Mission Impossible: 
Applicability of Competency-Based 
Development System to Top Managers. 
The Case of Estonian Civil Service 

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ABSTRACT 
Acting as an EU member state and implementing new developments in the administrative system have also set great expectations and demands to the management of Estonian public service. In 2004 Estonian Senior Civil Servants Competency Framework was created to be used in the leadership development and succession planning of top managers. The main aim of this paper is to analyze, based on the empirical data and the comments from this paper’s authors as the central coordinators of the system the opportunities and challenges of building up a centrally managed senior civil servants assessment and development system, relying on the competency framework and the state’s strategic objectives. The process and results of the two annually held top managers competency assessment periods will be evaluated, together with a number of training and development activities designed based on these results.
Introduction

By the Summer 2004 Estonia had achieved its two long-term strategic objectives – to join the EU and NATO. IDM in its World Competitiveness Yearbook 2006 and World Economic Forum in its Global Competitiveness Index Report have recognized that Estonia, with its history of nearly 45 years under the foreign occupation has gone through remarkable reforms and become the highest ranking EU new member state in terms of competitiveness. While the reports recognize Estonia for its economic success, the question about ongoing competitiveness and sustainable development are of most topical issues at the level of current state strategic planning. This also raises a question about competitiveness at the top level of non-political administration and encourages to come out with the best ways to provide top officials the needed “tools” and “knowledge to use these tools” to implement the strategic goals in a most effective way. More responsibility and freedom in management to individual organizations together with an aim of attracting and motivating competent top civil servants became one of the central principles in transforming the government draft Public Service Development Framework (2004).

While Estonian public service system includes 28 144 public servants (as of 31.12.2005), of them 19 292 in central government civil service, 4500 in local government and 4352 as professional military staff, its development is coordinated by four different ministries. This creates a rather difficult setting for a well-managed system, including the top civil servants development. It can be said that there had been no systematic approach to top management development in the public service until the year 2004 when a senior civil servants competency-based assessment and development system was created. Now, nearly after 3 years of implementing the new system, it is a good time to analyze and reflect upon the success and obstacles that have come on our way so far. The main aim of this paper is to analyze, based on the empirical data and the comments from this paper’s authors as the central coordinators of the system the opportunities and challenges of building up a centrally managed senior civil servants (also used as ‘top managers’) assessment and development system, relying on the Senior Civil Service Competency Framework and the state’s strategic objectives.

Competency framework

The Senior Civil Servants Competency Framework was developed from August 2004 to May 2005. The target group included 100 top civil servants: Secretaries General of the Ministries; Deputy Secretaries General of the Ministries; Director Generals of Boards and Inspectorates and County Governors. Implementation of the Framework is aimed at the recruitment, selection and development of senior civil servants, aligned with the achievement of the state’s strategic objectives. With this initiative, a common ground to describe the strategic requirements for senior civil servants together with a central co-ordination system of their assessment and development was founded. It was seen as a way of helping to evaluate top managers development needs and thereby support their self-development. Also, the framework was proposed to be a tool for enhancing the competency-based selection of top executives.

While methods of creating the competency framework vary across countries, e.g. using the critical incident analysis, reviewing the values, goals and strategies of organizations, conducting
interviews and surveys, the overall value of achieving the target group’s participation in the process of identifying and defining the competencies is widely recognized (Järvalt & Veisson, 2005). Hence, in order to achieve credibility of the framework and its implementation to meet everyday realistic needs, altogether 15 members as representatives of different executive groups were involved in the process.

Five main competencies are identified characterizing the behavioral expectations to the very top civil servants are as following: *Credibility, Having a vision, Innovation, Leadership and Outcome orientation* (for detailed description see Table 1). While the list of main competencies has a lot in common with other models of this kind, the further activity indicators described on the 5-point scale of extraordinary, good and poor are in line with the expectations to this particular target group. The results of the pilot study indicate relatively good reliability and validity of the model (Järvalt & Veisson, 2005).

