A Change Leadership & Transition Management Strategy to Improve Engagement, Productivity, Efficiency, and Align Corporate Outcomes with Community Expectations

14th September 2013

Contents

Executive Summary

Local governments in Western Australia are facing the difficult challenge of achieving financial sustainability in an environment of increasing community expectations on service delivery, performance, accountability and participation. Within this environment the City of Greater Geraldton is challenged with balancing the needs and aspirations of the community with their ability to pay.

The Council has a budgeted net operating loss of $5.97M for the 2013/14 financial year and does not expect to be in a breakeven position until the year 2022. The City of Greater Geraldton's financial position means that many community needs and aspirations are unlikely to be delivered within the short term, without significant increases in rates or reduction in expenses.
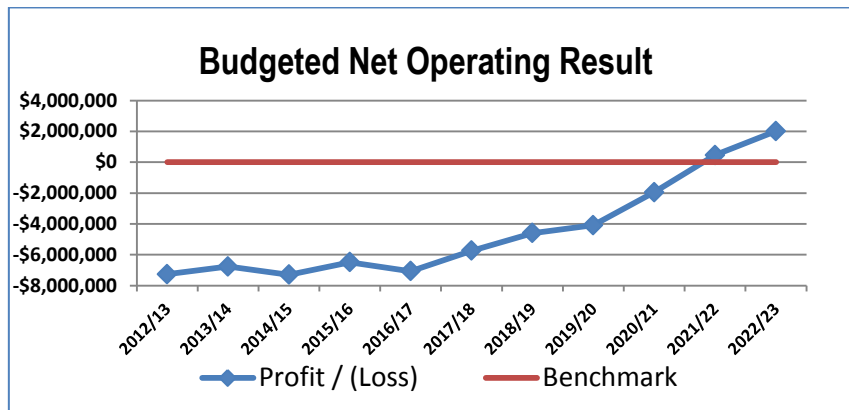
In coming up with solutions to these challenges, the City has long recognised that the best solutions are those that are made collaboratively between Council, its staff, and the Community, utilising the principles of engagement and deliberative democracy.

The community of the City of Greater Geraldton have been engaged in a number of deliberative democracy projects in the past, including the 2029 and Beyond Project and precinct planning projects. The overwhelming response from the community is that they want to continue to be engaged in a more democratic way when it comes to the management of the City.

#changesCGG is a change leadership and transition management strategy aimed at Improving engagement, productivity, efficiency, and aligning corporate outcomes with community expectations. It has two essential elements: *#changesCGGcommunity* – an externally focused strategy that incorporates the principles of community participatory budgeting into the delivery of community infrastructure and the range and level of services provided by the City; and, *#changesCGGstaff* – an internally focused change leadership and transition management program designed to improve productivity and efficiency by building the right culture within the organisation.

In addition to bringing about lasting productivity and efficiency improvements within the City, the *#changesCGG* strategy will provide a more transparent, accountable and democratic budget process that will ensure that there is equitable representation of community interests.

The Need for Change

There are at least five compelling reasons for change:

1. **Financial Sustainability**

   The City's current financial position is clearly unsustainable, and the long term financial plan is only achievable by achieving efficiencies in expenses such as labour and materials. Unless we change to become more productive and efficient, organisational strategies such as restructuring, downsizing and outsourcing may be required to achieve the financial performance targets set by Council and the State Government.

2. **Community Aspirations**

   There is a growing expectation from within the community in relation to increased and improved service from the City. For example, the recent Sporting Futures Plan, developed through community participation, has raised the community's expectation for the delivery of sport and recreation infrastructure in excess of $100M. Other plans and policies of Council have raised similar expectations from the community in relation to the delivery of services or infrastructure. Without change we will not be able to meet or effectively manage the community's aspirations.

3. **Community Engagement**

   The Council has introduced the community to the principles of deliberative democracy through strategic initiatives such as the 2029 and Beyond and precinct planning projects. The response from the community is that they want to continue to be engaged in a more democratic way when it comes to the management of the City. This is evidenced through the following survey responses:

   2010 – Deliberative Survey responses to importance of Community Participation.[1]
   - 80% of our community surveyed believe that an engagement process would result in positive outcome for the City Region.
   - 86% of participants believe public participation would have a positive impact if they were given the opportunity to participate in decision making for the future of Geraldton.

