APPLICATION OF COMPETENCY FRAMEWORKS IN HRM: THE CASE OF MONTENEGRO

This case study is an attempt to provide a detailed description of Montenegro's public human resource management system with a focus on a competency framework it has adopted for selecting and recruiting senior management staff and heads of public authorities. The framework assesses candidates based on their competencies, skills, and abilities, in addition to their knowledge and experience. By using this approach, the Administration can ensure that candidates' competencies align with their prospective role in the public sector. This framework represents a significant development in Montenegro's public administration human resource policy which is worth examining.

Prologue

This case study illuminates good practices adopted by the public human resource management system of Montenegro, using a competency framework for the selection and recruitment of senior management staff in the state administration and for the heads of public authorities. In doing this, it also describes the transitioning of the public human resource system of Montenegro towards competency-based employment processes and competency-based performance evaluation cycles.

Utilising competences frameworks in the selection and recruitment of public servants allows for selecting individuals, who do not only possess the required knowledge and experience but also other characteristics that reveal to what extent candidates are competent, skilful, and able to perform prescribed functions and tasks well for a given job position.

This is an important development for Montenegro's public administration human resource policy, as it has taken on the challenge of selecting and recruiting quality personnel for key positions in its public governance system, using a system that gives priority to the competences, skills, and abilities of candidates for such positions; as it fully realises that selecting the right personnel is one of the key aspects in creating and sustaining a quality public administration.

This case study provides a detailed presentation of the five-component Competences' Framework adopted in Montenegro, i.e., leadership, focus on results, cooperation, communication, and innovativeness competences. By capturing and analysing such competences in the selection for recruitment of senior management staff in the state administration and of heads of authority positions, it affords a good understanding of whether the candidates' competences fit well with their prospective role in the Administration.

We believe that this work is a case in point for utilising competences frameworks in the selection of civil servants, especially those serving at the higher level of public administration and are responsible for leading and coordinating the work of public administration.

It is another contribution of the Astana Civil Service Hub to its knowledge sharing among its participating countries; and thus, fulfilling their expressed demand for contemporary knowledge and experience sharing, in the public administration and civil service development realm.

Alikhan Baimenov
Chairman
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About the Astana Civil Service Hub (ACSH)

The Astana Civil Service Hub is a flagship initiative of the Government of Kazakhstan and the United Nations Development Programme. It was created in 2013 by five international organisations and 25 countries: now comprising 43 participating countries. The geographical range of its participants stretches from the Americas and Europe through the CIS, the Caucasus, and Central Asia to ASEAN countries, demonstrating that partnerships for civil service excellence is a constant and universal need for all nations.

Its mandate is to assist in the promotion of public service effectiveness by supporting the efforts of governments of the participating countries in building institutional and human capacity; and thus, contributing to the improvement of civil service systems in the countries of the region and beyond.

The Astana Civil Service Hub is a multilateral institutional platform for the continuous exchange of knowledge and experience in the field of public service, aiming at supporting governments in the region through fostering partnerships, capacity building and peer-to-peer learning activities, and evidence-based research.

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1. INTRODUCTION

The accomplishment of an institution in carrying out its vision and mission are mainly determined by the results of the performance of its employees. Therefore, Human Resource Management (HRM) is a very important aspect in the existence of an institution, its work and further development. Existence of human resources with adequate and relevant abilities, skills and/or competences to carry out an institution's goals and performance plans is directly linked to the quality of services it provides.

HRM has changed over the years – transitioning from the industrial era to a knowledge and information economy. Following the current context of accelerated and prevailing change, HRM has aimed at developing approaches capable of fostering people's contributions to institutions, creating at the same time organisational contexts with the potential of becoming areas of professional and personal accomplishment for those working in them; indicating, among other, that employee interests should be recognised and advanced, as institutional interests are pursued, if possible.

In other words, individual goals should be integrated with those of the organisation. Consequently, HRM aspects are being modified, to involve people and value their contributions. Nowadays, the main interventions in HRM include staff optimisation, rotation, continuous education, competency development, recognition of efforts and rewarding, use of employees' full potential, creation of favourable working conditions, etc. All these aspects are based on valuing the talents and competences of employees and thus they must be part of an integrated and coherent set of HR practices.

Understanding contemporary trends in public administration reform (PAR) and further developments and improvements of civil service systems in accordance with good governance standards, selecting the right personnel is one of the key aspects in creating a quality administration. Good HR management implies, among other, a recruitment process based on unique principles and equal opportunities for all those who would like to work in public authorities. The concept of merit in public employment has provided the central model for structuring an effective and quality public service. Merit-based systems, grounded on selection through open and competitive examinations of qualifications rather than political connections, are designed to ensure politically neutral competence within the public administration.

Therefore, one of the key factors in the success of public administration is sustaining the quality of its human capital. Yet selecting and recruiting quality personnel and retaining them in public administration represents a big challenge. Such a challenge may be remedied by giving priority to the competences, skills, and abilities of candidates in the selection and employment process, thus creating a conducive environment in public administration. Managing the recruitment process is very important and has a strategic influence on the work of public authorities. Equally, strengthening administrative capacities and further professionalising and depoliticising public administration also influences the performance of the employees, their professional development, as well as their further career development and advancement in public service. In particular, professionalisation is viewed as a driving force of public administration and society development.

The concept of competences is very widely used, in several areas of human resource management – individual selection, development, performance management, strategic planning and others. One of the very popular definitions of competence is that it is a standard that must be owned by an employee in carrying out his/her work, and includes a combination of knowledge, skills, and behaviours that can be used as a means to improve his/her performance. Therefore, employees who are about to perform a given task and work, not only are required to have knowledge, skills or ability but also still need other characteristics to be referred to as "competent" in the context of the implementation of the work to be completed as well as possible.[1]

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[1] Sienkiewicz, Łukasz & Jawor-Joniewicz, Anna & Sajkiewicz, Barbara & Trawińska-Konador, Katarzyna & Podwójcic Krzysztof. (2014). Competency-based human resources management. The lifelong learning perspective.

2. HRM SYSTEM IN PUBLIC ADMINISTRATION

The importance of HRM has been recognised since the beginning of the process of European integration in Montenegro, starting from early 2004. According to the Report of the European Commission for 2021, Montenegro is *"moderately prepared on the reform of its public administration"*.

