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RESTRUCTURING CAREER MANAGEMENT IN EMERGING ECONOMIES: HR THEMES FROM THE ESTONIAN CIVIL SERVICE

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Restructuring Career Management in Emerging Economies: HR Themes from the Estonian Civil Service

Abstract

The importance of career development has long been recognised in both academic and applied organisational settings. Yet the subject remains highly topical, particularly in environments that are characterised by wide-scale organisational and cultural change. The main aim of this paper is to highlight and explore, through the use a case study of the Estonian civil service, some of the key career-related issues that are emerging in transitional economies

The paper provides an overview of the traditional career management policies and practices that were prevalent in countries such as Estonia that were governed under the former communist model. The paper proceeds to present primary empirical research into career management in the Estonian civil service since 1991. Interview data reveal that many of the problems of career management that have traditionally been prevalent in Western countries are now presenting themselves in the Estonian civil service; further, these problems are supplemented by specific issues related to the limitations associated with the transferability of 'modern' Western career management practices to the particular characteristics of the Estonian civil service and the broader issues of transition.

It is concluded that, within certain parameters, Western-based career management policies and practices may be adapted to fit with transitional public services in Estonia and potentially other CEE countries; such policies and practices may provide a positive contribution towards the modernisation of HR practices of organisations in the transition process. Nevertheless, it is concluded that the application of Western-based career practices should be implemented only as one element of a comprehensive HR modernisation programme.

INTRODUCTION

The importance of career development has long been recognised in both academic and applied organisational settings. Yet the subject remains highly topical, particularly in environments that are characterised by wide-scale organisational and cultural change. Once viewed mainly as a synonym for initial job choice, career is now widely accepted as a crucial feature in employment arrangements. Due to organisational and environmental changes, different career-related issues

such as short-term employment relationships, more lateral and cross-functional movements, career breaks and career plateaux affect an increasing number of employees.

By way of definition, the term 'career' implies a 'route', which has both direction and purpose. In everyday usage, career is generally understood as the sequence of work-related experiences occupied throughout one's working life-time (Arthur *et al*, 1989). To individual employees, the term 'career' may have different meanings. For some, it may be the vehicle to satisfy basic economic needs. For others, it may provide a sense of social status and social worth. From an organisational perspective, 'career' is often used as a pervasive and explicit mechanism for the effective management of human resources. It allows organisations to negotiate implicitly employment contracts with current and prospective employees. In this paper, 'career management' refers to '*a set of specific activities in the field of human resources that aim to improve organisational effectiveness by providing resources and assistance in developing individual talents*' (Randma, 2001: 15).

In an attempt to reflect the dynamic relationships between individuals, organisation and society, a transitional country, that is Estonia, has been selected for the case study in this paper. Estonia, which is the country of origin of one of the authors of the paper, has currently a population of 1.4 million people, spread over 43,000 square kilometres. Estonia has parliamentary democracy with a President, Prime Minister and a unicameral parliament. Eleven different governments have been in office during the transition period from 1991 to the present. Together with the other Baltic States, it is considered to be the most successful part of the former Soviet Union since regaining its independence in 1991. The success of the democratic and economic reforms in the 1990s has recently been rewarded with the invitation to join the European Union (EU) in May 2004.

It is almost impossible to speak about the gradual emergence of modern forms of government (Randma, 2001) in Estonia as, for centuries, the development of the Estonian civil service has been inextricably linked to the political government of the various states that have occupied the country (Sootla and Roots, 1999). Nevertheless, there have been two comparatively short periods of independence from 1918 to 1940 and from 1991 to the present. Since the beginning of 1990s, Estonia has been modernising its public administration and developing an open

system of management in its civil service. This provides an opportunity to examine the impact of the reform process in a transitional administration and observe the reciprocal relationship between the development of careers and of civil service. For careers research and management, an important question is whether existing knowledge and practice, developed largely in the West, is directly applicable to non-Western and particularly post-Communist administrations.

The main aim of the paper is to analyse the institutional perspective of career management in a small transitional administration and to draw conclusions about the development of careers in the civil service of Estonia. The paper also aims to examine and evaluate the appropriateness of some of the career management policies and interventions implemented in the Western countries, that might offer solutions to the Estonian public sector's search to improve the opportunities for meaningful careers. The analysis is carried out by considering the peculiarities of the Estonian transitional administration and the broader changes in society which have occurred in the post-Soviet era.

General Perspectives on Career Management Under Soviet Rule

Over the decades, while the organisations in Western countries were developing internal labour markets and clear career structures, the career management policies and practices under the Communist model were developing along a different path. During the Soviet rule, it was not necessary to differentiate human resource management systems for government organisations because the majority of institutions and companies were owned by the state and, therefore, similar features applied for different organisations. The characteristic feature of the Soviet model of management was strict centralisation, which meant that central authorities decided the detailed plans for individual organisations; 'managers' were administrators of instructions with very little opportunity for independent decision-making (Koubek and Brewster, 1995).

Generally, the function of managing human resources was split among several departments with clearly established functions. Personnel policy (cadre) department served as the central arm of Communist Party within each organisation. According to Koubek and Brewster (1995), this department was often the only decision-making unit in terms of human resource issues in an organisation, deciding selection, placement, promotion and training matters. In the main,

one principle – the preferment of Communist Party members – was applied. One could argue that the essential attribute of the system, namely the 'equality of life opportunities regardless of social origin' became relevant if one was loyal to the party (Tung and Havlovic, 1996, 5). The staff of cadre department systematically evaluated the political reliability of each employee (Sootla and Roots, 1999). To a minimal extent, the appraisals included general characteristics about their expertise, performance and potential. However, it was usual to mention only positive aspects of performance. Since the salary differentials were very small and there was no danger of unemployment as a result of poor performance, objective performance criteria was unnecessary (Fey *et al*, 1999). Rather, a variety of other reasons was used for dismissing employees, such as marriage to a foreigner or church attendance (Sootla and Roots, 1999).