   2011 – Designing our City survey - forum responses to importance of Community Participation.[2]
   - 73% believed that their participation in decision making processes will have influence on the future of the region.
   - 94% of the participants said they take their responsibilities as a citizen seriously.
   - 85% think that they have an important role to play in the life of their community.
   - 47% were ready to give up their time for the community.

   Rangeway, Utakarra and Karloo [3]
   - Over 95% of the survey participants would like to participate in deliberative community engagement processes.

   Unless we change the way in which we make strategic financial decisions we are not meeting the community's expectations for engagement, participation and involvement.

4. **Devolution of Responsibilities**

   The Federal and State Governments continue to devolve their responsibilities to Local Government and are withdrawing funding for vital infrastructure and services, further compromising the Council's ability to deliver services in a financially sustainable manner.

5. **Staff Engagement**

   A survey of all staff was conducted in 2011 to ascertain the level of their engagement and satisfaction. Whilst many of the results were promising, the following results show a high level of dissatisfaction in relation to the work environment at that time.

Fig. 1: Employee Engagement and Satisfaction 2011

Engagement & Satisfaction Question	% Agree
In this organisation employees gain a clear benefit if they are a high performer (e.g., recognition, financial and non-financial benefits, opportunities)	17%
This organisation's performance management process differentiates employees based on their level of performance	20%
Poor Performance by any employee is addressed in a timely and effective manner	21%
Our senior leaders fill me with excitement for the future of this organisation	20%
Our senior leaders consistently demonstrate the organisation's values in all behaviours and action	20%
Senior Leaders are doing a good job of helping me understand the reasons for organisational change and the desired outcomes	23%
Our senior leaders are worthy of my trust	29%
This organisation provides sufficient opportunity for employee input into major change events	19%
I am excited about the changes that this organisation will be making in the workplace	26%
I am convinced that change is necessary for our organisation	61%
I receive appropriate recognition (beyond my pay) for my contributions and accomplishments	20%

Disengaged and unmotivated staff have a dramatic impact upon the overall productivity and efficiency of the City. It also has a significant impact on morale, which in turn impacts recruitment and retention, absenteeism, and general performance.

Unless we bring about strong and positive cultural change within the organisation, the community will have to continue to fund the financial overhead associated with a disengaged and unmotivated workforce.

To achieve the community's vision of "*A creative city-region with the capacity to sustain a population of 80,000 – 100,000 which has a prosperous, diverse and sustainable community within an attractive Western Australian setting*" the Council will need to more effectively engage with staff and the community to find faster, better, cheaper and smarter ways of doing business.

#changesCGGcommunity

#changesCGGcommunity is an externally focused strategy that is based upon the principles of deliberative democracy and participatory budgeting. The Strategy involves the engagement of community panels to review the Council's community infrastructure priorities and range and level of service.

By incorporating the principles of deliberative democracy the *#changesCGGcommunity* strategy will ensure equitable representation of community interests and needs in decision making, more effectively manage community expectations, and bring about a greater level of transparency in Council budget deliberations.

What is Deliberative Democracy?

"Deliberative democracy strengthens citizen voices in governance by including people of all races, classes, ages and geographies in deliberations that directly affect public decisions. Citizens consider relevant facts from multiple points of view, converse with one another to think critically about options before them and enlarge their perspectives, opinions, and understandings. As a result, citizens influence, and can see the result of their influence on, the policy and resource decisions that impact their daily lives and their future".[4]

Professor James Fishkin, who has designed practical implementations of deliberative democracy for over 15 years in various countries, describes five characteristics essential for legitimate deliberation as [5]:

- **Information**: Accurate and relevant data is made available to all participants.
- **Substantive balance**: Different positions are compared based on their supporting evidence.
- **Diversity**: All major positions relevant to the matter at hand and held by the public are considered.
- **Conscientiousness**: Participants sincerely weigh all arguments.
- **Equal consideration**: Views are weighed based on evidence, not on who is advocating a particular view.

Council's commitment to inclusive civic and community engagement and leadership is articulated in the Strategic Community Plan and has been implemented by the City over the past three years in processes such as the Designing our City Forum, Digital Strategy and Precinct Planning. In honouring Council's commitment to meaningful engagement and deliberative democracy *#changesCGGcommunity* has been designed to comply with the principles of deliberative democracy and incorporate the essential characteristics for legitimate deliberation.

