of competencies has often been mixed with knowledge, skills and the prerequisites required for performance of work (Hood & Lodge, 2004).

A competency framework is both a list of competencies and a tool by which competencies are expressed, assessed and measured (Horton, 2009). The structure of a competency framework must support its implementation in the chosen fields of work. If the approaches to the definitions of competencies are different, the competency frameworks may have a different structure as well. For instance, in the event of technical competencies the competency framework may simply be a list of various competencies. Upon using the behavioural competency definition, the competency model should provide an operational definition for each competency and sub-competency, along with measurable or observable

performance indicators or standards against which to evaluate individuals (Markus, L.H., Cooper-Thomas, H.D., Allpress, K.N., 2005).

Competency management is an integrated set of activities concentrated on implementing and developing the competencies of individuals, teams and organisations in order to realise the mission and the goals of the organisation and improve the performance of its staff. It is a particular approach to identifying, attracting, developing and rewarding the competencies necessary to realise the mission, goals, objectives and targets of the organisation (Horton, 2009).

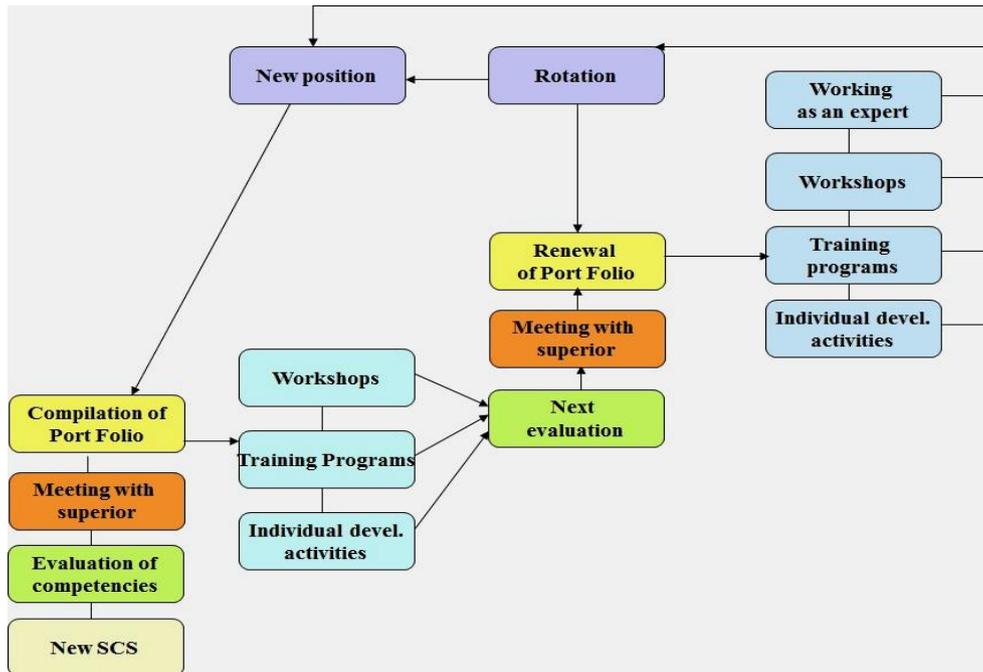
### **Development and implementation of a competency framework in the Estonian public service**

Upon developing the first competency framework of top civil service in 2005, Estonia relied on D. McClelland's approach, treating competencies and activities that are successful in the attainment of work-related goals in practice (Raava, 2005). A work group comprising twenty top civil servants of all the four different occupation groups was formed for developing a competency framework.

The sample amounted to a fifth of the entire target group where the competency framework was to be implemented. First of all, the work group identified the goal of implementing the competency framework: to support the recruitment and selection of top civil servants and their self-development for the purpose of attainment of the state's strategic goals. The critical incidents analysis methodology was used for developing the competency framework, relying, on the one hand, on future or strategic demands and, on the other hand, on activities that have ensured success in the attainment of work-related goals.

Upon formulation of strategic requirements, the responsibility set out in legislation, the code of ethics of officials and the strategic goals of organisations were relied on. For the purpose of mapping successful and unsuccessful activities, the members of the work group described a total of 79 critical behaviour cases witnessed in their work as top civil servants upon performance of one duty listed in the strategic requirements. On the basis of the described cases, activities required for successful coping in these situations were derived. The initial list of competencies where the contents of nine competencies were described using 5-10 activities was formulated on the basis of this material. The work group found that such a list of competencies is too voluminous. The group continued working and eventually came up with a competence framework that contained five competencies: trustworthiness, vision, innovativeness, leadership and being goal-oriented. All the competencies were described using 2-4 activity indicators, the level being excellent (5), good (3) and poor (1) (Table 1). On the basis of the following pilot evaluation results the created competency framework could be considered reliable and valid and the evaluators themselves were quite satisfied with the framework.

