

City of Marion



Quick Facts

Industry
Local Government

Customers
85,000 residents

People
380

Assets
\$1 billion

Revenue
\$72 million

CEO
Mark Searle

Internal Change Agent(s)
City of Marion Senior Leadership Team

Andrew Lindsay, Manager
Organisational Development

City of Marion Organisational
Development Team

Human Synergistics Tools Used
Organisational Culture Inventory®
(OCI) (Preferred and Actual)

Organisational Effectiveness
Inventory™ (OEI)

Life Styles Inventory™ 1&2 (LSI)

Leadership/Impact® (L/I)

Outcomes
Business Excellence Gold and
Bronze Awards

Financial Sustainability Award

Increased staff retention and
satisfaction

Improved customer satisfaction

The Challenge

In 2000, the City of Marion recognised the need to do things differently. Incoming Chief Executive Officer (CEO) Mark Searle inherited a 12% operating deficit, an estimated staff turnover rate of more than 20% and anecdotal evidence of a poor customer service reputation. The challenge was to build the performance of the organisation, which could survive in the short term and be sustainable in the future. Focus and resource was put towards building capacity and the readiness for change.

THE GOAL

The immediate goal was to establish a strategic and financial plan for the Council; a plan that would enable members to take ownership. With a plan in place, the organisation would have a clear strategic focus, be able to sustainably improve its capacity to meet organisational performance targets, and attract and retain good staff.

THE PROCESS

Early in the journey, emphasis was placed on being able to measure the systems and processes. Performance data, financial information and staff measures were reviewed and interpreted to understand where the Council was coming from, and allow for subsequent comparison to monitor the effectiveness of the improvement program.

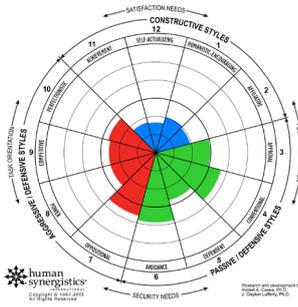
With data in hand, organisational culture was seen as an important catalyst to lead change, and in 2001, a cultural approach to change was introduced. Leadership would be the driver for change and the CEO and his Executive Management Group (EMG) needed to role model the behaviours they were expecting in others. Emphasis was placed on building the capacity of managers and staff to take responsibility and be accountable for their actions.

To support the capability building, in 2002, the Council invested in the Human Synergistics Integrated Development System. Having previously used the Organisational Culture Inventory® (OCI) in an earlier role, the CEO introduced the OCI and Organisational Effectiveness Inventory™ (OEI) tools to measure the (then) operating culture of the Council and its causes. With objective data, improvement programs were refined and implemented to build a Constructive culture.

Alongside the Human Synergistics Integrated Development System, the Council introduced the Australian Business Excellence Framework (ABEF), from SAI Global, as a means to have the conversation. We recognised that it takes time to understand and embrace Constructive behaviour. The Council recognise they needed to build the internal capability to do the work themselves, and invested in training of both the Human Synergistics diagnostic tools and ABEF to allow for the work to be done in-house. This activity reinforced the culture approach that culture isn't something you 'DO', it is the 'HOW' you do the day-to-day. Together, the Human Synergistics and ABEF methodologies created a common approach and language to business improvement.

City of Marion

Figure 1: 2002 – OCI: All Data N=247

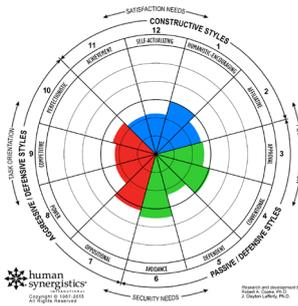


Change Starts at the Top

In the beginning, it was difficult to engage with the EMG and to recognise that leadership change starts from the top. If they expected others to use Constructive behaviours, they needed to role model these behaviours themselves. Building trust was paramount.

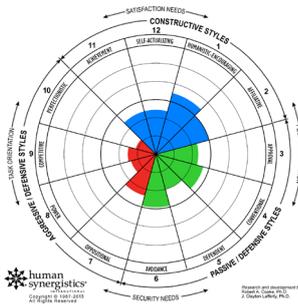
Courageously, the EMG went out to their direct reports to get feedback about their performance, by means of the Human Synergetics Life Styles Inventory™ (LSI). Using the results from the LSI, development plans and coaching programs were implemented for each of the EMG, with members being held accountable to their teams in moving towards more Constructive styles of thinking and behaviour. Having rolled out ongoing development programs at the senior level of Council, staff were successfully encouraged to participate in training and development programs at other levels of the Council.

