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Competency models in public sector

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Abstract

Human capital is the key factor for economic success of any organization. Actually we live in the era of globalized economy that brings strong similarities, in time of huge explosion of information, changes and innovations. HR managers think about how to find any competitive advantage enabling their companies to differ from others and how to define, find and maintain those competencies that enable humans to cope with change. Private sector found an answer for these issues in Competency based management. Competency models are a key tool in human resource systems and practice. Public administrations systems throughout the world have been subjected to major reforms over the last 30 years and Competency management has already been implemented in public sector of several OECD countries as well. Following article examines the theory of competence, competency models, concept of Holistic managerial competence and the necessity of holistic managerial competence valuation in public sector.

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1. Introduction

The fact that man is a decisive factor in the successful operation of any organization need not be questioned. Any high performing organization is linked with high performing people. Selecting talented employees – (high potentials and high performers) who are able to carry out the organization's vision, mission and meet the targets is critical for the company as well as the company's ability to create supportive culture for these people. The question remains what gives humans the opportunity to successfully maintain its position in the company? Do we talk about the skills, knowledge, ability, talent, employee engagement? This human quality is called competence. The current

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understanding of the concept of competency and competence is very wide. It implies concepts such as ability, behavior, activity, or even complex of operations. These components should then be reflected in above-average performance of man in a certain area. Competencies are used in several areas of human resource management – individual selection, development, performance management and strategic planning as well. The tradition recruiting process was based on hiring of those people who could perform a set of tasks and HR specialists were focused on technical knowledge. We can talk about job-based selection in this traditional process. However, competency based selection is more effective in rapidly changing business environment where the companies are recognizing the value of interpersonal relationship, effective communication, team work, willingness to support the change or ability to learn quickly. Recruiting process based on competencies use the whole person assessment. The key question is – what is the potential of a person and how this person can contribute to organizational survival, productivity and sustainable development. Competency-based human resources management is considered as prospering leadership model for developing private sectors and is one of the central themes in modern public service development. Public sector leadership development is important for every country. The environment has been changed and the requirements for public sector managers have been changed as well. These trends create a need for developing strategic leadership in public sector. We talk about accountability, professionalism, integrity, social maturity and need for innovation that is required in the work of public sector leaders. Competency based management is adopting by several governments as a system for determining and explaining specific abilities – knowledge, skills and behavior need for specific job, and ensuring successful work delivery. But for other governments the competency based management is still a challenge - Slovakia included. This paper gives a brief account of the competency, core competency, holistic competency approach and implementation of competency based management into practice. Research seeks to analyze the need of holistic competency approach in the public sector of Slovak republic.

1.1. What is a competency?

Human capital is defined as an irreplaceable accelerator of long-term effectiveness and sustainability in any organization. Its importance is growing especially with the development of the global economy. Ljudvigova (2015) noted that the secret to high performance and satisfaction at work is the deeply human need to direct our own lives, to learn and create new things and to do better by ourselves and our world. Kubes-Spillerova-Kurnicky (2004) noted that although the company owners, managers, researchers tend to believe that people are the decisive factor for success of the company there is no consensus on what forms this quality. Do we talk about skills, knowledge, attitude, loyalty or engagement? This quality is called “competence” in literature. The word of “competence” comes from the Latin word “competent”, which can be translated as “one who has the right to judge”, respectively, “the one who has the right to speak.”

Various interpretations of this concept can be summarized as follows:

- Competence as an authority and responsibility. An employee is entitled to perform certain activities: Jurisdiction of maneuver and its impact. Therefore, it refers to what has been given to man from the outside.
- Competence as a person's ability to perform a certain activity – quality, skills and ability to do something competently. This notion emphasizes the intrinsic quality of man, which allows him to submit a performance. This meaning will be used in our paper as well.

