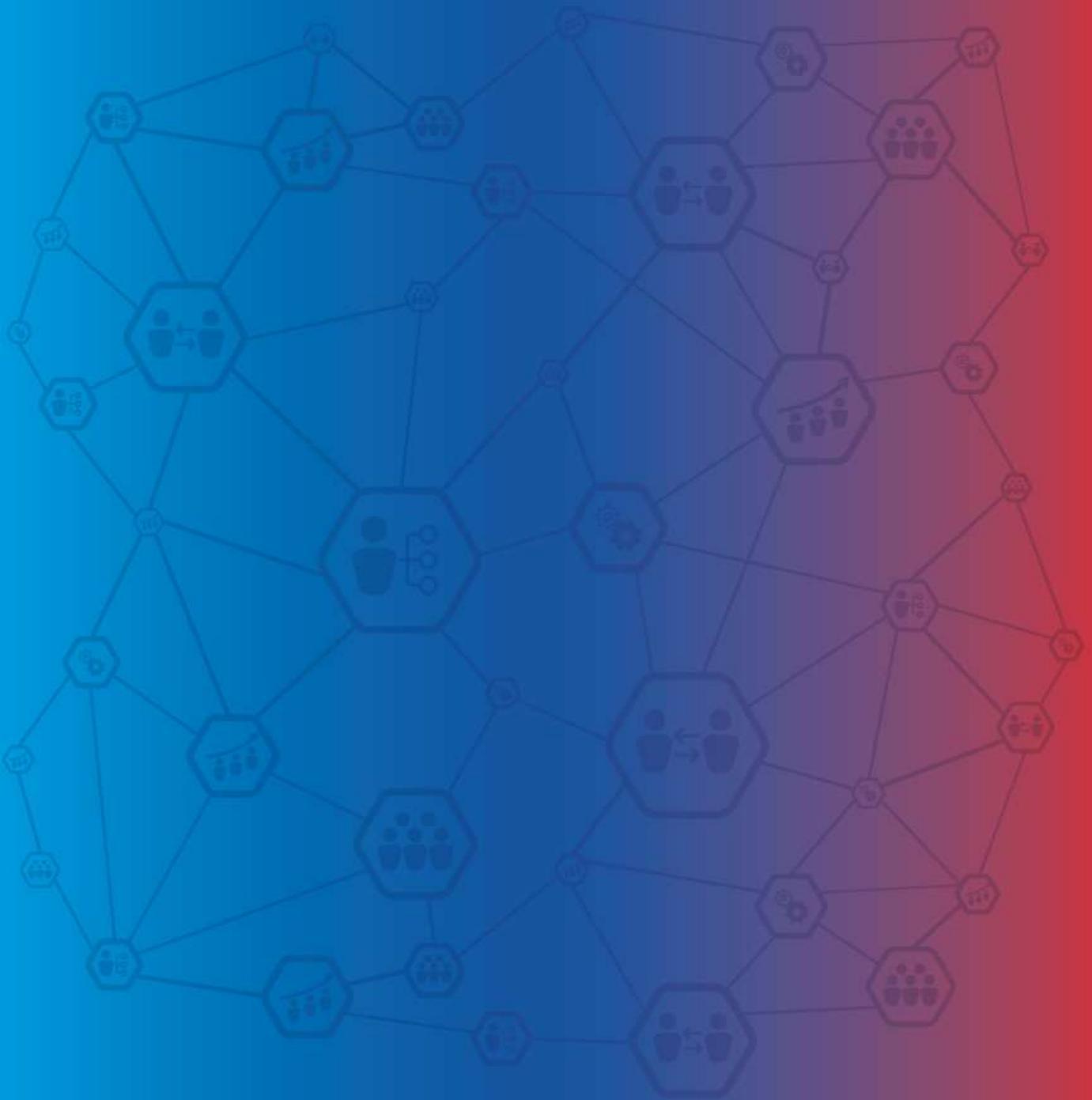


LOCAL GOVERNMENT **CAPABILITY FRAMEWORK**

PERFORMANCE MANAGEMENT AND DEVELOPMENT PROCESS

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PART 1 – OVERVIEW OF THE CAPABILITY FRAMEWORK

Part 1

Introduction

This guide was produced by Local Government NSW (LGNSW) to assist councils understand how capabilities can be incorporated in their performance management and development process. It is not intended to be a comprehensive guide to establishing a new performance management and development process. Instead, the guide focuses on how the Local Government Capability Framework can be incorporated into existing performance development processes. The guide consists of two parts: Part 1 is a general introduction to the Local Government Capability Framework and Part 2 specifically addresses incorporation of capabilities in council performance management and development processes.