In parallel to the competency framework an implementation plan was drafted, describing the use of the framework for the recruitment, selection and self-development of top civil servants. Competencies were to be evaluated once a year along with the ordinary evaluation of performance, i.e. so-called 270-degree evaluation where, in addition to self-evaluation, each top civil servant is given feedback by their direct supervisor and 3-5 colleagues, mostly subordinates. Feedback is given anonymously. In order to achieve the best result the top civil servant and their direct supervisor should discuss the evaluation results. The Government Office was entrusted with providing additional support in analysing evaluation results and providing development activities. The implementation of the competency framework is illustrated by Figure 1.



**Figure 1. Implementation of the competency framework in selecting and developing Estonian top civil servants**  
Author's chart.

One of the most discussed issues in drawing up the implementation plan was whether participation in the evaluation and development of competencies should be mandatory or voluntary for top civil servants. Since at the time of the discussion it was mandatory under the Public Service Act in force to carry out regular evaluations, which were mainly formal, it was decided that the new idea must prove its strength on the basis of volunteers and participation in the

evaluation and development of competencies will remain the choice of top civil servants.

The implementation of the competency framework of the Estonian top civil service was launched in September 2005. In autumn 2005 the first development activities were carried out and an electronic environment supporting the evaluation of competencies, the e-competency centre, was created. The first evaluation period started in January 2006.

Over the next three years there were three evaluation periods during which a maximum of 65% of the top civil servants from nine ministries participated in evaluation. In the first periods the subordinates of the top civil servants proved to be the most active evaluators, while the direct supervisors of the top civil servants gave the least feedback. By different job groups and evaluators, the evaluation results clearly referred to development needs and problems at the individual and organisational levels as well as in the public service as a whole.

The process and results of evaluation and development of competencies was regularly analysed at the end of each evaluation period. After the third evaluation period it was clear that although approx. 50% of the target group participates in development activities, their participation remains quite accidental and the percentage of participating in the evaluation of competencies is rather declining. Based on the feedback given by the participants, the following problems could be articulated:

- 1) as such, the competency framework has not proven to be a sufficiently practical management tool, but rather functions as a model of values. The competency framework was considered too general a description that can be translated into the language of day-to-day activities with difficulty and as such it did not allow for evaluation of the development of the manager's competencies over a period of one year;
- 2) the competency framework and the evaluation of competencies are not sufficiently related to the day-to-day work or the goals of the organisation and therefore there is a risk that the entire process will end up being something that is done "simply because it has to be done";
- 3) since self-development was left up to the manager to decide, there was often a situation where the evaluators had evaluated their manager for several years in a row, but did not notice any resulting changes in the work of the manager. This raised the issue of the usefulness and necessity of the evaluation, reduced the evaluators' motivation and threatened to degrade the entire system of evaluating and developing top civil servants.

Once the economic turmoil broke out in 2008, top civil servants were forced to focus above all on budget cuts and look for new ways of coping, which meant that the activeness of participating in development activities decreased

significantly. The need for taking inventory of the system of competency-based evaluation and development of top civil servants was undeniable.

### **Updating the competency framework**

The updating of the evaluation and development principles and the competency framework was commenced in 2009 with thoroughgoing diagnostics and processing the experiences gained in the past four years. In addition to the work group comprising of the representatives of top civil servants, consultants from outside Estonia were also involved in its work. They carried out a considerable number of interviews with top civil servants, their political supervisors and human resources staff.

As a result of the diagnostics, the following positive aspects of the existing system were pointed out:

- 1) evaluation and development of top civil servants has gained a solid position in the Estonian public service;
- 2) past development activities have contributed to the improvement of cooperation between ministries;
- 3) the quality of the process of selecting top civil servants has risen;
- 4) the competency framework constitutes a clear role model for top civil servants (ROI, 2009).

As regards deficiencies, the positions overlapped with the opinions given in previous analyses:

- 1) the competency framework is too general to successfully function as an annual evaluation tool. The activity indicators of competencies have been described in a manner that does not allow the evaluators to point out changes in the behaviour of a top civil servant over the years and makes annual evaluation unreasonable;
- 2) the framework is not universally applicable to all job groups: in the case of certain activity indicators certain top civil servants could not achieve the highest level or the respective activity was not required in their job at all. Such imbalance in the roles of top civil servants makes evaluation and development difficult;
- 3) the evaluation of competencies is not related to the evaluation of performance;
- 4) since based on the legislation in force it is possible to appoint top civil servants by evading an official recruitment process, the evaluation of competencies in the selection process is full of gaps. Approximately 15% of top civil servants have been appointed to office without any prior evaluation of competencies;
- 5) self-development is not among the priorities of top civil servants in Estonia;

- 6) the principle of volunteering does not support the attainment of the achieved goals.

