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Competency and Bureaucracy: Diffusion, Application and Appropriate Response?

MARTIN LODGE AND CHRISTOPHER HOOD

Competency, a long-standing concern with the skills and capabilities of bureaucrats and bureaucracies, has recently attracted renewed attention for public service reformers and consultants. This study explores three questions about the recent fashion for competency language in public management. First, it considers whether contemporary approaches to competency have been diffused from a single source by briefly examining the history of the competency movement in three countries. Second, it analyses, on the basis of case studies drawn from the UK Department of Trade and Industry and the German Federal Economics ministry, how government departments organise competency by assembling policy teams that reflect the problem constellations for particular policy issues. Finally, it raises the issue of whether national administrations have adopted appropriate responses to competency in the light of contemporary demands placed in national bureaucracies. It concludes that there is only a limited tendency to diffusion, that departments respond to problems more by inertia than design and that the national responses offer only limited solutions to justified concerns about competency.

Competency – *avant la lettre*, perhaps – has long been at the heart of debates about administration and bureaucracy, denoting the skills and capabilities that the state machine does or should possess, as well as its legal powers. The term acquired a new Human Resources (HR) meaning in the late 1970s, spawning a competency movement on both sides of the Atlantic in the 1980s. It was widely applied to upper level civil servants in the 1990s, playing a prominent part in the public sector 'leadership' development agendas of consultancies and international organisations alike, and featuring in personnel selection, appraisal and promotion procedures.[1] For example, competency frameworks were utilised, at least as formal justification, to decide over continued employment of civil servants in UK central government departments in several cases, so even if competency was a mere managerial fad, it had real consequences for some bureaucrats.[2] At the same

time, the age of Europeanisation and internationalisation is commonly said to affect national bureaucracies, challenging national, organisational and system-wide capabilities to represent, effect and agglomerate various levels of interests across various levels of governance. The new challenges for national bureaucracies arising from these developments include the capability to aggregate interests at the national level, their representation in the policy-setting stages at the national, EU and international levels and the transposition of these policies into 'appropriate' and effective policy instruments.[3]

Accordingly, this article assesses the validity of three widely held claims in public administration and management, which are also closely related to issues raised in the Europeanisation literature.[4] First, it is widely held that public management reform policies are rapidly diffused across countries once the ideas have become 'acceptable'.[5] Similarly, it is widely argued that Europeanisation is facilitating, directly and indirectly, diffusion processes through continuous interaction and 'confrontation' of various national policy-making approaches.[6] But when we identify the origins of competency as a concept in public management policy and chart its evolution from early beginnings in the USA to later application in Germany and the UK, we find a patchy and erratic diffusion of ideas (both at the international and national level of diffusion) and major time-lags, raising questions of how to explain who got what version of competency, when and how.

Second, it is widely claimed that contemporary developments in public management reflect closer attention to the 'production engineering' of public service work. Accordingly, this article explores how competency ideas have been applied to bureaucratic policy making. More precisely, it assesses how far competency in organisational policy making is displayed by assembling policy teams that display a competency profile reflecting the problem complexity of the particular policy problem at hand. It draws on six case studies (conducted in 2001) involving two national economic and industry departments, the UK Department of Trade and Industry (DTI) and the (as it then was) German Bundesministerium für Wirtschaft und Technologie (BMWi). These two departments were exposed to policy domains with a substantial range of policy complexity, given their involvement with other government departments, private and public enterprises and policy making at the (sub-) national, EU and international policy making levels.

Third, and relatedly, it is claimed by some (though hotly denied by others) that modern public management practices make for greater effectiveness in the way bureaucracies work. But this article questions whether the ways in which competency is currently perceived and applied in several European states and in particular in the two economic ministries

in the UK and Germany, offer more than trivial responses to the
requirements for new bureaucratic skills and capacities that are associated
with Europeanised and internationalised national public administration.

COMPETENCY: A CASE OF DIFFUSION?

To examine whether it is possible to diagnose a European, international or
nationally distinctive application of competency to the work of upper level
bureaucrats, this section first gives a brief account of the origins of the
competency idea across different literatures before considering the
application of competency in the official frameworks for the higher
bureaucracy in the UK, Germany and the US.

English dictionaries give 'competency' and 'competence' as broadly
alternative forms of the same word in ordinary usage and *Kompetenz(en)*
does duty for both forms in German. But in management-speak, the '-y' and
'-e' forms are not wholly interchangeable. In public administration, the term
has traditionally been used to denote (a) an officeholder's formal or legal
authority or jurisdiction, (b) the practical ability of organisations to carry
out particular operations, or (c) the ability of individuals to perform specific
tasks.[7] In the 1980s and 1990s, the business and management literature
utilised the word mainly in the second and third senses, but it is
questionable whether there was a single 'competency' movement in
management at that time. Competency as understood by some prominent
business approaches by no means meant the same as 'competence' in
European Commission usage, or in the usage developed in UK government
policy from the mid-1980s.[8] Rather (to adapt the old joke), there seem to
have been different approaches divided by a common language.

Within the second and third meanings of the term, competency in the
management literature over the past three decades has encompassed at least
three different approaches: the strategic management and two HR
approaches, one commonly using the '-y/ies' spelling and the other the
'-e/es' form, though usage was far from uniform. The strategic management
literature stresses the importance of developing organisational capacity and
in identifying and fostering 'core competencies' that would allow
organisations to excel and that were so central to an organisation's strategic
position that they should not be eliminated or outsourced.[9] A strategic
management approach was, for example, employed by the public
management 'guru' Mark Moore who developed the notion of 'distinctive
competence' in his *Creating Public Value*, although, in general, strategic
management represented a less widely utilised usage of competency than
HR approaches.[10] In contrast, HR usage was not uniform and different
approaches developed, often associated with the '-y' and '-e' spellings.