Generally, separate departments concentrated on other aspects of personnel administration. For instance, there were special departments or groups whose role was to organise training and development of employees. However, much of it was not in connection with the organisational needs, but was rather done 'for statistical purposes' (Koubek and Brewster, 1995). While the Communist countries have traditionally had a well-developed and demanding educational system that people went through prior to beginning to work, relatively little attention was paid to skill development once an employee was provided a job (Fey *et al*, 1999). Consequently, the employees' attitude to training tended to be negative, since it had virtually no impact on their work, compensation or promotion.

There were also units to ensure different administrative services, such as administering personnel records and providing statistics concerning the labour force. One advantage of the system was that very comprehensive personnel information systems were developed in the centrally planned economies (Koubek and Brewster, 1995). Furthermore, departments of planning were involved in human resource function, namely in human resource planning. However, under the system, where both jobs and human resources were assigned to an organisation by the state plan, their role was limited. Since the state aimed at full employment, many jobs were created, regardless of any real need (Fey *et al*, 1999). Correspondingly, organisations attempted to increase the number of jobs and employees to gain an increase in state funding. Subsequently, this funding-based as opposed to market-based human resource planning often resulted in massive over-employment within organisations.

Estonian Civil Service Under Soviet Rule

All these above-mentioned factors have had implications for the HR function in today's transitional administrations, including Estonia. However, a number of specific issues concerning the Estonian civil service in the Soviet era need to be emphasised. The Republic of Estonia was occupied by and annexed to the Soviet Union in 1940. Consequently, the focus of strategic decision-making and policy-making was shifted to Moscow. Establishing an extremely centralised administration meant that the domestic civil service in Estonia was deprived of a truly independent policy-making legislature. The negative impact of this centralisation on service delivery was compounded by the fact that the centralised administration took little account of regional, let alone national differences, when formulating and implementing public policy for the union states including Estonia.

As elsewhere in the Communist countries, the administrative system in Estonia was heavily politicised; political loyalty had high priority and ideological control was widely exercised over personnel decisions (Sootla and Roots, 1999). Civil servants in Estonia had neither specific status nor social guarantees because they were subject to the general Labour Code. Often, however, there was selective implementation of legislation as staff depended to a large extent on their supervisors, whose opinions sometimes took precedence over legal norms. The civil service system in the Soviet Estonia thus offered an example of a system steeped in spoils, patronage and nepotism with little regard for merit principles.

The civil service under the communist regime mostly comprised people who entered the service at an early age, often through administrative allocation, at relatively low levels in the hierarchy, and spent their working lives in the civil service (Martin, 1999; Randma, 2001). However, it was also possible to enter the service at higher ranks, which was an advantage because Communist ideology did not encourage mobility between jobs or employers. It was usual to have lifetime employment with just one employer. Hence, employment security and immobility used to be the hallmarks of Soviet labour policy (Fey *et al*, 1999). Artificial constraints, for example, a permit to live in each town, housing allocation through the employer, and limited career progression were thus likely to decrease stimuli for people to work hard (Fey *et al*, 1999; Martin, 1999). In the Communist cadre system, secrecy in decision-making and personnel policies prevailed; the civil service was not 'professional' in the sense that it did not value specialised training or competence (Randma-Liiv, 2004). Therefore, open competition in employee selection was virtually unknown and professional qualifications did not usually matter in promotion. Rather, promotion was carried out on the basis of a combination of seniority and loyalty to communist ideology. Several authors (for example, Šević and Wright, 1997; Titma, 1996) have argued that being a member of the Communist Party was an obligation that an individual had to fulfil at a certain point in his or her professional career in order to attain career progression. Anyone whose loyalty was in doubt, had to face the prospect of losing future career security (Randma, 2001). Personal loyalty to an immediate supervisor was of importance to succeed in public office (Sootla and Roots, 1999). As Lauristin (1997: 38) has stated, '*a career was not viewed as the result of individual achievement but depended on 'being moved forward' by someone else's mighty hand, as a result of obedience to official ideology and personal loyalty to the master'*.

Estonian Civil Service in Transition

In addition to universal trends such as globalisation, attention has to be paid to the particular features that have played a major role in creating patterns of HRM in the Estonian public sector organisations in more recent years. Firstly, after Estonia declared its independence from the Soviet Union in 1991, it was necessary to build up the state with its legal, political and economic structures. Therefore, there was a need to *reorganise and downsize* the old governmental institutions and create new structures that could function under the auspices of an independent state. From this perspective, the development of the civil service in Estonia differed from other CEE countries, which already had many of the attributes of independent statehood (Randma, 2001). Additionally, public institutions employed new personnel to free themselves from the Soviet relationships and their inertia (Lauristin and Vihalemm, 1997). Like elsewhere, the effects of restructuring on the civil service careers in Estonia have meant increased functional flexibility, accelerated turnover and increased external recruitment.

Reforming the administrative apparatus has been influenced by the aims of introducing the principle of meritocracy into Estonian public management and thus abolishing the patronage that was previously endemic within the civil service (Randma, 2001). In terms of career management, this has led to the gradual development of a *modern civil service system in which*

*comparative achievement has to govern each individual's selection and progress*⁴ (Randma-Liiv, 2004). The Public Service Act that came into force in 1996 supports those aims by leaving recruitment open to competition for all posts in the civil service and introducing regular performance appraisal. Restructuring has also taken place in the form of decentralisation. As a consequence of the devolution of responsibility, HRM in the civil service is, to a large extent decentralised in Estonia. Excluding senior civil servants who are appointed, evaluated and promoted centrally, every ministry and executive agency is responsible for the recruitment, development, performance appraisal, promotion and organisation of work of their staff.

