Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

03-Dec-2009

English text only

PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

GOV/PGC/PEM(2009)2
Unclassified

Public Employment and Management Working Party

MANAGING COMPETENCIES IN GOVERNMENT: STATE OF THE ART PRACTICES AND ISSUES AT STAKE FOR THE FUTURE

DRAFT REPORT

Annual Meeting of the Public Employment and Management Working Party

OECD Conference Centre, Paris
15-16 December 2009

This report will be revised based on the discussions at the Public Employment and Management Working Party meeting.

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JT03275698

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DRAFT SYNTHESIS

MANAGING COMPETENCIES IN GOVERNMENT: STATE OF THE ART PRACTICES AND ISSUES AT STAKE FOR THE FUTURE

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FOREWORD

The focus of this document is competency management at the national level of government. The report describes some of the main features of CM from a comparative perspective by examining various written sources from practitioners, academics and official documents.

The countries examined in the main part of the report include: Australia, Belgium, Canada, Denmark, France, Korea, the Netherlands, the United Kingdom and the United States.

The study was led by the Department for Public Governance and Territorial Development of the OECD. The report was written by Sophie Op de Beeck and professor Dr. Annie Hondeghem from the Public Management Institute at K.U. Leuven, Belgium as a consultant to the OECD.

1. Introduction

The focus of this document is competency management in the public sector. The goal of competency management is identifying employees' competencies and then deploying and developing those competencies in an optimal way. Competency management is not an objective in itself, but a means to develop an integrated HR policy. By facilitating horizontal (aligning HR activities) and vertical (aligning HR and the organisational strategy) integration, competency management serves as a leverage for a more professional human resource management (HRM) (De Prins & Melis, 2005).

This study concerns a review of practices in the management of competencies in OECD countries. The report describes some of the main features of competency management from a comparative perspective. The issue of competencies will be developed through the lenses of the challenges posed to government today (financial crisis, ageing society, globalization, etc.). The study is mostly focused on answering three key questions:

1. How do governments manage their competencies in core administrations? (What challenges do they meet? What policies are in place?)

2. What are the new tools and practices in the most advanced OECD countries?

3. How are countries preparing for the future? (What are the competencies countries will need in the future? How do they plan for those future competencies?)

To answer these three key questions, case studies were developed in nine OECD countries: Australia, Belgium, Canada, Denmark, France, Korea, the Netherlands, the United Kingdom and the United States. The scope of this study concerns the national government of each country.

To examine these issues, different sources were consulted: reports of academics and practitioners (local experts), academic literature and official documents. We developed a questionnaire on competency management, which we spread to experts in each country. We then asked those experts to prepare a country report on competency management in their national government based on that questionnaire. By comparing the country reports, we were able to establish a comprehensive overview of how competencies are managed in government.

2. The Context of Competency Management

Competency management is a practice that becomes more and more important in both private and public organisations, helping them to attract and develop talented employees, identify the right person for a job, performing succession planning, training analysis and other core human resource (HR) functions (Draganidis & Mentzas, 2006). In the public sector, competency management has become a real trend. It involved a new way of looking at careers. Traditionally careers were based on qualifications, exams and seniority. In a competency-based system, careers are based on the 'assets' people have for the organisation. They are themselves responsible to a high degree to develop their competencies (Hondeghem *et al.*, 2005).

2.1 Origin of Competency Management

Like most movements the competency movement has no single origin. The concept of competency has been around for centuries and can be traced back to the early Romans who practiced a form of competency profiling in attempts to detail the attributes of a 'good Roman soldier'. In the mediaeval guilds, apprentices learned skills by working with a master and were awarded credentials when they reached the standards of workmanship associated with and set by the trade (Draganidis & Mentzas, 2006; Horton, 2000b).

The introduction of competency-based approaches within the corporate environment initiated around 1970 and their development and use since then has been rapid (Draganidis & Mentzas, 2006). The distinguished Harvard's psychologist, **David McClelland** is credited with introducing the idea of 'competency' into the human resource literature. It was McClelland who proposed to test for competency, as a counter argument to the growing dissatisfaction with intelligence testing and the traditional job analytic approaches to personnel selection (McClelland, 1973).

Competency management first appeared as an idea in the private sector in the United States (**US**) and the United Kingdom (**UK**) in the **1980s**. The environmental context out of which the competency movement emerged was the same in both countries, i.e. changing technology, increasing competition, declining profitability and the search for competitive advantage and improved performance (Hondeghem *et al.*, 2005; Horton, 2000b).

In both countries, there were **national skills initiatives**. At first, there was a move to improve the standards and performance of their education systems. These were seen as failing both industry and young people by not meeting the needs of the labour market or equipping young people with appropriate knowledge and skills to gain employment and do a good job. Later on, attention turned to the labour force itself and its lack of skills. Both countries moved to raise the level of training in the workplace by setting down national standards across all occupations. The UK introduced a system of National Vocational Qualifications lead by industry itself and designed to establish standards of performance in each industrial sector. The US followed the British example and established a National Skills Standards Board in 1994 (Hondeghem *et al.*, 2005; Horton, 2000b).

A second but linked strand in the Anglo-American response to declining competitiveness was the investigation into **managerial competency**. A report for the American Management Association by a firm of management consultants, McBer Associates, identified what appeared to be the characteristics of the most successful managers in American companies. The author, Richard Boyatzis (1982), concluded from his research there was no single factor but a range of factors that differentiated successful from less successful managers: competencies. He produced a competency model which consisted of 19 generic characteristics grouped into five clusters covering goal and action, human resource management, leadership, focus on others and directing subordinate groups. His work had a major impact on management thinking in the US and was soon exported to the UK through management consultancy firms, educational institutions and American companies located in the UK (Hondeghem *et al.*, 2005; Horton, 2000b). Although the competency movement originated in the US and the UK, it is now an international phenomenon and is practised increasingly throughout the OECD countries and beyond (Horton, 2000b).

Despite the similar developments in competency management, there is a **terminological confusion** which plagues the competency movement and its origin lies in the different perceptions underlying the US and UK approaches to competency (Horton, 2000b; Lodge & Hood, 2005).

In the **UK**, the term "**competence**" (plural "competences") was adopted to indicate the range of standards linked to occupational performance. Occupational competence is defined as the ability to apply

knowledge, understanding, practical and thinking skills to achieve effective performance to the standards required in employment. This includes solving problems and being sufficiently flexible to meet changing demands (Horton, 2000b). This approach was concerned with the more concrete identification of those factors that were needed to perform according to accepted views of good practice at a range of vocational levels (Lodge & Hood, 2005).

In the **US**, the 'y' spelling of "**competency**" (plural 'competencies') was associated with developments in social psychology that emerged in the late 1960s. The US approach to competency stressed the importance of identifying and improving those individual behavioural attitudes that distinguished excellent from merely adequate performance (Horton, 2000b; Lodge & Hood, 2005).

This differentiation between superior and less effective performance was clearly expressed in Boyatzis' (1982) definition of competency as: the behavioural characteristics of an individual which is causally related to effective or superior performance in a job. The **fundamental difference** between the US and UK approaches was the US search for 'excellence' and the exceptional compared to the British systematic identification of the skills needed to perform a role, which can be observed and assessed and therefore trained and developed. This has been described as "the difference between drivers of performance and standards of work" (Roberts, 1997, p. 70). Although this distinction is clear-cut, differences between both approaches became blurred during the 1990s (Horton, 2000b; Lodge & Hood, 2005).

2.2 What is Competency Management?

There is now a substantial literature on competency management, but a great variability and a clear lack of consensus on the meaning and definition of competencies (Kirton & Healy, 2009; Nunes *et al.*, 2007). Below, we have listed a selection of definitions of the **competency** concept.