Overview and background

The Local Government Capability Framework (the capability framework) provides a set of core capabilities, expressed as behaviours, which set out clear expectations about performance in local government: “how we do things around here”. It builds on organisational values and creates a common sense of purpose for elected members and all levels of the workforce.

LGNSW proposed the development of a local government capability framework in response to changes in legislative and community expectations of councils, including the performance and behaviours of its people in delivering a professional service to the community. The proposal received strong support when put to councils across the state in the second half of 2016. It was developed in close consultation with elected and council representatives and approved by the LGNSW Board in August 2017.

The capability framework does not displace or override the *Local Government (State) Award 2017* (the Award) or any relevant industrial instrument and is not linked to the Award. The Award is the enforceable industrial instrument setting the minimum terms and conditions for the majority of local government employees in NSW. The framework does not alter councils' obligations to:

- Evaluate positions in their structure in accordance with the Award's skill descriptors; and
- Ensure progression through councils' salary systems based on the acquisition and use of skills, or employee performance, provided that progression beyond the entry level based on the acquisition and use of skills is also available.

Councils implementing the capability framework should, where appropriate, have regard to provisions of the following Award clauses:

- cl 2, Statement of Intent
- cl 5. Skill Descriptors
- cl 7. Salary System
- cl 8. Use of Skills

- cl 9. Performance Evaluation and Reward
- cl 31. Training and Development
- cl 39. Workplace Change
- cl 40. Termination of Employment and Redeployment due to Redundancy

Capability framework aims

The capability framework was developed for use by local government to:

- create a common view of “what good looks like” when working in local government
- align elected members and the workforce in delivering community outcomes
- improve performance and capacity
- attract and retain highly capable people
- enhance mobility both within the sector and between sectors
- provide a shared basis for workforce planning
- provide broader career options and develop the next generation of local government leaders in NSW; and
- provide a common foundation for the professional development required of elected members by legislation.

Capability framework structure

The capability framework describes 16 core capabilities across four groups: Personal Attributes; Relationships; Results and Resources. These capabilities apply to all elected members and local government employees though expressed in different ways to reflect the different roles.

In addition, there are four capabilities in the Workforce Leadership group for employees who manage people and another four capabilities in the Civic Leadership group for elected members.

The capabilities work together to provide an understanding of the common knowledge, skills and abilities required of elected members and local government employees.

The capability framework complements the specific technical and professional skills required by certain positions.

Capability framework uses

- For council employees, the framework may be used as a foundation for all aspects of people management, from workforce planning through creating structures and roles, to recruitment, performance management, professional development and career planning. The framework may also inform the performance agreements that underpin the performance review of general managers and senior staff employed under the standard contract.

- For elected members, the framework may be used as a basis for community and prospective candidate information, councillor induction and professional development.

Capability framework benefits – organisational

Sector-wide implementation of the capability framework has the potential to result in measurable improvements in:

- outcomes for the community through better alignment of workforce and elected member capabilities with strategic and operational needs
- budget performance through time saved and better match to needs when using capability-based recruitment and selection; training; performance management and career and succession planning
- community perceptions of local government; and
- support for NSW local government as an employer of choice.