Most of the deficiencies of the system were not those of the competency framework as a tool, but of implementing the competency framework. Practice shows that competency management is first and foremost an issue of implementing the competency framework in an organisation (Op De Beeck & Hondelghem, 2010). Integrated implementation of competency frameworks in the public sector calls for vertical and horizontal integration (Op De Beeck & Hondelghem, 2010). Vertical integration means the relatedness of competencies to the mission, vision and strategy and thus contribution to the attainment of the goals of the government. Horizontal integration is the relatedness of competencies to all human resources management activities. In the event of competency management it is important that the chosen instruments are not only scientifically correct, but also that they find sufficient support in the organisation.

In the event of the Estonian example the reasons of many aspects indicated as defects can be attributed to the structure and problems of Estonian public service – the outdated and rigid service relationship regulation, the high level of decentralisation, insufficient performance management – but changing these was not within the competence of the work group. In this situation the work group faced two equal challenges:

- 1) how to implement competency-based selection, evaluation and development in practice in such a manner that it is integrated into the functioning of the public service in the existing conditions;
- 2) how to make the competency framework an instrument that would help to achieve the goals set in the best possible manner.

The work group found that for the state the implementation of competency-based selection and development is reasonable only if it is fully integrated. The work group formulated the following principles of implementation:

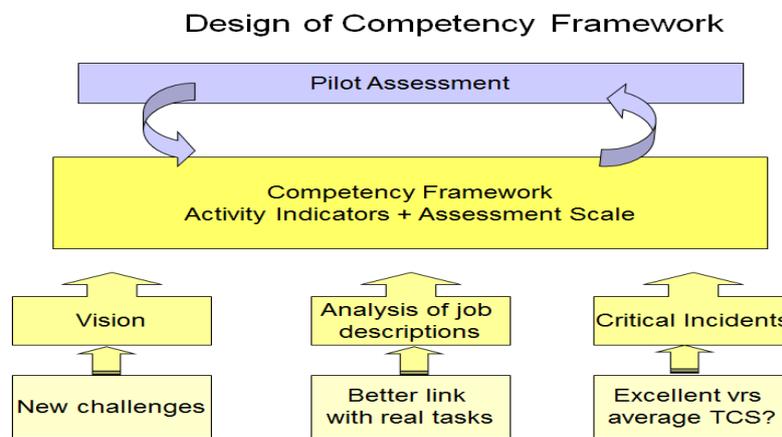
- to use the competency framework in the selection, evaluation and development of the Estonian top civil servants in such a manner that the top civil servants of all ministries would participate in the activity and the system would function on common grounds, consciously and in a systematised manner and that the results could be recorded and compared over time;
- to associate the evaluation of competencies with the evaluation of performance, using the results of evaluation of competencies as the input in annual conversations;
- to aim development activities at developing common values and cooperation and at satisfying personal development needs;
- to nurture a culture where self-development would be an inseparable part of the work of Estonian top civil servants.

Based on these principles it was decided that the new competency framework must reflect the work of top civil servants more accurately, including

the differences by job groups, and allows for indicating changes in the behaviour in different evaluation periods.

Upon creating the new competency framework, the elements of various methods were used, including the critical incident method and the DACUM process method. First, it was focused on the future vision of a successful top civil servant and on strategic requirements set out in the current strategy documents. As a result of the stage the advisable competencies of successful top civil servants were described.

In order to associate the competency framework better with top civil servants' day-to-day activities, the competencies were explained through activity indicators. Upon creating the activity indicators, the job descriptions of top civil servants were used as the input. The critical incident method was used to distinguish excellent performance from poor performance and to describe the different levels of activity indicator scales. A scale of 7 points was created for evaluation of the activity indicators. The score "1" meant poor performance and "7" meant excellent performance. The creation of the competency framework is illustrated in Figure 2.



**Figure 2. Updating the competency framework of Estonian top civil servants  
Author's chart.**

It was decided to create a three-level competency framework: core competencies, competencies and activity indicators. The three-level division of the competence model is caused by its goals of use: 1) the four core competencies (credibility, corporate identity, citizen-orientedness and leadership) function as the main values of sorts of top civil servants. They are reflected in all competencies and they can be used in shaping the top civil service culture and development activities; 2) the ten competencies function as role models and indicate the main fields of activity of the work of top civil servants; 3) the activity indicators show

the contents of the competencies and allow for evaluating the work performance of the top civil servant. The new competency framework has been shown in Figure 3.



**Figure 3. Competency framework 2009 of Estonian top civil servants**  
Author's chart

The competency framework created in 2009 differed from its predecessor mainly in terms of the level of detail. The core competencies that arose from the future vision and the challenges facing top civil servants are independent, they are not divided into competencies and are not subject to evaluation.

The activity indicators gathered into competencies describe the work of a top civil servant in much more detail than it was possible in the case of the first framework and allow the evaluators to make more focused evaluations.