Table 1. Definitions of the competency concept

Boyatzis (1982)	A job competency is an underlying characteristic of an employee (i.e. motive, trait, skill, aspects of one's self-image, social role, or a body of knowledge), which results in effective and/or superior performance in a job.
Sparrow (1997)	Competencies are people's behavioural repertoires, i.e. their sets of behavioural patterns, which are related to work performance and distinguish excellent from average performers.
Spencer *et al.* (1994)	A competency is a combination of motives, traits, self-concepts, attitudes or values, content knowledge or cognitive behaviour skills; any individual characteristic that can be reliably measured or counted and that can be shown to differentiate superior from average performers.
Van Beirendonck (2009)	Competencies are observable characteristics in the form of applied knowledge or actual behaviour, which in one way or another contribute to successful functioning in a specific role or function.
Woodruffe (2000)	Competencies are the set of behaviour patterns that the incumbent needs to bring to a position in order to perform its tasks and functions with competence.

Vakola *et al.* (2007) retain from the above that "an individual job-related competency is the underlying set of behavioural patterns of an employee related to effective and/or superior work performance, acting both at individual and collective level (effective/superior performance both in solitary and inter-personal work), and that provide the organisation in which they are implemented and applied with sustainable competitive advantage."

A comprehensive definition of **competency management** is given by Income Data Services (IDS, 1997):

> "Competency management, sometimes called competency-based management, involves identifying the competencies that distinguish high performers from average performers in all areas of organisational activity, constructing a framework and using it as the foundation for recruitment, selection, training and development, rewards and other aspects of employee management."

Competencies are the building blocks of each **competency model**. A competency model is the organisation of identified competencies into a conceptual framework that enables the people in an organisation to understand, talk about, and apply the competencies (Marrelli, 1998). A competency model is both a list of competencies but also a tool by which competencies are expressed, assessed and measured (Strebler *et al.*, 1997). A model may be developed for an entire organisation or only for specific business units, functions, work processes, or jobs within the organisation (Marrelli, 1998). The content of a fully developed competency model includes: categories or clusters of competencies (i.e. a group to which homogeneous and/or similar competencies belong); the competencies that make up each cluster; a definition of each competency; and several behavioural indicators of each competency (i.e. behavioural examples which an individual should demonstrate if the specified competency is possessed) (Draganidis & Mentzas, 2006; Marrelli, 1998).

2.3 The Shift to Competency-Based Management

In the professional HRM literature the notion of competency management has taken such a strong hold that some authors have described the **move from job-based to competency-based organisations** as a paradigmatic shift (see Lawler, 1994) (Brans & Hondeghem, 2005). According to Lawler's (1994) perspective, the difference is in fact a matter of emphasis on people's characteristics and in organisational performance rather than fixed jobs. A changing world is asking for flexibility and autonomy, and job-based HR practices are not giving an adequate answer (Nunes *et al.*, 2007). Hondeghem and Vandermeulen (2000) show us how subtle and at the same time deep the differences between competency and traditional approaches can be (Table 2), concerning job description, selection, development, appraisal, and rewards.

The **difference between a functional and a competency-based approach** appears to be quite clearly defined in the table. The major difference between competency and traditional approaches to personnel management is that competency management stresses inputs, including behavioural characteristics of staff, and performance management outputs and performance on the job. However, when certain competencies are selected for a job description, they are supposed to have an impact on performance (cf. definition of 'competency'). Therefore, competencies are indirectly connected with outputs. Competency management also represents a cultural change towards greater employee self-direction and responsibility and the search for excellence rather than standard performance (Horton, 2000a). Furthermore, the focus is not today, but tomorrow. As organisations are changing so rapidly, it is important to ask what kind of people are needed in the future (Hondeghem & Vandermeulen, 2000).

Hondeghem and Vandermeulen (2000) question, however, whether there is really a fundamental difference between a functional approach and a competency-based approach. They suggest it might be

better to consider both approaches as **complementary**. Competency management does not imply that a functional approach is not valid, but rather that it should not be the sole basis of personnel management.

Table 2. Difference between a functional and a competency-based approach to HRM

Functional approach	Competency approach
Job description What is done? Cluster of core tasks and functional requirements (knowledge, skills, responsibility)	*Competency profile* What is done, why and how? Cluster of core tasks and competency requirements (knowledge, skills, personality, attitude, values and norms, incentives)
Selection How is the person? Selection in order to realise a fit between the function and the individual Selection in order to fill a vacancy Selection criteria based on the current function Selection criteria focusing on knowledge, personality and attitude	*Selection* How does the person function? Selection in order to realise a fit between the individual and the organisation Selection with a view of growth and development of an organisation in the long term Selection criteria based on the future Selection criteria: in addition to knowledge, personality and attitude, also skills, values, behaviour
Development Development of knowledge Aimed at hierarchical promotion With a view of raising job skills	*Development* Development of knowledge, ability, willing and being Aimed at horizontal mobility Aimed at the maximum use of human potential With a view of developing skills, attitudes and behaviour
Appraisal Focus on functioning in the job Focus on dedication	*Appraisal* Focus on functioning in the job, performance, results and potential Focus on behaviour
Reward Pay according to the job The relative weight of the function determines the wage Focus on responsibility, knowledge, age and seniority	*Reward* Pay according to work The required competencies for an organisation determine the wage Focus on output

Source: Limbourg, 1997

According to Hondeghem and Vandermeulen (2000), competency management can also be seen as a **shift away from performance management**. While the focus of performance management is on results and output, the focus of competency management is on input and not directly on output (cf. supra). This might explain the attractiveness of competency management in the public sector, especially in public organisations where output is difficult to measure, or where steering on output is not desirable (Hondeghem & Vandermeulen, 2000).

2.4 Reasons for Introducing Competency Management in the Public Sector

Public sector organisations introduce competency management for several reasons. Change appears to be a relevant factor determining the need to implement competency management practices.

Lawler (1994) refers to **four forces** leading to competency management. First, the nature of work has changed from mass production to consumer focused production, knowledge and service work. Second, globalisation implies a growing competition in which human resources play the role of key competitive assets. Third, the changing environment implies a growing competition between organisations. Fourth, flatter organisational structures imply a revision of traditional organisational careers. These factors explain the growing importance of competencies and competency management in private organisations, but can also be applied to a certain extent to the public sector (Hondeghem & Vandermeulen, 2000; Lawler, 1994; Nunes *et al.*, 2007).

Additionally, competency management is seen as a vehicle for bringing about cultural change and injecting more flexibility and adaptability and entrepreneurship into organizations (Hondeghem *et al.*, 2005). Governments usually introduce competency management as part of a process of a broader cultural and organizational reform, and use it to provide a **leverage for change** (Van Schaardenburgh & Van Beek 1998). Public administration systems throughout the world have been subjected to major reforms over the last 20 years and are likely to continue to change in the future. Competency management is supposed to support this change process. It is seen as a leverage to transform a traditional bureaucracy into a modern and flexible organisation (Hondeghem *et al.*, 2005). In a bureaucracy, the civil servant is just an anonymous individual in a huge administration. A competency-based approach to personnel management puts the individual at the centre of attention and underlines the importance of human resources to reach the objectives of the organisation. Competency management can, therefore, be a tool to change the bureaucratic culture in public organisation into a more personalised organisational culture (Hondeghem & Vandermeulen, 2000).

The ascendancy of competency management in the public sector might also be caused by the increasing competition for qualified personnel with the private sector. The public sector thus faces similar pressures to private businesses in their HR practices. Alternatively, the public sector may be **copying private sector practices** simply because competency management is fashionable (Brans & Hondeghem, 2005). In line with several observers of competency management in the public sector (Horton *et al.*, 2002), we believe, however, that public sector organisations do not merely copy private sector management modes. Nor are they either passively going along with whatever consultants suggest or rushing to catch up with the winners of international good practice prizes (Brans & Hondeghem, 2005).

Furthermore, competencies provide a **common language** and common understanding of the necessary and desirable behaviours needed to achieve organisational objectives. Therefore, competencies can be used as powerful communication tools in order to translate business strategy and changes in structure and processes into behavioural terms that people can understand and therefore, implement (Hondeghem *et al.*, 2005; Vakola *et al.*, 2007).