Capability framework benefits – individual

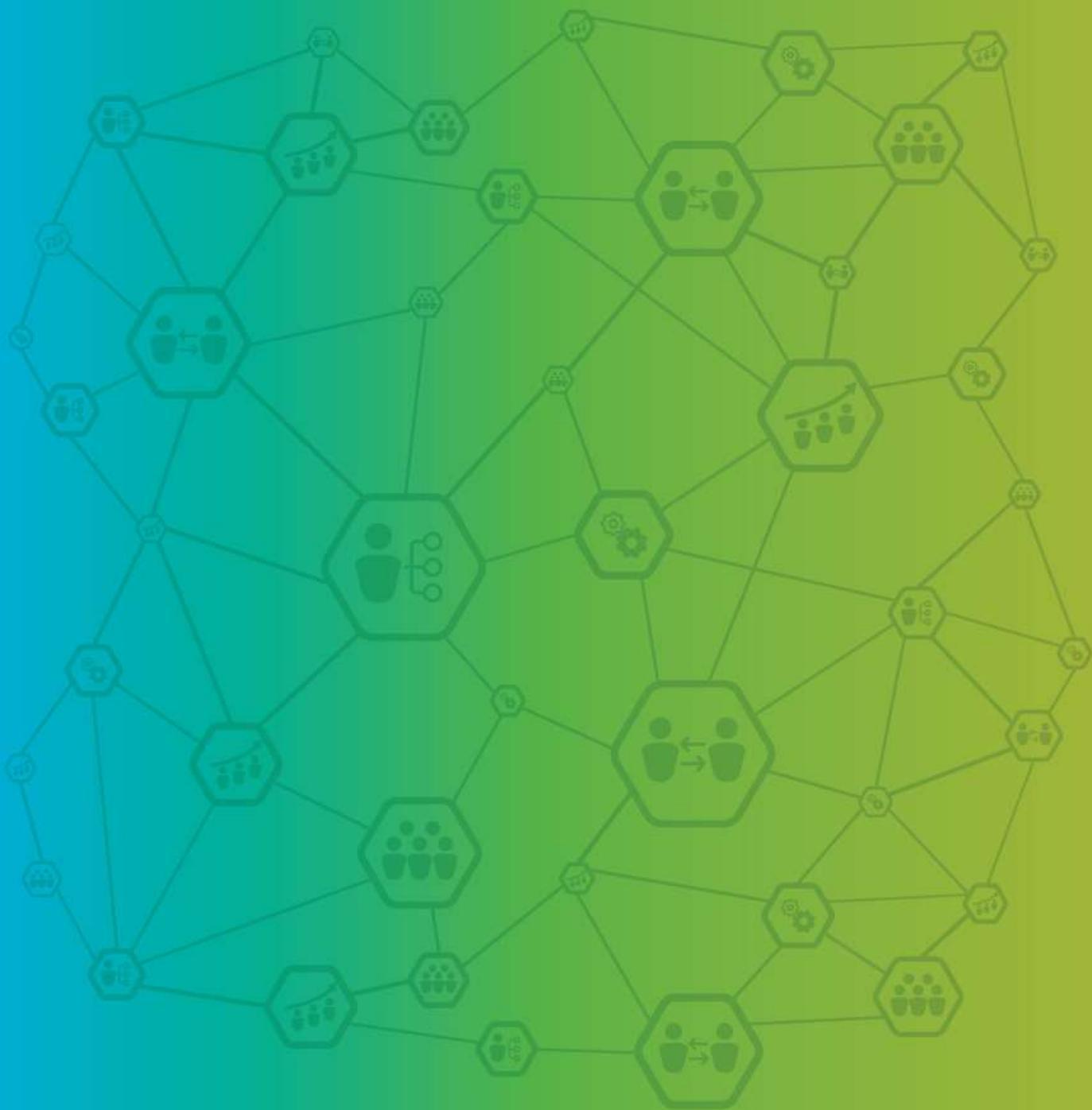
- for managers:
 - provides a common language to describe expectations
 - enhances mobility where links can be established between different roles that share similar capabilities (e.g. administration, planning and customer service)
 - builds on award variations to broadband positions by making them more contemporary and further removing barriers between professions, positions and occupations across the council's organisation structure
 - helps target scarce training and development resources and encourage individuals to take more responsibility for their own development.
- for employees:
 - helps understand the capabilities required to work at their current level (or in a different position), in particular the behaviours expected of them in performing their roles
 - provides a basis to conduct a self-assessment as an input to professional development and career planning
 - helps identify well-targeted opportunities for development in their performance management discussion.
- for elected members:
 - provides a clear picture of core expectations in the role
 - provides a common foundation for assessing and planning personal professional development.

Supporting material and tools provided by LGNSW

A suite of supporting materials and tools has been developed to assist councils in implementing the framework. These include:

- a [Position Description Builder tool](#) – an online interactive position description template that can be used by councils to develop position descriptions that include the capabilities required for the positions
- a guide on how to use capabilities in **recruitment and selection**
- a guide on how to use capabilities in **performance management and development**
- a guide on implementation and change management in introducing the Framework (**Implementation and Change Management Guide**)
- a guide on how to use capabilities in workforce planning (this guide)
- an online tool to guide the professional development of councillors and mayors known as Professional Development in a Box (PD in a Box)

For further information on the capability framework and support available from LGNSW refer to www.lgnsw.org.au/capability-framework or contact LGNSW at jennifer.james@lgnsw.org.au.