#### **Verification of the quality of the competence framework**

A pilot evaluation was carried out for verifying the quality of the competence framework. Thirty-five top civil servants participated in the pilot evaluation: they made their self-evaluation and they were evaluated by their subordinates and their direct supervisors. All the ministries were represented in the pilot evaluation. The results of the pilot evaluation were analysed by Tripod Grupp OÜ, the partner of the Top Civil Service Excellence Centre. The inner reliability of the competencies, the relationship between the competencies, the relationship

between the activity indicators and the competencies and the differences between the evaluated were verified in the course of the pilot evaluation.

Table 2 summaries the inner reliability indicators of all the competencies. The legal awareness competency had the highest internal consistency ( $\alpha = 0.85$ ), while the process management competency had the lowest inner reliability ( $\alpha = 0.78$ ), but even the latter is a very high indicator. Thus, the scales can be considered to be reliably related across the competencies and to evaluate a single competence in a situation where no adjustments need to be made on the basis of the given pilot data for the purpose of increasing inner reliability and trustworthiness.

It became evident in the correlation matrix of the competencies that all the competencies were quite strongly related to one another. There is a very strong connection between management of people and cooperation (0.73), communication and policymaking (0.69), communication and self-management (0.69) and between policymaking and strategic management (0.68). The lowest correlation indicators of the given matrix are related to the competence of creating relationship networks.

In addition to the connections between competencies, connections between single activity indicators and competencies were examined as well.

As expected, all activity indicators showed the strongest connections (in all cases  $r > 0.65$ ) to the competency whose score included the activity indicator (because the activity indicators of a competency make up the average of the competency). At the same time the analysis confirms that all activity indicators are strongly or moderately related to all other competencies, which refers to an important single background system of the estimates and to a significant common share.

Factor analysis was used for analysing the questionnaire structure and verification of the solution of the competency framework that has ten indicators. The factor analysis of the statements of the questionnaire (the principal components methods, varimax rotation) referred to the single factor solution of the questionnaire, where the primary factor explained 40% of the overall dispersion. The single dimension structure of the indicator was also confirmed by hierarchical factor analysis.

The average scores given to top civil servants varied between 1.3 and 2.22 scale points across all competencies. Thus, it may be said that the evaluations distinguish between top civil servants.

To summarise the results of the pilot evaluation it can be said that since the evaluations given on the basis of the created model distinguish between the evaluated and the activity indicators are related across the competencies, there is no reason to make any adjustments to the framework in that respect. However, the factor analysis of the activity indicators clearly showed a single dimension solution, which refers to the fact that ten competencies do not, in essence, stand out in the eyes of the respondents and all the activity indicators rather tend to evaluate one big “management” competency in the eyes of the respondents.

One possible reason for the strong relatedness of the competencies may have been the formulation and structure of the activity indicators. The activity indicators were formulated so that the respondent could evaluate one activity of a top civil servant in one situation, but in the context of evaluation such formulation contained various partial activities with regard to which the respondent may have had a different evaluation. In order to give a single evaluation to all the partial activities, the respondent was inevitably forced to generalise and as a result thereof the respondent rather evaluated their overall understanding of how good the top civil servant was. This hypothesis was confirmed by the feedback received from respondents following the evaluation, according to which the fact that one activity indicator contained multiple aspects, made evaluation difficult. Presumably, this was the reason why the extremes of the evaluation scale were used less than expected and the evaluations mainly fell between 3.5 and 6.

On the basis of an analysis of the results of the pilot evaluation and the feedback gathered after the pilot evaluation the following adjustments were made to the competency framework:

- 1) the activity indicators were restructured so that each activity indicator indicates one aspect to be evaluated. As a result thereof the total number of activity indicators increased, but presumably the time spent on evaluation and the work volume should remain the same, because evaluation is easier;
- 2) the evaluation scale was changed by reducing the number of scale points from seven to six. In reality scale points 2 to 6 can be used in evaluation and scale point "1" merely has an illustrative role. Additional auxiliary material describing the scale points was drafted for the purpose of making evaluation easier.

The possibility of changing the entire structure of the competency framework so that different competencies would be clearly distinguishable was considered, but it was decided to leave the structure of the framework as it is for the time being and come back to the issue once the results of the next evaluation period have been analysed. One of the main reasons for making such a decision was the statement that the new competency framework should operate as an understandable role model and a clear evaluation tool for top civil servants as well as for the people evaluating them. According to the feedback given by the work group as well as evaluators, in the event of the current structure the framework performs this role very well. In order to verify the working hypothesis according to which the restructuring of the activity indicators and the adjustment of the evaluation scale allow for focusing evaluations more accurately, it is planned to carry out an additional analysis of the structure of the competency framework based on the results of the 2011-2012 evaluation period.