'Competency' was associated with the identification of individual attributes associated with superior performance and was originally developed from the late 1960s as an attempt to overcome racial and other biases inherent in conventional intelligence testing.[11] This 'competency' terminology was popularised for application by HR managers from the early 1980s, notably by Richard Boyatzis and John Raven, and these works set the themes for a new HR development and training industry, which eventually was also endorsed by the OECD.[12]

In contrast, the competenc*e* movement developed primarily as part of UK government policy for 'upskilling' the UK work force from the mid-1980s, involving the identification of 'good practices' at a range of vocational levels. Such an approach was first developed in the new system for vocational qualifications in the UK in 1985, was transferred to a number of other countries, and, within the UK, to many public sector organisations. The difference between those approaches might be illustrated as the difference between identifying the behavioural features associated with being a top concert pianist (such as temperament, motor skills, tonal awareness) and assessing a specific accomplishment (such as the ability to play (say) the *Moonlight Sonata* at a given level of skill). However, despite the relatively clear conceptual difference between the two approaches, both '-y' and '-e' approaches are not fully distinguishable and have become increasingly blurred when applied, mixing behavioural attributes with specific accomplishments as part of job requirements. Spelling has also become increasingly inconsistent.[13]

With at least three different approaches to competency, there was evidently no simple process of diffusion of a single dominant idea. Furthermore, there do not even seem to be distinctively 'European' meanings or conceptions of competency: the German *Kompetenz* being a long-established term in public administration (with the notion of competence in the legal sense requiring legitimisation through the utilisation of subject expertise),[14] while the UK (wider) public sector was associated (since the 1980s) with a 'minimum standard' conception of competency. Indeed, in spite of the existence of transnational (public and private) idea-carriers and shared international or 'European' demands on national higher bureaucracies, there was no central diffusion of competency ideas in the three countries. Rather, competency was shaped by different national understandings of what constituted a 'competent' civil servant.

Table 1 summarises the development of competency frameworks for the senior civil service in three countries, showing that the competency idea entered the upper levels of the bureaucracy at different times. In the US, competency frameworks were introduced in 1979 with the creation of the Senior Executive Service. In the UK, they were introduced for upper level

TABLE 1
THREE COMPETENCY-REFORM DYNAMICS FOR UPPER LEVEL CIVIL SERVANTS
IN NATIONAL OR FEDERAL LEVEL GOVERNMENT

	United States	Germany	United Kingdom
Competency reform style	'Disconnection and fossilisation'	'Steady plodder'	'Late churner'
Central components	Mix of job requirements and behavioural traits	Behavioural traits and job requirements added to traditional subject-expertise requirements	Move from mix of job requirements and behavioural traits to behavioural traits alone
Pre- late twentieth century reform era	Debtates over merit and race in the bureaucracy	*Fachkompetenzen* as a parallel to legal expertise	Debate over specialists and generalists
1970s	Existence of agency competency frameworks, centred on managerial tasks	Early 1970s discussions of developing new competencies but reform commission proposals stalled	Late 1960s criticisms about generalists in administrations (Fulton Report)
1980s	Management Excellence Inventory (1984); partly managerial, partly behavioural framework	Further departmental developments in late 1980s, stalled with unification	Development of work standards competence as public policy from mid-1980s, applied to much of the public sector outside the CS
1990s and beyond	1992 'Effective behaviours' leadership model 1997 Hybrid competency framework partly based on work standards, partly on bahaviours	Development of new departmental frameworks, to include social competence, especially after 1998	Adoption of US-type competency framework for CS departments from early 1990s and SCS in 1996, with later adoption of purely behavioural framework five years later in 2001

civil servants with the creation of the 'Senior Civil Service' in 1996
(drawing not on the competenc*e* frameworks adopted for the rest of the
public sector, but on those firms in the domestic private sector which had
applied the US competenc*y* approach), well after the competency boom had
peaked in private business. In Germany, attempts at introducing new
competency frameworks were made in the 1980s (and arguably previously
during the early 1970s as part of a wider, but ultimately faltering discussion
of the status and function of the *Beamte*), but their application was
postponed due to the demands of unification. The terms used in the various

competency frameworks were far from uniform, but they did have shared features, especially their emphasis on the individualised HR approach (stressing 'leadership' behaviour in particular), while paying little attention to the strategic management literature.

A time pattern involving a lag of over a decade between the adoption of the US framework and the emergence of the UK and German frameworks suggests at best a much more leisurely pattern of international diffusion than much of the literature in management development allows for, and indeed such diffusion as there was seems to have been circuitous. When the two European states developed competency frameworks, they did so with little direct reference either to the US system or to each other. In Germany, existing *Kompetenz* frameworks, already widely used for subject expertise (*Fachkompetenz*) were stretched to include social and managerial attributes, after a long drawn-out process involving false starts over more than 20 years. In the UK, as already noted, competency emerged through a quite different route, in the 1980s in a number of public sector organisations as a definition of minimum standards rather than the behavioural approach advocated by Boyatzis in the USA. The approach in the US-SES itself altered over time: originally developed ahead of business applications and involving a mix of skill- and behavioural approaches, it later (in 1992) imported a more behavioural version of competency from business applications.

In fact, it could be argued that rather than 'converging', the different national competency frameworks remained heavily self-referential, self-replicating and conservative, largely reflecting existing domestic arrangements. That is, the British competency framework stressed the importance of the loyal generalist (with a framework that only targeted behavioural attributes rather than specific skills and knowledge), the German framework stressed technocratic skills (with a few social and managerial capabilities bolted on afterwards) and the US framework reflected an uneasy compromise between the idea of the go-anywhere political appointee and the merit civil servant.[15]

Moreover, the competency frameworks went through rather different processes in each case after their first introduction.[16] The US story was one of political fossilisation and disconnection as the Carter-inspired Senior Executive Service and the underlying ideas of the competency framework were not supported by the Reagan administration. That meant that later tinkering with the competency framework for the SES was disconnected from sources of political clout and not linked to pay systems. The UK was by comparison a late developer of modern competency frameworks for its upper level civil servants but, when it did develop such frameworks, the process was overseen by a much more 'connected' organisation (the

Cabinet Office) and indeed two competency frameworks were produced in short order, in 1996 and 2001. In Germany, competency frameworks developed at the departmental level, at varying speeds and degrees of enthusiasm, with limited oversight from the Ministry of the Interior (as the ministry responsible for civil service affairs) given the constitutional principle of departmental autonomy. Evidently, the development of competency in the three countries reflected the institutional differences in the executive government structures. For example, the German pattern reflected its lack of a central infrastructure for the 'forced' diffusion of ideas such as competency, although some cross-departmental emulation was evident, with departments drawing on the Ministry of Defence's framework. The Defence ministry had been one of the first ministries to develop and apply a modern competency framework in the early 1990s, partly because of its policy of staff rotation and partly because of an acute need to reduce staffing levels.