In a fragmented public sector, competency frameworks are also seen as integrative instruments to maintain coherence. Ideally, competency management furthers both **vertical and horizontal integration**. Vertical integration ties individual employees and their behaviour to the mission and strategy of the organisation. Horizontal integration ties each component or instrument of the HR cycle, from recruitment to reward, closely together in one frame of reference and language. Competency management and competency frameworks thus promise to facilitate central steering in a decentralised public sector (Brans & Hondeghem, 2005).

Finally, competency management increases the **employability of public servants** and hence their productivity now and in the future. If the organisation decides to run a different course, then the flexible civil servants are better able to shape that new direction. In this way, the organisation reduces the uncertainty by means of its employees and the organisation can better survive in bad times (Horn, 2004).

3. How do Governments Manage Their Competencies?

3.1 Origin of Competency Management in the Public Sector

The first steps of **competency management in the public sector** are also found in the US and the UK during the 1980s. This paralleled the introduction of New Public Management (UK) and Entrepreneurial or Re-engineered Government (US) and was a response to the organisational and cultural changes taking place. As variants of New Public Management spread throughout Europe and the OECD countries, so HRM and competency management became ideas in good currency (Hondeghem *et al.*, 2005). A 2002 study of competency management in the public sector (Horton *et al.*, 2002), however, revealed that at the end of the 20th century it was not yet a universal practice even in those countries, such as the UK, which had led the way. Belgium, the Netherlands and Finland were in the process of adopting it but on a very selective basis. France, Italy and Germany were only at the stage of identifying the need while the countries of Eastern Europe were seeking to establish more traditional systems of public administration in their post communist transition to liberal democracies and market economies.

At this moment, each of the nine selected OECD countries has introduced competency management to some degree. At the **end of the 1990s**, competency management experienced a boost in the public sector. In countries such as Australia, Belgium and Korea, for example, the first signs of competency management appeared in their national government in the year 1999. In most cases, competency management was introduced as a **part of a broader reform or change process**. In Australia, the 1999 Public Service Act represents the changes that had been occurring over the past 25 years. That Act also introduced the shift to a values-based environment through the introduction of values which form the broader framework for the public service as a whole. In Belgium, the revolutionary Copernicus plan was introduced to reform the public administration including its personnel policy. Competency management was a fundamental element in the modernisation of the personnel policy. Also the Korean government (1998-2002) thought it urgent to initiate government reforms to enhance competencies and to create a more competitive workforce. The ultimate goal was an increase in Korea's national competitiveness. The UK, as one of the precursors concerning competency management in government, was influenced by New Public Management ideas in the reform of the role of the state and its civil service.

The **general intentions** for introducing competency management are divergent: e.g. creating flexibility (Australia and Belgium), increasing efficiency and effectiveness of people management (Australia), overcoming the classical bureaucratic model (France), strengthening government competitiveness (Korea), creating a flexible and highly professional civil service that easily adapts to the challenges confronting government (the Netherlands), a vehicle for organisational and cultural change (Belgium and UK) or strategic alignment between the individual and the organisation (US).

3.2 Competency Modelling

In the management of their competencies, most of the selected OECD countries make use of their own **definition of competency**. A few common elements can be identified in their definitions. Australia, Belgium, Korea, the Netherlands and the US consider competencies as behavioural characteristics that are observable. Attributes such as knowledge, skills, attitudes and other personal characteristics underlie competencies. Some of the countries also mention that competencies are related to high/effective performance or performance to a prescribed standard. This is in line with the definition from Vakola *et al.* (2007) which is referred to above.

All selected OECD countries, except for France[1], have a **centrally developed competency model**. In the development of competency models, there is, however, a significant difference between target groups. Often, there is a general competency model for leadership functions (senior civil service), but not for civil servants at lower levels (Table 2). For civil servants at lower levels, however, competency models are sometimes developed separately in the departments or agencies. The Netherlands and the UK, for example, have such a decentralised system.

Four countries have developed general competency frameworks that cover their entire civil service: Australia, Korea, the UK and the US. In each of these countries, at least two competency models were developed: one for senior management and one for all civil servants. From the above, we can conclude that the senior civil service is considered as a special target group of competency management in the public sector.

Moreover, we found that these general competency frameworks only contain **behavioural competencies**, while technical competencies are hardly mentioned. Because of the specificity of technical competencies, however, they are often identified at agency/departmental level. In that way, the technical competencies can be totally adjusted to the particular needs of the agency or department.

Furthermore, we find that we can't always refer to the term '**competency model**'. Although there is a list of competencies in all countries (except for France), those competencies aren't always organised into the conceptual framework to which Marrelli (1998) refers in her definition (cf. supra). In the Netherlands, for example, the ABD competency model consists of a simple list of competencies. Those competencies are not structured into a synoptic framework. Each competency is, however, defined and its behavioural competencies are described.

[1] Because of the absence of a general competency model in the national government, the case of France will be discussed only to a limited extent in the remainder of this report.

Table 3. Competency models: country overview

Country	Competency Model	Target Group
Australia	APS Values Framework	All Australian public servants
	Human Resource Capability Model	HR staff
	Senior Executive Leadership Capability Model	Senior Executive Service
	Integrated Leadership System	All Australian Public Servants
Belgium	5+1 Competency Model	All Belgian public servants, except for senior management
France	/	/
Korea	Government Standard Competency Dictionary	All Korean civil servants
	Junior Management Competency Model	Junior Managers
	SCS Competency Model	Senior Civil Service
Netherlands	ABD Competency Model	Senior management
United Kingdom	SCS Competency Framework	Senior civil service
	Professional Skills for Government	All British civil servants
United States	General competencies for the federal workforce	All US civil servants
	Executive Core Qualifications	Senior management

Source: OECD country reports

Another finding is that (public service) **values** (e.g. commitment, service, integrity) can play an important role as core competencies. Australia, Belgium, the Netherlands, the UK and the US defined values which they consider as core or fundamental competencies for their government and should be accomplished by all civil servants (or by all who reside under the competency model to which the values belong). Of all countries, Australia is the most committed to its values. The Australian government even constructed a separate values framework for their civil service. According to them, their focus on values-based management provides them with the necessary flexibility and sets a framework of enduring principles of good public administration. Also unique in the Australian case is the Human Resource Capability Model, a competency model developed only for HR staff. This framework articulates the capabilities required of highly effective HR staff, including for example alignment (HR – business) and credibility.

In addition, we want to highlight the **public service specific emphasis** of the several competency models. Only in the UK, there is an absence of any reference to political, ministerial, or parliamentary relationships or public stewardship in their competency framework. The UK frameworks are organisationally 'neutral' and could be used in any private or public organisation. All other countries have some kind of public service specific emphasis in their competency models (Table 3)

Table 4. Public service specific competencies

Country	Public service specific competencies
Australia	Public service professionalism and probity
Belgium	Service, loyalty
Korea	Ethics for an official, organisational commitment
Netherlands	Affinity with public sector management (dedication, integrity, political awareness)
United States	Political savvy, public service motivation

Source: OECD country reports

Finally, out of a comparative analysis of the countries' competency models, **common competencies** could be identified. We identified 11 competencies which are frequently referred to: strategic thinking, vision, achieving results, building relations, commitment, adaptability, communicating, decision making, learning, coaching/developing, and team working. On the contrary, we found some unique competencies in the US Executive Core Qualifications: innovation and creativity, and public service motivation.

We don't have a lot of information on the **development of competency management** in the different OECD countries, but overall, a competency framework is designed through a process of 'trial and error'. A draft framework is set up, which is then evaluated and adjusted based on the comments that were made. In most cases, a competency framework is created by a group of people, each with his or her specific expertise. Often, also an external (private) partner is consulted.

Competency management is mainly **organised** by the agencies or departments with the support and advice of a central personnel agency. The role of the central agency may, however, slightly vary from one country to another. Nevertheless, in general, the agency or department implements competency management in line with the specificity of their organisation while respecting the generic guidelines of the central personnel agency.

3.3 Competency Management as a Basis for Various Human Resource Processes

Competencies and competency frameworks can be used in different HR processes. Competency-based personnel management systems are focused on identifying the competencies needed for effective performance and on developing those competencies in the workforce. As stated above, competency models are put to best use when all HR activities are integrated. Thinking in terms of competencies becomes a way of life in the organisation, from planning through selecting employees and guiding and rewarding their performance (Marrelli, 1998).