2.1. Institutional setup

The main goal of the Ministry of Public Administration (MPA) of Montenegro - re-organised in 2021, after the changes in the political scene - is to create an efficient and responsive public administration while introducing new practices, processes, and methods of designing, delivering, and managing programmes and services that meet the needs of citizens; all based on the principles of inclusion, equality, and accessibility. Main areas of activity of the MPA are public administration reform and digital transformation. Within the PAR component, the Ministry focuses on making public administration an attractive employer, to entice skilful and knowledgeable candidates to work in state administration; as well as, to develop more transparent and competitive HR policies both at the central and local level, while strengthening HR officers/departments in public authorities.

The Human Resources Management Authority (HRMA) is an independent government authority. It was founded in 2004. as the central authority for human resources management with the adoption of the Decree *"On Organisation and Manner of Work of State Administration Authorities"*. The role of the HRMA, among others, is to provide support to public administration reform in accordance with the basic principles included in the PAR Strategy 2022–2026. By providing the conditions for a professional public administration, the HRMA's objective is to be a modern service and initiator of changes in the field of human resources management. The HRMA focuses on establishing a professional, depoliticised and service-oriented administration, capable of providing timely services of good quality to citizens and institutions of Montenegro, improving the human resources management system and the level of professional development of human resources employed in the public authorities. The competences of the HRMA are laid down by the Law on Civil Servants and State Employees (CSSE).

The main responsibility of the Sector for Job Advertisement Procedure and Legislation Implementation Monitoring of the HRMA, is to manage recruitment procedures, advertise public competitions for heads of authorities and senior management level staff, as well as to provide for the proper selection of candidates who have applied, utilising the competency framework.

2.2. Strategic framework

With the introduction of strategic planning in Montenegro, the first Public Administration Reform Strategy (PAR) 2011–2016 was developed and further elaborated the reform with the main goal to create an efficient, professional, and service-oriented public administration, that will serve citizens and businesses. The next PAR Strategy 2016-2020 focused on human resource management in the public administration system, emphasising the need to expand the scope of the civil service system, the separation of political and professional functions, the promotion of the system of recruitment, professionalisation and the improvement and strengthening of the integrity of employees. The current PAR Strategy 2022-2026 defines the third strategic goal *"Professionalisation of Public Administration"* with operational objectives focused on making recruitment procedures more transparent and competitive through promotion of competition and employment based on competence, skills and abilities, unifying the planning and personnel management standards for the civil service system and eliminating risks for inappropriate political influence especially with regard to the selection and recruiting procedures.[2]

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[2] The basics for PAR reform and the development of the above-mentioned strategic document is laid down in the document *Principles of Public Administration* developed by SIGMA and represents a standard in good governance, serving as a framework for assessing status and progress in public administration reform.

2.3. Normative framework and transition to competency-based recruitment

In the Montenegrin legal system, employees in the public authorities are distinguished into the following categories: (a) head of authority; (b) senior management staff; (c) expert management staff; (d) expert staff; and (e) executive staff.

The Law on CSSE adopted in 2004 recognised the further professionalisation of administration, and the need for further development of public service. The amendments to the Law on CSSE in 2018 introduced several novelties aiming at increasing the professionalisation of public administration: an improved concept of civil servants' professional development, improved transparency of the recruitment process, as well as merit-based promotion. These enabled that key positions within state authorities are occupied by civil servants whose integrity, competences, and knowledge guarantee that they can accomplish the Government's strategic goals and efficiently observe citizens' rights.

Nevertheless, even though the Law ensures this, certain concepts have not taken root or have not been fully realised. Article 46 of the current Law on CSSE, [3] prescribes the examination of knowledge, skills, and competences for all categories of civil servants as part of the employment procedure. In practice, competences are currently assessed only for senior level management staff and heads of authorities, but not for other categories of civil servants – categories c, d, and e. Moreover, the Law defines that the examination of competences, knowledge and abilities is to be carried out by the Commission for examination of candidates and according to the Decree *"On Criteria and Detailed Manner of Conducting Examination of Knowledge, Abilities, Competences, and Skills for Working in State Authorities"*.

Once the amendments to the Law on CSSE were made and the Decree was adopted - in order to further develop the competency-based recruitment procedure and help the members of the Commission for examination of candidates - the HRMA developed the Manual *"Competences for Head of Authorities and Senior Management Level"*, in 2019. The purpose of the Manual is to explain the selection process providing more information on the recruitment process in public administration, to contribute to the development of knowledge and skills of the Commission for examination of candidates and to support the selection of future employees in public service. It should serve all participants in the selection process, that is, heads of authorities, immediate supervisors, HR officers and independent experts - selected as members of the Commission for examination of candidates.

After the adoption of the Manual, capacity-building trainings were developed and organised for all interested candidates – targeting specifically prospective members of the Commission for examination of candidates, in order to enhance their knowledge on the process of selection and the principles of the competency-based model and provide clear guidance on the procedure from start-to-end, resulting in the selection of the best candidates for the advertised positions. Since its adoption, and after the first training cycles were completed, the recruitment process for all advertised vacancies for heads of authorities and senior management staff - including senior management level positions in local self-governing units - were carried out based on the procedures defined in the Manual.

Amendments to the Law *"On Civil Servants and State Employees"*, adopted in January 2021, lowered the requirements for merit-based recruitment, competence, and independence of civil servants. Nevertheless, the amendments to the Law and relevant by-laws introduced some improvements in the public HR system. These were aimed at raising efficiency, transparency, and objectivity of the public authorities, especially in areas related to the selection and employment procedures of civil servants and state employees.

Although the normative framework is adopted, in practice certain issues are still outstanding such as objectivity of the Commission members, eliminating the scenarios of "favouring" certain candidates, depoliticising the employment process, increasing the transparency and availability of reports and

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[3] Official Gazette No. 2/2018, 34/2019 and 8/2021.

other official documents from the employment procedure, as well as the low interest of candidates applying for vacancies in public administration, and other. Detailed findings and recommendations are presented in the sections below.

2.4. Commission for examination of candidates

The Commission is established by the decision of the HRMA for each advertised vacancy, appointing the Chairperson of the Commission and its members and describing their tasks and responsibilities. Based on this decision, members of the Commission for examination of candidates for the heads of public authorities and senior management level staff are the HRMA director, a senior management level appointee from the recruiting public authority and a selected expert from the relevant field of expertise with respect to the advertised position.