Accordingly, while consultants crossed national boundaries with the use of similar vocabularies and despite a late 'blessing' of competency idea by the OECD, at a deeper level, the recent evolution of competency in the past decade reveals a more self-referential pattern in development and application. Competency was adopted at different times, building on national conceptions of competency rather than on any dominant international or 'European' understanding of competency. But even if competency arrived via rather different and circuitous routes, there were certainly some shared common elements which explain why competency in some sense became an attractive concept in national reforms. The competency frameworks emerged in the context of roughly similar challenges to existing relationships between civil servants and politicians. On the one hand, politicians demanded a civil service that was more 'on tap' and responsive to political demands, willing to provide policy delivery and managerial abilities – as was demanded by Carter in the US case, by the UK's Conservative government in the early 1990s and by the German Red/Green coalition of the later 1990s, with its rhetoric of an 'activating' rather than a 'lean' state. At the same time, 'competency' offered a way to address long-standing dissatisfaction among lower level bureaucrats critical of poor leadership and inconsistent staff management (as applied particularly to the higher federal bureaucracy in Germany, but also in the UK). Furthermore, it offered senior civil servants a means to legitimise their professional status, and underpin their claims for higher pay, while also protecting their status vis-à-vis non-career civil servants.[17]

But those common motivations neither overrode the force of the different institutional structures we have described in the way competency frameworks were shaped nor led to a shared European or international

conception of what constituted civil service competency. But to what extent
were concerns with competency applied in the actual 'production' of public
service work? We turn to this question in the next section.

COMPETENCY: MIXING COMPETENCY ACCORDING TO PROBLEM CONSTELLATIONS?

To be competent, individually and organisationally, in policy making
requires some capability to perform a given set of tasks effectively. As noted
above that means for public administration the ability to develop and
represent policy positions, to meaningfully contribute to the setting of
policy or standards at various levels and to provide for the effective
modification of individual and institutional behaviour. It is a truism that
national government departments are faced with policy issues of varying
complexity, uncertainty and conflict, but how exactly do departments
organise to deal with policy problems of varying types? To explore how far
national government departments match the composition of policy teams to
the nature of the particular job in hand, this section reports research
analysing the competency of policy teams in two departments across four
distinct ideal-type problem constellations.

The cases examined consisted of the writing of six selected policy
documents in the UK's DTI and the German BMWi. These two industry
departments are centrally concerned with EU-related policy making, given
their major role in economic regulation. Traditionally, the BMWi played a
central role in coordinating Germany's responses to EU economic policy.
However, the responsibility for these activities was shifted to the Federal
Finance ministry after the 1998 general election, reflecting the long-term
decline of the 'powerhouse' of ordo-liberalism within the German federal
administration.[18] That move made the responsibility profile of the two
departments more similar.

The two departments were different in several ways. In line with the
stereotype of German civil servants, most of the BMWi's staff were either
lawyers or economists, while the DTI contained more of a mix of
backgrounds and disciplines. Policy documents in the BMWi were produced
by small working units that were widely held to impede coordinated policy
making, while the DTI showed more organisational flexibility in establishing
policy teams, with a clearer distinction between so-called 'generalists' and
'specialists'. Similarly, the DTI had greater flexibility for short-term
recruitment of experts or private sector staff than the BMWi.

Both departments reflected overall government structures and policies
on bureaucratic competency. The DTI had a bifurcated competency
framework, one for the senior civil service (SCS, which operated across

central government)[19] and for lower level policy staff, but both frameworks were developed by the same consultants and focused on similar behavioural attributes.[20] The German competency documents (ranging from policy guidance in the 'house rules', training requirements that were linked to promotion possibilities, to documents on '360°' appraisal of individuals also stressed managerial and social behaviours.[21] Whereas the German system for evaluating competencies was based on traditional grading methods and not related to pay, the UK SCS framework in 2001 consisted of a purely narrative form of evaluation which was linked to pay. Neither department had explicit codes as to what constituted 'good policy', with guidance documents mainly identifying good process than policy substance. For evaluation of policy making teamwork, some *ad hoc* attempts were made within the DTI, applying innovative narrative methods, though those attempts do not seem to have added to formal institutional memory. No such attempt, apart from informal discussions, had taken place within the BMWi.

To explore the competency of the two departments as they tackled different types of problem, the development of six policy documents was examined. The documents were selected from three policy domains, namely competitiveness and competition, telecommunications and energy supply policy. The underlying problems varied in the degree of complexity and conflict they encompassed and therefore arguably also in the demands they made on individual and organisational competency. We distinguish between 'policy stretching' (limited underlying policy conflicts and limited actor complexity), 'policy resetting' (overall agreement on broad policy principles but high institutional complexity), 'conflict brokerage' (inherent contestation about policy coupled with complexity in the form of multiple stakeholders) and 'wicked issues' (extremely high contestation without overall control and direction, multi-dimensional complexity). A contingency hypothesis would lead us to expect the competency profile of the departmental team engaged on each policy document to reflect the underlying problem constellation. 'Policy stretching' might be expected to require policy teams strong in capability for policy history memory, networking capacity and government process knowledge, while 'policy resetting' might be expected to require specific conflict management capacity, 'policy brokerage' the capacity to manage conflict over rival centres of expertise and 'wicked issues' the capacity to utilise political experience to provide overall direction.[22]

Grouped in this way, the policy cases examined were as follows:

'Policy Stretching'

• A parliamentary reply on telecommunications in Germany (BT14/5167) that pointed to and commented on developments in telecommunications

regulation and the wider market, but did not involve major policy
initiatives.
•   The March 2001 UK Competitiveness White Paper 'Opportunities for All
    in a World of Change' (Cm5052, jointly produced by the DTI and the
    Department for Education and Employment) which sought to develop
    existing policy initiatives further, to provide a coherent picture of
    departmental activities and to include initiatives aimed at the 'old
    economy' to balance earlier documents' bias towards the 'new economy'.

'Policy Resetting'

•   The UK Communications White Paper 'A New Future for
    Communications' (Cm5010) of December 2000 (produced by DTI and
    Department for Culture, Media and Sports) that laid stress on
    'convergence' in the communications sector and the merger of
    regulatory institutions. The issue of media ownership was (at the time)
    'parked' because it was too politically awkward. The White Paper led to
    draft legislation in 2002 to merge communication regulatory institutions
    into a single body ('Ofcom') and alter restrictions on media ownership.