Table 5. Managing competences in the HRM process

Workforce planning	Competencies are used in order to evaluate the current and future organisational and individual competency needs. A gap analysis can reveal the chasm between the competencies that individual employees or groups or even the organisation should have and contribute to the workforce development plans.
Recruitment & selection	In a competency-based selection process, the required competencies identified for the vacant position are used as the selection criteria. Selection instruments are based on these competencies. The candidates for the position are evaluated on each required competency.
Training & development	Competency gap analysis becomes the learning needs assessment. A personal development plan is created for each employee listing the specific competencies the employee needs to develop for improved performance. The objectives of all learning activities (workshops, courses…) are based on the development of specific competencies.
Performance management & appraisal	Competencies clarify what is expected from the individuals. Worker performance is evaluated against competency requirements as well as objectives. The appraisal system focuses on specific behaviour, offering a roadmap for recognition, reward and possible advancement.
Remuneration	Competency-based remuneration systems reward employees for the development and application of the competencies the organisation has identified as important for success. Different compensation systems are possible: rewarding individuals whose actual competency level is higher than a set standard level; increasing salary based on competency development; etc.
Career development	Competencies are used to create the personal career plans of the employees. The latter can review the needed competencies of all the positions and through comparison with the competencies they possess they can identify potential positions and develop their career path.

Succession planning	Organisations assess potential replacements for key positions based on competency requirements. The competencies needed for each leadership position are identified and are then used to identify and rank employees with high potential for succeeding in each position. Finally, employees are developed to ensure that they are prepared to assume each critical leadership position in the event that it becomes vacant.

Source: Draganidis and Mentzas (2006) and Marrelli (1998)

3.3.1Recruitment and Selection

In half of the selected OECD countries (Australia, Belgium, Korea and the Netherlands), competency management is applied to the recruitment and selection of civil servants. In general, competencies are used as selection criteria in the different selection methods. Next to being used as selection criteria, other applications of competencies in the selection process can be identified.

In Australia, the Public Service Commission provides additional assistance with recruitment. They have designed the Get it Right recruitment kit which contains, for example, capability cards. These capability cards can assist in clarifying the responsibilities of existing roles, and identify effective selection options.

A recent development in Belgium is the recognition of 'elsewhere acquired competencies'. Even if candidates don't have the required diploma, they can still be selected for specific functions if they can demonstrate the necessary competencies. This competency philosophy can only be applied in selection procedures in case of scarcity of specific qualifications on the labour market and it is hardly implemented.

Korea uses competency management in two out of three selection stages for junior managers. In the first stage, the basic competencies necessary for civil servants are evaluated. The second exam measures professional knowledge and the third stage estimates competencies through interviews. If we consider professional knowledge as technical competencies, then competency management is even present in the second selection stage, too.

In the Netherlands, competencies are used in creating job vacancy profiles for the senior public service and in assessment centres which check on the presence of certain competencies required for a post.

3.3.2 Training and Development

All of the selected OECD countries apply competency management to their training and development programmes. The overall picture is that potential gaps between the current and desired competency level of civil servants are identified, which then result in a development plan. Another observation is that three countries, Australia, Korea and the Netherlands, focus on the development of prospective leaders' competencies.

The Australian Public Service Commission designed three programmes to support training and development in the agencies throughout the public service. First, the HR Capability Development Programme focuses on developing skills that will give HR people greater ability to be effective in strategic HR roles. Second, a good practice guide was launched, entitled *Building Capability: A Framework for Managing Learning and Development in the APS*. This framework aims to foster a learning culture and provides a source of audit criteria for any future evaluation in this area. Third, a Career Development Assessment Centre has been established to assess members of the Senior Executive Service (SES) feeder group to help identify their development needs for possible future promotion to the SES.

In Belgium, development circles were introduced. These focus on developing competencies in order to achieve personal and organisational objectives. Individual training plans, which are made for each public servant, are also part of these development circles. Furthermore, certified training has become one of the main competency management tools in the Belgian federal government. The goal of certified training is to develop the competencies of the public servants in order to meet the needs of the organisation. When training objectives are met, public servants receive a competency allowance, additional to their normal pay.

Korea relies on the Central Officials Training Institute for competency-based education. An example is the SCS Candidate Development Program. SCS candidates receive customised training to develop their insufficient competencies.

In the Netherlands, the 'Management Learning Lines'-programme was set up. The idea is that a prospective manager follows a partly structured path towards a top management position. The programme provides learning lines, career possibilities and instruments for development of prospective managers.

By using the UK's Professional Skills for Government competency framework, British civil servants can seek opportunities to develop their competencies. A development plan is created by looking at what skills civil servants have and what skills they need to develop.

The US Office of Personnel Management (OPM) serves as a lead agency in competency management, while federal agencies utilise a decentralised approach in determining the best use of competencies in their HR processes. The OPM does provide guidelines, amongst which the leadership development programmes. The Executive Core Qualifications, specifically, serve as a guide for the Federal Executive Institute and the Management Development Centre's curriculum.

3.3.3 Performance Management and Remuneration

To some degree, competencies are represented in the countries' (annual) performance assessment of civil servants. Competency-related pay, however, remains underutilised and is only applied in Belgium and the UK.

The values of the Australian government specifically require a focus on achieving results and managing performance. Still, there are no prescriptive rules about how this performance focus is to be achieved in individual agencies.

In Belgium, the development circles were introduced to evaluate public servants' performance. The appraisals will not only assess the quality of past performance but also identify future staff development needs. Regarding remuneration, performance-related pay remains a controversial concept. Competency-based pay, however, is one of the most important recent changes to the remuneration system. At the end of the certified training, which is mentioned above, a competency test is taken. Once public servants succeed in that test, they receive the competency allowance. This links remuneration to the ability and willingness of public servants to develop their competencies, instead of to the way their competencies are being translated into performance. This system might undermine the implementation of a performance-based approach.

Also the Netherlands organise an annual assessment for their civil servants. Although the link to competency management is not very clear.

Finally, the UK develops an annual performance plan for its senior civil servants, which identifies four or five objectives, two of which relate to SCS competencies. An assessment of performance against

these objectives may lead to additional pay (performance-related pay) and/or performance improvement plans.

3.3.4 Workforce Planning and Succession Management

Australia, Korea and even France mention workforce planning as an HR process in which competencies are being used. In general, it is about identifying a potential gap between current and desired or necessary competencies in the organisation and developing a strategy to reduce the gap.

Australia puts an emphasis on succession planning with a focus on the development of internal or employee capability in an organisation. An important part of their succession planning is the assessment centre.

In Korea, every five years a workforce plan needs to be established by each central ministry and agency. They need to analyse the current competencies of its civil servants and the competencies required in the near future, and then make workforce plans for improving their competency levels. By the end of the five-year period, the objectives of the workforce plan have to be accomplished.

Even France actively uses 'competencies' in workforce planning. The term 'competency' is in France mainly related to a reference system for functions. Those reference systems are associated with approaches to workforce and competency planning. The approach to workforce planning consists of making a table of available competencies and a table of competencies which are expected in the medium term. Next, actions are suggested to move from the initial situation to the desired situation without dismissing anyone (training, recruitment…). The challenge is also to show people the opportunities for mobility open to them based on their competencies.

3.3.5 *Career Management*

A last HR process in which competencies are used, is career management. Korea, the Netherlands and the UK apply competency management in their career development programmes. Mostly, a competency assessment results in the identification of career possibilities, development needs etc.

In Korea, competency assessment is applied in the process of promotion to a higher grade or to the SCS. Furthermore, central ministries and agencies are individually operating career development programs for career guidance. For example, career consulting is conducted based on the results of competency analysis.