### **Competency-based development of top civil servants**

The main area of use of the competency framework is the development of top civil servants in the Estonian public service. There are two main issues in developing top civil servants:

- 1) how to offer the maximum possible value added through the development activities to the people participating in the development activities (personal aspect);
- 2) how to set goals and formulate the development activities so that they supported the attainment of the strategic goals of the state in the best possible manner (strategic aspect).

Finding answers to both questions starts with identifying the development needs. The development needs can be identified at three different levels (personal, organisation and state level) and the suitable development activities can be designed accordingly (Chart 4).

At the personal level, development activities are identified on the basis of the results of evaluation of the competencies of a top civil servant and the respective development activities focus on the development of the weaker competencies of the given top civil servant. The organisation level view ensures that the personal development of a top civil servant is in line with the goals and needs of their organisation. This aspect is also closely related to recruitment and motivation issues. At the state level, the development needs arise from the goals and strategies of the government and the development activities attend primarily to horizontal issues and are aimed at the development of the core competencies.

The specifics of an adult learner need to be taken into account upon designing the development activities. Based on research, the Centre for Creative Leadership points out four ways of how managers learn:

- 1) work-related challenges and experiences – 42%;
- 2) substantive and meaningful communication with more experienced managers – 22%;
- 3) self-consciousness that is often developed in real-life struggles and work-related failures – 20%;
- 4) training, previous work experience, reading, etc. – 16% (Glover & Wilson, 2006).

The survey emphasises that these four ways of learning must function together, be well-considered and systemic and thus develop the competencies required for management.

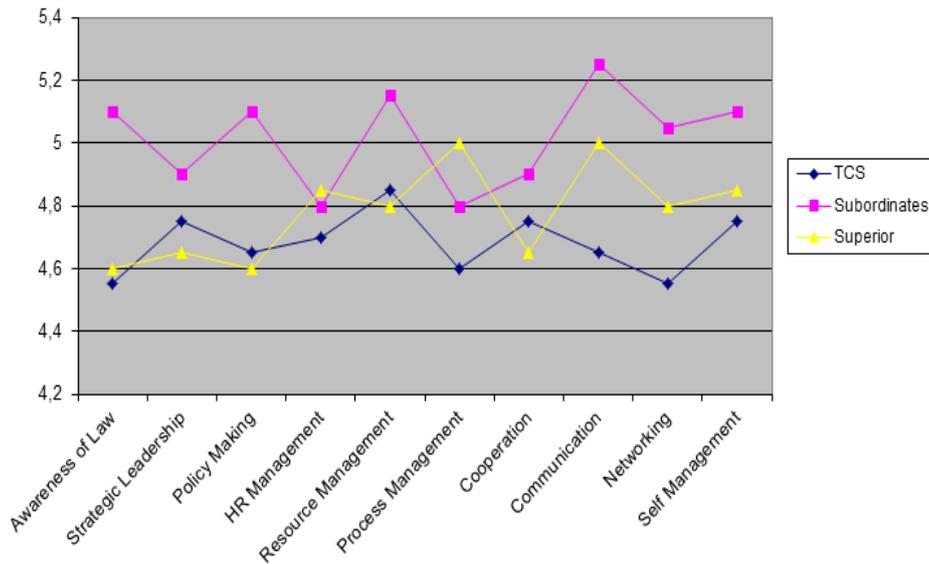
Next, the shaping of development activities corresponding to the development needs of personal and state level is viewed and the factors affecting their effectiveness are analysed.

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**Chart 4. Identification of development needs**  
Author's chart.

The results of the pilot evaluation of competencies by evaluator groups give an overview of personal development needs (Chart 5). Top civil servants and their supervisors find that their competencies of legal consciousness, policymaking and resource management are relatively weak, while their subordinates consider them stronger competencies of the top civil servants.



**Chart 5. Results of evaluation of competencies by evaluator groups**  
Tripod Grupp OÜ, 2009

The valued top civil servants themselves consider process management and the establishment of communication and relationship networks their weakest competencies, while the latter have been evaluated much highly by their direct supervisors as well as subordinates.

In order to select personal development activities, the results of evaluation of the competencies of a top civil servant and the goals set for the next year of work are analysed jointly with the top civil servant and it is agreed on which aspect to focus, above all. The prerequisite for learning and development is that the developed person is conscious of their need for development. Only when the problem has been perceived and acknowledged will there be readiness for an effort and change. The prerequisite for learning becomes even more important if we consider the unique characteristics of top civil servants. Top civil servants have extensive practical experience and a high self-esteem. They are a demanding target group who has a chronic lack of time. Thus, clear acknowledgement of the need for development is often not enough when it comes to top civil servants. The association of work goals and development activities and the role of the direct supervisor of the top civil servant are decisive here. If the supervisor of a top civil servant is able to show to their subordinate the aspects that need to be developed and if the supervisor demands and requires self-development and supports participation in development activities, the effectiveness of development will be much higher.