Comparing the Estonian senior civil servants’ competency model with the classification of Noordegraaf (2000), the emphasis is put more on the concrete behaviour and outcomes of the behaviour, e.g. “ensures effective, efficient and environment-friendly resource management” (Järvalt & Veisson, 2005). Also, in comparison with other frameworks of similar kinds, ‘Innovation’ competency, including both - organization and self-development has been highlighted as a separate competence. This can be explained by the current developments in Estonia, where special attention has been put on finding new innovative solutions. The structure of the competency model also supports the findings of Virtanen (2000) by having a special emphasis on the ethical competencies – “respects public service ethics; embodies the ethical values of public service and shapes its good reputation and respects the principles of the state based on the rule of law”; “guarantees the basic rights and freedoms of the people in his area of responsibility”. In the Estonian case, a broader competency – credibility – is emphasized that under the description “serves the nation” embodies the behavior of acting in the public interest and according to the government’s priorities (Järvalt & Veisson, 2005).

**Competency assessment**

Competency assessment process is managed and supported centrally by the Department of Public Service at the Estonian State Chancellery. Evaluation and assessment of the competencies is conducted annually, at the time of regular performance assessment. Besides self-evaluation, each top manager receives feedback from his/ her immediate superior and five colleagues (mostly subordinates). The outcomes of the assessment should be discussed between the executive and one’s superior, however, this is not always the case. In order to support the implementation of the system, additional individual guidance in evaluating assessment results and discussing further development plans is provided by the State Chancellery.

A special web-based electronic environment called e-Competence Centre was created in order to provide flexible and comfortable access to management of the new assessment and development system. It allows both - to assess the competencies and systemize and track the competency profiles. Also, first steps have been made to make it an active environment for top managers where they have an access to new information about new development activities and possibility to share their thoughts about topical issues in leadership development area.
Competency based assessment and development is guided by several principles. The principle of goal-oriented implementation underlines that both selection and development of the senior civil service are aimed at reaching the strategic objectives of the state. The principle of uniformity emphasizes the role that the framework is playing in creating common basis for the assessment of the top civil servants as a whole and thereby specifying their development needs. The motivation to develop one’s competencies is achieved through regular feedback based on the competency profile and development objectives. The voluntary-based approach indicates that participation in the competency assessment and development process for the top managers is conducted on voluntary-bases.

The empirical data of the research is based on two annually held top managers competency assessment periods - 2005 and 2006. In Autumn 2005 the new competency assessment and development framework was introduced to the whole target group - Secretaries General; Deputy Secretaries General; Director Generals of Boards and Inspectorates and County Governors. In the time period of December 2005 – May 2006 the first assessment period was carried out. Already 66% of the whole target group participated in the first round of competency assessment. Considering all the different sides in the assessment process, altogether 470 participants (top managers, their superiors and subordinates) were called to take part in the process, out of whom 65 % carried the assessment through. Extensive assessment training was provided to all top managers and their colleagues and subordinates. Altogether, the subordinates group turned out to be the most active with 73% of participation. Around 60% of the target group carried through the self-evaluation and 30% of them also got direct feedback from their superiors. The latter percent was the lowest due to the fact that the political leaders (ministers) were not involved in the assessment. More top managers joined the competency-based assessment and development system by the end of 2006. Still, the analysis of the second assessment year is based on the assessment of 46 top managers from 8 ministries as the ones who’s assessment results had arrived before writing the current paper. Competency assessment period of 2006 lasted between the period of October 2006 and March 2007. The colleagues and the immediate superiors of the top manager were given up to 2 weeks for the assessment.

The results of the assessment refer to the consistency in the levels of top managers’ competencies across the last two years. Also, they show that the perceived levels of the senior civil service competencies are relatively high. ‘Credibility’ competency as the one most difficult to assess appears as the strongest among the current leaders, while ‘Having a vision’ meaning both – creating the one and communicating it to his or her colleagues have the most room for development (for more detailed information see figures 1 and 2).