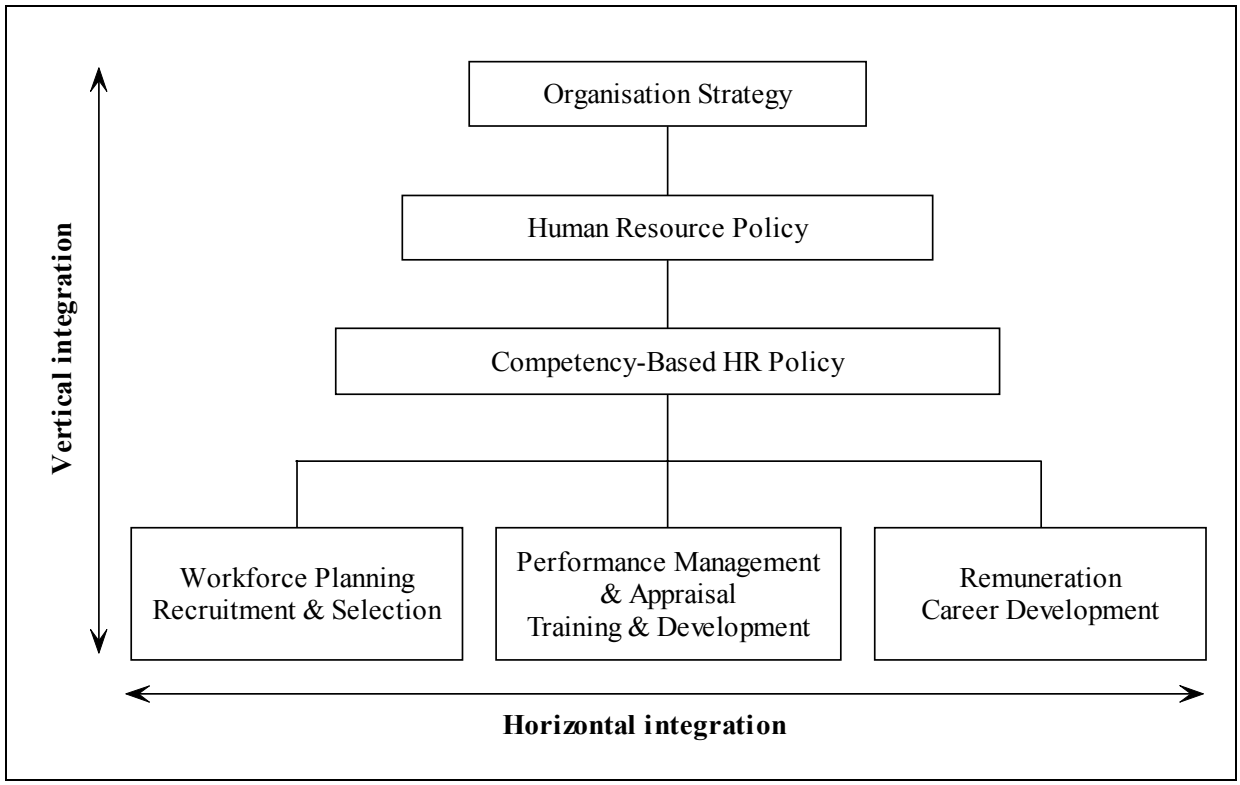
The first time competencies were put into practice in the Netherlands was when they were incorporated into the career planning forms. The SCS Office checks those forms for the need for development and raises this point during the career planning interviews which it conducts with the person concerned. The aim is to make an assessment of a SCS member's future career or personal development aspirations.

Finally, the UK government uses the SCS competency framework to identify leadership potential. The Professional Skills for Government Framework serves as a tool for civil servants to plan their civil service career. In the future, opportunities will also depend increasingly on a civil servant's ability to demonstrate his or her competencies.

3.4 Vertical and Horizontal Integration

The successful implementation of a consistent and unambiguous competency-based management includes both vertical and horizontal integration (Figure 1) (Van Beirendonck, 2009). The application of an **integrated competency-based model** is important to good HRM practice in the public service. By promoting a consistent approach across all HRM activities, the framework helps to ensure that the management of human resources contributes effectively to achieving the government's objectives (vertical integration) and ensuring that the HRM whole is greater than the sum of the individual activities (horizontal integration). An important objective in the development of such frameworks in the public service is to promote a shared language as it relates to performance standards and expectations (UN, 2005).

Figure 1 – Vertical and Horizontal Integration



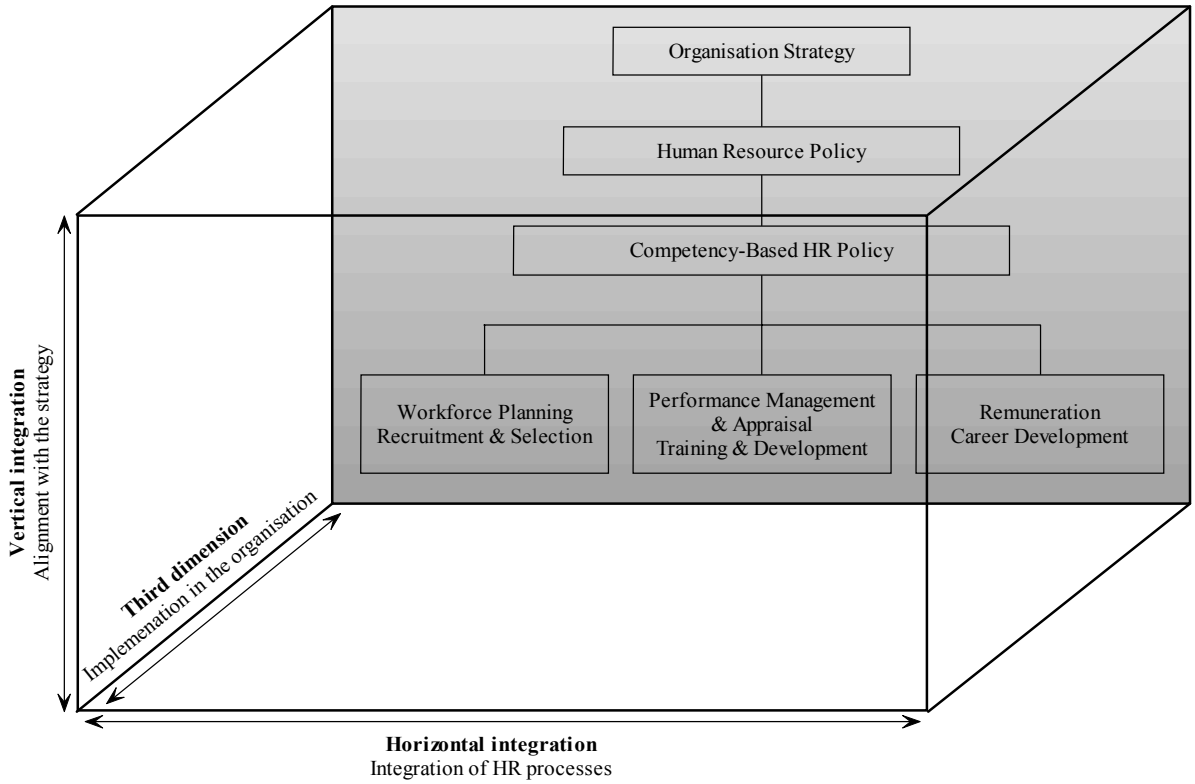
Source: Van Beirendonck, (2009).

More specifically, **vertical integration** refers to the convergence of human competencies to the mission, vision and strategy of the organisation. Individual competencies should be chosen, organised and developed so that they contribute to the realisation of the strategy of the organisation (Van Beirendonck, 2009).

Horizontal integration refers to the coordination of the various HR activities. Competencies are an ideal means for the alignment of those HR activities. Competencies act as a clear-cut language, as a common denominator or as a linking pin. In other words, the integration of various human resource activities is made possible by an unambiguous terminology (Van Beirendonck, 2009).

In his latest book on competency management (*Iedereen competent*), Lou Van Beirendonck (2009) identifies a third dimension of integrated competency management. Practice shows that implementing competency management requires a three dimensional approach instead of a two dimensional one (Figure 2). Not only the alignment with the strategy is important (vertical integration), and not only the integration of the various human resource systems is important (horizontal integration), but competency management is primarily a question of implementation in practice. "A competency management system isn't developed in the office, but through the continuous dialogue with the people who have to work with it."

