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COMPETENCY-BASED HUMAN RESOURCE MANAGEMENT IN THE PUBLIC SERVICE FROM EDUCATIONAL PERSPECTIVE

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This study aims to provide a theoretical analysis of the applicability of competency-based Human Resource Management (HRM) approaches in the civil service with a view to enhancing and embedding the development of HRM in national systems, such as in the Hungarian civil service, where, despite its growing popularity, it has not been adequately addressed so far. It is our intention to focus on several interrelated aspects of the issue, analysing its components and indicating directions for improvement. Exploring the reasons behind the lack of progress in this area, the study highlights aspects such as the misunderstandings resulting from the differences of interpretations of competency-based HRM, and of the practical implications of the measurability of competencies. It also presents the special features of practices employed in the United States, where the interpretation of competencies is based on the unified personality of the employee, who is ready to develop new competencies that meet the requirements of employers and the changing work environment. It seems important to bring the approaches of the training institutions into line with those of the public institutions, even if compromises are unavoidable.

KEYWORDS:

competency development, HRM management, public service, education

CONTEXT OF THE RESEARCH

During the past decade, and especially at present, the modernisation tendencies characterising Hungarian public administration have resulted in new requirements for the operation of public administration and public organisations. These changes in attitudes have heightened the importance of the development of competency maps and models necessary for more efficient and effective work performance and have marked a shift in the appreciation of functional orientation in competency development, as well as the approach to public services, which have evident impacts on the professional training and development needs of civil service personnel.

By presenting the American best practice in the related field it is our intention to reflect on benchmarking opportunities. For example, in the American civil service global competencies and the requirements of the multicultural working environment have already emerged as new competencies desirable for civil service professionals, and the same standards should also apply in a member state of the European Union. At the same time, it needs to be borne in mind that various national and organisational cultures may represent different values and practices at a deeper level, which requires careful consideration. However, with thoughtful preparation, the best practice of a different culture, or certain elements of it, can be adapted to other countries' practices.

Benefiting from the employment of a multi-disciplinary and comparative approach, the present study also aims to examine and analyse the research findings from an adult education perspective to facilitate the necessary change of paradigms in training and professional development practice to implement the principles of modern andragogy.

The study draws the attention to the fact that facilitating the change of the methodological paradigms in the education and training of the civil service staff and managers requires the partnership and cooperation of all the parties concerned, i.e. the government, the university and the teaching staff, – since these target groups, as the evaluation of the professional training components of several projects have proved, are open and ready for the change.

Research findings suggest that individual professional development plans based on the assessment of the strengths and weaknesses of the participants in training help define their learning objectives in terms of competency development. To address this, competency-based assessment systems should be applied, in compliance with the training methods used, in order for the development of competencies to be measured. If the application of competencies is assessed by means of practical task simulation, the training methods employed should serve as the preparation for the completion of those tasks. Learning should take place in an environment that reinforces learner-centred and problem-oriented experiential learning based on the active involvement of the adult learner. This study presents a wide range of methods that can effectively be applied at various stages of the learning cycle to provide opportunities for observation, reflection, analysis and learning from experience, thus improving professional and personal competencies and workplace performance.

Zoltán Magyary, an outstanding expert in Hungarian public administration who worked between the two world wars, defined the same conditions for ensuring the effectiveness of public administration that, among other factors, are now linked to the issue of competitiveness. In one of his works, he states: “The system of solutions to ensure the effectiveness of the public service and its application is called personnel policy. The task of this policy is twofold: (1) to reconcile the interests of the three factors that are of interest to the public service: a) the state as a service provider; b) public officials as employees providing the services; c) the public for which the public administration is responsible for and which bears the costs of the administration; (2) to arrange personnel issues in such a way as to keep it at the highest possible level of performance (effectiveness). Its tools include a) multiplication and enhancement of the factors that are suitable for raising standards; b) eliminating or reducing the factors that lead to a lowering of the standard.”¹

Nowadays, the objectives of the Europe 2020 strategy, the National Reform Program and the Partnership Agreement require an improvement in the efficiency of public administration and public services, as well as the development of a more customer-oriented and service-oriented state. Strengthening the public service attitude of all employees through the development of human resource management in public administration and improving the quality of public services are the comprehensive goals of these initiatives.

