

Capability Frameworks and Staff Performance

A short paper prepared by David Cohen for the AHRI L&D SIG meeting on 17 May 2005, identifying some of the issues and assumptions that need discussing.

Firstly I would like to acknowledge the valuable assistance provided to me by Ms Kerry Martin of Yellow Edge in preparing for this Special Interest Group. Kerry has kindly agreed to co-present on the 17th of May and her specific case study knowledge will greatly enhance the learning outcomes of the evening.

There are a number of **issues** that I would like to look at when we meet:

1. the increasing popularity of organisational capability frameworks:
 - a. how they are being constructed and
 - b. how they are subsequently being used
2. the link between these capability frameworks and employee motivation, specifically:
 - a. the involvement of employees in the construction and revision of such frameworks
 - b. how such frameworks are used in the performance management process, learning & development and succession management

Definitions:

- Capabilities:
 - “What an employee is able to do now, and capable of doing in the future. Includes knowledge, skills and attitudes.” David Cohen 2005
 - The APS defines capabilities as “the crucial success factors for senior APS leaders—in particular, the behaviours that support high performance.”¹
- Competencies:
 - Similar to capabilities, but often focusing more on the skills and knowledge required to produce certain outputs, at the expense of considering the behaviours and attitudes, or “the how to” the outputs are produced.
- For the purpose of this paper capabilities and competencies are assumed to be one in the same, covering skills, knowledge and attitudes of individual employees, where:
 - Skills include natural ability and learned expertise
 - Knowledge includes understanding gained in theory and in practice, and
 - Attitudes include values and beliefs

Assumptions: (To be tested and discussed at the SIG)

- Context free general capabilities are being identified and used by organisations
- Context free general capabilities, when applied to all staff in a generic manner, suggest that there is one best way to do all jobs (This is commonly referred to as Taylorism – refer Garavan et al p3/24²)

¹ The APSC State of the Service Report: 2003-2003: <http://www.apsc.gov.au/stateoftheservice/0304/chapter9e.htm>

² Taylor, F.W., 1911, The Principles of Scientific Management, Harper Collins and Norton, New York.

- Employees who are motivated to improve themselves are more valuable to the organisation and its future
- Employees are motivated to work harder when they feel that their best interests are being taken into account by the organisation
- Employees who perform effectively possess a superior set of work-related capabilities
- Some agencies are aware of the problems associated with a top-down compulsory approach to management and are therefore trying more post-modern approaches to integrating their capability frameworks with L&D strategies and succession management that involve employees in their construction, use and evaluation

L&D - Capability Frameworks and Performance Management: - what's happening out there?

Introduction

Many organizations, including government agencies, have jumped on the capability framework bandwagon. The APS for example has invested an enormous amount of energy devising an expanded capability framework known as the Integrated Leadership Strategy (ILS) for executive and senior executive levels of APS leadership. One of the problems that may be encountered at the grass roots level, when these "top-down" frameworks are used in performance management processes, is that the needs/views of the individual can be overlooked. And when this happens staff can become less motivated about their work.

At the Special Interest Group I will discuss the emerging popularity of capability frameworks, both within and outside of government, and I will provide examples of some Australian government attempts to use these frameworks to improve performance. I will argue that most benefit is being achieved where a consultative approach between management and employees is conducted.

A brief history of the role and use of capability frameworks

Formal performance management systems are relatively recent additions to management practice, both in government and non-government agencies. The roots of performance management in the **private sector** go back only about 60 years to World War II.

"Performance management began as a source of income justification used to determine whether or not the salary of an individual was deserved. Organizations used performance management as a way to drive certain behaviours from workers to get specific outcomes. This practice worked well for certain individuals, but failed miserably when used on others. Organizations found that some people were driven solely by pay, whereas others were driven by the quest to learn and develop their skills further."³

³ Creating a High-Performance Workforce February 2005 - Jason Averbook
http://www.clomedia.com/content/templates/clo_article.asp?articleid=836&zoneid=59

Within the **Australian Public Service** a growing focus on performance management emerged in the 60s and 70s, but they were not embedded as a regular, systematic and effective practice in most agencies. Through the 80s a wave of reform in public administration engaged the APS with trends in management thinking, including from the private sector. Significant among these trends was an increasing focus on managing by outcomes and accountability of agencies for improving management and performance. Performance pay was first introduced for the Senior Executive Service (SES) and Senior Officers in the early 90s.⁴

The PS Act 1999 introduced specific obligations for the Public Service Commissioner to foster leadership, coordinate APS-wide training and career development, and facilitate continuous improvement in people management. In the same year the Senior Executive Leadership Capability Framework (SELFC Framework) was launched to define the **leadership capabilities** required to secure the long-term future of the APS. The introduction of the SELC Framework represented the first step to creating a common understanding of the leadership capabilities required for high performance in the APS. The SELC Framework was built around five core capability clusters:

- Shapes strategic thinking
- Achieves results
- Cultivates productive working relationships
- Exemplifies personal drive and integrity
- Communicates with influence.