Several authors have observed that the development of the Estonian civil service in the 1990s was neither rational nor consistent (Drechsler, 1995; Verheijen, 1998). As the civil service has been managed in a fragmented way, little attention has been paid to the conscious development of civil service culture or performance at a time when civil servants themselves have been under constant pressure to build up state institutions and develop new functions (Randma, 2001). Recently, however, there has been a deliberate shift towards open job systems. The direction of the move is, for example, reflected in the principles and provisions of the Public Service Act (2003).

In 2002, Estonia employed 20,265 civil servants in the government agencies and this number has been slowly increasing. The most remarkable of the *demographic changes* has been the rapid growth in the number of young officials as the Soviet civil service experience has been irrelevant for the needs of the democratic government¹. This trend has been quite opposite to the ageing civil service in the Western countries.

The effect of the *changes in education levels and skills requirements* has been two-fold. First, the increasing number of highly educated people² implies that civil servants tend to be more willing to take responsibility for their own careers, but are also more judicious about the general framework of civil service careers. Second, there is a permanent need for new and highly developed competencies relating to career management. Thus, the lack of managerial capacities, coupled with weak role of HRM, has constrained the deliberate use of career management techniques (Jankowicz, 1998).

In the Estonian civil service, the specific characteristics of careers are also related to the notion of the 'small state'. Having about 10-15 people, or sometimes only 1-3 members of staff in one department and having career ladders of 2-4 levels often means that it is difficult for to design smooth individual career paths; put bluntly, there are limited opportunities for career progression. Accordingly, many people may reach the peak of their careers very quickly and then encounter a career plateau (Bray, 1991). Moreover, the limits of a small labour market influence the civil service in Estonia. The small scale of the system requires multiple roles and duties on the part of its officials. Undertaking jobs, which are multifunctional by nature, requires a high degree of flexibility from the person conducting them, but also allows the individual job holder to design the character of the job (Murray, 1981).

In relatively small countries, career-related procedures are further complicated by the social environment. In societies where 'everyone knows everyone else' relationships tend to be personal, and consequently, situations and decisions are likely to be more personalised (Benedict, 1967). This state of affairs epitomises Estonian society. Many people use informal means of communication, personal connections and networking for career-related purposes. Yet this may reduce the value of the merit principle in organisations including the civil service.

In the light of these developments of the civil service careers it could be argued that the *concept of careers* has also been changing. In the past, the notion of career was thought to be negative and to have individualistic and egoistic connotations. More recently the notion of career has emerged as a concept which recognises the importance of personal development and individual values. Several scholars (e.g. Lauristin, 1997; Realo, 2002) have explained it by the cultural changes. It seems reasonable to speculate that the cultural shift from the supremacy of collectivism towards more individualistic and achievement orientation will impact on overt career-related related behaviour. Furthermore, the understanding of careers, formerly viewed as moving forward in hierarchical ladder thanks to obedience to official ideology, has now become closer to the career philosophy in the Western countries.

Case Study: The Estonian Civil Service

Methodology

The primary research of this paper focuses upon the Estonian civil service. The broad aim of this research is to explore the policies and practices of the Estonian public sector organisations in managing the careers of civil servants. In particular, the study investigated how the civil service careers as well as the organisational career policies and practices have changed in the context of transition and in the light of organisational change.

A qualitative research design was taken using semi-structured interviews with top managers, HR managers and others serving in high positions in the Estonian civil service. The interview was chosen as the primary data collection method for several reasons. First, considering the nature and objectives of the research, interviewing is appropriate for an exploratory study (Saunders *et al*, 1997). Second, interviewing is an effective method for establishing personal contact and gaining access to some of the attitudes, assumptions and beliefs that guide people's behaviour and affect processes in organisations (Randma, 2001). Third, semi-structured interviews are well suited because they can allow some flexibility in covering the list of themes and therefore, let the interviewees explain or build on their responses and express their views freely (Saunders *et al*, 1997).

The sample that consisted of twelve people was designed to achieve a purposeful variation among respondents: Due to the exploratory and analytical nature of the study, random selection of interviewees was not used. Seven people, including four top managers and three HR managers, were chosen to provide views on career management mainly in their organisations and five respondents, who worked on the development of the Estonian public service, were selected to reflect their views on career management in the civil service in general³. Confidentiality of response was assured through anonymity of respondents. Thanks to the seniority of the respondents, the interview data made a major contribution to the analysis of career management from the institutional perspective. Namely, the chosen civil servants were often the initiators, implementers and key decision-makers of career management policies and practices either at micro or macro level of the Estonian civil service⁴.

Along with an exploration of the views on career management at organisational and state level, the respondents were first asked to analyse the problems and challenges of career management. The issues that might be characteristic to the careers in transitional countries and public sector organisations were discussed among other issues. Secondly, the interviews covered the area of policy choices that organisations face in dealing with career management issues. The third part of the interviews focused on the career management interventions that the Estonian public sector organisations have already applied or could apply in the future.

Findings: The Case for Changes

Developments in Civil Service Careers in Estonia

The interviews with the Estonian civil servants revealed the scope and depth of changes that have taken place over the period from the independence in 1991 to the present (Table 1). The main issues that the respondents highlighted included the broader changes of transition, the shift from centralised to decentralised career management, the altering role of managers, the direction towards open job system in the civil service and the change in the notion of career.