The effective management of human resources plays a key role in increasing the contribution of public service towards creating a service state. The competency-based system is clearly one of the most effective, smoothly operating tools for strategic human resource management. Based on organisational goals and expectations, it sets up a competency model, defines and describes the current competencies in the organisation, and makes them transparent. Competency management basically combines, organises and manages all the tools that fit the public service system model of strategic, integrated human resource management. The competency model is the framework that connects the employee, the organisation and the job, as a system in which there is a correspondence between the competency expectations of the job and the individual’s competence set.²

Competency-based management is a dynamic tool for ensuring the correct type and level of staffing of an optimal workforce in line with organisational goals, as well as a structured system of different groups of competencies for the organisation (organised by job groups and levels). Due to their specific nature, public service organisations can bring the competencies of subordinates and managers in line with the organisational culture by developing different types of competency models and then applying them in practice. The literature suggests primarily the use of a five-factor competency model in which competencies are adapted to the environment, work processes and self-development, including general, professional, social and innovative competencies.³

¹ MAGYARY 1944.

² HENCZI-ZÖLLEI 2007.

³ HENCZI-ZÖLLEI 2007.

Creating and implementing well-functioning models bring benefits to both organisations and individuals alike.

Organisations can primarily benefit from:

- a single language and information system
- an excellent tool for securing and retaining human resources
- organisational goals transferred to employees simply and uniformly – in the form of competency requirements
- creating a motivational work environment
- bringing professionalism to the forefront of performance evaluations
- the identification of training and development paths, the measuring of their effectiveness and the monitoring of the return on investment
- performance evaluation and career management systems based on objective criteria

Employees can benefit from:

- organisational goals being divided into easy-to-follow and understand objectives
- the opportunity to be engaged in organisational innovation efforts
- individual career planning
- a direct relationship between individual performance and remuneration
- individual development and training being planned in line with the organisational strategy
- individual achievements being defined as parts of the organisational results

The only drawbacks of these models is that they are time-consuming and expensive.

The public sector contains employees of different generations, similarly to other sectors, so it is worth paying attention to the impact of this on competitiveness and service attitude.

METHODOLOGY OF THE RESEARCH

The multi-disciplinary and comparative approach of the study was ensured by the theoretical and empirical research of the authors in both target countries, whereby a deductive descriptive research strategy related to the theoretical findings was combined with an inductive approach to the findings resulting from practical experience.

The research findings of Belényesi are based on document analysis and empirical evidence collected during her nationwide training practice in the Hungarian civil service, involving training for civil service employees and leaders working in different institutions of Hungarian public service. The feedback from the assessment survey and personal interviews with participants were the sources used for the qualitative data analysis.

On the other hand, Dobos studied competency-based American practice at local and federal levels in the U.S., as it applied to professional and leadership development, with the aim of analysing competency models pursued by the training programmes for

federal public officials. The findings of the study regarding American practice are based on a wider-scale quantitative document analysis of the training system of the Federal Executive Institute (2010) aimed at aspiring leaders, managers and the senior executive service. Special attention was paid to the analysis of competency fields, topic areas and the training methodology at all levels. The study will first look briefly at the characteristics of each generation and their needs as employees.

NEW EMPLOYEE NEEDS, OR WHAT THE DIGITAL GENERATION WANTS

The basis of intergenerational research is that different generations have different characteristics, have grown up in different eras, and have been exposed to different social, cultural and political influences. The generation theory was proposed by American historians William Strauss and Neil Howe in their book entitled *Generations* (1991). They claim that the pattern, as manifested in the vision of the world, values and behaviours of successive generations, cyclically repeats itself. They estimate that such a cycle (*saeculum*) takes about a lifetime, 80 years, and consists of the following stages:⁴

- *High ascension* – a post-crisis period when new institutions are consolidated, and individualism is pushed into the background. Such an era was, for example, the rise of the West after the Second World War.
- *Awakening* – individual autonomy is born from the desire for personal authenticity, which weakens the institutional system. For example, the Hippie era of the 1960s in America, which brought about a new awakening of consciousness.
- *Unravelling* – institutions are weakened and individuality dominates. An example of this phase was the United States' economic recovery from the mid-1980s to the Millennium.
- *Fourth turning* – the reorganisation of society, which culminates in the dismantling of an outdated institutional system and in the commitment of individuals to a new group. This can happen peacefully or aggressively.

According to Strauss and Howe, these periods have their own human archetypes: the type of the ascension periods is a *prophet* who aspires to new values, while in the subsequent period of awakening the freedom-seeking *nomads* are typical, followed by wealth-making *heroes* during the unravelling, and finally the artists who are socialised in a post-Crisis world. Every period lasts about 20 years and has a generation that is currently full of energies. The authors also point out that the prophet and the hero are dominant generations, that is, they play a decisive role in a society's development, while the nomad and the artist suffer more from the transformation, and therefore, they are recessive generations.⁵

⁴ A. SZABÓ 2015.