PART 2 – USING CAPABILITIES IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT PROCESS

Part 2

Introduction

The performance management and development process is essential to providing clarity about work responsibilities and their relation to organisational objectives; setting specific expectations; discussing achievements and areas for further development; setting career goals; and identifying opportunities for development or progression.

The key benefit of incorporating capabilities in the process is a focus not only on 'what' is to be done (e.g. the task to be completed, service to be delivered or product to be developed) but also on 'how' it is achieved (the behaviours demonstrated in undertaking the work).

Strong workforce capabilities in areas such as self-management, relationships with others, planning and prioritising and good use of resources are essential to the success of any organisation. Clear, positive and inclusive workforce leadership is also vital. The capabilities are the 'glue' that binds the organisation together around a common purpose and joint understanding of 'what good looks like'.

The following sections provide brief guidance on how to incorporate capabilities at key points in council performance management and development processes.

Councils incorporating capabilities into their performance management and development process must have regard to the following Award provisions:

- Clause 7 Salary System: sets out how employees progress through their salary ranges based on skills and performance
- Clause 9 Performance Evaluation and Reward: regulates the management of performance at the enterprise and individual/team levels, bonuses and additional performance payments
- Clause 32: requires that the Consultative Committee is consulted over Council's performance management systems.

Developing a performance agreement

Selecting the capabilities

The content of the agreement is usually based on a position description (PD) and the current organisational strategic or operational plan (at council or organisational unit level). Taken together, these two documents set out the nature and level of work expected in the job and the priorities for the current period.

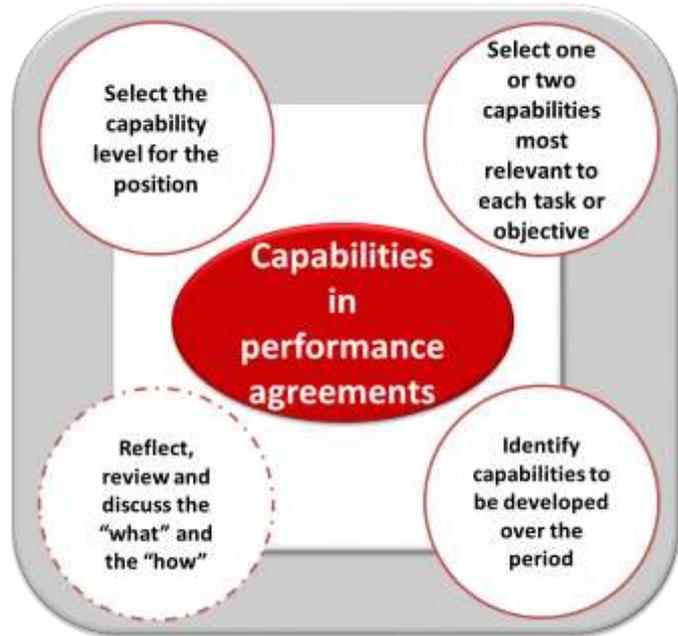
If the PD includes the capabilities for the position, these can be used in drawing up the performance agreement. If the PD does not yet include the capabilities for the position, the employee and manager will need to agree on the appropriate level for each capability, taking account of the nature and level of the role (for example, the Community and Customer Focus capability at Intermediate level might be appropriate for a Client Service Officer).

It is important to remember that the focus in the performance agreement is on the capabilities required for the position, not the employee’s existing or desired capabilities.

A guide to help in the alignment of appropriate capability levels for a position is provided at **Attachment 1**.

Incorporating the capabilities in the agreement

The performance agreement format is likely to vary across councils. However, it will typically include a list of tasks to be carried out and/or objectives to be achieved, usually related to broader organisational objectives. The tasks and objectives will often include some measures, for example expected timeframe.