**Analyses of the assessment**

Firstly, it can be said that the competency-assessment that started as a pilot project three years ago has within few years become a handy tool for annual assessment for number of ministries, while some are still in the phase of accustomizing themselves to the new direction. Both, direct assessment feedback from organizations and lessons learned from managing the whole system give us good material for analyzing the first results of competency-based assessment approach.
Although psychometric indicators refer to the reliability and validity of the model, the first question appears about the value of framework as an annual assessment tool remains. The results of the two top managers competency assessment periods show that there are not too significant differences in competency assessment between 2 years. Also, it is very difficult to evaluate the real progress in only a one-year period of time. One can say that the “leadership” competency appears quite immediately and assessing it once per year is appropriate. At the same time, it is rather difficult to assess “achieving the outcomes” in the same time-framework as the real outcomes may appear only in few years. This also raises the question about the optimum frequency of assessment. Doing it on annual bases has surely the value of integrating the system with annual review and creating a habit of regular development planning. The great value of it is already simply the encouraged possibility to take time for (self-)reflection and analyze oneself or one’s colleague by reliable framework. At the same time, perceiving the one-year period as too short to see any real progress, can also make it as a formal procedure that also harms the further development activities.

Another learning experience comes from the scale of the framework. Although the value of numeric scale is to give an orientation to which direction and how fast the top manager is developing, the real value of the assessment seems to lie in comments next to the numeric scale. It can be said that the shift or attention from number values to the value of comments and examples gives the real input making it the most valuable part of the feedback. Still, the question whether the framework works rather as a value model and less as an assessment tool comes up.

The issue about the reliability of the assessment arises when appointing the subordinates, who participate in the assessment. Although all colleagues appointed for assessment are well aware of the assessment system, during the process it still appears that the subordinates say they feel not competent and are not working closely enough to evaluate their superior’s competencies based on the framework. At the same time, there has also been positive feedback from the subordinates stating that assessing their boss with given framework also makes them to realize how little they think about these important competencies in this way. Also, there have been comments when the subordinate says that he finds the framework to be a good tool to evaluate one’s own behavior as well.

One of the most crucial issues refers to the motivation of both, the immediate superiors and subordinates as the feedback givers. Comments as “I just said everything I think about his competencies already last year, the man of his age doesn’t change anymore!” (applying at the top manager in his early forties) suggests that often the subordinates take their boss as for granted and see there isn’t much room to develop them anymore. Here appears the training need also for subordinates to raise their competence in giving constructive feedback to their top managers. On the other hand, while the assessment process gave some excitement for the subordinates at the first year, the second year showed that the interest in this process is starting to decline. Still, based on the feedback and results of the assessment periods it can be said, that the colleagues motivation to participate in this process is dependant on the attitude of the top manager of this particular organization. The active and constructive approach of the top manager promises more constructive feedback from his or her colleagues. This brings us to the crucial point about how to
actively engage the managers who’s need for the constructive feedback could be the highest. This requires considerable management involvement and real ownership among the whole target group. By the end of 2007 we expect 75-80% of the top managers to be actively joined the assessment.

**Leadership development activities**

On the basis of the assessment results, the competency profiles of senior civil servants are identified and necessary development programs are taken into focus. How to help to fill the gaps in competencies while looking ahead at the states strategic level appears as the next strategic question at the level of system development and coordination.

Considering the specific nature and diversity of needs of the target group, we formulated the principles which serve as a basis for planning the development activities. They are as follows: Sense of purpose: development activities must be based upon the competence model to support the achievement of state strategic objectives and, at the same time also, the achievement of individual development objectives of each senior manager; Professionalism: development activities must be future-oriented, practical, systematic and ‘out-of-box’; Partnership: given the specific nature of the target group, it is necessary that they participate in the process of planning the development activities and perceive their role and commitment through this. The approach should be both, individual and flexible.

The initially planned development logic comprises very different activities (see figure 3) that can be wrapped up as following: multi-staged development programs with the main objective to develop specific competency related to state’s strategic objectives; master classes with the main objective to enhance cooperation between different ministries and through fruitful discussions seek answers to common problems; individual development activities (eg. coaching, mentoring) to provide the senior manager support for solving specific problems or carrying out changes in organization. Hereby, two multi-staged development programs as the biggest development initiatives for top managers during the years 2006-2007 are analyzed, bringing out the key learning points from leading these programs.