The expert is selected based on an independent public call issued prior to the advertised vacancy in public authority (the call is issued by the Ministry of Public Administration). Once the application process is finalised, based on received CVs and backgrounds of each applicant, a list of experts is completed by the Commission for examination of candidates. The experts are later contacted based on the nature of advertised vacancies.

Commission members should be free of conflict of interests towards the examination procedure, meaning not to have any links to the candidates they are evaluating. If it is the case, a member should be self-excluded from the recruiting procedure and a substitute should be provided.

Some of the tasks of the Commission members are informing all candidates on their rights prior to start of the tests, the maximum duration for each section of the testing, providing scores on the written test/essay according to the evaluation grid and conducting the interviews. The Evaluation grid is part of the established *"Form for Appraisal of Competences"* – an integral part of the Manual developed by the HRMA.

Based on given instructions the Commission members evaluate candidates against the set of criteria for five competences: (1) leadership, (2) focus on results, (3) cooperation, (4) communication, and (5) innovativeness. The Grading scale ranges from 1 to 5, 1 being the lowest grade and 5 the highest. All members should also justify the grades awarded to candidates by providing comments for each one of them.

3. THE EMPLOYMENT PROCEDURE IN PUBLIC ADMINISTRATION

3.1. Current state

The process of job advertising, selection and employment of civil servants and state employees is regulated by the Law *"On Civil Servants and State Employees"* and relevant by-laws. The HRMA has a primary role in the employment process in public administration, and it is responsible for monitoring and directing the recruitment and for maintaining the quality and integrity of the process. The advertising process for filling a vacant position in a public authority in Montenegro is carried out based on three types of announcements: Internal, and public advertisements for civil servants, and public competition for the category of senior management level staff and heads of authorities.

All applicants meeting the general conditions established by the Law on CSSE,[4] and the special conditions - determined by the Act *"On the Internal Organisation and Systematisation"* - of the relevant institutions seeking to fill the vacancy can apply for a vacancy and to be considered for future employment. Vacancy requirements for civil servants and state employees are available under equal conditions for everyone interested.

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[4] Official Gazette No. 02/18, 34/19 and 08/21.

In accordance with the Law on CSSE, it is the HRMA's responsibility to initiate and implement the employment procedure.[5] The Decision *"On Initiation of the Procedure for Filling Relevant positions"* can be made by the head of the public authority, if:

- the position is already defined in the Act *"On Internal Organisation and Systematisation"*;
- the position is not filled;
- the filling of the position is foreseen by the *Personnel plan* for the relevant year; and
- the public authority has provided financial resources for the post (and received an approval from the Ministry of Finance).

Once the relevant public authority seeking employees submits the complete documentation in a timely manner to the HRMA, then the HRMA publishes the announcement at its official website. After the deadline for application passes, the HRMA compiles a list of candidates who meet the requirements of the published advertisement/competition. All qualified candidates are informed by the HRMA on the date and place of the examination procedure, at least five days prior to the testing. The examination of candidates is implemented in accordance with the Regulation *"On the Criteria and Detailed Methods of Procedure for Testing of Knowledge, Capabilities, Competences and Skills for Employment in a Public Authority"*.[6]

The data in Tables 1, 2, and 3 below show the number of advertised competitions for senior management level staff and for heads of authorities for 2020 and 2021 in Montenegro, as well as the average number of candidates that applied for each vacancy.

Table 1. Competitions published in 2020 and 2021

Year 2020	Public Competition			Year 2021	Public Competition	
	For senior management staff	For heads of authorities			For senior management staff	For heads of authorities
January	3	0		January	1	0
February	1	0		February	0	0
March	0	0		March	0	0
April	4	1		April	0	0
May	3	0		May	0	1
June	9	2		June	0	0
July	2	0		July	0	1
August	1	1		August	4	1
September	8	3		September	3	1
October	10	1		October	3	4
November	1	1		November	5	2
December	0	0		December	6	5
TOTAL	**42**	**10**		**TOTAL**	**22**	**15**

Table 2. Number of applicants for different announcements in 2020 and 2021

Type of announcement (2020)	No of candidates		Type of announcement (2021)	No of candidates
Public competition for senior management staff	118		Public competition for senior management staff	277
Public competition for heads of authorities	34		Public competition for heads of authorities	23

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[5] Based on the requirements of the relevant public authority.
[6] Official Gazette No. 50/18.

Table 3. Average number of applicants for vacant positions

Type of announcement (2020)	Average No of applicants per position
Public competition overall	2.14

Type of announcement (2021)	Average No of applicants per position
Public competition for senior management staff	4.96
Public competition for heads of authorities	1.53

3.2. Competency, knowledge, and ability testing for senior management staff and public authorities' heads

Heads of public authorities and senior management level staff are employed through a public competition. The public competition is published at the HRMA's web page and in daily newspapers. The deadline for submitting applications is 20 days from the day the announcement is published.

The applicants who fulfil the requirements of a public competition for a head of a public authority or a senior management level position are subject to the examination of competences, knowledge, and capabilities. The examination begins with testing in written form. The test implies the preparation of an essay, which contains an overview of priorities and proposals for improvement of the work process, i.e., the situation in the field of work for which the candidate is applying for. The written test takes no longer than 60 minutes. Prior to the beginning of the written test, the identity of each candidate is verified.

The written test/essay is evaluated according to the following criteria:

- knowledge of the field of work for which the candidate is to be appointed - up to 10 points;
- setting priorities and developing proposals - up to 5 points; and
- structured and systematic approach - up to 5 points.

The number of points for the written test/essay is obtained by adding up the points of all Commission members divided by the number of members. A candidate who receives more than 50% of the maximum points for the written test/essay may proceed to the next phase of examination – interview.

During the structured interview, candidates present their essays – up to 15 minutes each - in front of all Commission members; followed by additional questions. The overall duration of the structured interview is determined by the Commission and must be the same for all candidates. The advantage of the structured interview is that it puts all candidates in the same position: they all answer the same questions.

At the interview, the following competencies are assessed:

- leadership – up to 5 points;
- focus on results – up to 5 points;
- cooperation – up to 5 points;
- communication – up to 5 points;
- innovativeness – up to 5 points.

The total number of points of the structured interview is obtained by adding up the points of all members of the Commission for each of the criteria and divided by the number of commission members. After the overall testing process is finalised, the Report on the examination procedure is prepared.