'Conflict Brokerage'

•   The 'Europeanisation' of the German competition law in 1998, which
    involved substantial conflict between BMWi and the Federal Cartel
    Office as well as with special interest groups. The initiative first
    emerged within the BMWi as a response to a debate about Germany's
    international competitiveness as location for business and industry. The
    first drafts were supported by business interests but fundamentally
    opposed by the Federal Cartel Office.
•   The DTI's Energy review 'Review of Energy Sources for Power
    Generation' of October 19998 (Cm 4071) that was a response to political
    concerns regarding the decline of the domestic coal industry in the face
    of substantial growth of gas-fired electricity generation capacity.

'Wicked Issue'

•   The German *Energiedialog 2000* (of June 2000) can be considered as
    representing a 'wicked issue' in that it involved an attempt to establish
    a joint discourse across opposing values and stakeholders in the face of
    overall uncertainty and conflict over future energy mix policy. It
    followed the federal government's negotiated long-term abandonment of
    nuclear energy generation and conflict, at the domestic and the EU level,
    over coal subsidies. The BMWi was the only federal ministry involved
    in the *Energiedialog* but responsibility for overall energy policy was
    divided between BMWi and Federal Environment ministry.

TABLE 2
SELECTED FEATURES OF SIX POLICY CASES

Case	Broad Policy Type	Expected Competency Requirements	Approximate Size of Core Civil Service Production Team	Government Organizations Closely involved Other than BMWi or DTI	Approximate Length of Time Taken to Produce Document	Number of Major Iterations	Nature of the Consultation Process
BMWi 2001 Policy document on telecoms	Policy stretching	Grasp of policy history & feedback; grasp of government process; networking capacity; project-management capacity	4	None	2.5 months	One	Internal moderation following departmental guidelines
DTI/DfEE 2001 Competitiveness	Policy stretching	Ditto	9-10	DfEE with particular attention from No 10 Downing Street, Treasury	9 months	Two (late decision to reshape the document as a joint product of two departments) plus continuous detailed change	Internal DTI workshops plus three business seminars and seminars with regional business people.
DTI/DCMS 2000 Communications white paper	Policy resetting	As above, plus Capacity for negotiation; conflict management and consultation within and outside government	7-10	DCMS, e-envoy, Radio Communications Agency	7-8 months	One (for telecommunications, less controversial than broadcasting)	Consultation process generating 6,500 responses plus recruitment of six special experts on convergence and broadcasting. Seminar with 'stakeholders'
1998 Change to German competition law (GWB)	Conflict brokerage	As above, plus greater capacity to muster and manage expertise over conflicting knowledge claims	Max. 10	Federal Cartel Office plus issue-specific political involvement by Chancellery, Agriculture and Environment ministries.	3 years	Two	Formal consultation and hearing processes, joint working group with Federal Cartel Office
DTI 1998 Energy review	Conflict brokerage	Ditto	Approx 7	Treasury	Approx 9 months	At least two	Formal written consultation and informal consultation
2000 BMWi Energiedialog	Handling 'wicked issues'	As above, plus greater political experience and enhanced capacity for autonomous policy activity	10-15	None	1 year	One, but continuous modification (document emerged incrementally)	Continuous dialogue with and adjustment across political, business, trade union and environmental groups at senior and working level.

TABLE 3
THREE DIMENSIONS OF POLICY COMPETENCY

Background		Technical or Substantive Knowledge		Contribution to Social Process	
Quality	Indicator	Quality	Indicator	Quality	Indicator
B1 Experience inside government and the department	Years and proportion of career spent inside BMWi or DTI	**TS1** Policy history knowledge	Knowledge of policy development over time in a given domain	**CSP1** Memory	Recollection of previous relevant experience
B2 Industry and business experience	Years and amount of career spent in business or industry	**YS2** Contextual knowledge of business or other sectors	Knowledge of market conditions and other environment Factors	**CSP2** Network function	Spanning different systems inside or outside government
B3 Implementing Front-Line Delivery Experience	Years and amount of career spent in delivery or regulatory activity	**TS3** Knowledge of management techniques	Knowledge of project planning and other management methods	**CSP3** Project oversight leadership and planning	Exercising functions of management and direction at all levels
B4 Politics & Parliamentary Experience	Years and amount of career spent as political advisor, secondment to parliament, or in private office	**TS4** Government process knowledge	Knowledge of a range of legal and political procedures & instruments	**CSP4** Appraisal and critical judgement	(a) Filtering ideas and assessing them in the context of political administrative and compliance feasibility, (b) Challenging policy proposals
B5 'Foreign Experience'	Years and amount of career spent outside UK or Germany and outside EU	**TS5** Language and cultural knowledge	Degree of fluency in different linguistic and cultural contexts	**CSP5** Conflict handling	Acting as arbiter or conciliator e.g. with ministers and outside interests
B6 Research Experience	Years and amount of career spent in systematic research	**TS6** Specialist analytical Knowledgw	Specific professional skills (e.g. as economist, statistician, lawyer)	**CSP6** Knowledge management generation and championing of ideas	Working in 'think tank' mode and using expertise effectively

Table 2 summarises the six cases.[23]

Table 3 distinguishes three dimensions of competency, differentiated into 18 competency elements. It allows for the comparison of the skills and competencies contributed by public servants across the six policy documents. The three-part characterisation distinguishes between background and experience, technical and substantive knowledge and contributions to the social process of policy development. In practice, the three dimensions of competency undoubtedly overlap, but each is certainly the focus of particular debates about what individual public servants and government organisations should be capable of knowing or doing in policy making. While certainly limited, this way of differentiating and categorising competency includes more aspects of civil service competency than frameworks that focus merely on social process and it also links to many of the issues of the competency literatures illustrated in the previous section.

Having tracked the core members of the policy teams involved in the six policy cases, the 18 competency elements shown in Table 3 were used to produce a competency profile both for each individual and each policy team. These results have to be treated with considerable caution since they are based on small numbers, limited information and are far from immune to coder bias.[24] Nevertheless, they do not support the hypothesis that competency concerns led departments to select policy teams whose composition matches the underlying problem constellation. Rather, departmental selection of policy teams seemed to reflect a random or inertia approach.

