Grisard Consulting

Exploring options for a NSW Local Government Capability Framework

Summary Report prepared by Grisard Consulting for LGNSW, November 2016

Contents

Synopsis

Local Government NSW (LGNSW) initiated a project to explore the merits of creating a NSW local government capability framework[1], for elected members and the workforce. The project, conducted by Grisard Consulting, included research into existing models, consultation with representatives of over 40 NSW councils and other stakeholders, and preparation of a report.

The research discovered no wholly suitable frameworks in other jurisdictions, however over a dozen NSW councils were found to have developed a local capability or competency framework for their workforce. Half of these were based on the NSW Government's 2013 model. These council models and the NSW Government model provide the best basis for developing a whole of sector model.

Consultation with over 40 councils showed unanimous support for the concept of a whole of sector capability framework and near unanimous support for a framework that would apply to the whole workforce (as against only part, for example leadership roles). There was also strong support for tools to be provided that would support implementation by councils. A good majority of council representatives also backed the concept of a capability framework for elected members, to serve as a basis for induction and professional development activities.

The project led to the clear conclusion that the development of a capability framework for the NSW local government sector is widely seen as meeting a need and would be well-received.

The final report recommended proceeding with a development and implementation project over a period of 12 months with a high level of involvement by councils to ensure its success.

The following high level design principles were recommended, based on the findings from consultations:

- in line with the LGNSW concept, an overarching local government capability framework should aim to cover both elected members and the workforce, with common elements in areas such as governance and conduct, but separate streams for each to reflect their very different statutory status, basis of authority and functions

- the framework should apply to all elected member and workforce roles

- the workforce framework should focus on core common capabilities (any complementary technical sets would require separate project proposals)

- the workforce framework must interface to Award skills descriptors

- the workforce framework should underpin all aspects of workforce management

- The capability framework should be supported by tools and guidelines to assist implementation by councils, for example: interactive role description templates;

---

[1] See Appendix A for the definition and description of a capability framework.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

2

guides to using the framework for recruitment and performance management; guide on using capability framework to underpin workforce planning; LGNSW online portal to provide easy access support materials; guidance for using the framework as a basis for professional development planning for councillors.

Assumptions

A number of assumptions were made in undertaking the project, as follows:

- Any framework that is developed must work alongside the existing Local Government (State) Award, and in particular the skills descriptors contained within the Award.

- Any framework that is developed will not be mandatory for NSW councils to adopt. There is no statutory or other framework to support such an approach.

- Re-inventing the wheel is to be avoided. The project should seek to identify any existing models that can be used in full or adapted.

- The 2013 NSW Government capability framework is a possible model and starting point but is not suitable for direct importation due to different industrial settings and culture/ language requirements.

- Consultation with potential end-users is essential. The usefulness and success of any capability framework that is developed will largely depend on the extent of input from councils in determining both its design and the way it is introduced.

- The success of a capability framework and the extent to which it is adopted will also largely depend on General Managers, other executives and elected members understanding its benefits and supporting its introduction. Gaining this support must therefore be an essential part of the implementation project's communications and change management program.

- Councils will of course have to adapt their use of a framework to reflect any unique service delivery or cultural local factors. However, it will be important for councils to view the development of a framework as an opportunity to identify what they have in common in relation to their elected members and workforces, so that maximum benefit is gained from the adoption of a consistent framework that serves to support professional development, promote local government as a sector-based employer, underpin a coherent approach to workforce management, support transferability, and support competitive recruitment based on career paths across councils.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

3

The project process

The project involved a number of stages, as follows:

- Background research: consisting of a review of the 2013 NSW Government Capability Framework and a brief internet research to identify any other existing local government frameworks, both within Australia and overseas.

- Review of statutory context: legislation governing local government as recently amended by the Parliament of NSW.

- Review of industrial context: including the current Local Government (State) Award and considerations for the new Award due to take effect from mid-2017.

- Consultation with the Chief Executive and key staff of LGNSW to understand significant factors and perspectives.

- Preliminary consultation with unions, through LGNSW's Member Services.

- Consultation with councils that have already implemented or developed an approach to a capability framework.

- Consultation with a representative range of other councils. This was conducted through individual phone discussions and 3 workshops (delivered in Queanbeyan, Sydney and Orange). More than 40 councils were consulted in the course of the project.

- Consultation with the Office of Local Government and the Department of Premier and Cabinet.

- Consultation with the Capacity Building Committee of the LGNSW Board.

- Production of an interim report, providing a high level outline of progress to date.

- Analysis of findings and formulation of recommendations.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

4

Stakeholder consultations – findings

Responses to the proposals for a workforce capability framework and an elected members' capability framework are described in turn below

Capability framework for elected members

LGNSW requested, as part of the project brief, an examination of the potential for a capability framework for elected members, to serve as a basis for induction and professional development.