Change form	Effects on jobs and careers				
Organisational Cha	Organisational Changes				
Downsizing	Shortened career paths; accelerated turnover; increased functional flexibility; increased external market recruitment; decreased job security; 'winners' vs. 'losers' of transition				
Delayering	Career plateaux; bigger jumps in responsibility in case of promotion; increased managerial span of control; increased opportunities for creating and shaping one's own job				
Decentralisation	Shift towards open job systems; institutional career management dependent on individual organisations and managers; need for an organisation at macro level to offer methodological support; segmented and fragmented structures; restricted lateral moves; excessive competitive behaviour; extra responsibilities to units and employees; unwanted responsibilities to line and HR managers with inadequate or irrelevant managerial experience				
Reorganisation	Removed organisational levels; blurred career paths; displacement; work intensification; holding multifunctional jobs				
Demographic changes					
Increasing number of young people	Wider range of opportunities and high turnover; portfolio careers; dilemma between adaptability and stability; unfulfilled career hopes; career plateaux, mismatch between organisational structures and labour force				

Table 1. Transitional changes affecting careers in the Estonian civil service

Changes in education levels and skill requirements		
Higher level of education	More individual responsibility for careers, increasing commitment to careers rather than to organisations; more pluralistic institutional approaches to careers; increasing importance of work-family-leisure arrangements; self-actualisation outside work	
Changing skills and competences	Careers more complex; need for managers' highly developed skills	

First, concerning the broader changes in transitional society, all the interviewees mentioned the demographic changes, namely the growth of young officials in many parts of the civil service, and its consequences on careers. On the one hand, they accepted the need for the civil service to employ relatively young senior officials; as there are not many civil servants with the experience of the previous system, transition has been necessary. On the other hand, they some of the interviewees expressed their concern about the youth of the civil service.

People who are in their twenties have many opportunities and temptations in the transition society. Therefore, the problem is not that they do not have enough challenges, but rather that they are attracted to a completely different field. They change sectors and areas of interests. At the same time, I do not think that we have done the wrong thing by employing young people because the change of the worldview has been necessary. But what we need to do in the future, is to stabilise and enrich our organisation with middle-aged generation. (*HR Manager A*)

Many young people, who have made fast career, have left Estonia because they were not willing to make a step back. Others have just 'burnt out' because the society does not need them any more. *(Senior Civil Servant, Adviser C)*

The fact that very young people reach to high positions quickly has its implications on the communication between the generations. For example, in our subordinate agencies, most of the civil servants are middle-aged or older, whereas in the ministry, most of the employees are young. Consequently, we can initiate and make changes, but the incapability in the subordinate agencies can work against the changes and a good idea can turn out badly. Also, the priorities differ between generations. Older people value more security, whereas younger people are more eager to experiment (which is not always good). *(Deputy Secretary General)*

The respondents also underlined the consequences of the changes that characterise public sector organisations in particular. They referred to the frequently changing governments and political priorities and argued that in this context, civil servants get used to instability in their lives. Also, considering the changes in transitional administration, the civil servants preferred not to make long-term promises about career opportunities because this would oblige them to

take responsibility for acting on those agreements – some of which may not be feasible in a rapidly changing environment.

There are many changes going on in the Estonian civil service at the moment. We cannot make career promises to anybody. *(Secretary General B)*

Another issue that arose in the interviews had to do with the limited resources in the transitional administration. A top manager summarised the views of others as follows:

Since the societal changes have created many opportunities, there is high turnover of competences. A person, who has rapidly moved up in one organisation, is offered positions in other organisations very soon. As the society is poor, it is particularly a problem in the public sector where there are no resources to value and reward competences sufficiently. *(Deputy Secretary General)*

However, several civil servants mentioned that although the state organisations may not be able to compete with private and foreign firms in terms of salaries, there are many advantages and good prospects of making a career in the Estonian civil service. Some of the interviewees expressed the view that career and growth perspectives in the public sector are often better and the work itself is intellectually more challenging than corresponding work in the private sector.

The second major issue that the respondents pointed out is the <u>change from centralised to</u> <u>decentralised career management</u>. A senior civil servant summarised the views of others as follows:

A general framework for managing people and their careers in the civil service has to be provided by the legislation. But I believe that regarding the specific policies and interventions, it should be left at the organisational level. It is not possible to regulate and harmonise career management at the macro level; it is only possible to provide supportive conditions. It would be best to encourage flexibility and believe that in order to achieve the organisational goals, managers have to be able to manage people and their careers, too. However, it does not mean that somebody at the macro level should not analyse the situation and offer recommendations. *(Deputy Secretary General)*

Other civil servants agreed that there should be an institution at the macro level where the competence of career management is brought together and where others could receive

methodological support. An experienced civil servant threw some light to the positive aspects of co-ordinating career management activities:

If career management is perceived as developing public employees, then it could be managed, encouraged and controlled at the macro level at least to some extent in order to guarantee development in all organisations, ensure fairness and equity as well as some efficiency. *(Senior Civil Servant, Head of Division)*

However, in today's civil service, institutional career management is still entirely dependent on the individual organisations and managers. A senior civil servant explained the reasons for this in the following terms:

At the macro level, it would be possible to demonstrate and promote the best practice of career management, but at the moment, there is no institution that would do it. The organisations that are involved in the field of developing the Estonian civil service today do not have resources for more. *(Senior Civil Servant, Adviser A)*

The next major issue that the respondents of the current study pointed out is the <u>role of</u> <u>managers and HR managers</u> in managing careers. In terms of the implications for the development of a more strategic approach to career management, perhaps one of the most thought-provoking is the point that the managers' involvement in decentralised career management activities requires a variety of highly developed skills. On the one hand, in Estonia, part of the current generation of managers has been trained according to socialist principles and ideals. A senior civil servant expressed herself as follows:

At the moment, there are still many *cadre* administrators among the HR managers. *(Senior Civin Servant, Adviser A)*

Therefore, even after more than a decade of transition, the features of the previous system (e.g. ambiguous responsibilities and unwillingness for decision making) still affect the role of several line and HR managers and thus, make introducing the idea of their ownership of people management complicated. On the other hand, there are also many young people in high positions who do not have adequate managerial skills yet. A HR manager elaborated on the issue:

People who move rapidly to the top positions may not necessarily have an adequate level of competences. For example, it may be inevitable to recruit a manager who does not have managerial experience and may thus easily fail as a manager. But as he/she has a unique education or knowledge that is needed in the organisation we may be forced to recruit the person to help the department to reach a new level of quality. (*HR Manager C*)

Another subject that the interviewees emphasised concerned the issue of closed career vs. open job systems. They acknowledged that career systems that are explicitly based on Weberian bureaucracy are not applicable in the Estonian context because of the small size of the public service. An experienced civil servant explained:

The 'problem' of the Estonian civil service is that it is flat and low. In terms of careers, moving forward means acquiring experiences and improving qualification. The growth of competences is rewarded with the increases in salary levels rather than by offering hierarchical advancement opportunities. Therefore, there is the general direction towards an open position system, in which civil servants are employed to undertake certain tasks of a particular post. *(Senior Civil Servant, Adviser B)*

The civil servants also demonstrated the increasing implementation of the principles of open job systems by discussing the issue of external recruitment vs. internal progression. Referring to the recruitment of the senior civil servants at the highest ranks, a civil servant summarised the views of the officials, whose responsibilities are related to developing the Estonian civil service, as follows:

There is a dilemma between motivating the current members of the civil service and the openness of the civil service. The latter has to prevail. Therefore, the principle of openness will be also more articulated in the new Public Service Act that is currently in the process of making. *(Senior Civil Servant, Adviser B)*

As the respondents generally favoured the decentralised approach to career management, they claimed that getting the balance right between external recruitment and internal progression for the positions at lower levels of the civil service should depend on the individual organisations.

Last, but not least, the interviewees drew attention to the notion of career (Table 2). They argued that not only the context of careers, but also the understanding of careers has been changing. Several respondents admitted that although for an 'average' civil servant, career still associates with vertical advancement, there is an increasing acceptance that climbing up the ladder cannot be the only option for development.

If you have made a 'good' career and moved up enough steps, then at a certain point vertical movement is not the only satisfying option for development any more. Also, if you feel that you have reached the optimum level, there is no motivation to move forward quickly, but rather make most of the present job. *(Deputy Secretary General)*

Table 2. Changes in the notion of career during the transition period in the Estonian civil service

Hierarchical progression thanks to obedience to official ideology and personal connections	·======;;>>	Both vertical and lateral moves between organisations and across functions as a result of outstanding performance
Career as a sequence of work positions	1/>>	Career as a sequence of employment-related activities and roles
Career for life in return for loyalty		Opportunities of marketability and employability in return for good performance
Negative notion of career with individualistic and egoistic connotations		Positive notion of career with the emphasis on personal development and achievement
Employer's responsibility (the state's) for career management		Individual responsibility for careers, organisational support

Managing Careers in the Estonian Civil Service

Although the beliefs, assumptions and concepts underlying career management and the list of available interventions are attractive at the first sight, the 'fully-fledged' applicability of them in the Estonian civil service is questionable, as illustrated by the interviewees of the current study.

The interviews revealed a degree of scepticism towards the idea that career management is a matter of strategic importance derived from a long-term organisational strategy. Some of the interviewees pointed out that the formation and implementation of career management policies in the public sector organisations is about making choices to respond to the changing circumstances and uncertainty. A senior civil servant expressed her view as follows:

At the moment, there are many young officials with only a few years of service in the Estonian civil service. Moreover, the turnover rate is relatively high. It could be expected that career management becomes more topical and of greater importance when there will be more stability. *(Senior Civil Servant, Adviser A)*

Another important issue pointed out by several civil servants has to do with the issue that human resource management, with its longer time-scales and return on investment times, should not been seen as the way forward. A respondent commented on the possible reason for the 'emergent' approach to careers: In general, there is no strategic career management in the Estonian public sector organisations, because managers are focused on the 'here and now' activities. It would be rather an exception than the rule, if there were deliberately developed career management programmes. There could be individual cases of managing the careers of some people, but it does not take place at organisational level or in the civil service on the whole. *(Senior Civil Servant, Adviser C)*

Other interviewees recognised the problems of adopting a precisely articulated approach to careers in the changing environment and argued that the *ad hoc* approach might not be a major problem as long as human resources are given a strategic role. A HR manager explained:

Career management is not an issue in itself. It is a natural part of managing human resources, closely related to other HR practices such as performance appraisal, development and motivation system. (*HR Manager B*)

Regarding the extent of the individual and organisational responsibility, the respondents clearly favoured the idea of shared responsibility. A top manager explained how the policy is applied in practice:

Our organisation does not take complete responsibility for career management, an individual's role will be always important. On the one hand, the mutual responsibility is reflected in training and development activities that aim to ensure that individuals perform well in their jobs and acquire knowledge and skills in the areas they are responsible for. On the other hand, shared responsibility is articulated through performance appraisals. *(Secretary General A)*

Although some interventions, for example, performance appraisals, are often open to all employees, this cannot be seen as a purposeful policy if there is no action taken on the basis of these appraisals. Neither are the interventions oriented towards the key employees.

Career management interventions do not include succession planning or high-flyer schemes. Thus, there are no programmes to prepare the existing staff members to be able to fill the vacancies in the future. Rather, organisations act according to their current needs. *(Senior Civil Servant, Adviser C)*

The interviews revealed that career management in any organisation in the Estonian public sector involves finding the best way of developing careers for both generalists and specialists. One respondent argued that development of specialist and generalists is a natural process and

their organisation does not take particular action to promote the expansion of any of those groups.