⁵ A. SZABÓ 2015.

Based on the theory of Strauss and Howe, the four generations that shape our present era are: Baby Boomers, Generations X, Y and Z:⁶

- The *Baby Boomers (prophets)* were born after the Second World War and were socialised in that period. They are characterised by respect for authority, humility and a high degree of adaptability. Of the members of the active workforce, it is most difficult for them to keep up with technological developments. They have a basic need for a long-term, secure job, and they love factual, fair and past-performance based evaluations. They have grown up in the traditional frontal school system, and it is difficult for them to adapt to online learning; many of them tend to stay away from computers.
- The members of *Generation X (nomads)* lived through the change of the political regime, the rise of the Internet and personal computers, as well as the appearance of mobile phones as children or young adults. They are mostly motivated by career, status and financial incentives like flexible forms of training, small group training sessions, retreats and partying.
- The members of *Generation Y (heroes)* were born into the world of the consumer society and technical innovation. Looking at their parents' hard work, they explicitly reject hard, meaningless work, hierarchy and automatic respect for authority, and they can be motivated most by self-realisation. Work-life balance is very important to them. They love workplaces where they have flexibility, competitive challenges and can make independent decisions. They can learn anywhere, using any sources, but prefer great variety. Even more importantly, systems at work should be individual, interactive, computer-supported and flexible.⁷
- One of the key features of *Generation Z (artists)* is the change of their values. Information is available to them at any time, but as they have not learned critical thinking, they tend to believe everything they read on the Internet. Their risk is the highest in this regard, as their opinions and judgments are often determined solely based on what they have read on the Internet.⁸ In addition, due to their high degree of openness, they develop relationships with strangers in no time, while reducing the presence of long-term real friendships in their lives. Some researchers even predict the disappearance of the digital generation.⁹

The concepts of digital native and digital immigrants were introduced by Marc Prensky in his article “Digital Natives, Digital Immigrants”, published in 2001. Digital natives, also known as the digital generation, born after 1995, basically think differently and process information from their environment in a different way than previous generations do. They are used to having all the information at their disposal (since they can watch

⁶ HOWE-STRAUSS 1991.

⁷ SCHÄFFER 2015.

⁸ TARI 2011.

⁹ SCHÄFFER 2015.

almost everything on the Internet immediately), they like to deal with several things at a time and they are more effective at teamwork and networking than operating alone. They need immediate confirmation and frequent rewards.¹⁰ However, they are also more self-conscious, aware that knowledge will be the key to their livelihood.¹¹

As far as the world of work is concerned, Baby Boomers and Generations X, Y and Z are the active workers. Research has shown that different generations are characterised by differences in their relationship to technology, workplace change, loyalty and remuneration:¹²

- *Technology* – Baby Boomers are insecure about technological innovations and do not trust themselves. The members of Generation Y are much more responsive, are addicted to the Internet, and use technological tools in their everyday life and work. Members of Generation Z can use several things at once, confidently, and divide their attention.
- *Changing jobs* – Baby Boomers are afraid of the complications caused by the change of workplace and would rather avoid doing so, thus extending the length of time they will tolerate a situation. Generation Y believes that it needs to stand on several legs and can build more than one career. About the youngest Generation Z there is no feedback on job changes, as even its oldest members are only 19 years old.
- *Loyalty and remuneration* – due to the loyalty of the Baby Boomer generation, remuneration is calculated by them over longer terms. Generation X, in a hedonistic manner, expects immediate remuneration, while the younger generations require pay based on their performance, according to their own market value. The members of the older generations accept that the interests of the workplace are more important than their own, so they are extremely loyal. Generation X is more attached to the working community, groups and individuals. Members of the younger generations are loyal to their own network of relationships, to themselves and to brands.
- *Relationship to the hierarchy* – Generation Z does not believe in hierarchy, only respect, and recognises acquired knowledge, thus favouring knowledge-based leadership. It is important for members of Generation Y to be given enough freedom and responsibility by their leaders. The members of the older generation tend to believe in respect for the position and authoritarian leadership, so they expect to be afforded basic respect.

However, Szabó also draws attention to the need for adequate and effective social skills and coping strategies for success at work and for life. The digital generation seems to have difficulty coping with this. Though they seem extremely confident, often even smug, they tend to be isolated because of their excessive digital communication. Research by Chou

¹⁰ PRENSKY 2001: 1–6.

¹¹ PRIEVARA 2015.