**Development program for Secretaries General**

When planning the multi-staged development activities in the autumn of 2005, it had to be chosen which part of the target group to first focus on, because it was clear that we were not able to cover the senior managers of all position groups in the first year. The choice was made in favor of secretaries general of ministries. Several recognized researchers, experts and social figures were invited to develop a program that would best meet the current needs of the target group. The objectives of the program arose from two main sources: firstly, the results of the pilot assessment of competences was taken into account with three main competences taken into focus: having a vision; innovation and developing the network of cooperation; secondly, to link the development activities with the state objectives, state development strategy “Sustainable Estonia 2011” was selected as an essential basis for developing the program. Other countries,
especially Finnish experience in similar programs was also taken into account. The program got its name as “Global Development Trends and Future Estonia”.

As the participation in the development activities is voluntary for senior managers, the first task was to solve the matter of how to ensure by the composition of the program the maximum and active participation of the secretaries general. The specific features of senior managers as a target group of a development activity, also brought out in the survey report of Best practices for tomorrows Global Leaders (2005), needed to be taken account also at this time. Status: they are very sensitive to their status and perceive their needs in even very egalitarian organizations as different from those of managers of other levels. Terminology: terms “learning” or “training” are certainly not appropriate for this target group, they rather cause opposition, because the need for training is related to managers of lower levels. Therefore, an alternative must be found and the term “development” has proved to be appropriate. Isolation: unlike the managers of lower levels, who are numerous in the organization and who have possibilities to communicate with each other, both in a formal and informal manner, the senior manager is alone and formal meetings do not suffice for the exchange of experience and learning through this. Current preparation: the senior managers of Estonian public service are very young and have a very different experience. At the same time, rapid changes in the society, accession to the EU and joining NATO have had an impact on their fast learning ability and range of knowledge and skills that also creates high expectations for the trainers of the development program. Evaluating the possible resources of knowledge, it can be said that in many cases, it is not enough to use Estonian trainers for developing the senior managers. This statement is underpinned by many reasons: The scale effect arising from the smallness of Estonia leads to the fact that the very good domestic trainers are well-known, a vast majority has had a previous cooperation experience with senior managers that at some point could limit the new knowledge they can create for the target group. Also, the domestic trainer might be strong in theory, but lacks the necessary practical and thorough international experience to become an equal partner for the senior manager. Considering the size of the population, it is also expected that the range of experts in specific fields is very limited. Thus, it is inevitable to look across the borders and learn from the experience of other countries.

The “Global Development Trends and Future Estonia” program comprised four modules, whereas each module consisted of two parts: the first part was a preliminary seminar conducted in Estonia that provided a theoretical background for the issue handled in a particular module. The second part was a study trip to a country with greatest experience and learning points for a particular topic. During the study trip, participants met with the representatives of corresponding ministries and organizations and were involved in thorough discussions. This approach avoided the classical teacher-student roles, while providing the “leader to leader” experience sharing. At the end of the program, the participants had to prepare a report, setting out proposals for necessary changes within their ministry and in a horizontal level between ministries.

What are our lessons learned from this program? The major benefit from the program is apparently the development of cooperation. Top managers highly appreciated the opportunity to meet with their colleagues outside everyday environment, and to exchange their experience and ideas arising from the experience of their colleagues and experts from other countries. As one of the major problems in Estonian public service is the weakness of cooperation and focusing on
the interests of one’s own ministry instead of the state as a whole, discussing the issues in a semi-formal atmosphere supported the common understanding of strategic issues and requirements of the state while promoting a cohesive group of top officials. Participation and involvement still proved to be a problem. Voluntary participation in the program did not lead to motivated participation in an expected extent and gave the participants a possibility to treat, in many ways, the program as a leisure activity. This was expressed in low participation percentage in the first modules as well as in the attitude and level of initiative. Based on that experience, the possible options for solving this problem in the future might be involving the political leaders. Creating interest among ministers in the results of this program would also activate the secretary-generals and make the obligation for the participants to report on the results to their manager that would lead to a more serious attitude. Also, mixing the group of participants with senior managers both from private sector and political level would most probably motivate the secretary-generals to make a greater effort.