1.2. Literature review

In 1973 David McClelland, working in the educational field in US, published a study – Testing for Competence rather than for Intelligence, where personal competencies (defined as motives and personality traits) or individual characteristics, were recognized as significant predictors of employee performance and success. His work was provocative, because he argued the personal competencies are more important in predicting occupational success than traditional psychometrics such as IQ and aptitude tests. McClelland is often credited with launching the competency theory in HR management. Boyatzis (1982) defined a competency as “an underlying characteristic of a person which resulted in effective and/or superior performance in a job.” According to Boyatzis, a competency in a job represented great ability and high performance. Boyatzis diagnosed problem raised by human resource

managers. They needed to find a single and meaningful vocabulary for human resource department anywhere in the world - in the US, Latin America and Europe, allowing them to distinguish average performers from above average performers. Professor Harold M. Schroder from Princeton University, author of *Managerial Competence - The Key to Excellence* (1989) defined 11 key managerial competencies that incorporate into the four basic areas: cognitive competencies, motivational competence, directional competence, performance competencies. White (1959) defined competence as designate skills developed by self-organization and required for the performance. This first era of competencies in HR management was typical for observing of individual competencies (White - 1959; McClelland - 1973; Boyatzis-1982; Schroder-1989; Woodruffe-1992; Spencer-Spencer-1993). The second phase of competencies in HR management is typical by creation and managing of competency models in organizations. (Mansfield-1996; McLagan-1997; Lucia-Lepsinger-1999; Rothwell-Lindholm, 1999). Prahalad and Hamel (1989) advanced the idea of core competencies and here we talk about the third phase of competencies in HR management. This phase is based on identification of core competencies needed to gain a competitive advantage (Prahalad-Hamel- 1989; Ulrich-Lake- 1991; Rothwell-Lindholm- 1999; Delamare-Wintertone- 2005). Based on this definition, we can talk about the potential (non-observable) competencies and the (observable) activities performing the competence. Activities can be observed and measured.

1.3. Competency model

Identification of competencies in the society led to the creation of so-called competency model which is characteristic for a particular position. Competency model can be used in many areas of human resource development - recruiting officials, remuneration process, design training and development programs. It is a key tool in assessing the employees, career planning and talent management. Kubes et al. (2004) states that the final list of competencies included in the competency model is sometimes a big surprise for a company requested for this model. It may discover the difference between what the company officially expects (by declaring in internal policy) and between what is really required from the employees. Competency models are created from competencies - they are a collection of qualities, abilities, skills and other capacities of the staff needed for successful performance of their positions. Obviously more attention is paid to managerial competencies - because the quality of managerial work strongly influences the success of the company. The group of the core competencies creates a competency model. Competency model in the company acts as a compass for seafarers. Competency model describes a specific combination of knowledge, skills and other personality characteristics that are necessary for effective performance of duties in the organization. (Kubes et al., 2004) The structure of the model must support the use of competencies across the selected human resource functions. Competency model should provide a clear definition for each competency, including measurable or observable performance indicators or standards. These will be used for individuals evaluating.

1.4. Holistic competency model by Porvaznik

Porvaznik (2013) presented holistic approach to competency model creation. Holistic model of managerial competence point to the need for evaluating managerial competence holistically - that is assessing three basic pillars - knowledge ability, application skills and social maturity of each manager. By using the holistic model of competency we can avoid the situation when we select the managers who are under-qualified, thus doing their job incompetently.

Porvaznik (2013) presented the following formula:

$$HQ = f(SQ, AQ, KQ)$$

Where:

- HQ = Holistic competence
- SQ = Social maturity, SQ = SQ1, SQ2, SQ3, SQ4,
- AQ = Application (practical) skills, AQ= AQ1, AQ2, AQ3, AQ4, AQ5
- KQ = Knowledge ability, KQ = KQ1, KQ2, KQ3, KQ4