3.3. Discussion and recommendations

While Montenegro developed many good solutions related to HR management in the past years, i.e., it has strengthened the employment procedures of heads of authorities and senior management level staff is public entities (with the amendments to the LCCSE, development of relevant methodologies and manuals and trainings for the Commission for examination of candidates), some issues are still outstanding. Therefore, further improvements are needed and herewith relevant recommendations are provided for the overall process to be more successful.

Strong political will is needed to effectively address depoliticisation of the public service, optimisation of the state administration and merit-based recruitment in Montenegro. Thus, in the coming years, the focus should be on ensuring efficient, simplified, and fair recruitment process according to the principles of merit, competence, and transparency.

The HRMA administrative procedures for job applications for all vacancies were simplified, since financial costs for candidates applying for advertisements have been eliminated by the introduction of the e-application (available to all interested candidates to apply on-line). The latest amendments of the Law on Civil Servants and State Employees have introduced the electronic testing for all candidates (testing to be performed anonymously, where each applicant is given a random code number). However, it is still also necessary to further professionalise public administration and position public administration in the centre of reforms based on the principles developed by SIGMA/OECD.[7]

Furthermore, also based on previous experience, the biggest challenge in the recruitment process is the preparation of the practical part of the written test by the relevant public authority that has initiated the advertisement for a vacancy, since it can - to a certain extent - influence the possibility of "favouring" a candidate. Therefore, the HRMA identified a new approach for the preparation of this type of tests – namely the preparation and selection of the written test is also to be done electronically and thus eliminating any influence related to the selection procedure. In this context, Commission members are required to prepare ten job-specific tasks, two of which are randomly selected by the Commission shortly before the examination takes place. As a result, the risk of examination questions being leaked to candidates is reduced. Furthermore, the selection of tasks should be computer based (random) in order to even further reduce the possibility of candidate "favouring". Moreover, although guidance is provided for the Commission when preparing and scoring interviews, these are still seen as the weakest link of the merit recruitment and selection process.

In addition, the process of recruitment, once finalised, does not necessarily determine who precisely will be selected for the advertised position, as the senior managers of the recruiting public authority receive a shortlist of three candidates from which they are able to choose one. Senior managers are required to have a 'conversation' with the three short-listed candidates. Effectively, this conversation represents an additional interview after the completion of the standard recruitment procedure. As the final decision is at the discretion of senior managers in selecting a candidate from the shortlist, this conversation becomes therefore very important. However, it is noted that this conversation is not formally a part of the examination procedure and there are no guidelines either for the conduct of such conversations or the scoring of candidates at this stage.

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[7] Since 2014, the European Commission has defined the scope of public administration reform as covering six core areas: (i) the strategic framework for public administration reform; (ii) policy development and coordination; (iii) public service and human resource management; (iv) accountability; (v) service delivery; and (vi) public financial management. The Principles of Public Administration have been developed by SIGMA in close cooperation with the European Commission to define detailed requirements for a well-functioning public administration in each of these core areas.

Given the issues discussed above, this paper provides some recommendations that could improve the employment procedures in public administration in Montenegro. The following:

1. For the reform of the human resource system in Montenegro to be successful and produce valuable results, it is necessary to involve all partner institutions (all public authorities for which a vacancy is advertised), for this process to be strengthened. The HR reform should not be understood as the reform to be carried out by the HRMA and/or the MPA only.

2. The HR reform is directly linked to the quality of public service provision, and therefore these two areas need to be improved simultaneously and the process of improvement should be complementary, as poor selection of senior management level staff and heads of authorities may impact the quality-of-service provision to citizens and business.

3. Further improvements are needed regarding the HR legal framework. Especially, the Act *"On Internal Organisation and Systematisation"* should be enhanced since it constitutes a precondition for the initiation of the recruitment process in public authorities. Also, job descriptions for each vacancy should be further elaborated with information on concrete task, duties, and responsibilities, and with clear supervision roles. It is of upmost importance for clear and precise job descriptions to be published with the advertised vacancy to attract qualified candidates and allow for the selection of the best future employees among those who truly fit the profiles of advertised positions.

4. The HRMA should promote and prepare better advertising campaigns on available vacancies in public authorities, providing clear and detailed information about such vacancies, better presentations of the advertisements, and posting information at social media, with the overall goal to attract more candidates to apply.

5. Implementing a fully electronic application process (service e-Application) for all advertisements available to all interested candidates allowing for the simplification of the recruitment process and no-cost procedure for candidates.

6. Develop a fully electronic testing procedure for all vacancies. This will further eliminate any potential favouring of candidates and move towards full objectivity of the selection process and better quality of the entire procedure.

7. The HRMA to support the human resources management units in public authorities to effectively apply recruitment procedures and further strengthen the Network of HR officers in public authorities.

8. The HRMA to reconsider the number and type of official/certified documents that must be submitted by each applicant per vacancy, differentiating them from the documents that need to be submitted by successful candidates.

9. Although the procedure of the preparation of tests for candidates is improved, still additional efforts should be made to ensure the confidentiality of the questions/tasks developed per each employment procedure, thus further avoiding the possibility of "favouring" candidates.

10. Introduce the condition that members of Commissions for examination of candidates may not be members of political parties.

11. Provide obligatory training for all members of the Commission for examination of candidates to ensure the best possible process for applicants, and to implement the testing procedure based on the standards of legality, objectivity and transparency. In addition, more detailed and clear selection procedure for the members of the Commission should be developed to avoid any potential situations of conflicts of interest.

12. Focusing on mechanisms aiming to increase average number of applicants per vacancy. This should be one of the main priorities of the Government in order to attract the most qualified and knowledgeable candidates available on the market.

13. A competency framework should be developed for all categories of employees in public administration and improve the testing procedure to accurately test and verify skills and abilities.

14. The current Competency Framework used for senior management level and heads of authorities should be further elaborated (i.e., the Manual) to provide more detailed and clear information on the competences and the process of scoring against identified competences.
15. The HRMA should think about developing specific competencies for specialised types of vacancies, i.e., posts such as inspectors, auditors, IT officers, etc. This will help better evaluate the candidates against specific tasks they are to perform in their respective positions.
16. Allow public access to final reports and other documents from the candidates' examination procedures to increase the trust and the integrity of the process itself.

4. COMPETENCES

The use of competency-based frameworks is nowadays widespread in the configuration of human resource practices. Rooted in the North American context, the competences movement is also widely used in Western countries' public administration systems. However, given the variation of the meaning of competency in the 27 EU countries, a huge disparity in methodological approaches exists, as well as how competencies are defined and used.

