

Chapter 6

Next steps towards a professional, strategic and innovative civil service in Kazakhstan

This chapter analyses the main findings from benchmarking Kazakhstan against OECD countries' human resource management practices. The main findings suggest that Kazakhstan has developed, or is in the process of developing, human resource management frameworks that are consistent with those of most OECD countries. Likewise, Kazakhstan shares many of OECD countries' concerns and priorities for reform, namely in terms of leadership development, competency management and performance management, which have been subject to significant and recent measures in Kazakhstan. To consolidate its professional civil service and develop a more strategic orientation to human resources management, Kazakhstan should consider consolidating and standardising its approach to skills in the civil service through competency-based management; pursuing investments in its senior civil service; and developing a performance culture.

This study benchmarks strategic human resource management (SHRM) in Kazakhstan for the first time against those of OECD countries, based on the 2016 OECD Survey on Strategic Human Resource Management in Central/Federal Governments of OECD Countries. The focus was primarily to collect and present rich and comparable data on a wide range of policies and practices that help to build a professional, strategic and innovative civil service workforce: delegation arrangements, workforce planning, competency frameworks, recruitment practices, career development, performance and incentives, and building leadership.

Benchmarking findings show that Kazakhstan has developed, or is in the process of developing, human resource management (HRM) frameworks that are consistent with those of most OECD countries. Like most OECD countries, delegation in Kazakhstan has led to a broadly comparable framework for terms and conditions of employment across central government; Kazakhstan has a vision that makes explicit statements about the future requirements of the civil service and uses recruitment and promotion merit-based methods to an extent similar to most OECD countries.

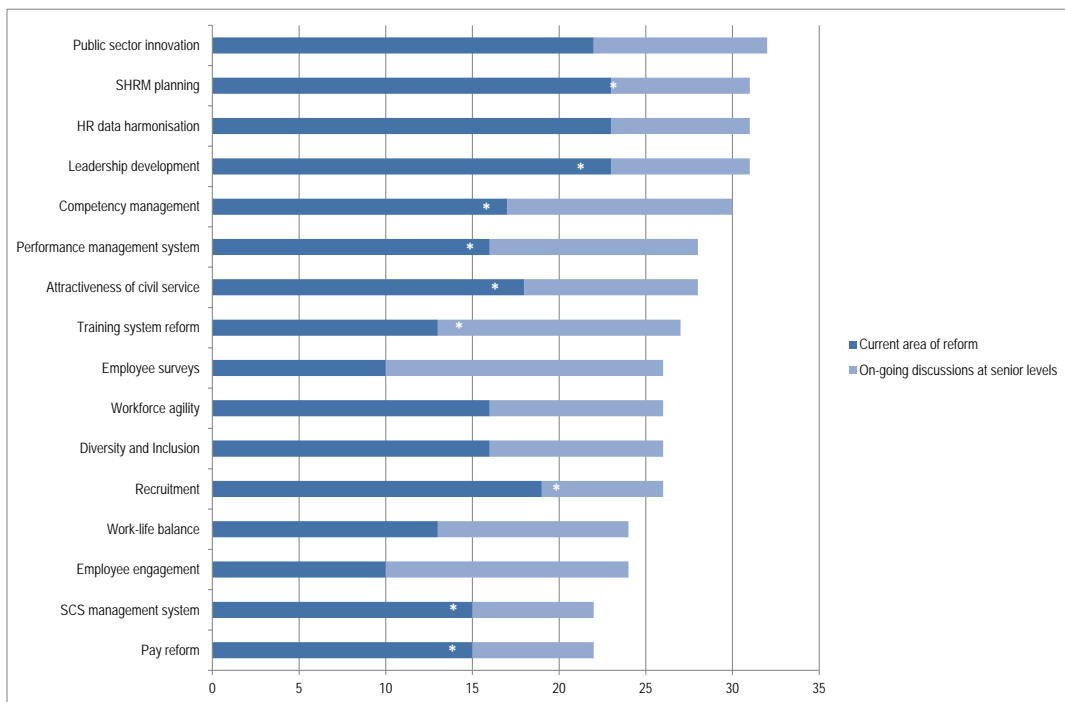
Benchmarking also shows that Kazakhstan shares many of OECD countries' concerns and priorities for reform. Figure 6.1 identifies HRM priorities and three of them are particularly important. Leadership development, competency management and performance management have been subject to significant and recent measures in Kazakhstan. The successful implementation of these reforms should strengthen Kazakhstan's ability to build a professional and strategic civil service, but its careful monitoring is necessary to ensure successful sequencing initiatives and that reforms meet capacity for implementation at the institutional level.