¹² BIBA–SZABÓ 2015.

and Edge (2012) also suggests that the more time someone spends on Facebook, the more unhappy he is with his life and the less he feels valuable.¹³

After examining the characteristics of the digital generation, we will focus on the needs of public service employers in the digital era.

NEW EMPLOYER NEEDS, OR WHAT THE ORGANISATION NEEDS IN THE DIGITAL ERA

Over time, the ever-increasing scope of human existence is coupled with increasingly efficient and complex organisational forms. This development is constantly progressing, and we are currently experiencing a turning point, where the importance of extensive development is overtaken by that of intensive development, and where efficiency is an increasingly important factor in addition to effectiveness. These changes generate new challenges for organisations, which in turn evolve new features to meet them. In addition, new management functions appear in the organisations, resulting from the changes in the characteristics of the workforce. These trends can be summarised as follows:¹⁴

- *Competency-based Management* – a series of activities aimed at realising organisational goals, enabling the design and provision of the required competency resource set, the rational use and development of the available competency potential, and thus the continuous improvement of employee performance.
- *Generation Management* – a new management function that organises HR activity based on generation (age) characteristics.
- *Leadership Management* – managing the management functions required for an organisation’s successful operation and their methods.
- *Quality of Life Management* – creating a liveable job.
- *Employer brand* – this is based on specific offers that an organisation communicates to current and potential employees, which is a special recruitment tool.

Employers have the same interests in recruitment as the employees, i.e. the *compliance* of the individual with the chosen career or position. Career guidance also affects recruitment and selection systems, as it facilitates potential recruitment and advancement in the organisation as well as reducing risk factors. The goal of planning organisational recruitment is to acquire and retain good employees: attracting and selecting professionals who can be the most suitable for the future job.

In this case, an *employer brand* can help, that builds on specific benefits that the organisation offers to current and potential employees. The quality of the special recruitment tool determines how the current workforce performs and what kind of

¹³ É. SZABÓ 2015.

¹⁴ SZABÓ–SZAKÁCS 2015.

employees the organisation can attract. From a labour market point of view, an organisation is successful if employees consider it more attractive than what a competitor offers.

It is also important to examine *career perspectives* that consider the individual and organisational dimensions of the career. It can be argued that the goals of the organisation and the individual motives are equally important, one is not ahead of the other, but instead they are closely related. Goals and objectives on both sides can be achieved if they help and reinforce each other. Collaboration in practice can only work effectively if individual and organisational goals coincide.¹⁵

The spread of the competency-based approach is closely related to the realisation that the key issue of modern HR management is the selection, development and retention of the best workforce, and thus the continuous improvement of organisational performance. Nowadays, the quality and performance of human resources has become an essential factor in the success and social recognition of the public sector.

NEW CHALLENGES IN PUBLIC HUMAN RESOURCE MANAGEMENT

For the purposes of this study, we accept the definition that competency management is “a set of activities aimed at *realising the mission of the organisation* and optimising the *performance of employees*”.¹⁶

Applying a competency management system that has proved to be successful in the private sector is a leadership and HRM challenge in public organisations that need to mobilise a wide range of tools to implement competence- and strategy-based integrated HRM.¹⁷

In our rapidly changing world, the efficient management of human resources is of key importance in the public service. It requires:

- setting up a competency model pursuing organisational objectives and expectations, and making the relevant competencies transparent by defining and describing them
- creating competency requirements and a set of competencies in line with individual and organisational objectives
- facilitating HR and planning succession, as well as the efficient and constructive use of the available work force
- making sure that the training and development programs and their ROI rates are justified
- facilitating and supporting the internal and external communication strategies of the organisations

¹⁵ SZABÓ 2013.

¹⁶ BOSSAERT 2018.

¹⁷ SZABÓ 2016.

Competency management combines and operates all the tools that fit the model of a strategy-based and integrated HRM and organises them into a coherent system.

According to Bossaert, the introduction of competency management systems is motivated by budgetary constraints, the need for more strategic, more integrated and more efficient HRM in order to improve forward planning, employability, staff development and increased mobility, flexibility and objectivity. Table 1 shows the shift from a focus on qualifications to prioritising experience and demonstrated skills; from hierarchical positions to job content; and from functioning on the job to performance and improvement.