Figure 2 – The Three Dimensions of Integrated Competency Management



Source: Van Beirendonck, (2009)

In the selected OECD countries, both vertical and horizontal integration seem to be present to some degree. However, a holistic approach to competency management is not yet established. Moreover, the degree of vertical or horizontal integration remains very dependent on the implementation and actual practice of competency management in the several agencies or departments. That brings us to the third dimension of integration: implementation in the organisation. How careful this third dimension is being monitored in the OECD countries remains to be seen.

Vertical integration can be established through several means. In Australia, for example, the public service values form the link between the objectives of the organisation and the various capability frameworks. In the Korean government, the five-year workforce plan of central ministries and agencies should guarantee a direct and dynamic link between strategy and competencies. The idea of horizontal integration is mostly dependent on the implementation of guidelines and a range of advice set down by a central personnel office. Although several HR activities are based upon competency management, an effective and holistic integration of the various HR processes is not yet to be found in the selected OECD countries.

3.5 Benefits, Difficulties and Key Success Factors of Competency Management

3.5.1 Benefits

Both private and public sector organisations are adopting competency-based personnel practices. Some of the many benefits of competency-based systems are listed below (Hondeghem *et al.*, 2005; Marrelli, 1998; Trinder, 2008).

- Emphasising human resources as essential to the organisation's prosperity and longevity
- Moving away from narrowly defined functions and jobs to integrated processes and teamwork
- Creating the flexibility to quickly adapt to changing customer needs and business conditions through competency-based deployment of employees
- Consistency in identifying and measuring people quality at all stages of the employment cycle
- Providing employees with opportunities to develop and apply new knowledge and skills in exchange for their work and commitment
- Competency standards can test the effectiveness of training, improve recruitment, identify training gaps which should lead to improved efficiency, productivity, worker safety and employee retention
- Creating a culture of continuous learning
- Substituting lateral growth for career ladders and promotions

Nunes, Martin and Duarte (2007) classify the benefits of competency management according to the several interest groups.

Table 6. Competency management by interests groups

Employees:	- A fair people management system - Greater encouragement for personal development - Better understanding of what is necessary to achieve high performance at work - Better understanding of the organisation's mission and their role played in the organisation
Managers:	- Provides an additional instrument for motivating collaborators - Shares a common language on people management - More transparent and appropriate criteria to make selection, performance evaluation or training and development decisions
Organisations/ the state in general:	- Allows to identify the organisational activities that need to be improved the most - Provides clarity over the objectives to be met and the way in which to meet them - Allows to better integrate the organisation's requirements and people's characteristics - Enables to develop a global approach to HRM - Provides more useful instruments for selection, evaluation and training and development

Source: Nunes, Martin, Duarte (2007)

Some of the benefits of competency management stated by the selected OECD countries are:

- Common language, consistency

- Continuity in monitoring the careers of public servants
- A future-oriented perspective on personnel management
- Improved competitiveness of government
- Creating a culture of continuous self development
- Assisting in the management of change

3.5.2 Difficulties

One of the major difficulties of competency management lies in **identifying competencies and constructing the competency framework** (Horton, 2000a). Identifying the appropriate competencies for an organisation and building the appropriate competency model requires a complex and lengthy process (Vakola *et al.*, 2007). Recent research also shows that one of the most difficult managerial and leadership issues remains the translation of business strategy into the individual competencies needed for implementing and supporting that strategy at the operational level in organisations (Kaplan and Norton, 2005). Additionally, several competencies are still formulated at a high level of abstraction and hence are 'fuzzy', which reduces their usefulness as scientific constructs (Lievens, 2006).

Nunes, Martin and Duarte (2007) find that **commitment** is one of the main problems encountered in the implementation of competency management. Senior and middle management as well as employees often have a reduced level of commitment and participation.

Another issue of concern is that the competencies defined most often end up as being **backward-looking rather than future-oriented** with respect to strategy and organisational change. Competency models also tend to focus on what managers currently do rather than what is needed to perform effectively in the future, something that jeopardises the potential of competencies to act as levers for implementing change (Vakola *et al.*, 2007).

Next to these general difficulties, some of the selected OECD countries are experiencing more specific difficulties linked to their particular case. The strong legalistic tradition in the Belgian public sector, for example, causes a problem because rights and duties of personnel need to be anchored in detailed regulations and procedures. Korea had difficulties in developing the competency model because extensive opinions needed to be collected and conflicts between deductive and inductive methods needed to be resolved. They also had high costs in money and time. The UK experienced, amongst others, problems with resistance by trade unions. The US sees a challenge in the proper use of competency models.

3.5.3 Key Success Factors

Finally, Marrelli (1998) reports the following factors as consistently contributing to the success of competency-modelling efforts.

- As in any organisational change, early and frequent communication to all affected employees is essential. Employees need a clear definition of the project's scope and purposes as well as its expected benefits. They need frequent progress reports and opportunities to provide input on the project from their perspectives.
- Begin participation in competency efforts with top executives to garner support and to encourage participation at lower levels.
- Keep senior executive support visible throughout the process. Employees will not see the program as a priority unless they see the top executives associated with it.

- Continuously emphasise the connection between the achievement of organisational objectives and the identified competencies.
- Work with line managers to design the entire competency modelling process so that they become co-owners of the process.
- Create detailed implementation plans, including the assignment of clearly defined roles and accountabilities for management, line units, and human resources.
- Encourage all employees to participate in the process of identifying competencies.
- Find out what line managers and employees are thinking and feeling about the process as you design and implement it.
- Provide abundant support to employees throughout all stages of the competency effort. Assessment and feedback tools, competency-identification worksheets, guides to creating development plans, coaching, meetings, and workshops can make a real difference in the project's success.

Summarising on the critical success factors, the UK considers information, communication and participation as key for implementing competency management. Effective competency modelling also requires resources, including sufficient training, access and time. Finally, the US states that competencies and competency models should be updated periodically to adjust for environmental and workforce changes. These success factors may also be key in the other countries.

3.6 Conclusion

Conclusion on the practice of competency management to be drafted based on the discussions at the PEM meeting.

4. Review of the State of the Art Practices

After discussing the current status of competency management in the previous part, we now focus on the most recent developments and possible innovations taking place in the selected OECD countries. All countries are working on the further integration of competency management in their human resource management. New practices are being unfolded and current applications are being adjusted or expanded.

One trend that is occurring is the **adjustment of current competency models or the development of additional models**. Belgium, Korea and the US have recently adjusted one of their competency models. Belgium reviewed its 5+1 competency model in 2009. Although no competencies were added or eliminated, there were changes in the competencies' definition and levels were introduced in the structure of the behavioural indicators. Also in 2009, Korea simplified its SCS competency model to have only six competencies instead of nine. The US government revised its leadership competency model (including the Executive Core Qualifications) in 2006 to reflect changing contexts. Six competencies were separated as fundamental competencies, which together now serve as a foundation for the other meta-competency clusters. Both Australia and the UK developed a new, additional competency model recently. Australia's Integrated Leadership System was designed in 2004, together with the necessary guides and tools to assist managers and employees in capability planning. Since 2003, the UK has been developing the Professional Skills for Government (PSG) framework. It was launched in 2008 and should be embedded in departmental frameworks by 2012. The PSG framework is a structured way of thinking about jobs and careers for civil servants at all grades. It is likely that this framework will replace some, if not all existing departmental frameworks.

Another occurrence is **the development of a complete set of job descriptions** in Belgium and the Netherlands. In Belgium, a federal cartography has been developed in 2008, which contains all the job descriptions for separate functions or function families in the federal administration. Each job description includes a competency profile. The Dutch central government also introduced a comprehensive set of job descriptions in 2009. It is compiled on the basis of government-wide job families and job profiles, which include competencies and other requirements. According to the Dutch government, the introduction of one comprehensive job structure for the whole of government facilitates flexibility, mobility and quality management.

Furthermore, the Belgian and French government both introduced programmes for the valorisation of experience and for the assessment of a civil servant's competencies.

