

Business Excellence Councils share the leadership initiatives they use to 'develop cultures and support behaviours consistent with their organisational values'

By June Shine Executive Manager at Port Stephens Council

When an organisation embarks on a journey for excellence, it is challenged to look within and address key questions such as 'how are we really performing as an organisation?'; 'what are we good at?'; 'what do we need to do to improve?' The internationally recognised *Business Excellence Framework* ensures that the organisational review remains holistic and encompasses all levels of the organisation and considers all factors that can influence performance. In this article three CEO's participating in the Australian Local Government Business Excellence Network (LGBEN) share stories about the leadership initiatives and concepts they are using to develop cultures consistent with their values.

LEADERSHIP ACROSS THE ORGANISATION

Glenn Patterson, CEO at Baw Baw Council in Victoria tells us about a leadership initiative that responds to the Leadership category in the *Business Excellence Framework* and specifically the element of "*Leadership throughout the Organisation*".

Glenn recalls that "in 2005 our employee opinion survey results confirmed to the executive team that our organisation lacked mid level leadership capacity and competencies and that many of our teams were frustrated with the manner in which they were being led. We established a two pronged strategy; one; to introduce new talent into our corporate leadership team (our 20 directors and managers); and second; to implement a leadership development program. This was intended to promote the

achievement of business excellence **Principle 4**, to *develop and value people's capability and release their skills, resourcefulness and creativity to change and improve the organisation*".

Glenn says that "after evaluating alternative leadership programs, we selected an external consultant whose program was based on a holistic personal development approach. The program has been delivered in stages to nearly forty senior staff over two years. A six month maintenance program follows each program, to reinforce the new learnings and behaviour. Leadership study groups were formed and continue to meet on a regular basis to share learnings, challenges and to allow the managers to provide ongoing support to one another. Many formal mentoring relationships have developed. Also, multiple copies of a whole range of relevant leadership books and other

material has been purchased and placed in the corporate library, with all staff encouraged to borrow those. These are complimentary to the program literature”.

Glenn reflects further and tells us “the six month, self directed leadership program, focused learning in all the intelligences - mental, spiritual, emotional and physical. In broad terms, competencies have developed in many areas, the most significant of which have been in the area of emotional intelligence - vastly improved stress management, development of genuine coaching of staff through regular one on ones and authentic conversations (*including the ‘not so easy’ ones*), healing of broken relationships and purging drama queen episodes! All of that has led to more positive behaviour, improved relationships and in turn better performance and outcomes. The only adverse effect has been that one of the participants, our highly respected local laws team leader, has been inspired to pursue another career through the confidence and self belief gained through the program!”

Glenn goes on to say that “many participants have declared that the program has been a life transforming experience for them, both professionally and personally. Those stories have been shared publicly by all participants with the others that went through the program - that was a powerful and moving experience”.

With a great deal of pride Glenn says that “anecdotally and

supported by evidence in the most recent employee opinion survey in 2008 (*which is aligned to the 7 categories of the Business Excellence Framework*), there has been significant improvement in the openness and standard of relationships. Performance in all leadership areas was in the top half of organisations (*national and international, private and public organisations*) surveyed by the same firm *Insync Surveys*, with four key best practice results areas being in the top 25% quartile of results. This benchmarking will be conducted annually to assist in monitoring the effectiveness of this program and our progress more generally”.

LEADING THE ORGANISATIONAL CULTURE

Mark Searle, CEO at City of Marion in South Australia shares a short story about a leadership initiative that responds to the Leadership Category in the *Business Excellence Framework* and specifically the element of “*Leading the Organisational Culture*”. Mark says that “the major drivers for this leadership initiative were to firstly, focus the organisation with a clear strategic direction; secondly, to increase organisational performance consistent with our strategic objectives, and thirdly, to substantially improve our capacity to attract and retain quality candidates in a tightening employment market”.

Mark explains that “at the City of Marion our vision is to become an employer of choice and the goal to do that is to achieve measurable improvements in organisational

culture over time. The next level of goals relate directly to the improvement opportunities identified through Council's *Cultural Strategy*.

Mark explains that "the approach has been to ensure our *Cultural Strategy* is imbedded in everything we do. To achieve the cultural goals plays a significant role in the ongoing review and development of our major corporate systems and processes. For example, the first survey identified a number of improvement opportunities (causal factors) and staff understanding of the vision was in the top four. The review of our approach has resulted in all staff having the opportunity and support to participate in all levels of the process, from setting Council's strategic direction, to translating it into work area improvement plans and individual performance and development plans. The most recent survey has us above industry average and heading for best practice in this area".

Mark says that "this approach is used for the top 3 (sometimes 4) causal factors corporately and in every work area. All senior leaders are required, as part of their performance and development plans, to have their leadership behaviour measured and, with the assistance of a coach of their choice, develop a plan to continuously improve their leadership".

Mark says that "the *Cultural Strategy* is a systematic approach to improving culture based on addressing the identified causal

factors. We chose a quantitative approach where culture is measured every 2 years with an all staff survey using the Human Synergistics Organisational Culture Inventory (OCI), and related causal factors identified using the Organisational Effectiveness Inventory (OEI). Work areas experiencing high passive and/or aggressive defensive styles are surveyed annually".

Mark goes on to say that "as part of the *Cultural Strategy* each year we participate in the Hewitt Best Employer Survey to cross validate our scores. We also measure employee retention and always expect an improvement in the broader corporate key performance indicators such as financial, customer service, and so on".