A competency is generally defined as a combination of skills, knowledge, abilities, and behaviours that enables an individual to perform successfully assigned tasks in a job position. Competences show the way people perform their duties, how they apply their knowledge, skills, and management practices. Competencies are observable behaviours that may be evaluated, and thus are essential in terms of developing employment responsibilities, managing recruiting, and retaining staff.

4.1. Competency Framework

A Competency Framework is a structure that sets and defines each individual competency needed for all those working in a public authority. It is a set of behaviours necessary for effective work and management of responsibilities. The Competency Framework improves the selection process of candidates, helps to find the best leader that will manage the authority more efficiently. The overall goal of the Competency Framework is to support the selection and employment process for candidates and their professional development to ensure further professionalisation of staff. The Competency Framework can also be used in the process of evaluation and assessment of employee.

In Montenegro, the Competency Framework is seen as a structure that puts in place and defines each individual competence that an individual working in the public authority must possess. The introduction of competencies enables a clear and transparent selection procedure for persons who will be in head of public authorities positions or for senior management level staff.

The Decree *"On Criteria and Detailed Manner of Conducting Examination of Knowledge, Abilities, Competences, and Skills for Working in State Authorities"*, and later, the Manual developed by the HRMA, defines five competences used during the selection of candidates for the categories of heads of authorities and senior management level staff.
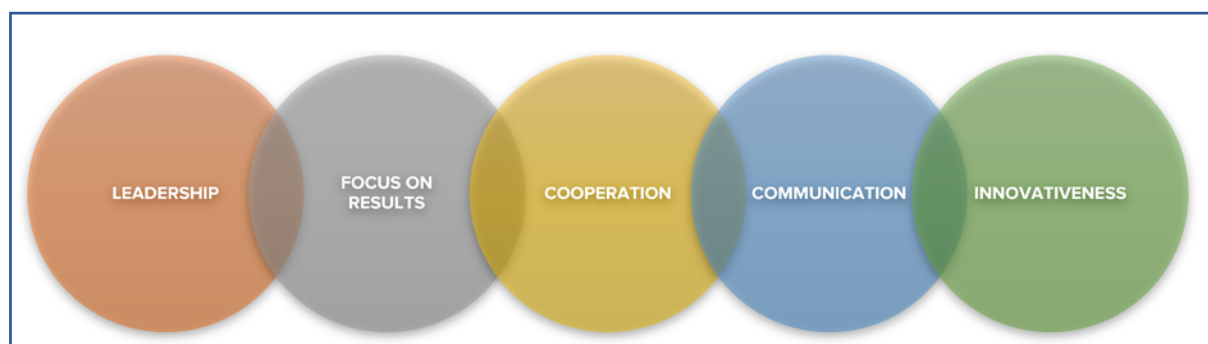
The following sections provide more details of the defined competences determined by the Manual *"Competences for Heads of Authorities and Senior Management Level Staff"*.

Leadership

> *Ability to define an effective strategy, create and communicate a vision in a clear way, commit to achieving goals, motivating teams for accomplishing tasks, making decisions, and taking responsibility for the decisions made.*

Leadership is the ability of influencing other people so that they work towards the common goals of a public authority. Leadership based on encouragement rather than criticism is more successful. More effective is leadership that focuses on solving problems rather than placing blame. Commission members, based on candidates' presentations and structured interviews during which they ask specifically designed questions, must assess whether the candidates possess leadership skills and qualities. Commission members should recognise the energy, the desire for advancement, candidates' ambitions, endurance, and initiative.

The work presented by the candidates should contain an idea about the future progress of the public authority in question. It should also be carefully assessed whether candidates have the desire to influence others in order to achieve the common goals of the authority/organisational unit set. Candidates should be able to develop trust and enthusiasm among people in a team to allow prospective public employees to demonstrate their capacities and skills.

Leadership qualities that candidates should demonstrate through the selection process include belief in one's own abilities and capability to perceive well. The leadership competence assumes excellent knowledge of the work of the public authority the candidate wants to manage, which could be clearly recognised from the written work/essay submitted by the candidate. Creativity is also necessary to be clearly emphasised in the written work/essay.

The Commission needs to recognise whether candidates know how to help people understand the need for change, how to motivate people, to encourage positive communication, to value and encourage teamwork, to maintain good interpersonal relations and behave morally. It is important that, in addition to the vision presented in a candidate's essay, there is also a plan for implementation of the vision. The true leader should also possess the ability to distribute work fairly and evenly, in such a way that every employee receives the task[s] that best suits their skills and personality. In that context, it is important for the Commission to recognise whether candidates differentiate between a boss and a leader. Best candidates should also demonstrate the ability to work easily with people, to be able to be team players, to be ready to take risks, to experience failure and based on these provide new direction and new vision.

The Manual provides sets of questions that may be asked during the testing process to help the Commission members to better evaluate each candidate:

- How would you influence your colleagues in order to achieve the goals you defined in your work?
- How do you define influencing your colleagues?
- Do you believe that you should assist your colleagues in achieving their tasks and duties in order to accomplish overall goals?
- Do you believe that you should make your own individual decisions without consulting your colleagues?
- Are you able to differentiate between the boss and the leader?
- Provide an example when you had to influence certain decision of your supervisor or a colleague, and how did you manage?
- Describe a situation when you have established trust and respect towards your team members. How did you achieve it and how did you manage for it to become permanent?
- Describe a case when you had to present some negative strategy.

- Describe a situation when you had to motivate employees to finalise their duties within a deadline. How did you do it?

Focus on results

> *Ability to implement activities at all levels aligned with the workplan, to distribute tasks to available human resources in accordance with priorities, to monitor achievement of goals in line with deadlines and assume responsibility for monitoring at all levels of work.*

Focus on results is demonstrated though candidates' motivation to improve the work of the public authority that the candidate aspires to manage. The achieved results of the authority, if managed by the candidate, should be equivalent to the situation in the public authority at the time of the recruitment process. In the written work/essay, candidates should emphasise how the progress will be measured and to what extent the work of the public authority would improve after achieving selected results. It would be also beneficial for candidates to mention the source of verification of defined results, i.e., which authority could verify that a certain result has been achieved, if goals are reached and progress has been made in the work.

Candidates should be able to classify activities into four categories, based on the level of priority: 1. Important – not urgent; 2. Important - urgent; 3. It is not important - urgent; 4. It is not important - it is not urgent. Available resources should be distributed respecting both criteria – importance and urgency.