Figure 2: 2005 – OCI: All Data N=237



In parallel to the work being undertaken at the top level of the organisation, the Council also looked closely at what was informing decisions at the lower levels of the organisation. A moment of truth for the Council was when the CEO and the Directors visited the depot to meet with the outdoor staff. Without any other agenda other than listening, the executive team showed they valued the outdoor staff's contribution to building a Constructive culture through shifting a "what's in it for me" view to a "how can we" perspective. This "how can we" perspective was further endorsed by the relocation of the Organisational Development / Human Resource function to the depot site.

Figure 3: 2007 – OCI: All Data N=272

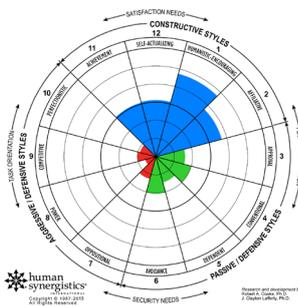


The Council also adopted a Performance Partner framework to support people in their efforts to build a Constructive culture, and perhaps more importantly, a commitment to caring. The framework has even extended to the Council's external relationships with recruiters and training providers, with the Council taking an active role in the Local Government Business Excellence Network.

THE OUTCOME

The first cultural measurement in 2002 revealed a Council that rewarded and encouraged self-protecting behaviour, where members shifted responsibilities to others and blamed everyone else for mistakes. Behaviours linked to standards of excellence and the acts of care and support for each other were significantly lower in comparison. A flight/fight response was the predominant norm of behaviour.

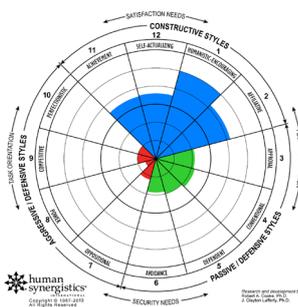
Figure 4: 2009 – OCI: All Data N=342



Critically, during 2004, the Council invited members of the EMG to also respond to an OCI Preferred survey. The data allowed the Council to get an understanding of the gap between the current operating culture and the ideal culture, and echoed goal setting for the future – "Imagine the City of Marion in 2020".

In 2005, the second measure showed a movement away from a Defensive culture and towards more Constructive norms. The greatest shifts were seen in the reduction of the Conventional style (24% decrease) and an improvement in Humanistic-Encouraging (92% increase). Shifts were also noted in some of the outcomes associated with culture, as measured through the OCI/OEI; Employee Satisfaction increased by 4% and Motivation increased by 7%.

Figure 5: 2011 – OCI: All Data N=343



Similar shifts towards more Constructive norms occurred in the 2007 OCI/OEI retest, with significant change occurring between 2007 and 2009. Overall, the Constructive styles increased (a 41% improvement) and the Defensive styles decreased (a 46% improvement) during the two years between 2007 and 2009. Between 2005 and 2009, Employee Satisfaction increased a further 13% and Motivation increased 14%.

Further increases occurred between 2009 and 2011, with the Council meeting the conditions of a technical Constructive Culture – all the Constructive styles at or above the 60th percentile and all the Defensive styles at or below the 50th percentile. Chart 1 shows the Council's progression since 2005.