It became clear to the APS Commission that it would be useful to develop a strategy to expand the SELC Framework to support a wider range of executive and senior executive development, to help **build the capabilities of APS leaders**, and thereby, better support a whole of government approach. The result of that strategy has been the development of the Integrated Leadership System (ILS), designed to link all aspects of leadership that impact on the APS.

The ILS provides capability development **guidance for individuals and agencies** in the form of descriptions and behaviours for Executive and Senior Executive levels in the APS. It contains **practical tools** for individuals and agencies to **chart leadership** development. The ILS is based on and expands the SELC Framework.⁵

Throughout this brief history of APS performance management that I have just outlined I think it is fair to say that the focus has remained bias towards what the organisation has deemed to be appropriate for its staff.

"An important emerging trend... is a move to articulating competencies and capabilities at an organisational level..."⁶

Problem with this historic approach:

The problem with the approach outlined above, quite simply, is that it is not very consultative and therefore runs the risk of missing what is important in the eyes of the employee.

⁴ Performance Management in the APS: A Strategic Framework: Management Advisory Committee 200X? <http://www.apsc.gov.au/publications01/performancemanagement.htm>

⁵ The Australian Public Service Integrated Leadership System: A.S. Podger Australian Public Service Commissioner 16 July 2004 : <http://www.apsc.gov.au/ils/ilspodger.pdf>

⁶ Performance Management in the APS: A Strategic Framework: Management Advisory Committee 2001 <http://www.apsc.gov.au/publications01/performancemanagement.htm>

Motivational theory suggests that people are interested in themselves. Logic would therefore suggest that people will embrace performance standards (for themselves) if they feel that these standards are in their best interests. Capability frameworks imposed from on high might not be viewed as being in the person's best interests, if for no other reason than the person was not consulted in the design of the framework. Unsuccessful use of capability frameworks in performance management may therefore be a lack of understanding and good will towards them that is brought about through a lack of consultation being made with staff. Let me expand on this:

- **Motivation Theory**

Among various behavioral theories long generally believed and embraced by business are those of Frederick Herzberg (1959)⁷, a psychologist who proposed a theory about job factors that motivate employees. According to the theory, motivators were elements that enriched a person's job; he found five factors in particular that were strong determiners of job satisfaction: *achievement, recognition, the work itself, responsibility, and advancement*. These motivators (satisfiers) were associated with long-term positive effects in job performance.

Applying Herzberg's theory to performance management, to gain staff motivation would require that the following factors exist for staff:

- That they have a sense of achievement
- That they are recognized suitably for their achievement
- That they are able to do work that motivates them
- That they are given responsibility that they desire and feel capable of handling, and
- That they progress through their careers

- **Evidence of problems being encountered**

Unfortunately during my time consulting to government on performance management I have noted a significant degree of variation in motivation by employees towards the formal performance management processes. And I am convinced that the five motivational aspects noted above are often being neglected. Evidence of this neglect can be seen in some of the following behaviours (that I have had described to me by various APS employees during my consultancies):

- Staff have never had their performance reviewed
- Staff do not do more than the bare minimum required of them
- Managers take very little time:
 - With the review process
 - With goal setting
 - Providing feedback
- Managers just tick & flick, rather than take the process seriously
- Ratings are ridiculous:
 - E.g. 1. not satisfactory – ok description
2. satisfactory – everyone chooses this
3. Outstanding – so high that no-one ever chooses it
- Performance criteria:
 - Acknowledges the outcome but not the manner in which the outcome is achieved
 - Is not relevant to the person's job
 - E.g. "supervisory skills" when they don't have staff
 - Don't mean anything to the person

⁷ Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). *The Motivation to Work* (2nd ed.). New York: John Wiley & Sons.

- E.g. “behaves in an acceptable manner”
- And, attitudes are not ideal
 - E.g. staff who argue that because they have achieved the basic performance goals they should be rewarded in some way

Alternate ways to address the problem: the focus of the AHRI S.I.G.

At the Special Interest Group on the 17th of May I propose looking at some local APS case studies as examples of some of the different ways government agencies are attempting to motivate their staff to use capability frameworks. I have invited Ms Kerry Martin of **Yellow Edge** to co-present with me for these studies as Kerry has had a significant role to play with many of these organisations.

David Cohen
LINK Learning Pty Ltd
May 2005