Using a coach has been one of the more effective personal development activities. Coaching is a long-term, regular, goal-oriented, experience-based and personalised development process in the course of which the client's ability to achieve their short-term and long-term goals improves (Arro, 2008). Coaching takes place one-on-one or in a group. It is based on data originating from various sources as well as on mutual trust and respect. The coach and the client work as partners in order to achieve the best results in developing the client's skills and qualities.

Next, two cases where the coaching method has been used will be analysed.

#### *Sample 1*

A top civil servant in his fifties manages a huge policy area. His work calls for the coordination of the activities of various institutions and cooperation and the management of a huge budget. He is an experienced top civil servant who has occupied the position for more than ten years. His competencies of establishing communication and relationship networks are highly valued by his subordinates. His direct supervisor considers his process management competency to be weak and finds that the subordinate has problems with taking responsibility as well. The top civil servant's motivation fell strongly after the failure of a major work operation that received strong negative feedback from the public. The development of the process management competence was established as the goal of the

cooperation between the top civil servant and the coach. A person who had top executive experience in the private and public sectors and consultant experience was chosen as the coach. The coaching period lasted six months and the top civil servant and the coach met regularly during that time. At the beginning of coaching various aspects of management of the real processes found in the work of the top civil servant were discussed and the use of new work techniques and tools by the top civil servant was planned. The coach helped the top civil servant prepare the use of new work techniques and tools and analysed later problems and successes. At the end of coaching the top civil servant felt a rise in motivation and his direct supervisor noted his increased initiative and higher proactiveness. Concurrently with coaching the top civil servant also participated in a training programme where he could discuss the issues of the effectiveness of organisation of work processes with his colleagues.

In the case of this sample one of the essential prerequisites for the effectiveness of development was the top civil servant's own motivation for development and his direct supervisor's clear message that a change is required if the top civil servant is to continue in this position. Looking at the age of the top civil servant and the relative shortness of the coaching period, one could ask how permanent the positive change could be and how the achievement could be supported so that the positive trend continues.

#### *Sample 2*

A top civil servant in her forties has worked in the public sector throughout her professional life. High dedication and excessive workload had previously caused problems in keeping the balance between the different spheres of her life. After the successful achievement of an extensive and stressful function she moved to another institution where her duty was the management of an area with several essential themes. She was not completely familiar with all the themes of her area and some of the units in her area of responsibility were understaffed. She considered her self-management competence to be relatively weak and her subordinates' evaluations indicated the need for more focus and greater systematisation. Her direct supervisor was dedicated to developing the team, established clear development goals for the top civil servant and attended to the development of the team members on a daily basis.

A development consultant suggested coaching as a chance to regularly analyse the work process and her activities as a top civil servant as well as studies as a chance to gain insight into the subject matter of the area. An experienced person who had worked as a top executive in international enterprises and practiced as a professional management coach was chosen as the coach. The coaching did not focus specifically on the development of one competency, but was rather an activity that supported resolution of problems that arose during the period. The studies were aimed at learning to know a specific area in detail and were planned by way of three short but intensive visits to the partner organisations of

other states. The visits took place on the basis of an intense and thoroughly prepared work plan. Each visit had its specific goal and each visited state had been selected as the example of the best practices in the respective field.

Upon completion of the development activities, the top civil servant pointed out that the most important result is that she feels much more confident in her position, she can find her way around the area much better and is able to set goals better and balance her work and family life.

In this sample the high openness of the top civil servant and the systematic work of her direct supervisor in developing the team members laid a solid basis for the effectiveness of the development activities. Coaching offered support in emotionally complicated and stressful situations and contributed to the development of the self-management competency. The studies created the background system for handling the required themes. Similarly to the first sample it is also questionable here how the results achieved will be preserved over time and what the suitable methods for further development support are.

At the personal level the top civil servants in Estonia see their development needs in the competencies of managing processes and people and creating relationship networks, but at the state level there is the need for greater cooperation and a more uniform approach in the government sector.

This is confirmed by the three main recommendations made in the final report of an analysis of the Estonian government sector by the OECD in 2010:

- 1) promoting the “whole-of-government” approach in public administration;
- 2) building a common agenda;
- 3) delivering public services effectively (Towards a Single Government Approach, 2011).

These three directions also characterise the focus of group development activities well.

For development activities creating and supporting supra-public sector cooperation there are thematic development programmes comprising of multiple parts. As an example, a programme on the quality of public services implemented in 2010 has been viewed below. The idea of the programme was born in 2009 when formulating the core competencies in the course of updating the competency framework and in the aftermath of previous policymaking programmes.

The main axes of the programme are two core competencies (citizen-orientedness and corporate identity), which emphasise the need to always proceed from the customers’ needs upon organisation of work and the dedication to work as a single team for the purpose of attainment of the state's goals.