Table 1 • Comparison of the traditional and competency-based HRM

Traditional HRM	Competency-Based HRM
<i>Recruitment and selection</i>	
Recruitment based on specific diplomas, which reflect qualifications	Recruitment based on demonstrated competencies
What is the person like?	How does the person function?
Selection criteria focusing on knowledge, personality, and attitude	Selection criteria focusing also on experience, behavioural skills and values
<i>Job description</i>	
Job description targeted at the hierarchical level	Job description targeted at the job content and the competencies required to do the job well
<i>Development/training</i>	
Development of knowledge; aim: promotion	Development of competencies to perform better in one's job; aim: better use of human potential
<i>Appraisal</i>	
Focus on functioning in the job	Focus on performance, learning, improvement, and results

Source: BOSSAERT 2018.

The competency-based approach appeared in the American civil service along with the breakthroughs in the public management practice and has been applied as a comprehensive approach since the 1990s. Rodriguez et al. highlight the role of competencies as a common language to express performance indicators at several managerial levels and the need to align individual and organisational goals, as well as identifying individual career plans and providing succession planning.¹⁸

While competency-based HRM systems are not unknown in the Hungarian thinking, their practical application has been quite rare so far. A review of the literature reveals several more or less consistent systems, in which problems seem partly to derive from

¹⁸ GETHA-TAYLOR 2010.

different interpretations attached to various concepts and systems. The underlying reasons are the following:

1. Psychology-based approaches have been popular in Hungary, rather than putting the emphasis on the measurability of performance.
2. Competency comprises various skills, therefore, according to analytical and reductionist approaches it should be broken up into such units.
3. The majority of publications handle the notions of skills and competencies as synonyms, while regarding definition and measurability to be acceptable only in relation to skills.
4. Practical approaches to competencies have been strengthened by the efforts to approximate the education and employment policies of the European Union.
5. Research representing practices within the European Union takes the concept of competency – based on competency inventories (dictionaries) of various levels of validity – as a unit of capabilities manifested in practice that does not require further division into components. In this view, the employee's personality is a unified whole that acquires and possesses the competencies needed to meet the expectations of the working environment.

Public service competence development in Hungary

In the Hungarian system of public administration, the practical application of competencies has a defining influence on the human functions of the system-based integrated human resource management model. Integrating and coordinating human policy processes is essential to the success of an organisational human resource strategy. A correctly designed competency model is suitable not only for managing individual management functions in isolation, but also for integrating the following sub-processes.¹⁹

Recruitment, selection and integration

The purpose of recruitment activity is to provide an organisation with the necessary set of competencies for a particular period of time. To do this, it is necessary to organise recruitment and selection processes of sufficient quality and quantity, with sufficient time and funds. To do this, before the recruitment process it is necessary to determine what competency set the ideal candidate should have in a particular job (position). In the selection process the matching of the job's requirements – based on the expected competencies – and the candidate's existing competencies (approximation) takes place. In practice, this is achieved by using structured competency-based selection systems that support employee

¹⁹ SZABÓ-SZAKÁCS 2015.

recruitment and reduce the risk factors of aptitude. Engagement – irrespective of the position – means that the person performing the job fulfils the previously defined job performance and behaviour expectations. Inclusion also means integration, and the ability and level of competencies of the employee in question are measured. In addition, performance-based assessment of performance and the assessment of organisational behaviour are top priorities.

Career and succession planning, advancement in the organisation

The goal of career management is to find potential candidates within the organisation (talent management, recruitment programs, data banks, key employee programs) based on a knowledge of competencies:

- The selection of staff for each career support system employs competency-based methods (ambition, additional competency, motivation).
- In the process of supporting career paths in their process of development and progress, and meeting the requirements of a higher position for a new position.

It is important to bear in mind two kinds of dimension in competency-based approaches to career management: professional dimensions and individual/private dimensions. In a competency-based approach, the approximation and coordination of these two areas are necessary to create a suitable work–life balance.

Development, training, knowledge management, coaching

In an organisation, the following competency-based solutions can help individuals achieve the necessary career development:

- competency-based training (training, e-learning, blended learning)
- Assessment and Development Centres
- coaching
- mentoring
- tutoring systems

By focusing on competencies, development needs are identified which can support and implement organisational strategy implementation. This is clearly linked to other organisational human functions, primarily through performance appraisal and career management programs. According to recent survey findings, the Hungarian civil service training system is perceived as a value-creating tool that supports managerial work and organisational goals. Questioned as to the impact of the training on the officials' competencies, managers confirmed that the training system provides participants with

a useful competence development opportunity and strengthens the need for motivation-based trainings.²⁰

Performance Management

The purpose of performance management systems is to define, measure, evaluate, communicate, and give feedback on individual and group criteria that support the achievement of organisational strategic goals. The presence of the competencies required for the expected performance, including motivation, leads to higher performance, so the development of competencies contributes to the improvement of performance.