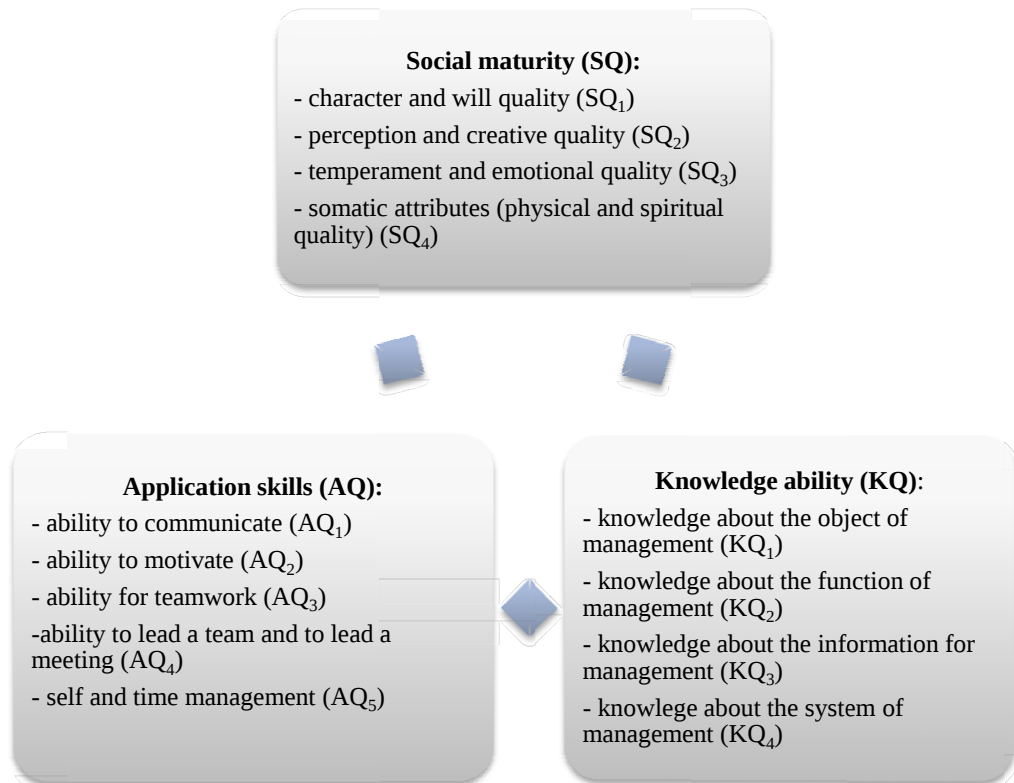


Fig. 1. Holistic managerial competence model by Porvaznik (2013)

Three pillars of this holistic model consist of:

- *Professional (knowledge) ability, that is knowledge-based capabilities (KQ)*, which reflects the level of professional skills and management entities. They are also marked as their functional capacity.
- *Social maturity (SQ)*, which consists of an individual's personality. Social maturity is very complex. SQ should be synonymous with socially responsible, good, human and moral behavior.
- *Application skill (AQ)*, is also called practical skills and provide us with an information whether manager knows what and how to perform in the organization. It describes the ability of manager to use the knowledge in his/her profession.

1.5. Competencies in public sector

Competencies have been used the most in connection with the private business sector. Managerial functions can be similar or generic across private and public sector, but the conditions in these two sectors are very different. Noordegraaf (2000) stated that the context in which public sector leaders utilize categories of the framework and determine the diversities in competencies. In his study, managerial competencies were derived from observations of 12 public managers in action. Author underlines three groups of competencies of public managers – interpretive competencies, institutional competencies and textual competencies. The specificity of the competent public sector leader is his ability to operate successfully in an environment that is unstable due to political situation. Virtanen (2000) is also asking the question - what competencies do public managers need to be able to operate efficiently, effectively and competently. He constructed his own framework consisting of five competence areas for public managers, namely task competence, professional competence in subject area, professional competence in administration, political competence, and ethical competence. The majority of these competencies are the same as a manager in the private sector must have to cope with the daily business. The difference is that in the private sector

the manager's agenda is set by market and board of directors. Politicians and public make the agenda for the manager in the public sector. Public management and management of private sector are getting more and more similar. Competencies framework in private sector brings a lot of advantage for HR management, managers, organization and employees as well – especially as a: tool making the connection between hiring, evaluation and development; tool providing the clear expectations of organization from employees; tool ensuring the unique communication; tool of high professionalism in HR management. These are the reasons why it should be used in public sector as well.