City of Marion Organisational Culture Inventory™ (OCI®) All Data: 2002 - 2011

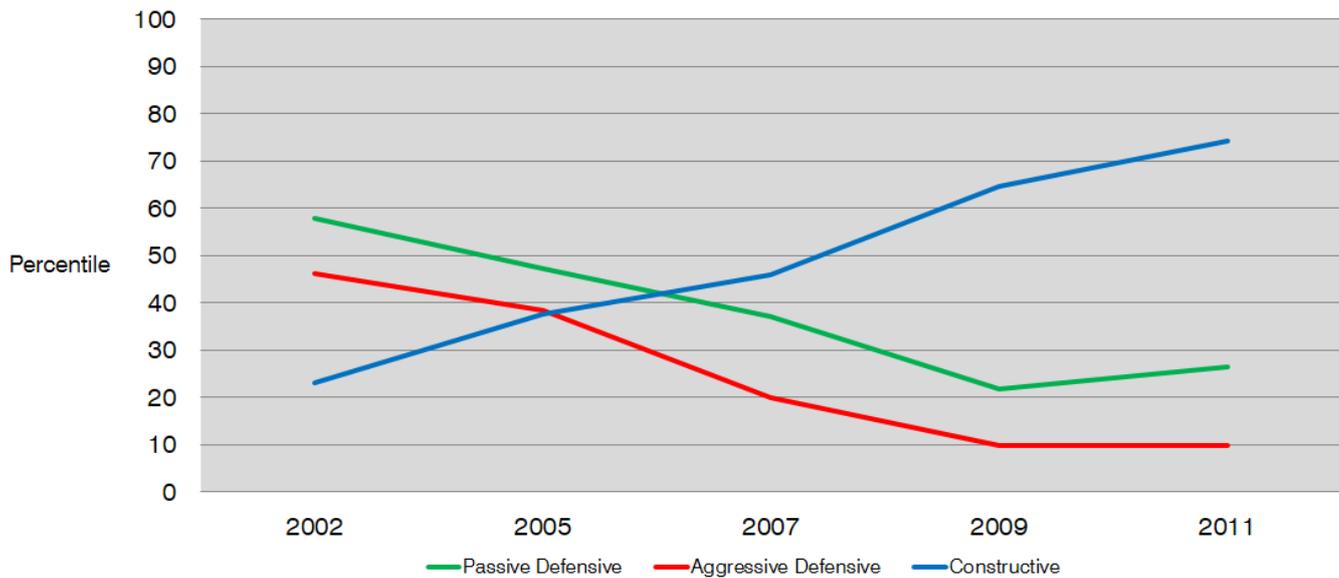


Chart 1: City of Marion Cultural Norm 2002 - 2011

Culture Drives Results

Not only was change measured through the Human Synergistics diagnostic tools, improvements were also measured through the Council's own performance metrics to create the links between culture and performance.

- Reduced staff turnover from more than 20% to 8%
- Maintenance of a 'satisfactory' community satisfaction rating (as measured externally by the Local Government Association of South Australia)
- Achievement of planned objectives increased from 80% to 93%
- Up to 97% of Development Applications completed within statutory timeframes, and up to 77% completed within a 1/3 of statutory timeframe
- Achieved a pattern of consistent operating surpluses over the past seven years
- Reduction in complaints to the State Ombudsman.

External Recognition

The Council has also received recognition of the business improvement from external sources:

- Business Excellence Bronze Award (2007)
- Human Synergistics Culture Transformation Award (2007)
- Business Excellence Gold Award (2010)
- Human Synergistics Sustainability Award (2009) and (2012)

LESSONS LEARNT

The Council has been able to create a sustainable platform to realise the potential of the 2020 vision:

"A leader in the delivery of the Community Vision Broad horizons – Bright future; and be an organisation of Excellence."

The task now is to think and act outside of what is possible within the typical local government paradigm and go beyond.

Much of the success of the work was based on having an objective measure – a shared understanding of what people would be held accountable for. This meant that staff were supported to achieve their tasks, and encouraged to take responsibility. Importantly, everyone in the organisation was required to be accountable from the CEO to the kerbside concreter.

Throughout the improvement program it was important to create the links for people to see how things were done in parallel rather than in isolation. Development and training programs were designed to support the cultural approach and deliver on the Council's performance objectives. Reward and recognition activities were linked back to the Achievement and Humanistic-Encouraging styles of the circumplex. ABEF provided the tools for staff to explore and enact the Constructive styles, and developing the internal capability for the Council to do the work themselves around facilitating awareness and self-development programs was key.

Alongside the strategic business improvement work, was a belief that any work had to have wider significance. With a stated goal of becoming an Employer of Choice, the organisation had to invest in mobilising the intrinsic motivation in staff. Using the LSI, the Council invested in helping their staff become better husbands, wives, parents and club members outside of the workplace. Many staff members commented that the work that has gone on inside of the Council has led to insights that they could take home with them.