This competence also implies monitoring at all levels, thus candidates should recognise the need to introduce a reporting system to monitor the implementation of the work plan, the implementation of activities, utilisation of resources and achievement of results. In addition, candidates should have a clear idea how to evaluate results and how to reward employees' achievements. Since rewards motivate people, it is important that the criteria for rewarding are known in advance by everyone. It is very important to understand that candidate's competences will be better manifested if their teams achieve good results.

The Manual provides sets of questions that may be asked during the testing process for this competency:

- How, and based on which parameters do you set priorities?
- Describe a situation when you had to implement several different activities with short deadlines. How did you prioritise?
- Describe a situation when you had to implement one activity with a very short deadline.
- Describe a situation when you were monitoring fulfilment of key results of your department and realised that you cannot implement an important activity on time. What did you do?
- Describe a situation when you had to make substantial changes to the workplan, e.g., revise an Action Plan and to inform supervisors about it.
- Provide an example when you had to measure results against any objectives set. How did you measure results?
- Provide an example when you realised, during the implementation phase, that objectives were set poorly. What course of action did you take in this regard?
- How did you handle the situation when unforeseen circumstances altered the implementation of the goals?
- Describe a situation when you received unclear guidance from your supervisor for a task. How did you react and what was the outcome?
- Provide an example of a situation in which you had the opportunity to make an appraisal of your employees.

Cooperation

> *Ability to cooperate with internal and external partners at all levels, while respecting and accepting different opinions, encouraging teamwork, giving, and accepting feedback.*

Cooperation implies that the manager knows how to express opinion without causing conflicts, and if it knows how to resolve such situations constructively. Senior management level personnel should be able to work in a multi-ethnic and multicultural environment, understanding and respecting diversity. Also, managers should be able to face stressful situations that are common in public administration management.

For this competency, it is necessary to observe candidates ability to cooperate with internal and external partners at all levels, while respecting and accepting different opinions, encouraging teamwork, giving, and receiving feedback. From the candidates' answers one should understand whether a candidate can easily establish relationships with other people, knows how to encourage two-way communication rather than just to allocate tasks to employees.

During the interviews with candidates, Commission members should evaluate if candidates can be active listeners. Candidates' persuasiveness even during the interviews should be based on arguments. It is important that candidates know how to accept criticism, which can be noted during the interview. Future managers should be familiar with modern trends and good practices in management and therefore cooperation with external partners and the development of competences are necessary in this regard. That is why readiness to exchange information, make analysis and link information from different sources is very important. In addition, it is especially important to share information with colleagues in a timely manner.

The Manual provides sets of questions that may be asked during the testing process for this competency:

- Describe a situation when you had a conflict with a team member. What was the issue? How did you resolve it? What was the outcome?
- Describe a situation when you effectively used feedback and it resulted in a positive experience? How and what was the outcome?
- Describe how you would cooperate in a situation where several members have different delegated responsibilities, and you all are to reach a joint objective.
- If, during your past experience, in cooperation with other partners, you have achieved a substantial goal, in what ways it was promoted?
- How do you share information to your team?
- How do you manage a multi-ethnic environment?
- Describe a situation when, while working as part of a team, your opinion differed from the rest. What was the outcome?
- Describe a situation where you have successfully cooperated with other institutions.
- Describe a situation when you had a conflict with a team member. What was the issue? How did you resolve it?
- Describe a situation when you effectively used feedback and it resulted in a positive experience. How, and what was the outcome?

Communication

> *Ability to communicate in a clear, precise, and persuasive manner adjusted to the objective and the team; constant flow of information based on reliable facts.*

As a central social phenomenon, communication is part of all spheres of human life. It implies transfer of information and a search for information. Communication is an exchange of information, knowledge, ideas, and experiences.

During the interview, the Commission should recognise the candidates' ability to communicate clearly, accurately, and persuasively, while adjusted to the relevant objective and the team, being ready to constantly receive and give information based on reliable facts. Good communication implies a relation based on appreciation, respect and understanding. Candidates should encourage colleagues to talk about other employees in the same manner they would like others to talk about them. Arguing, ignoring, or expressing open antipathy among team members does not describe good communication.

From the candidates' written work/essays and their presentations, the Commission members should evaluate how candidates plan to communicate internally and externally. If it is not clear from the essays, it should be raised during the interview. To evaluate if candidates communicate competently, it is important to address how candidates use different types of communication tools, from classical to modern ones.

Candidates should know how to promote results. While doing so, candidates should be aware that without good internal communication, there is no good external communication. Meaning that they understand that all colleagues, depending on their hierarchy, should have enough information in order to further promote the work of the public authority to achieve its intended results. At the interview, questions should be raised that could lead the Commission members to relevant findings.

In addition, candidates should be ready to improve their communication capacities and provide employees with training on communication skills. Candidates should insist on two-way communication, encouraging colleagues to deliver bad news as well, while they will provide as much information as possible to their employees in accordance with their responsibilities and tasks. Candidates should be aware of the importance of feedback and team briefing, which should be regular.

The Manual provides sets of questions that may be asked during the testing process for this competency:

- What types of communication have you used so far?
- What types of communication do you plan to use in your work as a senior manager in the public authority you have applied for?
- Describe a situation when your employees have delivered bad news. How did you react?
- Do you have experience in situations when employees are hiding bad news?
- Do you have experience in public appearances?
- Do you have experience in using social media as a tool to promote achieved results?
- How would you ensure communication with employees if you have no access to email and prompt reaction is needed?
- How did you resolve a conflict situation with employees while delivering information?
- Do you use standards of internal communication?

Innovativeness

> *Using new methods in the execution of all tasks, linking good practices, adopting new ideas and encouraging employees to implement activities with the use of modern technology.*

An innovative person is a person who is full of ideas, novelties, and proposals.[8] Innovation is the application of a new and improved idea, procedure, good, service, or process.[9] In the business

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8   https://velikirecnik.com/2016/10/19/inovativnost/
9   https://velikirecnik.com/2017/02/03/inovacija/

world, innovation means the introduction of new ideas into products and services that result in increased value (profit, quality, interpersonal relations, etc), therefore, the introduction of profitable innovations. In institutions of public administration, innovation should be in the service of more efficient work, better interpersonal relations, better results, and all for the benefit of citizens and their better quality of life, which is the ultimate purpose of existence and functioning of public administration.