The following goals were set for the programme:

- to harmonise the understanding of the top civil servants (deputy secretaries-general and directors general) of the factors affecting the quality of public services;
- to give the participants additional theoretical knowledge of designing services and managing the work of organisations providing services;
- to create and develop cooperation between various parties;
- to develop a package of proposals for raising the quality of public services and making public services more available and effective in Estonia.

Since the provision of public services often takes place in cooperation with local authorities, the leaders of the four largest local authorities were also invited to participate in the programme in addition to twenty top civil servants.

One of the main questions in shaping the programme was how to make the participants see the day-to-day problems from a new perspective and make them participate actively in finding solutions. In their work Howard and Howard claim regarding personal characteristics and learning styles that:

- 1) people who have high emotional stability prefer to act independently and they prefer rational examples;
- 2) a quick pace and activeness, discussions and role plays are suitable for extroverts;
- 3) competition, grading and recognition motivate people who are more self-confident and the latter also need clear rules and instructions;
- 4) very open people need diverse activities, examples and illustrations and are happy to generate ideas themselves (Howard, P. J. & Howard, J. M. 2000).

Considering that high emotional stability, extraversion, openness and conscientiousness are characteristic of top civil servants, the programme was structured as a substantive whole comprising of four clearly distinguishable modules, offering the participants the minimum amount of lectures and giving them the maximum chance to discuss, learn from various experience (incl. those of other states) and generate ideas. An example of the new training form is the so-called management theatre where the problems that had occurred in providing services were presented as a dramatic sketch that allowed the participants to get emotionally more attached to the situation and thus understand the situation more emphatically. One of the most untraditional methods of training top civil servants was the job shadowing methodology used in the second part. Each top civil servant participating in the programme spent three working days next to an official providing services to citizens, preferably in different institutions and in different service areas. Later, the experiences gained were discussed and proposals for changing the work organisation were made on the basis thereof. At the end of the programme the participants prepared a package of proposals that contains proposals for improving the quality of public services both at the level of one

institution, the area of government of their ministry as well as the entire public service. Afterwards, in a joint discussion, the participants introduced their experiences gained during the programme and the amendment proposals made on the basis thereof to the top civil servants who did not participate in the programme in person. In feedback the participants pointed out that the goals set upon formulating the programme were the most useful: common understanding of problems, new ideas and opportunities for improvement of service quality in their institution and in cooperation with others, better cooperation relationships.

Evaluating the effectiveness of this development activity it can be claimed that the impact is stronger to the extent of the institution and, quite likely, the area of government of the ministry and smaller in the area of inter-ministerial cooperation where the realisation of ideas and proposals may need greater changes in legislation and the budget and possibly also political decisions.

### **Summary and conclusions**

Looking back at the past six years of work it can be claimed that Estonia has been successful in competency-based selection and development of top civil servants. Two competency frameworks have been created along with the respective implementation plans, over 2/3 of the target group has been involved in the activities and a considerable number of different development activities has been carried out.

On the basis of the existing experience the following moments may be pointed out for discussion.

- Upon creation of a competency framework, it is very important to clearly identify what the framework is to be used for and thereafter design the framework as a tool on the basis thereof. The first competency framework of Estonian top civil servants was methodically very pure and the competencies were clearly distinguishable and behaviourally described. Three years of experience in using the model showed that the model is well suited for describing the overall behaviour of a top civil servant, but too general to use it for selection and annual evaluation. The new framework was created based on the fact that the implementation of the model would give true value added to the top civil servants who are evaluated and developed using the framework. The more accurate and detailed the framework, the easier the evaluation process for the evaluators and the easier it is to identify the development needs based on the results. It is questionable how a very detailed competency framework can perform its function as a carrier of a vision and how much such a framework can cover the future demands regarding top civil servants. In the Estonian example it is attempted to resolve this dilemma using four core competencies that

carry the main values of the Estonian top civil servants and run through all the competencies.

- Another issue that is of equal or perhaps even greater importance compared to the question of the structure of the competency framework is that of its implementation and integration into other management systems and activities. First, the goal of implementation of competency frameworks largely determines the function and shape of the model and second, if the "order" that is to be achieved by the implementation of the competency framework has not been clearly formulated and who the person placing the "order" is, even the best framework will risk remaining only a document standing on a shelf. The Estonian experience is a good example of the problems faced by the implementer in a situation where the "order" is placed, but the "person who placed the order" (in this context, the political leaders) is not prepared to sufficiently commit to the work. The principle of volunteering proved to be the only choice in the initial phase of competency-based evaluation and development, but now that the idea has proven its strength, it has become an obstacle to the attainment of the established goals and the need for regulating the principles of selection, evaluation and development of top civil servants in legislation is obvious. Support to this statement can be found in the experiences of the private sector where the connection between the evaluation and development of competencies and the career planning and remuneration policy has helped to prevent the implementation of the competency framework from becoming accidental.
- The third question focuses on connections between the competency framework and development activities. In their work Hood and Lodge claim that although modern reformists of the public sector usually emphasise the need for greater effectiveness and citizen-centeredness in managing the public sector, it is by far not certain whether the competency frameworks established for that purpose in fact contribute to these goals for at least three reasons:
  - 1) it is attempted to improve teamwork, group dynamics and communication through competency frameworks, but individualised approach to competencies and their use at the personal level upon selection, promotion, etc., rather distracts the attention off the cooperation issues;
  - 2) competency frameworks are inward-looking and do not pay attention to the work where officials should act supra-public sector or outside the public sector;
  - 3) competency frameworks have been created using internal work groups of the public service and are thus self-referential, contain