Mark believes that external assessment also brings a level of independence that is vital to sound ADRI decision making. "at Marion we chose to participate in the 2007 Australian Business Excellence Awards for this purpose. The major management systems have been developed, reviewed and refined over the last seven years consistent with the cultural survey findings. Our cultural objectives are a key component of our long term strategic plan, annual business plan, work area plans, position descriptions, individual performance management and the enterprise agreement. If the required cultural change for any work area is considerable, memorandums of understanding are developed between the relevant stakeholders to clearly articulate the agreed goals and

each party's respective commitments".

Mark tells us that "all individuals in the 3 senior levels of management have regular Life Styles Inventories and/or leadership impact assessments as part of the leadership development. The results are used as the basis of individual coaching and development plans. All people in leadership positions are accountable for the culture of their team and receive the support necessary to achieve a constructive culture".

Mark outlines that, "as CEO I am accountable to Council for my leadership behaviour, which is measured annually and reported to Council as part of the annual CEO performance review. All staff are involved with increasing levels of commitment required commensurate with level of leadership responsibility. The results of the cultural survey, which have consistently improved since introduced in 2002, are evidence of staff ownership and successful process improvement".

Proudly Mark tells us "the 2007 Australian Business Excellence Awards assessment rated us at 70% for the leadership category. For Constructive Culture we were one of 6 Australian organisations to receive a cultural transformation award in 2007. The award recognised a statistically significant improvement in organisational culture over the previous 5 years. We have delivered improvements across all 31 causal factors. In 2002, only 4 of the 31 causal

factors had us at above industry average. In 2007, 18 of the 31 were above average and a number at or near industry best practice. Staff understanding of our vision had improved from well below to well above average (4th lowest to 7th highest). Our 2002 survey had us, as the organisational leaders, resorting to punishment at a level well above the industry average. The inclusive and systematic approach to management implemented since has transformed us to industry best practice in this category. We are very rarely resorting to punishment and find clear direction, goals and inclusive leadership is delivering results far superior to prior approaches".

Finally and with a great deal of pride Mark explains that "the findings of the 2007 Australian Business Excellence Awards assessment state that:

- *'The City of Marion's constructive culture has contributed to the creation of a workplace that is effective and growth-promoting, based on collaborative relationships and teamwork, and characterised by a clear sense of shared vision and individual responsibility. There is strong evidence that the values and behaviours underpinning this culture are lived throughout the organisation.*
- *Staff retention has improved from below 84% to above 90%.*
- *Across the broader corporate indicators, financial performance has improved, taking a 10% operating deficit*

to successive surplus' over a 5 year period.

- *Customer service improvements include calls answered within 5 rings improving from 80% to consistently above 95% over the past 4 years.*
- *Development applications processed in the required timeframe consistently in the 94% to 98% range over the past 2 years, an improvement from the figures as low as 83%.*

Mark leaves us with this comment "I believe that leadership determines culture and all staff in leadership positions are responsible for managing the culture in their work areas. The individual learning journey requires our leaders to develop increasingly more effective leadership behaviours. At Marion our individual surveys, plans and coaching capture that learning at the individual level".

The City of Marion received a Bronze Award in the 2007 Business Excellence Awards.

LEADERSHIP ACROSS THE ORGANISATION

CEO from Silver award winning Hobart City Council in Tasmania, Brent Armstrong tells us that "having experienced a somewhat turbulent period of change for local government in Tasmania during the 1990s that saw the National Competition Policy introduced, and two State Government initiated Boards of Enquiry examine amalgamation of Councils, it became my immediate goal, as incoming General Manager, to introduce a planned approach to incremental, continuous

improvement across the organisation".

Brent remembers that "I believed it was incumbent on me to demonstrate leadership for the organisation as a whole by creating a culture of continuous improvement that would ensure the long term sustainability of our organisation. As a focus for that we established an objective *to achieve Australian Business Excellence Award standard by 2004*".

In pursuit of this objective Brent recalls, "the corporate management team committed the organisation to a program of regular, planned organisational assessments referenced to the *Australian Business Excellence Framework*. The high level of involvement and commitment to continuous improvement in an incremental manner reflects a deliberate strategy to lead, rather than manage, thereby creating opportunity for employees at all levels to learn and practice leadership skills".

Brent explains that "with encouragement from senior management, teams of wide cross divisional representation were actively engaged in organisational improvement related activities. From a small beginning in 1999, in which 14 cross divisional teams were engaged in specific customer awareness, process improvement, strategic planning, and knowledge management projects, a continuous improvement culture has since being firmly embedded. The many and varied skills of the

organisation's employees are being recognised, barriers between divisions and units are being broken down and, overall, employees have an incentive to actively instigate new initiatives, resolve operational issues and to learn and demonstrate leadership skills".

Brent believes that "external evaluation feedback confirms how the approach taken to introducing a culture of continuous improvement is having the desired outcome. Whereas the Australian Business Excellence Awards Feedback Report in 2000 reported that there was opportunity to further embrace use of business excellence principles, the evaluation team in 2005 reported *significant evidence of good progress in continuous improvement and that it is evident that the General Manager and the corporate management team are well versed and committed to the principles of business excellence improvement*".

Hobart City Council's pursuit in attaining high levels of business excellence, acknowledged in 2005 by Hobart City Council being a recipient of an Australian Business Excellence Award, Silver Level, is reflected in an approach to continuous improvement having the enduring support and commitment of the organisation's senior leadership.

You can learn more about the Australian Local Government Business Excellence Network by visiting our website on www.lgben.net.au

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