In the European Framework of key competences, it is stated, among other, that the one who is able to be innovative (i.e., the candidate), should be able to translate ideas into actions. In modern society, innovations have become a prerequisite for competitiveness, not only in companies but also in public administration, which must keep up to date with progress, in order to be able to achieve its social role – to create a good business and social environment. Enabling the advancement of the business and social environment means building an efficient and developed society.

Therefore, innovation is necessary and implies creativity and readiness to take over risks for the implementation of new technologies. The development of this competency enables the manager and employees to deliver their tasks better.

The Manual provides sets of questions that may be asked during the testing process for this competency:

- Provide an example when you have introduced an innovation. How did you manage and what was the outcome?
- Provide an example when you used new digital tools to improve communication. What did you do and what was the outcome?
- How did you use new technologies to improve the quality of work?
- Describe how you accessed and entirely new project and mobilised team members to work with you?
- Describe a situation when you turned an issue into opportunity for further development. What was the outcome?
- Provide an example when you developed a new idea into a successful project.
- Describe a situation when you successfully supported creativity among your employees.
- Do you believe that trainings on the use of modern technologies are useful to employees?

5. PERFORMANCE APPRAISAL OF EMPLOYEES

The evaluation of the work of civil servants and state employees is carried out in accordance with the Law on CSSE (Article 81) and the Regulation *"On Performance Evaluation of Civil Servants and State Employees"*, prescribing in more detail criteria, methods, and procedures for the evaluation process.[10]

5.1. Evaluation criteria for heads of authorities and senior management level staff

Criteria for evaluating the work of persons who perform tasks at the senior management level and heads of public authorities, are the following:

- Fulfilment of work tasks: focus on results, implementation of established goals and focus on the development and motivation of employees;
- Quality and quantity of results: implementation degree of duties and quality achieved, expertise and ability to organise work;
- Scope and timeliness in the performance of duties: efficiency, change management and setting priorities;
- Other abilities and skills demonstrated in the performance of duties: leadership, cooperation, communication, and innovation.

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[10] Official Gazette No. 16/19.

5.2. Evaluation procedure

The head of authority/unit within a public authority is obliged by the Law to continuously monitor the work and duties of its employees, encourage them to work efficiently and effectively while performing their tasks, monitor compliance with official duties and appropriate behaviour and indicate potential omissions and irregularities in their work.

The direct supervisor evaluates the work of its employee and assigns scores 1 to 3 for each benchmark defined within the criteria above.[11] The final grade is a sum of all scores obtained divided by the number of criteria determining the grade. The final grade falls between the following categories, and the employee is given one of the three possible levels of performance: "outstanding", "good", or "unsatisfactory" in the following way:

- A score of 2.71 to 3.00 - the proposal for the evaluation of the work is "outstanding";
- A score from 1.51 to 2.70 – the proposal for the evaluation of the work is "good";
- A score less than 1.51 - proposal for the evaluation of work is "unsatisfactory".

The evaluation of work is carried out once a year, no later than 31 January following the end of the year under evaluation. All scores are recorded in the Human Resources Management Information System (HRMIS).[12] An employee who worked less than six months in the calendar year, regardless of the reasons, is not evaluated.

Once an employee is evaluated, the direct supervisor informs the employee with the proposed performance evaluation during an official meeting and enters all information including any disagreement of the civil servant with the evaluation.

The evaluation of the work of the heads of authorities and senior management level staff is also performed according to the Law and the abovementioned Regulation. Persons belonging to the senior management level are evaluated by the heads of authorities. The evaluation of their work is graded in the following way:

- "outstanding" – exceptional abilities are present in work organisation and management, and in cooperation and communication with other authorities, and other abilities for effective implementation of work tasks;
- "good" – average abilities shown in work organisation and management, in cooperation and communication with other bodies, and within other abilities to effectively implement work tasks;
- "unsatisfactory" – demonstrates below average abilities in work organisation and management, in cooperation and communication with other bodies and employees, as well as for the efficient implementation of work tasks.

Evaluation of the work of persons at the senior management level is carried out twice a year and is done by the Head of the public authority. In case when this work is graded as "unsatisfactory" two times in a row, the head of the authority submits a proposal to the Government for the termination of the person's mandate, in line with the Executive Decision on performance evaluation. The Heads of public authorities are evaluated by the relevant Minister.

Although the Law on CSSE (Articles 83 and 84) and the Regulation *"On Performance Evaluation of Civil Servants and State Employees"* clearly states the procedure and the timeline when the performance appraisal is to be carried out, based on data received from HRMA, the evaluation of employees is not carried out continuously, and performance appraisals are even lower compared to previous years.

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[11] Refers to the first line supervisor of the civil servant/state employee.
[12] The IT system managed by the HRMA.

Table 4. Number of public employees evaluated for performance (2017-2020)

Year	Number of employees	Number of employees evaluated	Percentage of employees evaluated
2017	13,133	9,2013	70.28
2018	11,178	7,527	67.33
2019	13,679	8,670	63.38
2020	14,497	4,352	30.02

The main goal of the evaluation should not be sanctioning or rewarding, but rather motivating employees, in cooperation with their direct supervisor, to better understand personal strengths and weaknesses, to reach the maximum quality of performance of work and duties, as well as to improve the quality of services provided. Therefore, further awareness raising on the overall objective of the evaluation should be raised, which is primarily a tool for the professional development, and not a mechanism for reward or sanction.

The biggest challenge of every public authority is to employ "the right person in the right place". Sometimes the selection process may fail to fully fulfil this goal. Once employed, performance appraisal is a tool that enables direct supervisors to recognise the best employees and assess their knowledge, skills, abilities, and competences, and if these are sufficiently developed for further promotion.