The most effective way of incorporating capabilities into the agreement is to select the one or two that are most relevant to each task or objective and record them next to the task or objective. In this way, the agreement will show ‘what’ is to be done as well as ‘how’ it is to be done in a practical and realistic way. To be meaningful, the capabilities need to be related to what is actually done. If they are considered in isolation (for example, grouped in a separate section within the agreement template), they will be treated as theoretical concepts or motherhood statements and their value will be limited. This approach also ensures that the focus remains on evidence-based performance rather than on personalities.

Example

An employee is responsible for delivering the design and construction of a major project for a new library. Successful management of the project will draw on sound professional and technical skills and knowledge. It will also depend on strong capabilities in areas such as Community and Customer Focus and Plan and Prioritise.

Development of specific capabilities should also be incorporated in the Development section of the plan, alongside development of any necessary technical or professional skills.

The selection of capabilities to be developed is based on two considerations:

- A joint review of the employee’s performance against the expected capability levels for their role in the preceding review period (for example, there may be a need to demonstrate more attention to customer needs in order to meet expectations under the Community and Customer Focus capability); and
- A joint assessment of the higher-level capabilities needed to reach the employee’s career goals, along with any actions that will support their development.

Template 2 is an example of a performance agreement template demonstrating the suggested approach.

Discussing progress, achievements and development

Quality conversations about performance and development help create positive workplaces, where employees feel motivated, goal oriented and supported. Regular informal conversations should occur throughout the period covered by the agreement so that the formal review conducted at the end is a summary of observations and an opportunity to discuss future directions.

The informal and formal conversations should clearly and separately focus on both ‘what’ has been achieved (the tasks, services, products, etc.) and ‘how’ they were achieved (the capabilities).

Reflection on demonstration of council values and contribution to workplace culture should be an important component of all self-assessments and manager assessments.

Example

The performance review discussions about the design and construction of a major project for a new library will naturally focus on areas such as project milestones and budget. They should also focus on how well the project was planned (for example in anticipating risks), how well communications with the community and internal stakeholders have been managed, and how well engaged the team was with the project.

The behavioural indicators provided in the Framework for each level of capability can be used to guide manager and employee assessments and discussions. They provide examples of the kinds of behaviours expected to be demonstrated and observed when meeting the capability requirements.

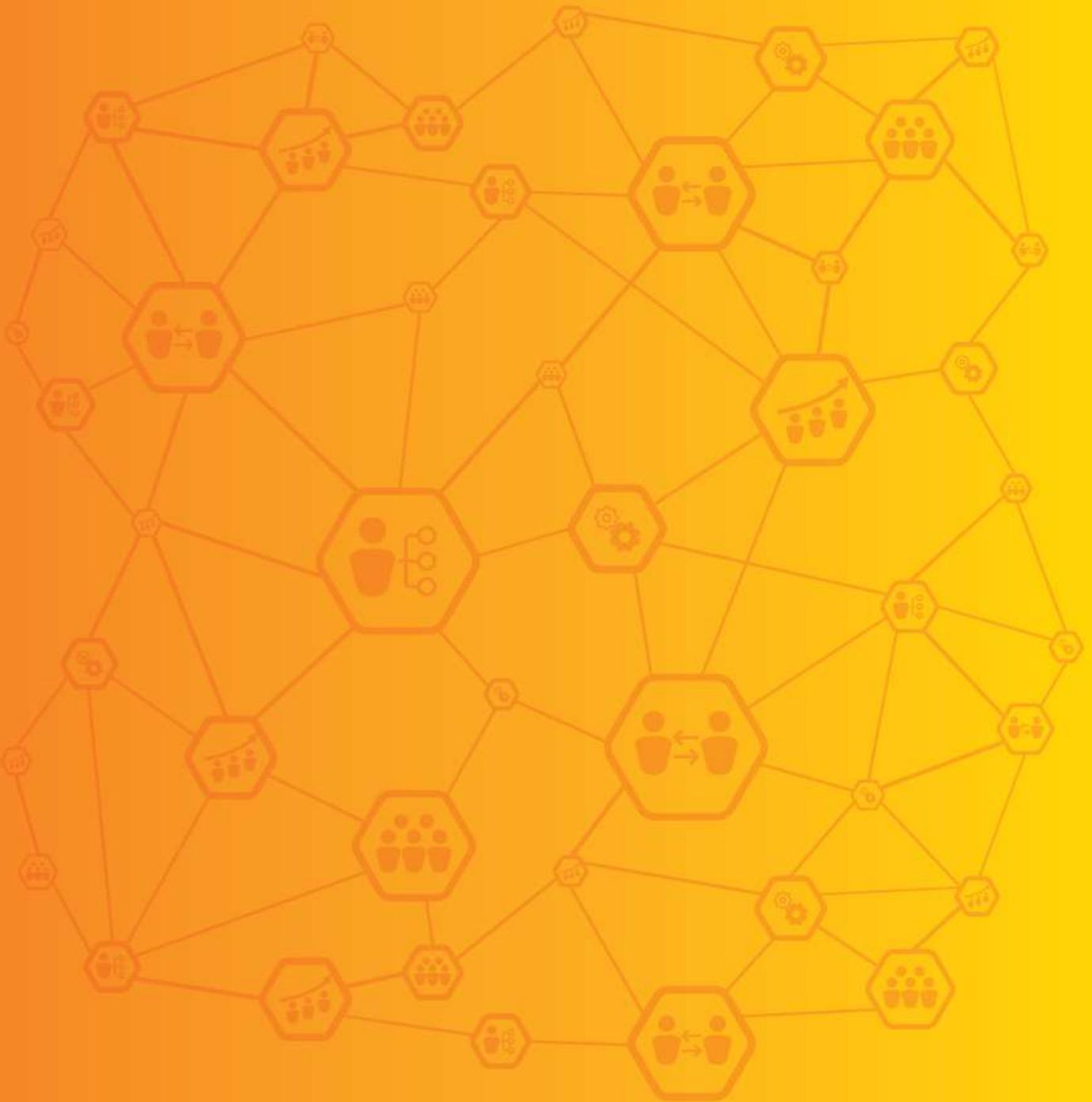
The employee and manager should discuss how the employee’s capabilities have developed through working on key tasks, achieving career goals and undertaking professional development. By focusing on the employee’s skills and capability level, the employee and manager identify the employee’s strengths as well as areas for further improvement.