It is important that an individual has the capability of doing his/her job. Some prefer 'depth' and attention to details in their jobs. Others capture the 'picture' as a whole, since different areas intersect in their day-to-day work inevitably. People 'come forward' and move to positions that match with their interests. It is a normal process of mobility and in fact, the balance between specialists and generalists develops naturally. *(Secretary General A)*

The respondent's reference to the overlapping fields of work also draws attention to the importance of size of the civil service in dealing with generalist-specialist issue in career management. Another top manager stated that even though the Estonian public sector organisations tend to be generalist-oriented, yet they could pay more attention to developing generalists. She also suggested encouraging horizontal movements as a way of implementing the policy.

Regarding the 'shipping out' or 'shaping up' policy, the interviewees tended to support the latter. A HR manager summarised the views of others as follows:

If there is any hope to develop the competences, which were identified to be inadequate in the development interviews, to an adequate or good level, then we support it by all means. But if the civil servant realises that the job is not for him/her and the manager recognises that it is not what we were once hoping and expecting, then they reach a mutual agreement and the official leaves the position. But we do not support redundancies that are based on punishment. *(HR Manager A)*

The civil servants who participated in the current study maintained that in small institutions of a small state, moving up the career ladder within an organisation or in the civil service system is restricted. They also claimed that the continuous change and shortened future horizon coupled with the limited resources and deficiency of deliberate career management policies have made interventions such as succession planning, career counselling and extensive outplacement programmes less feasible. Therefore, they focused their attention on the on-the-job interventions as more promising in the context of the Estonian civil service (see Table 4).

Policy choices	Stratagies for the Establish sivil service
<i>Policy choices</i> Strategic vs. <i>ad hoc</i> approach	Strategies for the Estonian civil service Ad hoc Rationale: • search of flexibility to respond to changing circumstances and uncertainty • incapability of managers and HR managers to perform their roles in managing careers Limitation: • sporadic and incoherent career management activities, inconsistent HR practices
Individual vs. organisational responsibility	 Individual or shared responsibility Rationale: lack of resources for extensive institutional career management programmes emphasis on individual career development with some organisational support in changing career environment Limitation: weak link between individual needs and organisational development
All employees vs. key employees	No deliberate policy Rationale: dealing with individual cases as they appear in changing transitional administration Limitation: staff not prepared to fill vacancies
Specialists vs. generalists	 Generalists Rationale: multifunctional jobs and high degree of flexibility in small civil service more opportunities for mobility Limitation: loss of expertise in areas of specific relevance
'Shipping out' vs. 'shaping up'	 Shaping up Rationale: the period of genuine redundancies at the beginning of transition is over, now focus on developing competences Limitation: less flexibility in recruiting and dismissing

Table 3. Career management policy choices in the Estonian civil service

First, the respondents expressed positive attitudes towards the techniques of job enlargement and enrichment. Recognising the unavoidability of structural plateauing, the civil servants drew attention to the alternative options:

More and more nuances of job enrichment and enlargement come into play. One aspect is inhouse training. A person can enrich his/her job by conducting these training activities. In addition, we organise inductions for our new employees to which our current staff can make their contribution. We also expect our civil servants to take responsibilities in developing methodology. Moreover, our senior civil servants often take extra tasks by working as consultants for other CEE countries. (*HR Manager A*)

Given that our work increasingly covers different areas and involves different departments, I see project-type work as a way of satisfying people's ambitions in the future. *(Secretary General A)*

Another civil servant gave examples of job enrichment and enlargement techniques that have been used to some extent at the macro level in the Estonian civil service. However, he argued that more awareness of the potential benefits of these interventions (e.g. inter-ministerial work groups and project teams, training events in the Centre for Public Service Training and Development) could be developed. Apart from offering career opportunities, these techniques could promote co-operation between organisations, develop co-ordination mechanisms and network systems as well as give broader perspective of the civil service to the individual officials.

Several statements of the interviewees (e.g. '*in terms of the content of the jobs, there is no ceiling in the public sector*', '*I do not think civil service jobs are static*' and '*job enrichment is a natural part of HR activities*') reveal that enriching and expanding jobs is seen as a normal part of civil servants' careers in the small transitional administration of Estonia. However, as the work may become extremely diffuse and multiple-function role can take lots of energy, one needs to consider these possible drawbacks.

Our senior civil servants are highly qualified professionals, who are already quite hard-pressed in their current jobs and would not like to take, for example, extra administrative tasks. *(Director or Constitutional Institution)*

Second, the respondents of the current study expressed their views on the different opportunities for career mobility. They were sceptical about the prospects of enhancing mobility by developing a system across the civil service.

Coordination does not give any results if the parties are not interested. It means that I do not believe that it would be possible to start with the mobility system at the macro level. Everyone tries to keep his/her good employees and nobody wants to give them away for a couple of years. Whether the employee comes back or not is questionable and the gain one can get may be little. *(Secretary General A)*

Mobility at the top managers' level (e.g. Secretaries General) would be complicated because it is assumed that they are specialists in their fields. However, there are examples of administrative managers who, in principle, could rotate. *(Secretary General B)*

The director of a subordinate agency argued that there is some mobility at the macro level, but it is sporadic, not deliberately promoted. Again, it could be concluded that it is more about dealing with individual cases.

Of course, reasonable agreements are possible in single cases. If there was a common subject and a good employee who would be willing to take the challenge, then I would support the individual case. *(Secretary General A)*

The HR managers elaborated on the issue of mobility and competition between organisations further:

There is some mobility between public sector organisations. It could be proved by the fact that in several cases, the experience of our employees in the civil service is longer than the experience in our organisation. (*HR Manager B*)

Our employees are sometimes 'taken over' by other public sector organisations. But I do not know if we should consider it as unhealthy competition in the public sector or on the contrary, be happy. These people have not left the civil service, may be they have just gone to do more useful work for the state. (*HR Manager A*)

In general, the civil servant claimed that it would be more hopeful to encourage mobility within an organisation. For instance, one respondent pointed out the following option:

We are trying to implement the idea that people whose jobs are related to legislation would gain some experience in our inspectorates and boards, subordinate agencies or foundations. *(Secretary General A)*

Other experienced civil servants also mentioned the potential benefits of being rotated, seconded or 'switched' from a policy-making unit to a unit of implementing policy, from a subordinate agency to a policy-making unit and vice versa. Since this would help the officials to see the problems in the field and acquire a wider range of competences, the respondents had the opinion that these mobility patterns could be used more extensively than is currently the case.