Background research identified some examples, providing a useful basis for development of a NSW model.

Findings from council consultations

Responses to the concept varied from highly favorable to uncertain, but a good majority supported the concept.

The discussions made it clear that this range of responses was largely attributable to varying views of the purpose of such a framework, who should be responsible for administering it and how it could be applied.

However it was recognised that responsibilities and conduct expectations for elected members were strengthened by legislative changes then under consideration. It was noted that these proposed changes included an explicit expectation that councillors will engage in induction and ongoing professional development and there was general agreement that a framework would be useful as the basis for developing relevant programs.

There were varying views as to whether any capability framework for elected members should be part of or separate from the employee framework. It was generally agreed that an elected members' capability framework could have areas of overlap with a workforce capability framework, for example in governance, resource planning, financial management, risk management, etc.

The suggestion was also made by some council representatives that a capability framework for elected members could be used to inform the community electorate about the role of councillors and the qualities or qualifications they might consider when making their election choices.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

5

Workforce capability framework

Findings from council consultations

There is overwhelming, strong support for the concept amongst the councils who participated in consultation.

Benefits cited by council representatives included:

- Consistency of approach to workforce management across the sector

- Contributing to the development of local government as a workforce or industry sector, as against a collection of individual council employers

- Opportunity to embed local government and council values in all aspects of workforce management

- Opportunity to develop a capability-based workforce planning approach to support council strategic plans

- Improved understanding of what is required in one's own and others' roles, extending to a better understanding of what employees can expect of their managers and what capabilities they would need to personally demonstrate for a successful move to a supervisory role

- Supports a common understanding of organisational purpose and an individual's own contribution to service delivery outcomes

- Capabilities provide a meaningful basis for performance assessment, focused on comparing expected with observed behaviour

- A capability based approach will provide building blocks for employee career paths within councils and across the sector, for lateral as well as promotional moves

- Support for mobility across the sector

- Encourages and supports employees actively managing their careers, identifying capability strengths and development areas for better performance in their current role or progression to another role

- Engagement or re-engagement of employees based on a common understanding of sector/ organisational purpose, values and culture, as expressed through expected on-the-job behaviours for each staff member

- Two councils who have implemented capability frameworks cited measurable decreases in the number of grievances and workers' compensation cases.

Grisard Consulting www.grisardconsulting.com **ABN: 40225782628**
Contact : jo@grisardconsulting.com **Ph : 0474 695 891**

6

Preferred workforce coverage for a NSW local government workforce capability framework

Council's representatives were asked whether a sector workforce capability framework should cover all of role types or only some, for example leadership roles, indoors vs. outdoors roles.

There was near unanimous support for a core capability model covering all role types. It was also agreed that a single, layered, capability framework could and should apply to all roles within the hierarchy, from entry level to General Manager. The two councils who expressed a different view favoured introducing the concept to leadership roles first but agreed it should eventually extend to all role types. One council who had introduced a leadership capability framework first stated that, in retrospect, they should have adopted a whole of workforce approach.

The rationale and benefits cited in support of an inclusive core framework included:

- Removing artificial barriers between different segments of the workforce, particularly indoors versus outdoors roles

- Improved visibility of career paths across individual councils and the sector in general.

It was generally agreed that an implementation project should begin with developing the core capabilities applying to all roles, with any work on complementary professional or technical capabilities to be considered as separate projects.

Although some councils said they thought a different approach or process might be needed for outdoor staff in view of system access or literacy factors, two councils with existing frameworks took a different view, pointing to the fact that all employees now have smartphones with access to Apps. A third council with an existing framework had developed a simplified paper-based approach for those employees but used the same framework for all roles.

Range of application of a workforce capability framework

Councils were asked to consider whether a sector wide capability framework should be used to support all aspects of workforce management (i.e. from workforce planning, through structure and role creation, to recruitment, performance management, career planning and development) or only some aspects.

It was unanimously agreed that the framework should be used for all aspects of workforce management, however some councils expressed the view that factors such as industrial climate and/or organisational tolerance for change would make it preferable to begin with less 'sensitive' functions such as individual development, progressing over time to areas such as performance management.

Human Resources (HR) systems to support workforce management

NSW councils each have their own payroll, personnel and other HR support systems – no instances of shared systems were encountered or reported in the course of the consultations and there does not appear to be a common set up template even when the same system is used.

Grisard Consulting   www.grisardconsulting.com   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

7

Only one council was found to use a mature Human Capital Management (HCM) system that supports online capability, performance and development management. That council's assessment of the significant benefits they have derived from their HCM system supports findings in other sectors, including NSW Government.