old values and do not show that values should actually be created by officials (Hood & Lodge, 2004).

When creating the competency model for Estonian top civil servants, these risks were avoided using the message and structure of the competency model: ten competencies help to evaluate the activities of a top civil servant, looking at them as a person in their single activities as well as in cooperation with others; four core competencies cover the teamwork of the entire group of senior officials, the supra-public sector goals and the values that should be upheld by top civil servants. Group development activities are aimed at creating and developing supra-institutional cooperation, common values and attitudes, creating cooperation patterns and developing innovative solutions aimed at the future.

In spite of the past successes there will be future challenges that have no good solutions yet. How to change the competency-based selection and development of top civil servants into a systematic activity that is regulated by law and covers the entire target group without accompanying excessive bureaucracy or workload? How to ensure that that competency framework develops along with the work of top civil servants and the changes in the environment are reflected in the competency framework at the right time? Can the development of senior officials without involving political leaders ensure the attainment of the strategic goals of the state?

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## Appendixes

**Table 1.** Competency framework of the Estonian Senior Civil Servants 2005

- |     |   |             |
|-----|---|-------------|
| 1.  |   | Credibility |
| 1.1 | <b>Serves the nation.</b> Strives to act in public interest, in accordance with development needs of the state and priorities of the government.  |             |
| 1.2 | <b>Respects public service ethics.</b> Embodies the ethical values of public service and shapes its good reputation.  |             |
| 1.3 | <b>Respects the rule of law.</b> Respects the rule of law, ensures people's fundamental rights and freedoms in his area of responsibility.  |             |
| 2.  | <b>Having a vision</b>  |             |
| 2.1 | <b>Creates a vision.</b> Creates a vision for his area of responsibility, keeps it viable and influences the development of the state.  |             |
| 2.2 | <b>Explains strategic choices.</b> Makes suggestions for strategic choices, keeps them viable and explains them to his employees and to the public.   |             |
| 2.3 | <b>Sets objectives.</b> Analyzes processes, ensures the quality of strategy formation and provides the employees and the public with reasoned explanations of the objectives.   |             |
| 3.  | <b>Innovation</b>   |             |
| 3.1 | <b>Develops his/her skills.</b> Sets high personal goals, develops his skills in the area of responsibility and in other areas.   |             |
| 3.2 | <b>Develops the organization and implements innovations.</b> Implements new solutions to serve the citizens better and develop his/her area of responsibility and organization.   |             |
| 4.  | <b>Leadership</b>   |             |
| 4.1 | <b>Builds and encourages the team.</b> Inspires the team with faith in achievement of objectives, motivates and gives feedback, encourages the key personnel outside his/her area of responsibility, when necessary.                                    |             |
| 4.2 | <b>Develops network of co-operation.</b> Communicates with interest groups and area experts and gets their support when putting decisions into practice.  |             |
| 5.  | <b>Outcome orientation</b>  |             |
| 5.1 | <b>Makes decisions and takes responsibility.</b> Makes decisions based on strategy, distinguishes between facts and assumptions, considers connections with other areas of responsibility and takes responsibility for putting decisions into practice. |             |
| 5.2 | <b>Achieves results.</b> Ensures that the organization and the public are satisfied with the achievement of objectives.   |             |

- 5.3 **Uses public property reasonably.** Ensures expedient, economical and environment-friendly use of resources and advocates dissemination of good practice in the state.
- 5.4 **Follows and develops the law.** Follows the law, makes suggestions for changes when needed. Ensures participation in the international legislative drafting in the interest of Estonia and European Union.

**Table 2.** Inner Reliability of Competencies

Competence	All evaluators	TCS	Subordinate	Superior
Awareness of Law	,85	,81	,85	,84
Strategic Leadership	,81	,75	,82	,85
Policy Making	,84	,81	,83	,88
HR management	,83	,79	,84	,85
Resource Management	,82	,67	,80	,93
Process Management	,78	,73	,79	,82
Cooperation	,87	,81	,88	,90
Communication	,84	,86	,81	,83
Networking	,87	,89	,85	,87
Self Management	,80	,78	,79	,90

*Tripod Grupp OÜ, 2005*