Two civil servants from constitutional institutions indicated the co-operation with their counterparts in other countries and emphasised their employees' positive experience in doing work experience in foreign countries. They claimed that this mobility scheme has increased the public servants' skill base and kept them motivated.

However, the respondents were realistic about the accompanying limitations of the job assignments that need to be taken into account.

Despite the espoused rhetoric, job rotation as a way of multi-skilling has not been used in reality. In this particular case, it is partly because of the pressure and workload in the individual units that does not allow decrease in performance levels. Another counter-argument is that in the rapidly changing and developing legal environment, public servants are not willing to rotate because it could lead to loss of specialisation and eventually, to loss of usefulness in their area of expertise. (Director of Constitutional Institution)

There is lots of time pressure in the civil service and each official is important in his/her present job. *(Senior Civil Servant, Adviser A)*

Another civil servant claimed that this might not be a major obstacle to mobility since there should not be irreplaceable people in any organisation. It would make organisations very vulnerable and unstable. However, due to the limits of small labour pool in the small civil service, structures and jobs tend to be organised around individuals. This may easily lead to unstable work environment, which, in turn, makes it complicated to plan human resources and career moves within an organisation.

Other obstacles to mobility that were brought up by the interviewees included the following:

The choices for mobility are limited because of the differences in rewards. One would not like to loose in terms salary if he/she changes positions. *(Deputy Secretary General)*

I cannot imagine that people would go to other institutions related to our field since the salary level is lower elsewhere. *(Director of Constitutional Institution)*

Concerning the employees in highly specialized departments, it might be difficult to find positions where to move. *(Senior Civil Servant, Adviser A)*

If somebody is offered a position in any of the subordinate agencies, it is seen as degradation. Today it is not perceived as an investment. *(Secretary General B)*

The idea of dual ladders to provide advancement perspectives for specialists is also known in the Estonian civil service:

For employees in specialist functions, we have developed positions called 'experts'. Although experts have higher salaries, it is rather a moral recognition to persons who have worked for several years and are well-recognised and highly qualified in their fields. *(Secretary General A)*

Third, several civil servants, particularly HR managers, underlined the importance of performance appraisals⁵ in managing careers.

In order to develop competences according to the requirements of the jobs, we have developed a performance appraisal system in the form of regular development interviews. The appraiser and the appraisee are expected to come to an agreement about the current stage of development and decide what needs to be done to develop the competences in more depth. They also try to agree about the career ladder. They discuss whether the appraisee is satisfied with the position he/she has today and whether he/she would like to move to another job, and what could be done to move forward. *(HR Manager A)*

Although the respondents revealed that performance appraisals are widely used practices, they

maintained that their effect as a career management tool is questionable in today's civil service.

Whether a person's development and career perspectives are discussed in performance appraisals depends largely on the organisation and the line manager. In general, it is a relatively unimportant issue. *(Senior Civil Servant, Adviser A)*

Managers are likely to be unprepared and unqualified to conduct performance appraisals. Therefore, the assessments are often undertaken only for 'statistical purposes'. Moreover, although the appraisals are well-documented, in many cases nothing is done with the results afterwards. Even if there is any action after the appraisal, it is more about salary review, since the managers have not thought through the possibilities of career management. *(Senior Civil Servant, Adviser C)*

Another experienced civil servant recognised the potential problems of formalising the performance appraisal system, but argued that it is necessary to start from somewhere in order to develop managerial skills that tend to be inadequate in the transitional administration.

The performance appraisal system is mainly developed for the reason that there would be procedures also to those managers who would not deal with the development and career issues. *(Secretary General A)*

Last, but not least, the respondents discussed the role of supportive alliances in managing careers in the Estonian public service. None of the interviewees mentioned formal mentor-protégé relationships as career management tools. This could be explained by the fact that in the small civil service, the networks between organisations and people are well developed and managing people is inevitably highly participatory.

To know all the people who work in the ministry - it is possible only in a small state. Contacts outside the ministry are without any doubt different: there is more scrutiny and control, but also closer and more personal contacts. *(Secretary General A)*

Therefore, it could be claimed that in the small administration, it is natural for the civil servants to receive developmental guidance and advice and career information from a variety of sources. Furthermore, the fact that individuals' careers are likely to be dependent on their connections could be also explained by the Soviet legacy in human resource management. On the one hand, using the informal social network may blur the 'merit' principle in the civil service and thus, the objectivity of career-related decisions can be questioned. On the other hand, the characteristics of a small administration enable the individuals to initiate and maintain social relationships for career-related purposes and have better access to career information.