Based on the feedback, it can be said that the participation in the program also influenced some of the participants to continue in their current position despite a different decision made earlier. Considering the lonesome feeling at the level of a senior manager and the mostly negative feedback and unfriendly attention from the press, exchange of experience and communication with colleagues during the development program gave a shoulder-to-shoulder feeling and for many, restored the faith.

In summary, the “Global Development Trends and Future Estonia” program can be evaluated as having achieved its main objectives. The evaluation given by the participants during the feedback process was positive, some of the proposals and ideas made in discussions have already been implemented, the lessons learned and proposals by the experts who conducted the program will be used for planning subsequent development activities. Still, the real value of the program will appear in years to come.

**Development programs for Deputy Secretaries General and Director Generals**
The evaluation of the year 2006 revealed that besides joint development activities, there is a need for individual approach in meeting the specific needs of the executives. In order to keep the balance between the group and individual approach, two new year-long multi-staged development programs were created. The first one, called **Integro** program, is focused for new senior managers who have been working in their current position less than two years, while the other, **Tempora** program, is intended for experienced senior managers who have been working in their current position for more than five years. Both programs have a similar structure, comprising the joint and compulsory elements (e.g. workshops, where the participants can discuss different management problems and exchange experiences with their colleagues; also trainings, master classes, multi-staged activities) as well as individual development activities (e.g. mentoring, consulting). Each senior manager interested in joining one of the above mentioned programs was invited for a few hours conversation that relied on the results of evaluation of competences and focused on personal development needs based on his or her difficult areas and the following year’s challenges. A learning path was planned for each senior manager, wrapped up by the senior manager in a form of an individual development plan. A conversation with a secretary general was conducted in two ministries, concerning the
development needs of the deputy-secretaries general and director generals of his area and the objectives of the organization. Such conversations with secretaries general proved to be very fruitful for both sides and are planned to be held regularly in the future.

In order for strategic management to be efficient, professionalism in every policy area, policy analysis and planning have to be improved (Randma-Liiv, 2004). Hereby, the joint part of the both programs, The Policy Innovation Program, will be taken into focus. The Policy Innovation Program is a one-year development program intended for two parties who are one of the main actors in developing and implementing the policies – deputy secretaries general of ministries and director generals of agencies. The problems of the policy development area in Estonia lie in excessive focus on legislation, lack of cooperation between different ministries and insufficient (or almost non-existent) evaluation of impacts. Upon planning the program, we set as an objective the maximum involvement of the parties and, through this, the development of cooperation, clearer distinction of the roles, the increase of reliance on knowledge and also on international know-how in the development of Estonian policies. First time in this field of activity, an international partner was selected to lead the whole project. During the two-month preparatory stage, members of the target group were actively involved in the development of the program – individual interviews and meetings with them were conducted to meet their real needs. To link the results of the program with the strategic objectives of the state, the Strategy Bureau under the State Chancellery was also involved in developing the program. According to the main strategic directions, the participants were divided into project groups, the output of which is the implementation of one specific Policy Innovation Event at the end of the year. During the interim work period, the project groups are supported by both the trainers of the program as well as by the Strategy Bureau.

Interest towards the program has been very high with about ¾ of deputy secretaries general and directors general registered for the program. To date, the first part of the program has been implemented, on the basis of which the forthcoming challenges may be analyzed. As with the example of the previous development programs, it can be noticed that political leaders are not enough aware of the value of this kind of development activities, that can become an obstacle for their subordinates participation as other activities from the political agenda can appear as priorities. Also, proposing development activities only as ‘development activities’ does not ensure the responsible attitude of the participants nor their maximum contribution, therefore it is apparently necessary to find new ways for linking development activities to direct work assignments.