The implications of each council having its own systems and processes are:

• little consistency across the sector in HR practice and data management

• limited portability of employee information and system access when moving from one council to another

• complexity and cost when council boundaries change or mergers occur. A common capability framework and other workforce systems would considerably assist the task of workforce harmonisation

• limited capacity to automate recording and reporting for functions such as training and development, capability assessment, performance management, etc.

In the absence of common or consistent HR systems, it was generally agreed that efforts should be made to achieve a level of consistency through use of common templates, common role descriptions, common definitions, calculation formulae (for example for turnover), etc.

Data collection/ reporting and evidence-based approach to workforce planning and management
One of the most powerful benefits of HR management based on a capability framework is the ability to develop workforce plans based on accurate knowledge of the capabilities required to deliver the organisation's products and services, assessed against the existing workforce's mix of capabilities and known turnover patterns. Development, mobility and/or recruitment plans are drawn up based on reliable, current data.

In turn this means that implementation of a capability framework would ideally be supported by tools to collect and report on data that can be used in this way.

Given the relatively low level of systems and data analysis sophistication across the sector, the implementation project should aim to establish consistent definitions for key data items and common basic data collection and reporting protocols.

 Industrial considerations

It was unanimously agreed that any capability framework introduced to the sector must work with the provisions of the Local Government (State) Award (the Award), specifically the skills descriptors.

A preliminary mapping conducted as part of this project between the Award's skill descriptors and the NSW Government capability framework suggests there is a reasonable match between the hierarchy of non-technical skills descriptors and the hierarchy of capabilities in that framework. It is therefore unlikely that major discrepancies would be experienced by councils if a similar capability framework was implemented.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

8

The application of the capability framework to the range of workforce management functions will need to be further explored as part of the implementation project.

Other observations

Engagement and support

There was strong agreement amongst council representatives that this is an essential requirement for success.

In several cases, General Managers and executives were reported to accord high importance to workforce matters and a number of General Managers participated in the consultations for this project.

There was general agreement that the business case for developing a framework should be presented, that a communications and change management strategy should be developed to gain support, and that champions should be sought to advocate the case to others.

The support of elected members will also be important to success.

Support from LGNSW

There was strong demand for LGNSW to make available support tools, such as guides and interactive templates, through an online portal similar to the one provided by the NSW Public Service Commission.

One group suggested that LGNSW could provide the platform for a staff secondment program across the sector.

A number of councils expressed doubts that the capability framework project would succeed unless the support tools were also made available to facilitate implementation as most councils do not have the resources to create and maintain the necessary management tools.

Councils also pointed to the inefficiency of each council having to create or acquire its own tools for common functions in the absence of resources tailored to the needs of NSW local government.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

9

Cross sector collaboration on workforce management

Information obtained during this project suggests that council representatives meet on a regular basis to share ideas on HR issues, at a local, regional and statewide level.

Although an example was given of joint commissioning of/ access to training programs, no examples were given of substantial collaborative work to develop common programs, systems or tools, or to adopt a common workforce strategy (for example secondment programs, strategies to attract or retain staff in hard-to-fill roles such as building certifiers, or career path planning across councils within a region).

Many councils showed interest in taking a collaborative approach to workforce planning and management as a means of developing the sector's attractiveness as an employer, having a consistent approach to common issues, and solving attraction/ retention problems for individual councils and the sector as a whole.

The main obstacle identified in progressing a collaborative approach on substantive matters to date was lack of time left over from day-to-day matters to devote to project work.

Potential for workforce mobility between government sectors

The potential for mobility between local, state and federal government workforces was raised by several councils as highly desirable for the government sectors/ agencies/ councils and individual career progression, particularly in regional and remote locations.

Obstacles to be overcome included cultural preconceptions about other sectors, refusal of managers to release staff to other organisations or sectors, and the 'pay and conditions' barriers presented by different industrial settings.

In practical terms, such collaboration is more likely to be effective where a program (with an emphasis on 'fairness' and 'give and take') is developed in concert with the stakeholders, then centrally coordinated and facilitated.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

10

Appendix 1
Capability frameworks – description and purpose

- Capability frameworks describe the range of skills, knowledge and abilities required in job roles, as demonstrated by observable behaviours.

- Capabilities differ from the skills listed in traditional position descriptions - for example: 'highly developed interpersonal and mediation skills' - because they focus on the day-to-day evidence for those skills. For example: "work towards positive and mutually satisfactory outcomes; identify and resolve issues in discussion with other staff and stakeholders; identify others' concerns and expectations; respond constructively to conflict and disagreements; keep discussion focused on the key issues" (from the NSW Government capability framework).