Job analysis and evaluation systems underpin the high quality and efficient delivery of all human policy tasks. Competency-based application is a strategic tool that represents a fundamental change in approach through its practical application.

A survey carried out in 2020, exploring the applicability of practice-oriented competency-based public service training in workplace task performance, highlighted that training increases the motivation and expertise of employees. This can be reinforced by enhancing the variety of training methods offered to them, such as individual and group tutoring, or offering learning materials with video simulation, as well as by measuring competences. According to the survey's findings, 52.7% of respondents believed that they would be able to use what they learned during the training in their workplace, which proves the high-level impact of the training programs.²¹

Job Planning Systems

Job planning systems can be used for the following purposes:

- to define professional and behavioural requirements (which may include competencies, personality traits, behavioural requirements) that can be attributed to the job position
- to support a higher level of compliance with job requirements
- to improve individual and organisational performance
- to define performance requirements based on specific tasks
- to develop a wage system that considers the requirements of work performance and the value system accepted for the job during the analysis (rather than the worker's evaluation)

²⁰ DOBOS 2012.

²¹ KIS-KLOTZ 2020: 207–224.

- to improve career support, as the results of the analysis and evaluation can be used to determine the job characteristics needed for the planning of administrative and individual life paths
- to provide inputs for developing organisational development programs
- to develop targeted training and retraining system and programs

During organisational transformations, it is possible at the planning stage to evaluate changes at the job level, to consider the positive and negative effects of the changes, and to reduce possible overloads. In such circumstances, creating a unified competency-based concept is also a strategic aspect.

Salary system, compensation and remuneration

The competency-based payment structure is founded on the existence and development of the competencies required to perform the tasks required by the organisation. The level of pay is similarly related to the recognised competency, i.e. employability. Competency is not just about abilities, but about all the skills, abilities, experiences, qualities, motivations that are needed for the job, and which can help the employee achieve the desired results. For each job, the necessary competencies can be defined, and jobs can be grouped according to competencies. There are different pay bands for the job groups (competency bands) the boundaries of which can be very wide. Progress within and between bands is defined by competency demands.

Considering the changed competency needs of public officials, since 2016 the Hungarian civil service has identified and gathered more than 5,000 competencies in a competency bank which undergoes ongoing updating. Training programs undergoing an accreditation procedure are developed based on these competencies.

Public service competence development in the U.S.A.

The civil service in the U.S.A. is comprised of the federal, state and local civilian workforce in any of the three branches of government, except those in the military, political appointees, or elected officials.²² The advantages of government jobs are the high number of workplaces, great benefits and competitive salary, wide range of geographical locations, professional diversity, interesting and challenging work, work-life balance maintained by flexible work schedules including telework, opportunities to advance and move within

²² Kis-KLOTZ 2022: 8–28.

the government, opportunities for professional development and, last but not least, job security.²³

In the globalised world of the 21st century, mere technical rationality is no longer sufficient to deal with the complexity of issues that the civil service faces. The refinement and occasional renewal of knowledge and skills are essential, and they need to be continuously adapted to the changing circumstances.²⁴

The competency-based approach in the US public service, which fits into the overall competence management system, has been used since the 1990s. In its understanding “competency is a measurable pattern of knowledge, skills, abilities, behaviours, and other characteristics that an individual needs to perform work roles or occupational functions successfully. Competencies are used for assessing and selecting candidates for a job; assessing and managing employee performance; workforce planning; employee training and development”.²⁵

It is noteworthy that the American federal training system is characterised by a high level of stability and predictability, in which the flexible adaptation to change resulted in the maintenance of its core values for decades. The current system dates back to 1991. Its leadership training courses are based on the development of 27 competencies that have been arranged under five meta-competencies, creating the Executive Core Qualifications, ECQs, that are used by departments and agencies in employee selection, performance management and leadership development. The emphasis is on executive experience, not technical expertise with areas such as 1. Leading Change; 2. Leading People; 3. Results Driven; 4. Business Acumen; 5. Building Coalitions.²⁶

The set of competencies of the Office of Personnel Management (OPM) shows a significant overlap with the competencies used in the Fortune 100 Best Practice Companies, which suggests a clear similarity between the requirements of the public sector and the business sector. Critical competencies include, but are not limited to, the ability to apply different leadership styles in a diverse workplace environment with multiple generations and cultures as well as leadership abilities to assign tasks, communicate expectations and to monitor and evaluate performance in workplace situations, where people do not physically meet the manager.²⁷

The complete range of courses offered by the Federal Executive Institute in 2010, i.e. 64 courses on the following three leadership levels were analysed: 1. Aspiring Leaders; 2. Supervisors and Managers; 3. Senior Executives, SES. The analysis focused on three aspects: competencies, topic fields and training methods. Our findings regarding the SES level were as follows:²⁸

²³ DINAS et al. 2010.