1.6. Competency based management in public sector of Slovakia

According to OECD (2015) developing the skills of public employees is important in order to continuously improve and adapt the competencies of the workforce important in order to continuously improve and adapt the competencies of the workforce and build human capital. Slovak government could benefit from competency based management and the use of common job profiles. These are the tools to advanced strategic orientation. Competency based management influences all the key HRM areas: planning, recruiting, training, development and mobility. Competency framework would help Slovak government to identify competency gaps and strategies to fill them. There are several countries in OECD that have already implemented competency framework. OECD (2015) recommends to the Slovak central government to implement competency management framework. Competency based management could help the Slovak central government in securing the principle of merit in recruitment and selection arrangements, while also standardizing the structure of job descriptions across ministries, thereby making it easier to promote mobility. The idea is to set at least the minimum standards and then use competency testing to supplement this assessment for better quality of selection process. Competency based management in the Slovak central government would require the implementation of new tools into the selection process, especially assessment centers and the validation of transferable competencies that may be acquired through experience in other job settings. A competency management framework could also ensure a more strategic approach to career and skills development in the Slovak government, contributing to the development of human capital along the lines already highlighted in the HRM Strategy to 2020. (OECD, 2015) Implementation of competency framework into human resource management of the institutions in public sector would require a central reform. As any other change it can be difficult for implementation and all employee's commitment and involvement. But benefits – that are already seen in private sector and countries that have already implemented competency management framework – are very attractive. We can talk about improved career path, professional development, career flexibility, transparency and clear and rules-based communication.

2. Research

In our research we examined the need of holistic competency model implementation in Slovak public service and requirements for professional and managerial competence of public officials. The empirical data of the research is based on the survey from December 2015. Our research sample consists of 146 public officials. We distributed them online questionnaire with 37 questions. The main aim of our research was to analyse the need and the requirements of competency framework based on holistic model of managerial competency (Porvaznik, 2013) in public sector of the Slovak republic. We will present the results in three main areas – training process, remuneration and recruiting.

Civil servants in the Slovak Republic have a statutory entitlement to five days in-service training per year. Slovak public service does not have overarching strategy for development program or coordination system. The majority of training is run by individual ministries with lack of strategic planning. In practice, however, training tends to be under-resourced. (Government of the Slovak Republic, 2014 in OECD, 2015) Table n. 1 provides us with the result on question about the training/development activities usually offered to public officials. 19% of all respondents confirmed no training/development activity offered. Trainings of e.g. ethical behaviour covered by the pillar of holistic competency model called "social maturity" were offered very sporadically. The most often trainings are those from professional (knowledge) ability area. They were offered to 59% of all respondents.

Table 1. Training usually offered to public officials.

Training/development activity usually offered to public officials.	N. of respondents	%
Developing application skills training. (e.g. teamwork, communication skills)	23	15,75%
Developing professional knowledge ability training. (e.g. VAT training, accounting)	86	58,90%
Developing social maturity training. (e.g. stress management, ethical behavior)	9	6,16%
There is no training proposed to me.	28	19,18%
Total	146	100%

Table 2 represents the data we got about the trainings/development activities non-offered to public officials. 16% of respondents confirmed that all 3 pillars of holistic competency model are covered equally thus they received the training/development activities from all three areas – social maturity, professional knowledge and application skills as well. The winner of this negative statistics is social maturity area that covers training like corruption prevention or ethical behaviour. 32% of public officials confirmed that this kind of training has never been proposed to them. We would like to mention that corruption in public sector is still an issue for Slovakia.

Table 2. Training non offered to public officials.

Training/development activity never (or very rarely) offered to public officials.	N. of respondents	%
Developing application skills training. (e.g. teamwork, communication skills)	30	20,55%
Developing professional knowledge ability training (e.g. VAT training, accounting)	17	11,64%
Developing social maturity training (e.g. stress management, ethical behavior)	47	32,19%
All three areas (application skills, professional knowledge, social maturity) are covered equally.	24	16,44%
There is no training proposed to me.	28	19,18%
Total	146	100%

Table n. 3 describes the data we got about the most needed training/development activity for public officials. 42% would prefer trainings from professional (knowledge) ability area and only almost 25% confirmed the need for social maturity training.