Figure 1. Evaluation of the work of civil servants and state employees
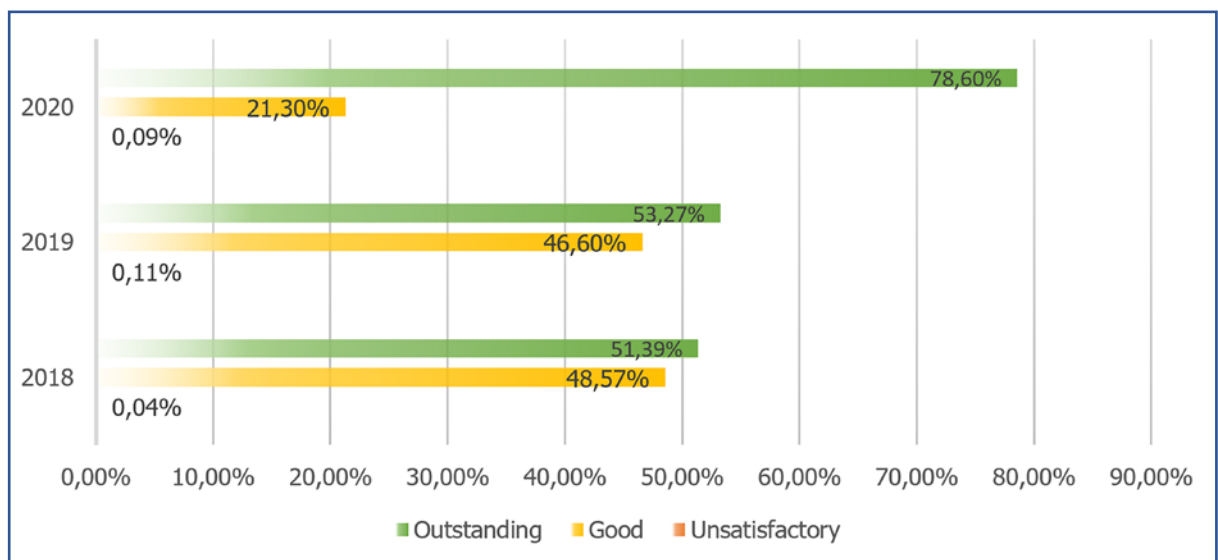
The biggest challenges in the implementation of the mechanism of evaluation, are not only certain legal solutions, but also readiness of the senior management staff and direct supervisors to conduct the evaluation process of employees based on principles of objectivity, impartiality, and transparency.

In some public authorities, the HRMA noted that evaluations were not performed until 2010, and in other authorities, it often happens that evaluations are performed superficially, giving all employees the highest possible grades (and not for the purpose of monitoring the employee's work). In the last three years the progress in this area is visible, and now an increased number of supervisors understands the importance of performance appraisal of employees as an essential instrument for HR management. The HRMA has also developed the Manual *"For Evaluating the Work of Civil Servants/State Employees"*, with detailed guidelines for the implementation of the procedure.

The performance appraisal system, according to the Law on CSSE, does not contain a material form for remuneration, but the employee is "rewarded", after receiving high grades, with a possibility to be assigned to a higher position.

5.3. Discussion and recommendations

To establish an effective employee performance appraisal system there is a need to focus on the overall management frame (both vertical and horizontal). This implies linking employee performance appraisal with the existing management tools in the public authority, especially strategic planning, and identification of an authority's goals; and horizontal linking of HR functions through competency frameworks that are not only related to employees' performance appraisal, but also to their development and professional training, compensation, etc.

It also means a review of the evaluation procedure for senior management level positions who should promote a culture of leadership, results-based accountability, and support. Only if the management takes performance appraisal seriously and shows commitment and management responsibility, it can become an effective tool in strategic decision-making. Therefore, it is of crucial importance to separately assess the competences and capabilities of the senior management level employees. Their individual performance should be harmonised with the public institutions' annual performance reports.

Although as part of the performance appraisal procedure leadership, cooperation, communication, and innovation have been introduced as other "abilities", which are assessed alongside the set of criteria associated with the work objectives (efficiency, timeliness, workload), these "abilities" are not defined nor is there a manual explaining their application in practice.

Investing in the capacity development of key actors (senior managers, HR managers, evaluators, candidates) of the performance appraisal process is crucial for improving its quality and compliance with the established rules.

One of the most important aspects while building trust in a performance appraisal system is to design a system so that it leaves enough flexibility to be adapted to specific needs of a public authority. It is also of crucial importance to connect each management position with mandatory leadership training. An overall leadership training package for the senior management level employees, should include, among other things, development of relevant skills, e.g., conducting interviews, providing feedback, creating development plans, coaching, etc.

Continuously improving monitoring and quality control systems through various accountability mechanisms that regularly review existing practices, will help in advancing the process itself and provide feedback on quality of outputs of the assessment process. Therefore, it is necessary to design - or improve an existing - feedback system while collecting data from the employee evaluation process. Such feedback and data collection systems should strengthen and support public authorities in collecting and analysing information gathered during the assessment process.

In this case the HRMA, as the central HR institution, would, for example, be able to collect all employees' evaluation reports on an annual basis in a unified format. This data could be used for planning sectoral HR strategies, including recruitment, development, and professional training. Based on these findings the performance appraisal system can be strengthened, along with recommendations for corrective measures and even trial testing of new approaches.

Given the above discussion, the following recommendations for improving the performance appraisal process are provided:

1. During the implementation of the PAR Strategy 2022-2026, it is necessary to focus further on the improvement of the system of evaluation to ensure better management of human resources and raise awareness on the purpose and goal of the performance appraisal. Alternatively, particular sets of activities should be included in the Action Plan 2024-2026 to be developed.
2. The performance appraisal system should be as simple as possible, from a perspective of process and content, to be understood as a very useful tool for managers, and not an administrative burden.

3. The performance appraisal system needs to be further upgraded, allowing for a more detailed scaling of grades and better definition of criteria.
4. Senior managers cannot be exempted from performance appraisal. On the contrary, since they play a strategic role in the performance of a public authority, the performance appraisal system must be initiated and led by senior management. Therefore, a specific design for senior management employees' performance appraisal should be established.
5. Reconsider the need and the purpose of evaluating persons at the senior management level twice per year.
6. Establish an adequate system for continuous monitoring all-year-long of the work of employees by their direct supervisor for the purpose of fair evaluation of their work.
7. Establish other forms of rewarding employees receiving an "outstanding" grade, but at the same time, also standardise existing forms of remuneration – advancement in their career (posts), further professional development, vacation days, and similar.
8. Performance appraisal should be linked to professional development of employees, in order to provide for adequate training programmes, specifically targeting defined weaknesses of employees.
9. Continue with trainings for senior management staff on the importance and benefits of high-quality evaluation systems based on SMART indicators.
10. Establish a separate e-module in HRMIS on performance appraisal, thus creating fully electronic evaluation procedures.
11. Invest in IT solutions that would support the process of preparation, conducting and monitoring of performance appraisals.
12. Improve the legislation so that it clearly prescribes some important elements of the performance appraisal process, like setting an objective(s).

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