What is Participatory Budgeting?

"Participatory budgeting (PB) can be broadly defined as the participation of citizens in the decision-making process of budget allocation and in the monitoring of public spending".[6]

The City of Porto Alegra in Brazil commenced its inaugural participatory budget process in 1989 and is considered both the pioneer and a leading authority in the process. The key elements of their process, and that of many that followed, include [7]:

1. All citizens are entitled to participate, community organisations having no special status or prerogative in this regard;
2. Participation is governed by a combination of direct and representative democracy rules and takes place through regularly functioning institutions whose internal rules are decided upon by the participants;
3. Investment resources are allocated according to an objective method based on a combination of "general criteria" – substantial criteria established by the participatory

institutions to define priorities – and "technical criteria" – criteria of technical or economic viability as defined by the executive and federal, state, or city legal norms – that are up to the executive to implement.

#changesCGGcommunity incorporates the above key elements of inclusion, democracy, and the allocation of resources based upon criteria established by the PB participants.

Governance

The Governance arrangements for the participatory budgeting process comprise of four main entities:

Fig 2: #changesCGGcommunity Governance Structure
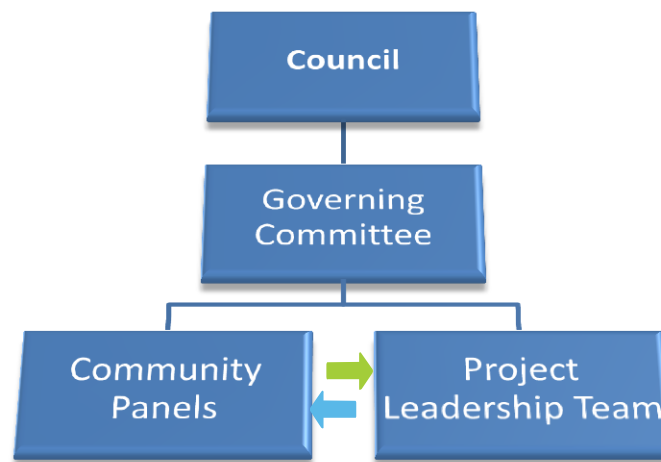
The respective roles and responsibilities of each of the above entities are summarised as follows:

Council
The Council's roles and responsibilities are defined as:

1. To approve the implementation of *#changesCGG*.
2. Consider all recommendations from the Community Panels.
3. Adopt the recommendations of the Community Panels to the greatest possible extent.
4. Clearly communicate to the Community Panels the reasons why any recommendations cannot be adopted.
5. Work with the Community Panels to determine alternative solutions where Community Panels' recommendations cannot be adopted.

Councillors have been entrusted by the community to make decisions on their behalf. The above roles in no way takes away from the responsibility of the Council with respect to the Budget or any other matter for which they are currently responsible.

Governing Committee

The Governing Committee will comprise of no more than 9 represntatives from the Council, business, industry and the community and will be responsible for:

1. Ensuring that Community Panels are appropriately established, particularly with respect to eligibility, stratification, age, ethnicity, education etc.
2. Ensuring that the particpatory budgeting process is accountable and transparent and free from bias.
3. Reviewing material provided to the Community Panel's for accuracy and relevance.
4. Championing the participatory budgeting process within the community.
5. Certifying the extent to which the recommendaitions of the Community Panel have been developed in a transparent and accountable manner and the impact of undue bias.

Importantly, the Governing Committee will not be involved in the deliberations of the Community Panel, nor will they have any responsibility for amending the work of the Community Panel.

Community Panels

The Community Panels will comprise of a broadly representative group of between 20 and 40 people selected in a random and stratified manner to reflect the City's demographics. A separate panel will be established for each of the *#changesCGGcommunity* projects – one to develop the 10yr Community Capital Works Plan and one to recommend the range, level, and priority of Council Services.