Table 3. The most needed training/development activity for public officials.

What kind of training/development activity is actually the most needed for you now?	N. of respondents	%
Developing application skills training. (e.g. teamwork, communication skills)	48	32,88%
Developing professional knowledge ability training (e.g. VAT training, accounting)	62	42,47%
Developing social maturity training (e.g. ethical behaviour, corruption preventing)	36	24,66%
Total	146	100%

Competency framework in public sector would create clear strategy in development activities across all ministries. It should ensure that every public official will have a development and training plan consisting on development of application skills, knowledge ability and social maturity as well. Based on numbers proposed we would like to underline two important findings – 19% of public officials have no any training or development program proposed. 24,66% of public officials confirmed the lack of training from social maturity area – we talk about ethic, ethical behaviour, corruption preventing programs, ethic norms and rules...etc. Social maturity is the irreplaceable part of holistic competency model and should be a part of training program for each public official.

We asked our respondents if they are aware of all components of their performance taking into consideration for their evaluation and remuneration process. The majority of public officials are aware of all components included evaluation and remuneration process and this is very positive finding. But the rest – almost 25% of public officials are not fully aware about the components included in remuneration and evaluation process.

Table 4. Awareness about all components included evaluation and remuneration process.

Awareness about all components included evaluation and remuneration process	N. of respondents	%
Yes	47	32,19%
Rather yes	63	43,15%
Rather no	14	9,59%
No	22	15,07%
Total	146	100%

Table n. 5 represents our findings in the field of recruiting process. We asked public officials if the recruiting process in their organization is transparent, rules-based and fair. More than 50% of all respondents confirmed rather no or no. Recruiting process is one of the area where competency framework would be very helpful in setting the clear definition of requirements, transparent process and thus justice.

Table 5. Transparency, justice and rules-based system in recruiting in public sector.

Transparency, justice and rules-based system in recruiting in public sector	N. of respondents	%
Yes	19	13,01%
Rather yes	49	33,56%
Rather no	35	23,97%
No	43	29,45%
	146	100%

We asked our public officials about the competencies tested in recruiting process. They could select more than one option. Social maturity (ethics, norms, humanity...) of an individual is tested very rarely in recruiting process. But the majority of respondents confirmed the testing of their professional knowledge ability.

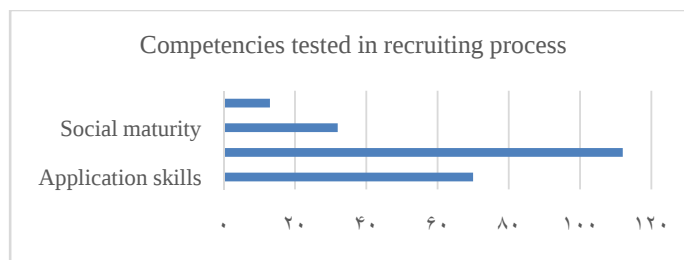


Fig. 2. Competences tested in recruiting process.

As we can see the social maturity is much underestimated in recruiting process in public sector of Slovakia as well as in training and development program. Holistic model of managerial competency underlines the need for balance among 3 pillars of holistic competency model – social maturity, professional knowledge and application ability. Higher score of social maturity in recruiting and development program could have a positive impact on transparency, ethical behaviour and corruption among public officials.

3. Conclusion

Competency framework with competency based management and competency models are a key tool in human

resource management and practice today. Over the last 20 years there has been a world-wide expansion in the use of competency models in private sector. Several governments have already taken competency framework into their public sectors as well and they observe positive results in effective, clear and rules-based recruiting process, clear and comprehensive communication with employees, tailor-made training and development process. OECD (2015) recommends to the government of Slovak republic to implement competency framework into public sector providing several successful examples of competency framework implementation process from other OECD countries. Our study was aimed on analysing the need and the requirements of competency framework based on holistic model of managerial competency (Porvazník, 2013) into public sector of the Slovak republic. Holistic competency model is based on three pillars – professional knowledge, application skills and social maturity. Our research pointed out the most problematic areas in HR management of public sector in Slovakia – training/development program, remuneration and recruiting process.

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