Attachment 1 – Alignment of Capability Level to Position Guide

ALIGNMENT OF CAPABILITY LEVEL TO POSITION GUIDE						
Position level	Foundational	Intermediate	Adept	Advanced	Highly Advanced	Focus Capabilities
GM				3	17	6
Director			1-5	8-15	2-6	6
Manager	0-1	0-2	6-12	1-10	0-4	5
Senior Professional/Coordinator	0-1	0-2	6-12	1-7		5
Professional/ Executive Administration	2-6	8-15	2-8			4 or 5*
Team Leader/Supervisor	5-13	8-14	0-2			5
Administration Officer/Trades	5-13	8-14	0-2			4 or 5*
Operational (Ranger/Childcare)	6-14	5-11				4
Operational (Labourer)	14-16	0-2				4
Trainee/Apprentice	0-16					

*The “focus” capabilities are those judged to be most important at the time of recruiting to the position, i.e. the ones that must be met at least at satisfactory level for a candidate to be suitable for appointment. The mix of “focus” capabilities can change over time, reflecting changing work priorities and current team strengths.

Positions without supervisory responsibilities should have a minimum of 4 focus capabilities, one from each of the core groups. Positions with supervisory responsibilities should have an additional 5th focus capability, from the Workforce Leadership group.



PART 3 – TEMPLATES

TEMPLATE 1 – Performance Agreement and Assessment Template

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name		Name		From	
Position		Position		To	
PART A – OUTCOMES: SETTING OBJECTIVES, MEASURES AND CAPABILITIES					
Council or work group strategic or operational goal 1 (group employee objectives or tasks under relevant council or work group goals):					
Objective or task (short description)			Results (add comments to ratings as necessary)		
			Overall: achieved/ partly achieved/ not achieved		
Measure(s) (e.g. timeliness, accuracy, quality)					
1.....			1. achieved / partly achieved/ not achieved		
2.....			2. achieved / partly achieved/ not achieved		
Capabilities (maximum of 3 per objective or task)					
1.....			1. demonstrated/ partly demonstrated/ not demonstrated		
2.....			2. demonstrated/ partly demonstrated/ not demonstrated		
Objective or task			Results		
.....			Overall: achieved/ partly achieved/ not achieved		
Measure(s)					
1.....			1. achieved / partly achieved/ not achieved		
Capabilities					
1.....			1 demonstrated/ partly demonstrated/ not demonstrated		