In Belgium, **the valorisation of experience** is realised by the system of 'elsewhere acquired competencies' (EAC). The EAC logic means that candidates who don't have the appropriate diploma for a vacant position, but do have the necessary competencies (acquired through experience, training…), get the opportunity to participate in the selection procedures. As stated above, this philosophy is up until now only applied in case of scarcity of specific qualifications (e.g. IT professionals). Also France has developed a principle of valorisation of experience for all employees. The principle is that civil servants obtain an academic degree if they prove that they control the level of competencies corresponding to the academic level of that degree. This allows civil servants, who already exercise an activity corresponding to a higher academic level, to catch up.

Concerning the **assessment of a civil servant's competencies** in Belgium, the recruitment and selection organ Selor developed a new instrument, the so-called 'competency balance', in 2006. The competency balance is used to better understand the strengths and weaknesses of civil servants and to find out which competencies they should acquire for the function they wish to pursue. In the context of internal mobility, this instrument serves to optimise the employability of internal talent. France introduced a similar system in the Ministry of Education and the Ministry of Finance. Before considering a reorientation of their career, civil servants get the opportunity to conduct a competency assessment. In both ministries, the number of assessments remains limited and only involve a few dozen civil servants.

Next to these more general trends, the selected OECD countries are also working on other projects in competency management. Remarkable is the increase in the recognition of professional qualifications in France. Various incremental actions intend to introduce new ways of recognising competencies. Most French ministries are gradually replacing examinations on academic criteria by examinations directly testing the capacity of individuals.

In the Netherlands, various government-wide initiatives flow from the 'modernising government' programme. Next to the development of a set of job descriptions, the 'management learning lines' fall under the umbrella of 'modernising government'. This programme aims at providing learning lines, career possibilities and instruments for development of prospective managers. Additionally, the Dutch SCS Office believes that the competency framework requires expert implementation, contrary to earlier opinion that line managers should implement it. In the future, expert support of HR professionals is required.

Korea's future plan is to broaden HRM areas encompassed by competency management and to increase the number of civil servants involved in competency management. Up until now, the Korean government evaluates competency management as better than the other methods of personnel management in terms of reliability, validity and compliance.

Despite of the extended nature of the competency management system in Australia, there are no major new developments on competency management in the past few years. However, it is important to mention

the Australian focus on creating a culture of innovation in this context. Innovation is viewed increasingly as being important to enable the Australian agencies to respond to complex policy issues, to create public value, and to improve the performance and responsiveness of public services to citizens in the community.

Finally, the US takes us into the future of competency management. According to them, computerised and web-based competency management offers much potential for improving the ways in which competencies are identified and managed. In addition, evolving measurement techniques and advanced psychological research can help improve the competency management process.

5. Analysis of the Future Competencies

5.1 Future competencies

Employees' competencies and the integration of HR policies and practices with business strategies play a central role for sustained competitive advantage. The culture of the lifetime employment no longer exists. Rather, we are witnessing a shift from "people as workforce to people as competitive force" (Prastacos *et al.*, 2002, p. 67) that identifies strategic thinking, innovation, creativity, and business sense as critical requirements for succeeding in almost any kind of job, thus driving the need for defining and developing new competencies. In this context, it is particularly important to grasp the dynamic nature of individual job-related competencies and recognising the need for connecting competencies with changing business needs (Vakola *et al.*, 2007).

A changing policy environment has a significant impact on both the public service workforce and on the range of skills it needs for the future. As the demands and challenges facing the public sector change, so too do the skills required of its employees. The selected OECD countries were asked which competencies their civil servants will need in order to meet the challenges of the 21st century (financial crisis, globalisation, ageing and knowledge management, diversity…). Table 7 gives an overview of all competencies that were mentioned as being important for the future. Eight competencies were commonly referred to: innovation, creativity, flexibility, work collaboratively across boundaries, change management, relationship building, vision and future orientation.

Next to these frequently mentioned competencies, Australia explicitly puts an emphasis on two global competencies for the future: strategic thinking and agility. "If the current financial crisis tells us anything, it is that we need to be more strategic globally so that we are able to recognise policy and implementation failures before they happen. […] Furthermore, agility needs to become a core public service competency in our decentralised and complex world. Agility means both how quickly and how flexibly we respond in our uncertain environment." (Briggs, 2008)

In mostly all countries, a difference is made between competencies for all civil servants and competencies which are only applicable to leadership functions (see also Table 7). The UK describes tomorrow's leaders as follows (Normington, 2008): "Tomorrow's leaders will be recognised by the fact that they are addressing tomorrow's problems by putting into practice a mix of traditional and new skills in the right combination for the task at hand."

Despite of the extensive list of future competencies, the report on the Dutch government states the following: "There is a feeling that societal changes cannot be prepared for, other than by remaining open and connected to the outside world."

The view of these countries on what the 21st century challenges require in terms of competencies that governments need, has only been presented in general terms. These competencies have not (yet) been added to the countries' competency frameworks. The US, however, stands out, because two of the frequently cited competencies can only be found in their Leadership Competency Model, namely

innovation and creativity. Nevertheless, the value of the future competencies listed below remains questionable. The sources of these competencies, such as speeches and statements from politicians and senior officials, policy notes, reports on the civil service and annual reports, are not always of the nature that they reflect the practice in governments. Often, it involves only aspirations of how the future should or could be.

Table 7. Future competences for governments

Country	Competencies for all civil servants	Competencies for leaders only
Australia	- Multi-skilled - **Flexibility** - Intellectually agile - **Innovation** - **Creativity** - Commercial skills - Public service excellence - Considering the big picture - Act early and decisive - Early problem diagnosis - Work swiftly - **Work across boundaries** - Work together - **Forward-looking** - Honesty - Impartiality - Fairness - Agility - Effective & efficient - **Embrace change** - Project management - Anticipating - Renewing - Risk management	- **Entrepreneurship** - Qualitative leadership - Establish and maintain productive **working relationships across and beyond government agencies** - Purpose and direction - Establishing and managing **partnerships** - Facilitating - Participatory approach - **Development of relationships** - Strategic and creative thinking - **Vision** - Strategic leadership
Belgium	- **Flexibility** - Service orientation - Self development - Quality orientation - Customer orientation - Responsible - Effective - Results orientation - Transparent - Culture of ownership and loyalty - Continuing reflection of the offered solutions - **Innovative and creative capacity** - Ethno communication and networking - Knowledge management and	- Leading based on results - **Vision**

	knowledge sharing	
Korea	- Problem recognising and understanding - **Change management**	- **Vision** - Strategic thinking
Netherlands	- Competencies to **make connections in a broader context** and to make the best use of the talents of employees and citizens - Sustainability - **Future orientation**	- Facilitate the dialogue with society - Create space for **initiative and creativity**, including space for experiments with new ideas - Diversity management - **Network collaboration** - The development of employees - Sensitivity for societal and political developments - The ability to imagine and **develop connections across borders** - Professional substantive knowledge
United Kingdom	- **Innovation** - **Imagination** - **Entrepreneurship** - **Flexibility** - Social and interpersonal skills - Transformational leadership - Sociological and psychological skills - Marketing skills - Campaigning skills - Communication and technological skills - Team working - **Change management** - Staff engagement - People management - Workforce planning (predict skills gaps) - Project management - System and process design skills - **Relationship management**	- **Collaborative mindset** - Seek for alternative viewpoints - Emotional intelligence - Building trust and genuine engagement - Understanding the end user - Listening - Asking - Learning - Spotting and nurturing talent
United States		- **Work collaboratively across boundaries**