That is, Table 4 shows that policy teams varied substantially in terms of their homogeneity but they did not display the patterns that would be expected if the composition of the policy teams reflected the degree of complexity and conflict in the policy problem. For example, the *Energiedialog* as a case of a 'wicked issue' did not seem to include more politically experienced staff than the 'policy stretching' cases, although it was notable that the team profile included a strong international and research background. As noted earlier, we counted it as a case of 'wicked issue', because there was no point of leverage within the government over German energy mix policy, conflicts were entrenched both at the political and bureaucratic level, and there were multiple powerful stakeholders with opposing interests and high stakes, including about 40 different political, quasi-public and private organisations. While expertise and policy were coordinated within the BMWi, the organisation and the outward facing activities of the *Energiedialog* were organised by the Friedrich Ebert Foundation, a social-democratic think-tank. The final document was regarded as a 'lowest common denominator' output.

Surprisingly, the 'policy stretching' case of the UK competitiveness document, which arguably should have reflected less conflict management

TABLE 4

ANALYSIS OF AGGREGATE COMPETENCY PROFILES OF THE SIX POLICY DOCUMENTS

	German Telecoms			UK Competitiveness			UK Telecom			German Competition			UK Energy			German Energy		
	%h	m	σ	%h	m	σ	%h	m	σ	%h	m	σ	%h	m	σ	%h	m	σ
Background																		
B1 Department.	75	2.5	0.87	66	2.5	0.67	42	2.28	0.7	66	2.5	0.76	100	3	0	28	1.86	0.83
B2 Business	0	1.25	0.43	0	1.2	0.40	0	1.14	0.35	0	1	0	0	1.16	0.37	14	1.29	0.55
B3 Frontline	25	1.5	0.87	33	1.89	0.87	14	1.43	0.73	40	1.8	0.98	16	1.4	0.8	14	1.29	0.55
B4 Political	0	1.25	0.43	10	1.4	0.66	0	1.43	0.65	20	2	0.71	0	1	0	14	1.43	0.73
B5 Foreign	0	1	0	20	1.6	0.8	14	1.5	0.76	0	1	0	0	1.16	0.37	14	1.57	0.73
B6 Research	0	1	0	0	1.37	0.48	0	1	0	0	1.25	0.43	16	1.5	0.76	28	1.71	0.88
Technical and Substantive Knowledge																		
TS1 History	75	2.25	0.66	20	1.5	0.81	28	2.14	0.64	60	2.4	0.8	86	2.71	0.7	57	2.29	0.88
TS2 Context	0	1.5	0.5	0	1.7	0.46	0	1.57	0.49	0	1	0	33	1.66	0.85	28	1.86	0.83
TS3 Mgt	0	1	0	10	1.4	0.66	14	1.57	0.67	0	1	0	0	1	0	0	1	0
TS4 Govt	50	2.25	0.91	30	2	0.77	28	2.14	0.64	40	2.2	0.75	83	2.66	0.41	14	1.71	0.70
TS5 Culture	0	1	0	33	2	0.82	33	1.66	0.94	0	1.25	0.43	0	1.4	0.49	14	1.75	0.83
TS6 Special	0	1	0	0	1.2	0.40	14	1.29	0.70	0	1.5	0.5	50	2	1	14	1.57	0.73
Contribution to Social Process																		
CSP1 Recall	50	2.5	0.5	18	1.64	0.77	14	2.14	0.32	60	2.6	0.49	50	2.33	1	57	2.29	0.88
CSP2 Link	50	2.25	0.91	60	2.5	0.67	14	2	0.53	80	2.8	0.4	16	1.66	0.75	86	2.86	0.35
CSP3 Lead	0	1.5	0.5	63	2.55	0.65	28	1.57	0.90	20	1.67	0.75	16	1.66	0.75	43	1.86	0.99
CSP4 Judge	50	2.5	0.5	72	2.64	0.64	28	2.29	0.45	80	2.8	0.37	66	2.66	0.47	43	2.43	0.49
CSP5 Strife	0	1.25	0.43	45	2.27	0.75	28	1.71	0.88	20	2	0.63	50	2.16	0.92	43	2	0.93
CSP6 Ideas	0	1.25	0.43	9	2	0.43	28	2.14	0.64	40	2.4	0.73	16	1.66	0.75	43	2	0.93

Note: All categories were assessed on a 'high, medium, low' score. '%h' is defined as the percentage of interviewees who were assessed as 'high' in that particular category, 'm' is the mean score across all civil servants assessed in that particular category, while 'σ' represents the standard deviation

experience than other examples, contained the team with the largest concentration on conflict management activity, including project oversight, critical dialogue and the relatively high emphasis on a 'politics' background in policy team that seemed to be involved in a policy stretching exercise. Moreover, while a Competitiveness White Paper represented a major opportunity to signal the importance of the DTI in government and in industry, and the process sought to draw policy initiatives from all aspects of the DTI's activities, it is far from obvious that all the emphasis on management and conflict handling actually produced an outstanding product.[25]

Did the lack of apparent fit between the competency profiles of the policy teams make any difference to the quality of the eventual product? Judgements must be impressionistic, but our interviews suggested that the civil service contribution to policy making varied, as in the two cases already mentioned. The BMWi telecommunications statement was widely regarded as a limited, unambitious, but successful document in that it restated and analysed ongoing developments in preparation for a wider review of German telecommunications regulation in 2003. More generally, however, interviewees saw the BMWi staff involved in telecommunication as unable to respond appropriately to a rapidly changing industry sector. The UK Communications White Paper was widely seen as a notable example of cross-departmental cooperation and of employment of information technology in the production of the policy document. It attracted some criticism for its imprecise details about the regulatory merger of various institutions (it only reflected on ongoing EU developments) and for having taken the 'convergence' argument as a pre-set conclusion. In the case of the German competition law reform, leading to the adoption of the wording of the EC Treaty articles, but maintaining many of the 'German' procedural devices,[26] the initial policy team was criticised by interviewees for having approached a 'policy resetting' problem as a 'policy stretching' exercise, thereby failing to identify or respond to conflict and opposition at first.[27]

Given that many of our interviewees identified shortcomings in the civil servants' responses to many of these policy problems (even in allowing for the political constraints they were working under) it seems hard to conclude that the random or inertia approach to policy competency is of no practical consequence. It is also notable that Table 4 shows that the two departments had different ways of producing the 18 aspects of competency, but that they produced remarkably similar profiles overall, in spite of the much greater emphasis that had been placed in management in the UK civil service over the previous two decades. Developed competency frameworks at individual level but inertia and happenstance in the selection of policy teams suggests

a wood-and-trees problem in competency management, and it is to such issues that we now turn.