²⁴ SCANLON 2011.

²⁵ OPM s. a.

²⁶ OPM s. a.

²⁷ DOBOS 2012.

²⁸ MCFEE 2003.

- *In terms of the competencies* the development goals focus primarily on driving change and coalition building, both positioned equally. Typically, there is greater emphasis on external awareness, strategic thinking, influencing/negotiating, political savvy and team building.
- From a *thematic point of view* problem solving, strategic thinking, leadership skills, challenges and the organisational culture and the budget dominate.
- Regarding the *training methodology*, interactive exercises and modelling real-life situations (case studies, problem-solving exercises, role plays, simulations) are typical. Coaching, mentoring, and counselling are also available as post-training services to maximise the learning experience. Outdoor survival practices are meant to develop the ability of the leader to adapt to critical or crisis situations.

Based on the research findings, we can state that the competency-based approach and its methodological culture reflect comprehensive adult learning principles; the training sessions reinforce participant-centred, problem-oriented, experiential learning, using a wide range of interactive methods, and encouraging self-reflection regardless of the subject, and the main aim of the training is to develop knowledge, skills and attitudes that can be applied in the workplace.

COMPARISON OF PUBLIC SERVICE COMPETENCE DEVELOPMENT IN THE TWO CIVIL SERVICE SYSTEMS

Training is costly so it should be cost-efficient and should achieve the set objectives. The financial responsibility is particularly high in the public service since the system is mostly funded out of the state budget. The question is, what kind of principles and training philosophy can be effective enough to operate the training system, and how it can respond to the different attitudes of different generations?²⁹

In the Hungarian and the American public service there is an ongoing and deep transformation taking place. In the generational composition of the workforce there is a shift from Baby Boomers to Generation X, and even more to Generation Y. Generation Z is still under-represented, as only its oldest members have reached the age required for employment.

Currently the biggest labour market challenge is Generation Y, with its different expectations and attitudes. The study *Understanding Millennials in Government* highlights the following distinctive features of this generation:³⁰

- they have higher turnover rates than previous generations
- they are less passionate about their jobs in government

²⁹ BELÉNYESI–DOBOS 2015: 32–44.

³⁰ VIECHNICKI 2015.

- they do not “stick around”, they will decamp to the private sector in a heartbeat
- it is harder to recruit Millennials for public service than previous generations

By interpreting labour market data, generation diversity will be characteristic of the coming years in both countries. Within a few years, the members of Generation Y will make up most of the employed population, who will gradually be followed by Generation Z. The consequence of the above-mentioned age diversity is that all four generations can work at a given workplace. These facts, as well as the evolution of labour demand and supply, justify the application of a generation management toolkit within the management sciences.

Knowing and understanding the different attitudes and competencies of the generations currently active on the labour market is essential to develop and maintain effective work. Some specific aspects to bear in mind include:

- *Attitude to education* – while for older generations the role of a strong teacher was crucial, younger generations feel less tightly bound to their teachers. Generation Y in particular expresses a commitment to further education and lifelong learning. In terms of specific learning habits, the older generations use passive reading techniques, while younger people, especially members of Generation Z, prefer active involvement.³¹
- *Attitude to technology* – while members of Generation Z can use more than one technology at a time, the older age groups are not necessarily comfortable with dividing their attention.³² The origins of this phenomenon can be traced back to the consequences of the above-mentioned “digital immigrant” or “digital native” situation, after which the first half of Generations Y and Z was born after the spread of the Internet, with profound knowledge of the technological tools and the basic knowledge of their application. Accordingly, a stronger demand for access to information among the younger generations has developed, which decreases for older age groups. This is illustrated by the daily use of various mobile communication devices, digital media and social networks among Generations Y and Z.³³
- *Attitude to work* – this is one of the most important components of a workplace commitment. The Baby Boomer generation and Generation X place the interests of the employer first and they are thus much more loyal while Generation Y and Z do not hesitate to change jobs if their interests require it.³⁴

Table 2 summarises the similarities and differences between the Hungarian and the U.S. Federal public service competence development.

³¹ BUJDOSÓNÉ DANI 2012.

³² BOKOR 2007: 2–21.

³³ ANDERSON–RAINIE 2010.

³⁴ BIBA–SZABÓ 2015.