	t practices in the Estonian civ gement, job enrichment and pro	
 Benefits wider range of experiences extended mastery of skills prevention of 'content' plateauing expanded employability increased organisational flexibility networking with colleagues developing coordination mechanisms broader perspective on civil service 	 <i>Limitations</i> overloading already hard-pressed people extra accountability on poorly trained and paid people devaluing the use of developmental work assignments by using too familiar tasks 	 Examples conducting training activities conducting employee inductions extra accountabilities in developing methodology working as consultants to other CEE countries inter-departmental projects inter-ministerial work groups conducting training in the Centre for Public Service Training and development
ol	b assignments and career mobil	ity
Benefits	Limitations	Examples
 job challenges and variety additional experience exposure to new areas broader range of competences, generalist skills increased motivation and commitment of employees overcoming plateauing in dead-end career paths decreasing brain drain wider picture of the civil service 	 loss of valuable subordinates loss of specialisation and usefulness for specialist department lack of cooperation between parties, particularly at macro level of the civil service negative perception of job assignments decrease in performance level loss in salaries small labour pool and irreplaceable employees no overlapping positions where to move to 	 job assignments from ministries to other government agencies, subordinate agencies or foundations and vice versa mobility between policy- making and policy implementation units work experience in similar organisations in other countries
Per	formance and potential assessm	nent
Benefits	Limitations	Examples
 identifying development needs and potential giving ongoing feedback on career perspectives 	 good performance in one job does not mean good performance in another job focus on salary review rather than on development needs or career prospects managers' limited view of the requirements of the job managers unprepared or unqualified for conducting performance appraisals lack of organisational action following performance and potential assessment 	 development interviews performance appraisals

Table 4. Career management practices in the Estonian civil service

Mentoring and networking				
Benefits	Limitations	Examples		
 receiving career assistance increasing individuals' information, resources and access to career possibilities greater possibilities for personal learning enhanced career satisfaction increased engagement in work collaborative culture and communication increased mobility 	 over-reliance on mentors and social networks loss of objectivity in career- related decisions due to informal networks and personal connections 	• informal social networks		

CONCLUSION

The analysis of the nature and context of careers in the first part of the paper showed that careers play an important role in the design of civil service systems. Under the Soviet rule, the Estonian civil service was relatively closed. However, it did not represent a conventional career system of the Western countries, but was rather a patronage system. The case study data reveal that Estonia is developing an open system in the civil service and moving from centralised to decentralised HRM systems. The interview data also indicate that there has been a move away from institutional to more individual responsibility for careers, and from offering vertical advancement opportunities to providing alternative career paths. Thus, it could be argued that although the starting point for developing a 'modern' civil service in Estonia was very different from its Western counterparts, the changes affecting careers in the transition period have brought about similar trends and challenges.

The findings of this research suggest that, to the extent that a shift towards a decentralised and open job system in the civil service is occurring in Estonia, Western career management practices should become increasingly relevant. Organisational restructuring, the rapid growth in the number of young officials, the individualisation of employment relationship and relatively high level of education and skills provide a fertile ground for an expansion of the modern Western ideas and concepts of career management. However, as revealed by the participants of the case study, there are several constraints to the applicability of these ideas and concepts, caused by the surviving 'socialist' practices in HRM, the particular context of a small state and specific features of public sector organisations.

Concerning the strategic policy choices of career management, the case study demonstrated that Estonian public sector organisations face familiar decisions when dealing with career management issues. Different choices such as whether to go for 'here-and-now' or strategic approach to careers, whether to 'shape up' people's careers or 'ship them out', whether to focus on developing specialists or generalists, depend on the jobs and environment of the organisation. The case study of the Estonian civil service reveals that the most influential of the policy choices relates to the fact that in the rapidly and radically changing transitional administration, organisations tend to deal with career management issues as they emerge. Thus, they choose the *ad hoc* development of career policies both at the organisational level and across the civil service. Career management is perceived as an evolving process rather than a conscious design of an effective framework for managing people's careers. However, the civil servants agreed that taking into account the need for continuous development, Estonian organisations might need to introduce more systematic and longer-term approach to qualifying and motivating staff. An effective framework of career management does not solve all problems, but it may help to address the issues, especially if it is integrated with other human resource practices (Mayo, 1991).

There are various activities for managing careers and dealing with different career-related problems. Job enrichment and enlargement for keeping the plateaued employees motivated, job rotation and dual career ladders for offering career challenges in flattening organisations are just a few examples of possible interventions. These and other on-the-job career management activities, such as designing performance appraisal schemes to assess future potential, encouraging networking in order to ensure fluid interaction across structures and providing career assistance from external sources, all require both creativity and deep analysis of organisational needs.

The analysis of the case of the Estonian public service threw some light on the applicability of the on-the-job career management techniques in the transitional administration. It highlighted the fact that several interventions, such as job enlargement, networking and performance

appraisal are already well-known practices. The case study demonstrated that the common problems of career management interventions in Western countries are also present in the Estonian context but specific issues related to transitional administrations, for example, deficient coordination mechanisms and insufficient management experience supplement them.

Finally, it is suggested that the generally encouraging findings of this study can pave the way for future research on career management in Estonia and perhaps other transitional countries of the CEE. Through careful planning, orientation, training and follow-up, career management programmes are realistic HR policy targets in these settings. Such programmes may indeed offer a positive contribution to modernising HRM and helping to meet the immediate and future challenges in the transition process.

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Notes

¹ According to the Civil Service Yearbook 2002 (Riigikantselei, 2003), in 2002 53 % of the civil servants were less than 40 years old, and 69 % had worked in the civil service for less than 10 years.

² According to the Civil Service Yearbook 2002 (Riigikantselei, 2003), 48% of civil servants had higher education in 2002 as compared to 35% in 1997.

³ In the case study, the interviewees are referred to as Secretary General A, Secretary General B, Deputy Secretary General, Senior Civil Servant – Adviser A, Senior Civil Servant – Adviser B, Senior Civil Servant – Adviser C, Senior Civil Servant – Head of Division, Director of Constitutional Institution, Director of Subordinate Agency, HR Manager A, HR Manager B, and HR Manager C.

⁴ The sample itself was predominantly female (83 %) and highly educated (100 %, including 25 % with graduate degrees). The sample had an age range of 25 to 65 years with 75 % of the respondents under the age of 35.

⁵ In the Estonian civil service, performance appraisals are often referred to as development interviews.