- Capability frameworks are typically organised into groups covering a range of capabilities, each of which is described at the different levels of complexity required in different jobs. For example, in the NSW government framework, a group called 'Relationships' covers the capabilities 'communicate effectively', 'commit to customer service', work collaboratively' and 'influence and negotiate'. Each of these capabilities is described at 5 levels: foundational, intermediate, adept, advanced, highly advanced, representing the spread of complexity required from entry level to chief executive level.

- Capability frameworks usually describe the 'core' capabilities that are common to all roles in the organisation. This core set is complemented by professional/ technical/ functional skill sets for specialised roles (for example, engineers, finance professionals or human resources professionals).

- Capabilities can be used as the foundation for all aspects of workforce management, from workforce planning, through structure and role creation, to recruitment, performance management, development and career planning.

- When used consistently within and across different organisations capability frameworks are a powerful support to workforce planning linked to organisational goals, career path planning, workforce development, employee mobility, engagement and productivity.

- Because they are expressed as behaviours, capabilities incorporate organisational values and can function as a strong means of establishing a common organisational culture. They tell the existing workforce and potential applicants about the organisation's values along with what it offers to and expects from employees.

- Capabilities describe the 'how' to complement the 'what' (responsibilities, key tasks, outputs, etc) in role descriptions. They describe 'how we do things around here' and 'what we expect of each other' in behavioural terms. They provide the basis for identifying and managing the behaviours that are required for an engaged and productive organisation, in areas such as ethics, communications, judgement, collaboration, achieving results, leadership and people management, including constructive feedback and dealing with poor performance. Failures in these areas are the mainstay of grievances, workers' compensation claim rates, employee disengagement and poor attraction/ retention rates.

Appendix 2

NSW Councils consulted as part of this project

Note: In the case of recently amalgamated councils, some of the consultations were held with one or more representatives of one of the merged councils. In these cases, given that an integrated approach to workforce management strategy and practice had not yet been developed for the new amalgamated council, discussion mostly focused on activities and perspectives that applied to the previous standalone council.

Individual interviews

- Albury
- Blacktown
- Blayney
- Bogan Shire
- Broken Hill
- Byron Bay
- Central Coast
- Cumberland
- Gunnedah
- Inner West
- Lachlan
- Lake Macquarie
- Murray River
- Narrabri
- Newcastle
- Port Stephens
- Richmond Valley
- Queanbeyan-Palerang
- Singleton
- Snowy Valleys
- Sydney City
- Tamworth

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

12

Workshops

Note: some councils interviewed individually also sent representatives to a workshop.

Queanbeyan:

- Eurobodalla
- Queanbeyan-Palerang
- Snowy Monaro
- Upper Lachlan
- Yass Valley
- Canberra Region Joint Organisation

Sydney:

Note: Kyogle, Bland and Shellharbour councils attended through teleconference

- Blacktown
- Bland
- Botany Bay
- Burwood
- Canada Bay
- Hawkesbury
- Hunters Hill
- Kyogle
- Maitland
- Penrith
- Port Stephens
- Rockdale
- Ryde
- Shellharbour
- Sydney City
- Waverley

Orange:

- Bathurst
- Bland
- Blayney
- Bogan
- Fairfield
- Forbes
- Mid-Western
- Orange City
- Western Plains

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

13

<div align="right">

Appendix 3

</div>

NSW Councils – consultation process

A total of 44 councils participated in consultations conducted as part of this project.

Most council representatives consulted were Human Resources managers or specialist personnel. However, a number of General Managers participated in both the telephone interviews and the workshops, providing valuable input to the discussions.

Consultations with individual councils

A first round of consultations focused on councils known by LGNSW to have implemented a capability framework or undertaken related work. The interviews explored the rationale for introducing the framework, its characteristics and the nature of any issues encountered in its implementation. They also presented the proposal to introduce a sector wide capability framework and sought views on its desirability, potential features and implementation path.

A broader range of councils was consulted in a second round of interviews, some of which were also found to have undertaken related work.

Workshops

In a second phase, three workshops were conducted to present and seek views on the proposal for a whole of sector capability framework. Two workshops were held in regional NSW (Queanbeyan and Orange) and one in Sydney.

Survey of councils with existing capability frameworks

In addition to the interview and workshop consultations, a survey was designed and issued to 14 councils known to have implemented a capability framework or undertaken related work. The survey sought key information about those councils' experiences in developing and introducing a capability framework, with the aim of providing a valuable practical basis for any subsequent project to develop a whole of sector capability framework.

12 responses were received, providing an excellent range of information, complemented by examples of documentation.

The summary of findings from this survey is provided as Appendix 4.

Grisard Consulting   **www.grisardconsulting.com**   **ABN: 40225782628**
Contact : jo@grisardconsulting.com   **Ph : 0474 695 891**

14