COMPETENCY: APPROPRIATE RESPONSES?

Processes of Europeanisation, as noted briefly above, add additional dimensions to the competency demands on contemporary national government bureaucracies, on top of the aspirations of reformers to make such bureaucracies more outward-facing and managerial. While the previous sections have dealt with the development and application of competency in descriptive and analytical terms, this section reflects on how far contemporary approaches to competency as displayed by the UK and German national and federal bureaucracies offer appropriate responses to demands on bureaucratic capacity, in the face of Europeanisation.

As noted above, Europeanisation is widely associated with the need to aggregate domestic interests, to represent them effectively at the EU level and to be capable of transposing EU provisions at the national level. That requires not only an understanding of the demands of the EU provisions, but also of national interests. While the DTI was widely held to be more effective than the BMWi in representing national interests at the bureaucratic (not political) level of the EU, evidence is less plentiful than rhetoric about the aggregation of interests at the national level and the transposition of EU provisions at national and regional levels. While the task of representation requires individual competence in negotiation and in the grasping of issues, as well as organisational competence to prepare and staff negotiations appropriately, the other two functions of aggregation and transposition require different sets of bureaucratic competencies, at both individual and organisational level.

These competencies are, to a large extent, traditional bureaucratic skills of consultation, expertise and outward-facing relations with clients and customers. Nevertheless, questions of who to consult and how are becoming increasingly complex in industry sectors witnessing changing production structures (such as the intermingling of telecommunications and information technologies), changing ownership patterns and the emergence of new entrants in markets traditionally dominated by so-called national champions. Such changes also affect consultation with experts, given also the widespread claim that *Fachkompetenzen* can no longer be mostly held in-house, requiring tricky judgements as to what constitutes 'core expertise' and as to what constitutes 'best in world' subject expertise, whether such expertise should be domestically based, to what extent such expertise can be contracted-in by private sector-type consultancy contracts and on what terms.

It seems far from clear that the competency frameworks as adopted by the UK and the German higher level bureaucracies have, so far, addressed these concerns, for at least three reasons. First, it is debatable whether the individualised HR versions of competency contribute to the central issues affecting organisational performance for European and non-European policy making alike. The failures of government organisation, and the failures associated with the processes described in the previous section, had less to do with the individual capabilities and attitudes of civil servants, but rather with lack of *institutional* expertise, poor teamwork and dysfunctional group dynamics, taking place in stressed atmospheres that discouraged the free flow of ideas and criticisms, and produced weak communications and lack of informational sharing. Yet, the exclusive focus of competency frameworks on individuals and their behaviours, seems more likely to accentuate existing failures at the system level than to address the real challenges identified by the strategic management school. It is easy to see why a focus on individual behaviour might be preferred to the more difficult group competencies issue: An individual focus allows for an easier 'fit' with existing standard operating procedures for appraisal and the like, which allows awkward questions about system failures to be side-stepped. But by downplaying organisational competency at the expense of individual 'leadership' behaviours, system failures may well be provoked rather than alleviated.

Such objections were particularly related to the ways in which the two ministries related to EU policy making. Individual skill deficits and shortcomings in management abilities and team working cannot be ignored, but it was organisational competency in dealing with Europeanisation that drew the greatest criticisms from interviewees, particularly in the case of the BMWi. As already noted, the BMWi and the German federal government in general was perceived by several of our German and UK interviewees as less effective than the DTI (and the UK government in general) in day-to-day policy making at the EU level. That perception mostly reflected the difficulties of organising a German domestic position in the context of coalition and departmental politics.[28] In contrast, the DTI was perceived as more effective (although at the DTI coalface this positive image was less strongly held) in agglomerating the national position and representing the position in 'Brussels', with German officials also admiring the way in which political support for particular policy positions was employed. This organisational competency related not only to the way the department was able to cooperate with the UK Permanent Representation, but also the flexibility with which the UK delegation employed agencies (such as the Office of Telecommunications) in Council negotiations – something which was seen as violation of hierarchical etiquette by other national delegations.

In contrast, for German federal bureaucrats, the German permanent representation and its organisation in the policy process were seen as less effective and less high-powered in its staffing.

If difficulties associated with the effective running of EU business featured much more highly in interviewees' perceptions of the BMWi than of the DTI, the deployment of resources for coping with EU business was heavily criticised by interviewees for both departments. The BMWi had been slimmed down after unification and was seen by several interviewees as suffering from staff overstretch, while for the DTI some interviewees claimed that resources were disproportionately employed for dealing with domestic legislation instead of EU initiatives that were potentially less easily reversible once they had been passed. Furthermore, despite much talk about the Europeanisation of many domestic policy issues, there was far more separation between 'European' and 'national'-oriented work in the DTI in contrast to the BMWi, where most civil servants operated across both levels.

Second, if Europeanisation requires not only the organisational competency to operate within a multi-level system, but also the ability to deal effectively with changing 'client' structures for consultation and expertise, the competency frameworks in the UK and Germany were heavily focused on the motivated and efficient dispatch of business through the government machine. They paid far less attention to the more outward-looking aspects of bureaucratic work, such as the conduct of consultation exercises (where there is no close business analogue to draw on), to cases where public servants have to operate relatively autonomously because of constitutional obligations or where there is an absence of overall political and societal direction, for example, in 'wicked issue' cases.[29]

Third, the existing competency frameworks were hardly evidence-based in that they paid little attention to such research as has been conducted on what makes policy makers effective. For instance, Patricia Ingraham's research on public sector leadership stresses the significance of civil servants' capability to operate across diverse systems within, across and beyond government.[30] That theme stands in stark contrast to the largely introverted focus of the competency frameworks observed in this study. Admittedly, the UK Cabinet Office had produced a document on 'better policy making' (including some discussion of consultation), but the status of that document was below that of the official competency framework and it was not clear how the different initiatives were 'joined up'.[31]