Source: OECD country reports

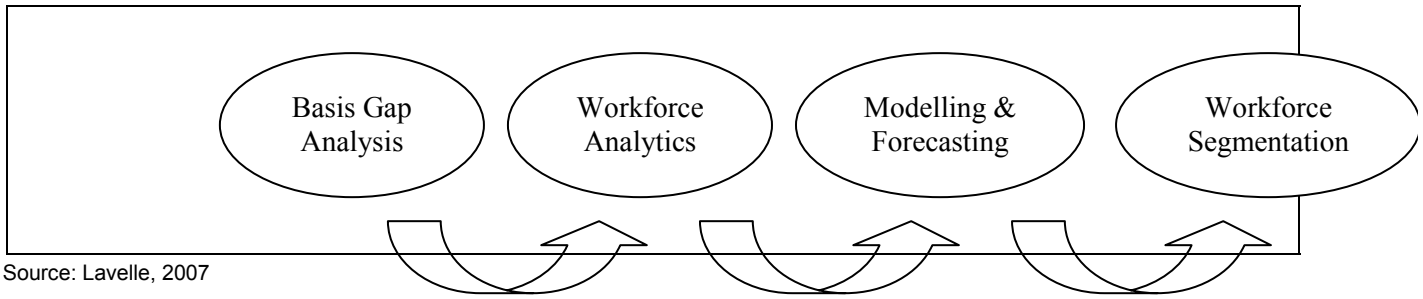
5.2 Planning for future competencies

Planning for the future competencies which are mentioned above is the next step to secure a competent workforce now and in the future. Once limited to calculating the gap between talent supply and demand, **workforce planning** is now a far more sophisticated process. It enables an organisation to adjust and respond quickly to immediate and future changes (The Conference Board, 2006). Workforce planning

remains, however, an underutilised and appreciated process in the HR toolbox. Meanwhile, the need for strategic workforce planning and execution of workforce plans has never been greater as both public and private organisations operate in more turbulent environments and confront the 21st century challenges (Lavelle, 2007).

Nowadays, the more sophisticated process of workforce planning goes as far as creating a workforce architecture through segmentation. Lavelle (2007) charts the **evolutionary path of workforce planning** clearly (Figure 3).

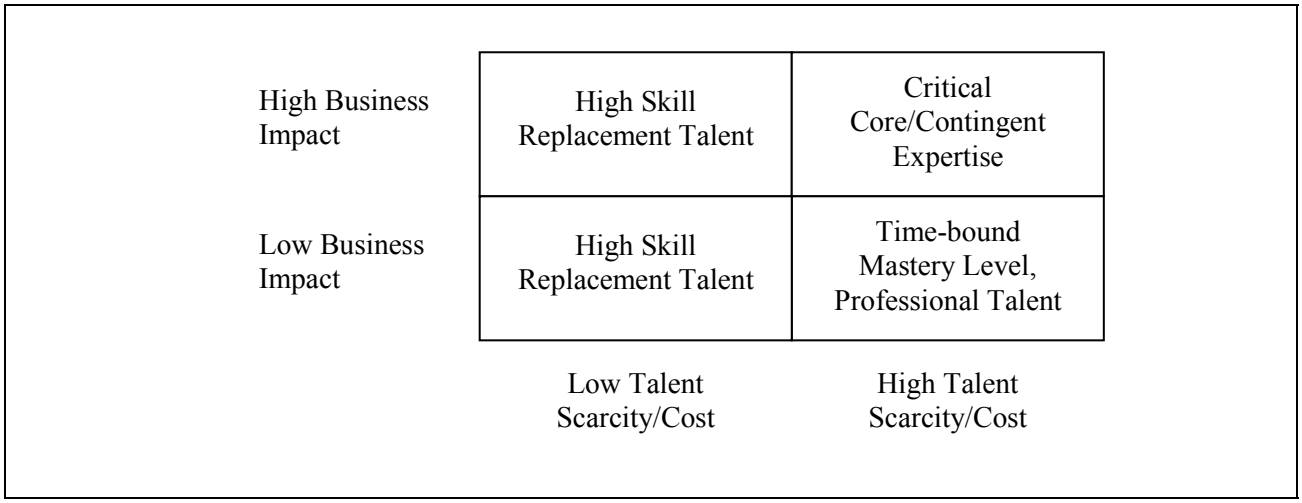
Figure 3 – Evolutionary Path of Workforce Planning



Source: Lavelle, 2007

The trail (and escape) from **basic gap analysis** leads first to active use of **workforce analytics**. Workforce analytics include mining current and historic data to analyse the relationships between different employment types and skill clusters as well as the links between HR and business data. The next step on the evolutionary path is **modelling and forecasting**, which takes workforce analytics into a more dynamic setting. Activities in this stage include building various 'what-if' scenarios to test the strategic reliability of different staffing models. This is naturally an intrinsically difficult, resource-intensive undertaking that is fraught with unknowns and justified only when the organisation in question operates in a business environment in considerable flux. Finally, the path leads to **workforce segmentation**, which is a variety of approaches distinguishing staff in terms of strategic contribution or mission criticality. Workforce segmentation, however, seeks not to differentiate performance or individual contribution but rather to distinguish between roles and skill sets in terms of how vital they are to organisational success. According to Lavelle (2007), workforce segmentation seems destined to play an important role in workforce planning going forward. Figure 4 is a sample outcome from one such workforce segmentation exercise which results in a talent segmentation matrix.

Figure 4 – Dimensions of Workforce Architecture – Talent Segmentation Matrix



Source: Lavelle, (2007)

These two dimensions create an architectural framework that facilitates the evaluation of different staffing mixes and composition. Lavelle (2007) chose 'architecture' deliberately as metaphor. Just as blueprints assist in weighing the relative merits of different materials in terms of weight, cost, tensile strength and compatibility with other components, so too a workforce architectural framework can be used to examine the strength, costs, sustainability and compatibilities of different staffing options.

The status of workforce planning in the selected OECD countries is not always clear. Although all countries exercise some form of workforce planning, it is difficult to put them on Lavelle's evolutionary path of workforce planning. Furthermore, competency management is not always integrated into their workforce planning. In most cases, basic gap analysis, workforce analytics, and modelling and forecasting are part of their workforce planning practices. Workforce segmentation, however, seems to be a step which is not yet considered in great detail. In Australia, there is the suggestion to identify critical priorities, which in the future may lead to a segmentation strategy. In Korea, workforce plans are based on (current vs. required) competencies, but since there are different competency models for different hierarchical ranks (SCS competency model vs. Government Standard Competency Dictionary), workforce plans need to be specified and segmented, depending on the target groups. Also in the UK, there is evidence of workforce segmentation to enable more tailored workforce planning. Despite of this, the UK government doesn't make a difference between mission-critical and non-mission-critical functions, which Lavelle describes. From this, we can conclude that Korea is the most advanced in its competency-based workforce planning. The Korean government makes a difference between their senior civil servants and general civil servants in their segmentation, which does indicate some form of distinction between mission-critical (SCS) and non-mission-critical competencies. Next to workforce segmentation, the Korean government doesn't ignore the other steps in workforce planning, being basic gap analysis, workforce analytics, and modelling and forecasting.

6. Conclusion – Evaluation of Competency Management in the Public Sector

Competency management is well represented in the public sector, or at least in the OECD countries discussed in this report. Each country confirms the added value of introducing competency management in their central government, going from creating a culture of self-development to improving a government's competitiveness. Often introduced in a period of government reform, it was meant to change the traditional personnel management into strategic human resource management.

The **level of maturity** of competency management is associated with the **three dimensions of integration**: vertical integration, horizontal integration and the implementation in the organisation. Although all countries are committed to these three dimensions of integration, few can report a holistic approach to competency management. In most cases, there is a link to the organisational strategy (vertical integration) and in general, several (though not all) HR processes are involved in competency management (horizontal integration). The main problem lies in the third dimension of integration: implementation of competency management throughout the organisation. Each of the selected OECD countries experiences difficulties in the implementation of centrally developed HR tools and guidelines in their agencies, departments or ministries. Despite of the encouragement from the centre, marked variation exists among agencies, departments or ministries with respect to the extent and intensity to which competency management is being implemented. With regard to that, France is an extreme example, since competency management is almost completely dependent on the ministries.

The **future of competency management in government**, however, seems guaranteed. According to the US, additional research is needed for determining the future directions. Furthermore, competency management should be reviewed on an ongoing basis to identify incongruence between current competency models and changing needs. In line with the Dutch central government, the future of competency management depends on the continued interest in competency management for internal reasons (e.g. coping with demands).

In sum, there is a future for competency management in government. The real challenge lies at the agency level.

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