City of Marion

A CASE STUDY WITHIN A CASE STUDY

Arguably, one of the hardest areas to shift in a local government context is the outdoor staff. Often they are unionised environments and physically disconnected from the rest of the organisation.

In the case of the City of Marion, the outdoor staff were the proof in the pudding. With a baseline measure in 2002 showing high Aggressive Defensive and Passive Defensive styles and lower Constructive styles, the 2011 result revealed a 144% improvement in the Constructive styles, a 52% improvement (decrease) in the Passive Defensive styles and 69% improvement (decrease) in the Aggressive Defensive styles. Associated with the shifts in the cultural norms, performance improvements in the Council’s own business metrics reinforce the success of the cultural approach. City Services has contributed significantly to Council’s reduction in staff turnover and successive operating surpluses.

Commensurate with the ‘life’ aspect of the cultural approach, many staff talk about the support that the Council provides outside of work. Stories of manager initiated support to the families of sick or injured workers abound, with emphasis placed on people focusing on getting fit and healthy. The Council also offers support through the Employee Assistance Program (EAP) to help staff with work and non-work related issues. The work continues within the Council. After 10 years, the EMG believes the organisation is in a position to deliver on the 2020 vision, and to be the leader in the delivery of the community vision.

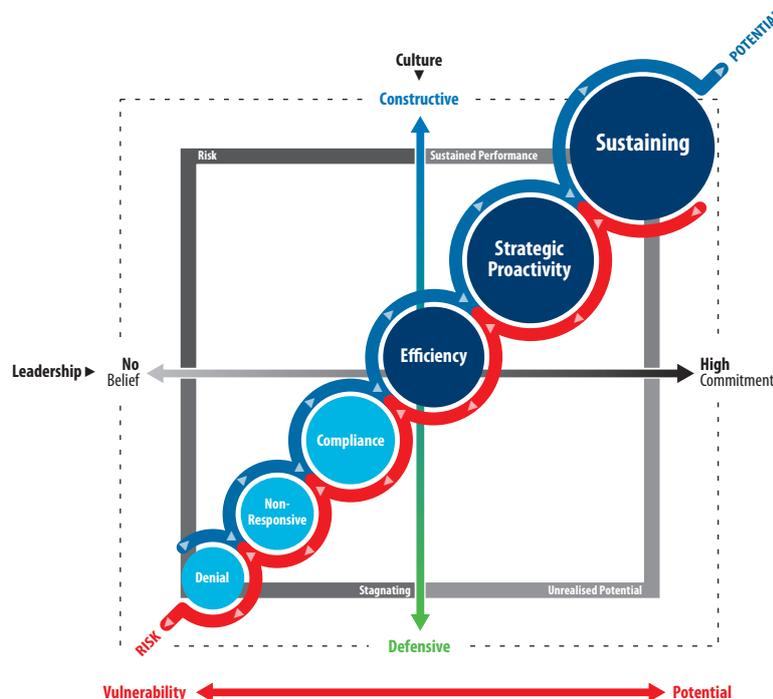
Applying the Human Synergistics “6 Stage Developmental Model” (Figure 6), the City of Marion fills the space in the Sustaining stage.

Along the horizontal axis, there is a high commitment and belief of the EMG in role modelling and pursuing Constructive styles of thinking and behaviour. This is integrated as a personal value rather than just “the right thing for the organisation”. Positioned at the top of the vertical axis in the Constructive zone, the City of Marion is continuously developing its culture, believing that culture is the vehicle and determinant of effectiveness of the business strategy and an important contribution to more effective society. Sitting in the ‘Sustained Performance’ quadrant, the Council is moving beyond conventional, mainstream thinking into a space where the potential is not just of organisational members but also the wider community – what is the potential of the people in South Australia.

The Sustaining space is a demanding place to be in. The view from the top of the mountain provides a vantage point that encourages and drives the realisation of what is possible. Organisations are not as concerned about just getting to the top of the mountain; they continue to think about what the potential is to continue to influence industry and society.

Importantly, Sustaining organisations concentrate on developing a resilient and responsible organisation of substance.

Figure 6: 6 Stage Developmental Model



**Changing the World —
One Organisation at a Time®**

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