Substantial criticism was also directed at what was seen as the confused 'strategic intent' of both departments, leading to regular calls (by influential critics) for substantial reform and mixing of policy responsibilities. Whereas in the case of the BMWi, the long-term decline of the department's

former ordo-liberal conscience role was bemoaned by some, others suggested that the BMWi's proper destiny was to become a ministry of industry concerned with micro-intervention and sectoral guidance rather than broad economic framework setting (a function that was seen as properly exercised by the Finance ministry).[32] Similarly, the DTI was said to have a confused remit, ranging from employment, through competition to micro-intervention responsibilities with poorly allocated resources and unclear business sponsorship arrangements. While some of these criticisms were raised in a departmental review following the 2001 Labour election victory (leading to internal reorganisation and a slimming down of funding schemes), the managerial changes did not address questions of the DTI's strategic intent, but represented a further tinkering with organisational structure that many saw as sapping DTI's ability to focus against a background of continuous reorganisation and oversight by the Treasury. Thus, by the start of the twenty-first century, both economics departments were criticised for having an ill-defined 'distinctive competence'.[33]

Finally, far from addressing the perceived challenges raised by Europeanisation for civil service competency, and also far from addressing the concerns of the core-competency school, the national competency frameworks were largely self-referential, more a case of dynamic conservatism than of striking out in genuinely new directions. The robustness of the methodologies adopted for developing the competency frameworks was also questionable. For example, the 2001 competency framework adopted for the SCS in the UK was based on 'stakeholder interviews' that were directed at hand-picked 'successful' civil servants and a very small number of business people. They were not based on research on what civil servants actually do and why and how they add value to their organisation of their policy domain. This inward-looking methodology may help to explain why the competency frameworks that emerged had the self-referential and self-replicating flavour that we have noted. In neither case did the competency frameworks seem to reflect a vision of anticipated future demands of 'Europeanised' or 'internationalised' administration.

Those biases and shortcomings would not matter if competency was a trivial issue. Even if competency frameworks in their current form have something of the character of the fads and fashions to which public management is prone, we noted at the outset that competency is at the heart of public administration and has been a central concern in both recent and traditional literature. New demands, such as those associated with Europeanisation, are placed on older bureaucratic competencies, such as consultation and assessment of expertise, yet competency frameworks in both bureaucracies' in this study pay little attention to these demands. As we have shown, there was hardly a Europeanised, or internationalised

conception of what constitutes civil service competency in the literature of
management theory. And, as we have also shown, while competency as
defined in the UK and German frameworks largely reflected existing
perceptions of what a 'good' upper level civil servant was supposed to do
(or in the UK case, how to behave), it concentrated largely on individual
attributes that hardly addressed some of the systemic demands of
Europeanisation. And the mix of haphazard and inertia responses that the
two departments adopted in handling policy issues across a range of
problem constellations did not suggest a focus on those attributes often said
to be crucial for the age of a 'Europeanised' administration.

NOTES

1. OECD, *Public Sector Leadership for the 21st Century* (Paris: OECD 2001). It also made it
    into the list of Scott Adams' essential 'business weasel words' list (see S. Adams, *Dilbert
    and the Way of the Weasel* (New York: Harper Collins 2002), p.130).
2. See for example the intended organisational reform at the UK Department for Environment,
    Food and Rural Affairs in early 2003 ('Ministers order clear-out of Mandarins', *Financial
    Times*, 13 Jan. 2003, p.3).
3. See H. Kassim *et al.* (eds.), *The National Co-ordination of EU Policy: The European Level*
    (Oxford: Oxford University Press 2001); H. Kassim, B.G. Peters and V. Wright (eds.), *The
    National Co-ordination of EU Policy: The Domestic Level* (Oxford: Oxford University
    Press 2000); S. Bulmer and M. Burch, 'The "Europeanisation" of Central Government: The
    UK and Germany in Historical Institutionalist Perspective', in G. Schneider and M.
    Aspinwall (eds.), *The Rules of Integration: Institutionalist Approaches to the Study of
    Europe* (Manchester: Manchester University Press 2001), p.79.
4. For example, C. Knill and D. Lehmkuhl, 'The National Impact of European Union
    Regulatory Policy: Three Europeanization Mechanisms', *European Journal of Political
    Research* 41/2 (2002), pp.255–80; K. Dyson and K.H. Goetz, 'Germany and Europe:
    Beyond Congruence?' paper presented at Europeanization of Germany conference, London,
    May 2002; M. Lodge, 'Varieties of Europeanisation and the National Regulatory State',
    Public Policy & Administration 17/2 (2002), pp.43–67; C. Radaelli, 'Whither
    Europeanization? Concept Stretching and Substantive Change', *European Integration
    Online papers* 4/8, http://eiop/or/at/eiop/texte/2000-008a.htm.
5. C. Hood and M. Lodge, 'Competency and Ineptitude: What's New About Civil Service
    Competencies and Who Cares?' paper presented at the ASPA conference, Phoenix, Arizona,
    26 March 2002.
6. Apart from the potential diffusion of policy options, continuous interaction has also been
    seen to develop a 'fusion' effect with national bureaucrats no longer distinguishing between
    an EU and a national position, but rather adopting a pragmatic problem-solving attitude. See
    W. Wessels, 'An Ever Closer Union? A Dynamic Macropolitical View on the Integration
    Process', *Journal of Common Market Studies* 35/2 (1997), pp.267–99.
7. M. Weber, *Wirtschaft und Gesellschaft* (Tübingen: JCB Mohr 1980 (orig. 1921)), p.351.
8. Chartered Institute of Personnel Development, *Competency Frameworks in UK
    Organizations: Key Issues in Employers' Use of Competencies* (London: CIPD 2001), p.1.
    The European Commission employed the 'competency' notion in its 'business
    competitiveness' initiatives.

9. J.B. Quinn, *Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industry* (New York: Free Press 1992), p.32; G. Hamel and C. Prahalad, *Competing for the Future* (Boston, MA: Harvard University Business Press 1994), p.231; C. Prahalad and G. Hamel, 'The Core Competence of the Corporation', *Harvard Business Review* (May/June 1990), pp.79–91. Notably, Prahalad later claimed that the 1994 account of core competencies had already gone stale at the time of publication, suggesting that changes in the economy meant that competency should no longer be conceived in a 'firm centric' but 'consumer centric' perspective (*Financial Times*, 13 Dec. 2002, p.14).