The nature of this benchmarking survey does not allow for the development of hard recommendations such as those that would result from a more thorough peer review. However, analysis of the results against the experience of OECD countries suggests a number of areas and challenges that Kazakhstan will need to address as it consolidates its professional civil service and develops a more strategic orientation to HRM:

- The development of **competency management** stands to help Kazakhstan consolidate and standardise its approach to skills in the civil service, but this will require careful implementation with a long-range view.
- Kazakhstan's investments in its **senior civil service** system are to be commended and suggest that it is on a path that can be significantly informed by further insights and analysis based on the experience of leading OECD countries in these areas.
- Bringing together skills, leadership and human resources (HR) reforms in a way that drives improvements in policy making and service delivery will require more than legislation, frameworks, and HR tools. Developing a **performance culture** is the ultimate goal of all HR reform, and will require performance systems, managers and leaders to be aligned and supported by data and evidence.

The OECD is ready to accompany and support Kazakhstan in its next phase of HR implementation and reform. Each of these three themes is explored in more detail below.

Figure 6.1. Human resource management reform priorities
 Responses of 35 OECD countries and Kazakhstan to Survey Q134, 2016
 Kazakhstan's response is indicated with an asterisk



Notes: Bars refer to the number of OECD countries that responded positively to this question for these areas.

Source: OECD (2016a), “Survey on Strategic Human Resources Management in Central/Federal Governments of OECD Countries”, OECD, Paris.

Mainstreaming competency management throughout the employment cycle

Kazakhstan is applying the competency framework which identifies skills and capacities for civil servants of Corps A and B. Its effective implementation brings opportunities and challenges for Kazakhstan's civil service. Competency frameworks or skills strategies need to be embedded throughout the employment cycle to have an impact on institutions. This starts with using competency frameworks as a basis for merit-based recruitment and continues by creating space to put to use and develop those competencies.

Kazakhstan will, like most OECD countries, base recruitment decisions on a standard competency framework. This involves first and foremost the capacity to attract and compete for the desired skills, in a context where most OECD countries struggle to recruit one or more categories of civil servants. Competency-based recruiting also implies developing new and effective selection tools, and training HR officers and recruiting managers to base their decisions on the results.

At the same time, constant change in the environment in which the public sector operates requires administrations to develop competency frameworks capable of anticipating future skills needs and being flexible. Skills development should be forward-

looking rather than a remedy for low performance. While performance evaluations are the most common tool in OECD countries to identify training needs for employees in central public administrations, assessments of government programmes and priorities are also very common.

As traditional class-based training methods or more recent methods like e-learning remain popular across OECD countries and Kazakhstan, they may not always be the most appropriate to develop certain skills, in particular management or soft skills. Giving civil servants opportunities to work outside of their home organisation can offer opportunities to develop new insights and build new skills by giving the individual a more horizontal understanding of policy issues and allowing them to look at things from outside their sector perspective (OECD, 2017a). Most OECD countries have reported plans to increase internal mobility within their public administration, and Kazakhstan may wish to consider these experiences as a complementary way to encourage employee development.

Providing attractive career paths to skilled employees may contribute to employee retention. When merit is taken into account in promotions, and career advancement is done through open competitions, civil servants have clear expectations on the potential impact of individual performance in their career paths. The point-factor scale developed in Kazakhstan's administration also has the potential to place greater value on skills and job content to determine the base salaries of civil servants.

In a context of further professionalisation of the civil service based on the competency framework, Kazakhstan faces a double challenge. First, the gradual implementation of the competency framework will be necessary to mainstream the use of competencies across critical moments of the career cycle, like recruitment, performance assessment or career advancement. Once the implementation of the competency framework has built the foundations for a professional civil service, the administration will need to look at specific skills sets that will contribute to a more strategic and innovative civil service.

Supporting a learning culture in the civil service will ensure that the workforce is consistently capable of renewing skills and keeping up with the fast-changing nature of work. This means investing in learning opportunities for all staff and developing career paths that emphasise learning throughout the career. Managers' responsibility to develop their employees is critical (OECD, 2017b).