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name		Name		From	
Position		Position		To	
Council or work group strategic or operational goal 2:					
.....					
Objective or task			Results (add comments to ratings as necessary)		
.....			Overall: achieved / partly achieved / not achieved		
Measure(s)					
1.....			1. achieved / partly achieved / not achieved		
2.....			2. achieved / partly achieved / not achieved		
Capabilities					
1.....			1. demonstrated / partly demonstrated / not demonstrated		
2.....			2. demonstrated / partly demonstrated / not demonstrated		
PART B – DEVELOPMENT					
1. Technical/professional skills and knowledge					
Objective:					
Actions:			Result: Actions were/ were not completed		
2. Capabilities					
Objective:					
Actions:			Result: Actions were/ were not completed		
Actions:			Result: Actions were/ were not completed		

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name		Name		From	
Position		Position		To	
3. Career Progression/Development					
Objective:					
Actions:		Result: Actions were/were not completed			
Objective:					
Actions:		Result: Actions were/were not completed			

TEMPLATE 2 – Performance Agreement Sample

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name	Jane Smith	Name	Terry Wong	From	1 July 2017
Position	Manager, Development Services and Planning	Position	Director, Development and Strategy	To	30 June 2018
PART A – OUTCOMES: SETTING OBJECTIVES, MEASURES AND CAPABILITIES					
Council or work group strategic or operational goal 1:					
Council will deliver a high quality, efficient development application service to the community					
Objective or task			Results		
Develop a new system for processing DA applications to improve consistency and timeliness of decisions			Overall: achieved The new system is working well, feedback from the community has been very positive		
Measures					
1. New system designed by 30 November; piloted by 31 March 2018; fully rolled out by 31 May 2018.			1. achieved A detailed project plan was drawn up and monitored; all key milestones were achieved on time and to quality required		
2. Sample review demonstrates consistent decision making by class of application.			2. achieved Independent review confirms this measure as met.		
Capabilities (maximum of 3 per objective or task)					
1. Work collaboratively - Advanced			1. demonstrated Jane demonstrated high level consultation and collaboration capabilities in working with internal stakeholders and the community. Feedback was excellent.		
2. Deliver results – Adept			2. demonstrated		

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name	Jane Smith	Name	Terry Wong	From	1 July 2017
Position	Manager, Development Services and Planning	Position	Director, Development and Strategy	To	30 June 2018
Council or work group strategic or operational goal 2: Council will manage physical assets to promote sustainable development in the region					
Objective or task			Results		
Deliver a new coastal management development control plan			Overall: partly achieved		
Measures					
1. Consultation draft of new plan provided to Council executive by 30 October 2017			1 achieved		
2. Final published and implemented by 30 June 2018.			2 partly achieved The consultation draft comprehensively reflected internal stakeholder views and was approved by the executive for public consultation. The process of public consultation was delayed, and the key messages didn't resonate with some community members, with resulting delays and some dissent for the final plan.		
Capabilities					
1. Plan and Prioritise - Advanced			1. partly demonstrated The process of drafting the document was very good. However, the plan for organising widespread consultation was too high level and would have benefited from better targeting to different segments of the community.		

EMPLOYEE		MANAGER		PERFORMANCE AGREEMENT PERIOD	
Name	Jane Smith	Name	Terry Wong	From	1 July 2017
Position	Manager, Development Services and Planning	Position	Director, Development and Strategy	To	30 June 2018
PART B – DEVELOPMENT					
1. Technical/professional skills and knowledge					
Objective: stay abreast of current legislative developments affecting local government					
Action: read relevant publications, newsletters, etc		Result: Both actions were completed			
Action: attend information seminars.		Jane attended the series of seminars conducted by LGNSW on current reforms.			
2. Capabilities					
Objective: develop Workforce Leadership capabilities. In particular: Optimise Workforce Contribution at Adept level.					
Action: develop team workplan that takes into account existing team capabilities and planned development		Results: Team workplans were developed and worked well.			
Action: attend external training course on staff performance management		Jane hasn't yet attended the external training course – needs to be included in the new performance agreement.			
3. Career Progression/Development					
Objective: Jane would like to broaden her experience by working in different council areas, to give her a strong basis for progressing to senior executive level over time.					
Actions: Organise 6 month rotation in another area of Council		Result: Action is underway. A rotation opportunity has been lined up for July to December 2018.			



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