10. M. Moore, *Creating Public Value* (Cambridge, MA: Harvard University Press 1995), pp.67–76.

11. D. McClelland, 'Testing for Competence rather than Intelligence', *American Psychologist* 28/1 (1973), pp.1–14. However, similar approaches had been developed as part of the US Civil Service Commission's work under Ernest Primoff. This work built on work by the CIA's predecessor, the Office of Strategic Studies, since the late 1940s.

12. R. Boyatzis, *The Competent Manager: A Model for Effective Performance* (New York: Wiley 1982); J. Raven, *Competence in Modern Society: its Identification, Development and Release* (Oxford: Lippincott, Williams & Wilkins 1994), OECD, *Public Sector Leadership for the 21st Century*.

13. B. Mansfield, 'What is "Competence" All About?' *Competency and Emotional Intelligence Quarterly* 6/3 (1999), pp.24–8; B. Mansfield, 'Who We Are and What We Do: Some Thoughts about Competence', *Competency and Emotional Intelligence Quarterly* 7/2 (2000), pp.36–40.

14. H. Hartmann, 'Funktionale Autorität und Bürokratie', in R. Mayntz (ed.), *Bürokratische Herrschaft* (Köln: Kiepenheuer & Wisch 1968), p.193.

15. See Hood and Lodge, 'Competency and Ineptitude'.

16. Ibid.

17. For the tension between career and politically appointed senior executive service staff, see, for example, D.M. Cohen, 'Amateur Government', *Journal of Public Administration Research and Theory* 8/4 (1998), pp.450–97.

18. The status of the Federal Economics ministry was upgraded after the 2002 general election with the merger with the Ministry of Labour. For a broader discussion of the national adaptation of the UK and German national governments to EU membership, see Bulmer and Burch 'The "Europeanisation" of Central Government'. Also H. Kassim, 'Representing the United Kingdom in Brussels: The Fine Art of Positive Co-ordination', and A. Maurer and W. Wessels, 'The German Case: A Key Moderator in Competitive Multi-Level Environment', both in Kassim *et al.* (eds.) *The National Co-ordination of EU Policy*.

19. See Cabinet Office, 'The SCS Performance Management System' (London: Cabinet Office 2002), www.cabinet-office.gov.uk/civilservice/scs/performance.htm and the competency framework on www.cabinet-office.gov.uk/civilservice/scs/competences.htm (last accessed 17 Jan. 2003).

20. DTI, *Success Profile: How We Want to Work Together* (DTI, undated).

21. BMWi, *Personalentwicklung im Bundesministerium für Wirtschaft und Technologie*, Hausverfügung 1/2000 (5 Jan. 2000) and more generally, BMWi, *Personalentwicklungs konzept*, BMWi intern 1/94 (Bonn, 1994).

22. A more pragmatic reason for the case selection was that the three domains were not affected by cross-national differences in departmental boundaries or differences in allocation of government powers due to federal or unitary/devolved state structures.

23. For a more detailed account of the case studies, see C. Hood, M. Lodge and C. Clifford, *Civil Service Policy-Making Competencis in the German BMWi and the British DTI* (London: Smith Institute 2002). Also (www.lse.ac.uk/Depts/carr/Publications_folder_web_files/Civil_Service_Policymaking_main_%20report.pdf)

24. Fewer interviews were conducted with BMWi than with DTI staff.

25. Some interviewees claimed that a downside of the overt managerial emphasis was that too little emphasis and time had been devoted to policy substance and policy filtering, and several drew unfavourable comparisons between the document and a Competitiveness White Paper produced three years earlier under a different minister which had been seen as a self-confident assertion of the DTI's role.

26. M. Lodge, 'The "Isomorphism" of National Policies? The Europeanisation of German Competition and Public Procurement Law', *West European Politics* 24/1 (2000), pp.89–107.
27. Some suggested that the final product reflected a successful compromise that maintained the integrity of the German law, while others complained that the reform reflected a process that 'had gone out of control' (either in accommodating special interests too much or in providing the cartel authority with too much veto power).
28. Some suggested that as a result the BMWi was widely regarded as an 'unstrustworthy friend' in Council working groups. More generally, different views on the 'quality' of German EU policy point to the difficulties in organising an effective 'German position' due to coalition, federal and departmental differences leading to fragmentation (see S. Bulmer, C. Jeffery and W. Paterson, *Germany's European Diplomacy: Shaping the Regional Milieu* (Manchester: Manchester University Press 2000), pp.25–8). They also stress Germany's success in projecting institutional policy templates. Derlien points to the advantages of such a fragmentation, allowing for a more responsive and flexible negotiation position (H.-U. Derlien, 'Germany: Failing Successfully?' in Kassim *et al.* (eds.), *The National Co-ordination of EU Policy*. We do not seek to add to this debate, instead we reflect the perceptions of senior German and British officials as well as other social and political agents. Arguably, both accounts point to 'success' at different levels of EU negotiations.
29. In the 'wicked issue' example of the *Energiedialog 2000*, the BMWi required scientific advice to be as inclusive of all research disciplines and directions. Similarly, the BMWi made attempts to 'understand' the 'new' world of communications technology by inviting 'unconventional groups' to consultation meetings.
30. P. Ingraham, 'Linking Leadership to Performance in Public Organisations', *PUMA/HRM* (2001) 8/Final (Paris: OECD June 2001). Also P. Williams, 'The Competent Boundary Spanner', *Public Administration* 80/1 (2002), pp.103–24.
31. Further, competency frameworks and other 'good policy making' check-lists were hardly embedded in either department, especially at the operating level. Cabinet Office, *Code of Practice on Written Consultation* (London: Cabinet Office 2000); Cabinet Office, *Professional Policy-Making for the 21st Century* (London: Cabinet Office 2001); National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money* (London: National Audit Office 2001).
32. Other critics suggested that the BMWi's scope of authority should be expanded to employment matters. Such a move was undertaken following the general election in September 2002. Some high status economic framework setting policy functions were also moved from the Finance ministry back to the Economics Ministry (but not the responsibility for EU coordination).
33. The transfer of most government functions from Bonn to Berlin failed to encourage (or arguably impeded) a major review of the 'strategic intent' of the various federal government departments.