Building a systematic approach to leadership

Kazakhstan uses separate HRM practices for senior civil servants (SCS) in central government to an extent similar to the average OECD country. While the number of SCS in central government varies significantly across countries, and countries' approach to SCS varies significantly, countries tend to manage SCS through specific employment, accountability and competency frameworks. Recruitment procedures are in most cases different from those of regular civil servants to better target certain skills or potential. Countries also tend to value certain leadership competencies more than others. People's management, strategic thinking, values and ethics tend to be a high priority in both OECD countries and Kazakhstan.

In a context of growing complexity and new governance challenges, countries are reconsidering the qualities and skills needed to strengthen leadership. Once those qualities and skills are identified, the capacity to attract and retain leaders with the right

profile is essential. Leadership development is high on the agenda of the vast majority of OECD countries and of Kazakhstan. More than ever, SCS are expected to be politically responsive and show commitment for reform, have a deep understanding of the citizens they serve and be effective managers capable of steering healthy and high-performing public sector organisations.

Developing high-quality leaders goes beyond redesigning competency frameworks or new training approaches. Leadership development requires a systematic approach to defining and reinforcing appropriate leadership styles and behaviours. As Kazakhstan is investing in the development of its Corps A, it could be relevant to further explore how some OECD countries are implementing centralised programmes to attract, recruit and develop promising employees. Kazakhstan should consider that many leadership competencies require experiential learning, which can be better acquired through temporary work placements or coaching rather than through class or online teaching.

Designing and communicating with a whole-of-government vision or agenda for a high-performing civil service would help SCS to build a shared narrative around strategic human resource management and guide and align leaders' actions. SCS play a key role within their organisations and have the potential to encourage performance and engagement. Likewise, middle managers need to be supported appropriately. While HRM is included in the accountability framework for managers in Kazakhstan and in a few OECD countries, access to networks of peers who can provide guidance based on personal experience could further help senior and middle managers to be equipped to manage and develop their employees.

Reinforcing a performance culture

Like in most OECD countries, formalised performance assessment is mandatory for Kazakhstan's government employees. Performance evaluation tools and criteria tend to be comparable and consist, in most cases, of an assessment of civil servants' outputs and activities by their direct manager. In place in most OECD countries, performance-related pay is being introduced in Kazakhstan from 2018.

Building a high-performing civil service requires more than performance assessment tools or performance incentives. High-Performance Work Practices (HPWP) include aspects of work organisation – teamwork, autonomy, task discretion, mentoring, job rotation, applying new learning – as well as management practices – employee participation, incentive pay, training practices and flexibility in working hours (OECD, 2016b).

In this context, Kazakhstan could leverage competency management and leadership reforms to strengthen a performance culture in the civil service. While performance-related pay may affect extrinsic motivation, ongoing reforms to professionalise civil service affect work organisation and management and create new challenges. For example, the best competency management framework will not be effective if the administration cannot attract or retain people with the required competencies. Pay is but one of the elements that motivate people, but is far from being the only one. Employee engagement is about employees' willingness and ability to invest themselves and their work in the organisation's goals. Engagement focuses on how to positively influence employee behaviour by aligning goals and values, which provides an important and complementary counter-balance to performance regimes based on regulation and compliance, which often prove costly, ineffective and slow (OECD, 2016c).

Engagement is linked to better job performance, organisational commitment, higher productivity and public sector innovation. Improving employee engagement should, therefore, contribute to strengthening civil service performance. As employee engagement depends on a range of HRM-related enablers and organisational development policies and strategies (OECD 2016c), further steps to build a high-performance civil service in Kazakhstan could, therefore, consider the deeper analysis of leading OECD countries' experience on measuring and improving employee engagement.

The governance of HRM is a critical element of government performance and productivity. This study contributes to the knowledge of HRM policies and practices in Kazakhstan in a period where its administration is preparing reforms aiming to introduce a significant shift in the current way of managing and developing human resources. The complexity of critical issues such as competency-based management, leadership development or performance assessment, requires multiple stakeholders to work together at different stages of the preparation and implementation processes in order to build a long-term strategic dialogue amongst them. As such, and while this report is not intended to provide specific recommendations, it tried to incorporate a wide range of perspectives and experiences from OECD countries in order to help to identify areas that would be worth further investment to strengthen ongoing and planned reforms.

Kazakhstan is aware of the challenges ahead, and the OECD stands ready to accompany Kazakhstan in the HR reforms it requires to achieve its strategic vision for 2050. One way to complement this benchmarking study would be to go deeper into the priority themes highlighted above by looking in depth at the improvement of the competency framework, at the link between leadership, delegation and building distributed capacity, and building an outcome-oriented performance culture.

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