Involving foreign experts brings up new critical issues to consider. Firstly, although the level of English of senior managers is high enough to enable them to take part in activities in foreign language, the language issue can still become an obstacle in getting full participation. Also, although acting as an EU member state tears down many boundaries in understanding the different cultural contexts in EU, some cultural differences (e.g. participation activeness) still remain that might be unexpected for the foreign experts and not taken into account in designing the program.
General discussion

Based on nearly three years of experience, it can be said that the description of the state’s expectations as a competence model for senior managers and the implementation of the framework for their assessment and development has created added value notably to the senior managers and through them to the state of Estonia. A favorable aspect for the competency-based development has been the fact that there is a need for a new approach in the civil service and officials in different institutions tend to be open to this kind of a development initiative. Since more comprehensive reforms have been postponed, there have not been any other serious alternatives to systematic development of top executives. Results of the survey as well as the pilot study confirm that this kind of a development is valued in terms of its goals, contents and practical importance.

The first ‘key’ in ensuring the future success is to communicate the need for and importance of this kind of a systematic development of top civil servants to political leaders and general public as well as to media. The creation of the positive image of a competent senior manager in public service would also work as a bases of attracting new competent leaders to public sector. This could be achieved by involving the private sector senior managers as well as the politicians as well as establishing the importance of these activities at the legislative level by adding this field in the future Public Service Act.

Another important ‘key’ is international cooperation between experts, developers as well as cooperation between senior managers, not only within Europe, but also globally. Although the senior managers of Estonia, as a member state of the European Union, cooperate most closely with colleagues of other EU member states, for the purpose of perceiving and taking into account the global developments it is also inevitable to integrate the enormous knowledge and experience package of US researchers and practitioners in the management of the public sector.

The third important aspect is to link the development of top managers as persons with the development of management quality as system in the public sector. The currently used management models, evaluation and development ways and quality management systems may be compared to an orchestra with many musicians and instruments, but without joint conducting which would help to create a harmonious result from everyone’s contributions.

References


Appendixes

Table 1. Competency framework of the Estonian Senior Civil Servants

1. Credibility
   1.1 Serves the nation. Strives to act in public interest, in accordance with development needs of the state and priorities of the government.
   1.2 Respects public service ethics. Embodies the ethical values of public service and shapes its good reputation.
   1.3 Respects the rule of law. Respects the rule of law, ensures people’s fundamental rights and freedoms in his area of responsibility.

2. Having a vision
   2.1 Creates a vision. Creates a vision for his area of responsibility, keeps it viable and influences the development of the state.
   2.2 Explains strategic choices. Makes suggestions for strategic choices, keeps them viable and explains them to his employees and to the public.
   2.3 Sets objectives. Analyzes processes, ensures the quality of strategy formation and provides the employees and the public with reasoned explanations of the objectives.

3. Innovation
   3.1 Develops his/her skills. Sets high personal goals, develops his skills in the area of responsibility and in other areas.
   3.2 Develops the organization and implements innovations. Implements new
solutions to serve the citizens better and develop his/her area of responsibility and organization.

4. **Leadership**
   4.1 **Builds and encourages the team.** Inspires the team with faith in achievement of objectives, motivates and gives feedback, encourages the key personnel outside his/her area of responsibility, when necessary.

   4.2 **Develops network of co-operation.** Communicates with interest groups and area experts and gets their support when putting decisions into practice.

5. **Outcome orientation**
   5.1 **Makes decisions and takes responsibility.** Makes decisions based on strategy, distinguishes between facts and assumptions, considers connections with other areas of responsibility and takes responsibility for putting decisions into practice.

   5.2 **Achieves results.** Ensures that the organization and the public are satisfied with the achievement of objectives.

   5.3 **Uses public property reasonably.** Ensures expedient, economical and environment-friendly use of resources and advocates dissemination of good practice in the state.

   5.4 **Follows and develops the law.** Follows the law, makes suggestions for changes when needed. Ensures participation in the international legislative drafting in the interest of Estonia and European Union.

![Competency Assessment 2005](image)

*Figure 1. Results of the Senior Civil Servants competency assessment, 2005*
**Figure 2.** Results of the Senior Civil Servants competency assessment, 2006

**Figure 3.** Competency-based development cycle of Senior Civil Servants