Table 2 • Comparison of public service competence development in the two civil service systems

Similarities	Differences
<ul style="list-style-type: none"> • Inter-generational differences: <ul style="list-style-type: none"> – Relation to education – Relation to technology – Attitude to work • Strategy-based integrated PHRM system 	<ul style="list-style-type: none"> • Different professional contexts (career-based in Hungary / position-based in the U.S.) • PHRM system (labiality in Hungary / stability in the U.S.) • Structure of the training system (credit points in Hungary / performance management in the U.S.)

Source: BELÉNYESI–DOBOS 2015.

A study published in the framework of “Közzszolgálati Humán Tükör 2013” [Public Service Human Resources Mirror 2013] research program also concluded that most new entrants to the public sector leave after a relatively short time and try out other labour market opportunities.³⁵

According to a research by the Harvard Business Review 2015, starting with Generation Y, new employee expectations have appeared on the labour market, e.g. they put greater emphasis on work–life balance, ongoing learning on the job and learning new work methods to achieve predefined objectives.³⁶

The Bill Gates Foundation assessed the skills of the 21st century, i.e. what competencies prospective employers expect from future employees. The five 21st century competencies that people need to acquire before entering the labour market that it identified were:³⁷

1. *Collaboration* – i.e. students must learn to work in pairs or in groups, to take shared responsibility for their work, and to make common decisions.
2. *Knowledge building* – it is also necessary for students to learn how to build new knowledge, even by combining knowledge from several subjects.
3. *Reasonable and reasoned use of ICT* – i.e. not to always use the latest technologies at all costs, but to be able and willing to handle these tools in accordance with the current pedagogical purpose.
4. *Solving real problems and innovation* – i.e. students must master the ability to find solutions to real problems in the out-of-school world.
5. *Self-regulation* – the ability of students to plan and redesign their work under pre-determined conditions.

Considering all these criteria, it is clear that a very serious change of attitude is needed in the field of training, to ensure that the digital generation will enter the labour market with these competencies.

³⁵ SZABÓ 2013.

³⁶ BRESMAN 2015.

³⁷ PRIEVARA 2015.

CONCLUSIONS

The practical application of competencies considerably affects the operability of human resource management functions in a strategy-based integrated PHRM system. The integration and coordination of HR policy is the key to successful implementation of an organisational HR strategy. Therefore, a properly established competency model is a precondition for the integration of the elements of the overall process into a coherent system, rather than handling management functions individually. The sustainability of the model is also an important factor in long-term strategic development planning. If the competency requirements which civil service executives are expected to satisfy are uniform in their approach at all leadership levels, it can facilitate employees' mobility not only vertically between leadership levels, but also horizontally between public service bodies, which is a priority in the Hungarian system.

The intensity and frequency of intergenerational differences in workplaces is growing. The different ways of thinking, habits and knowledge of different age groups determine individuals' ability to work, and thus his or her work performance. It is essential to recognise the positive effects of generational diversity as a building block for human strategy and human resource management with a view to the effective operation of work organisations. An efficient approach to generation management is to utilise management technology that takes generational differences into account when coordinating the organisation's activities. It purposefully builds on these different characteristics to achieve the organisation's goals, and benefits from the added values different generations bring to the organisation. The generation management toolkit is part of the integrated strategic human resource management.

The global approach of generation management does not focus on unifying the personality traits of different age groups. Instead, the goal is to create a multi-faceted organisational culture based on successful collaboration, where different generational groups enhance each other's ability to work. One of the most important elements of this is the maintenance of organisational knowledge and the operation of knowledge management processes. Senior members have deeper work experience, which can be an important foundation for younger entrants to the organisation. However, younger colleagues give the working organisation the necessary new impetus, which is essential for sustainable development. In creating a productive atmosphere, we need to distinguish between "hard" and "soft" management techniques. The use of hard methods involves transforming the whole or most of the organisation by optimising processes rather than fine tuning. The soft technique is a more human-centred approach, which is more relevant to the generation-management approach. It deals, among other things, with the development of the interpersonal skills of the employees, the strengthening of their internal motivation and the creation of a cooperative atmosphere, and thus with the renewal of the organisational culture.

When we consider the transferability of best practices between cultures, we should not forget about differences in national values and practices, but our increasingly globalised world makes it very important to learn from each other and be open to new solutions.

Traditional systems like that of the U.S. are useful benchmarks to facilitate the development of PHRM systems in other countries. Well-designed competency models can ensure the sustainability and coherence of PHRM functions like selection, assessment, career and succession planning in public service organisations. The U.S. system proves that the successful functioning of the training system, and of leadership training in particular, is the key to personal and organisational development.

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