The Panels will be responsible for:

1. Determining the rules of the participatory budgeting process.
2. Considering information provided to it by the Project leadership Team (PLT).
3. Seeking further clarification and information from the PLT to assist in their decision making process.
4. Reporting any abuse or concerns regarding procedure or processes to the Governing Committee.
5. Providing recommendations to the Council, via the Governing Committee, in relation to the participatory budget matter being considered (10year Capital Woks Plan/Range and Level of Services).
6. Considering the Council's response in relation to the adoption of its recommendations.

During the Community Panels' deliberations, they will be assisted by an independent and expert facilitator and will have the resources of the PLT available to them for any matters that may require immediate clarification.

Project Leadership Team

The Council's Chief Executive Officer and Directors will comprise the Project Leadership Team (PLT), which may be supplmented by additional support staff as required. The role of the PLT is to:

1. Design a recommended particpatory budgeting process for consideration of the Community Panel and Governing Committee.
2. Provide information and expert advice to the Community Panel and Governing Committee.
3. Oversee the successful management of the **#changesCGGcommunity** strategy.
4. Monitor and report on progress to the Council and the Governing Committee.

Objectives of Community Panels

The broad objectives of each of the Community Panels are:

Community Ten Year Capital Plan

Recommend to the Council:
1. *A ten year capital works program that represents community aspirations and is deliverable within the constraints of the Council's adopted Long Term Financial Plan.*
2. *An assessment framework for the evaluation of future capital works projects that have not yet been identified.*

Range & Level of Services

Recommend to the Council the community desired range, level, and priority of services to achieve minimal rate increases, or reductions, within the budget limitations set by the Council's adopted Long Term Financial Plan.

> *A detailed synopsis of the proposed participatory budget framework and processes is provided as an attachment to this paper*

#changesCGGstaff

#changesCGGstaff is an internally focussed strategy that uses contemporary change leadership (at the personal, team and enterprise levels) and transition management (effective group processes for improved performance and results) practices to transform the organisational culture so that individuals, teams and the organisation can perform to the peak of their capacity (motivation and ability). The strategy aims to encourage and enable behaviours that are evidence of 'visible leadership' by all staff within the City of Greater Geraldton.

Deliberative democracy principles will underpin the *#changesCGGstaff* strategy to ensure, buy-in, engagement and ownership by staff at all levels of the organisation.

What is Organisational Culture?

Organisational culture can be defined as "a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" [8],

In general terms, organisational culture could be described as the values, norms and behaviours that govern our collective and individual decision making, or, "the way we do things around here".

Common characteristics that influence and impact upon organisational culture include [9]:

1. A shared understanding of the organisation's mission or purpose.
2. The focus and management of leaders within the organisation.
3. The values that guide decision making and activity at all levels in the organisation.
4. Employee's relationships with each other, management, customers and other work related parties.
5. The way the organisation conducts its day to day business.

These characteristics help form the organisational personality which in turn drives the behaviours, attitudes, activities, and decision making of staff.

The Impact of Organisational Culture

Whilst organisational culture can be considered to have abstract qualities, it is widely believed that it has a powerful impact on the way organisations behave and helps shape[9]:

- What the organisation considers to be "right decisions".
- What employees consider to be appropriate behaviours and how they interact with each other within the organisation.
- How individuals, work groups and the organisation as a whole deal with work assigned to them.
- The speed and efficiency with which things get done.
- The organisation's capacity for and receptiveness to change.
- The attitudes of outside stakeholders to the organisation.

Noted theorist D. R. Denison also identified the following organisational culture traits that have an influence on organisational performance [10]:

Involvement: Effective organisations empower their people, build their organisations around teams, and develop human capability at all levels (Lawler, 1996)

Consistency: Organisations also tend to be effective because they have "strong" cultures that are highly consistent, well co-ordinated, and well integrated. Behaviour is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view (Block, 1991).

Adaptability: Adaptable organisations are driven by their customers (both internal and external), take risks and learn from their mistakes, and have capability and experience at creating change (Nadler, 1998). They are continuously changing the system so that they are improving the organisations' collective abilities to provide value for their customers (Stalk, 1988).

Mission: Successful organisations have a clear sense of purpose and direction that defines organisational goals and strategic objectives and expresses a vision of how the organisation will look in the future (Ohmae, 1982; Hamel & Prahalad, 1994).

Recent studies involving the staff within the banking industry found that[11]:

1. More than 97% believe that organisational culture affects employee productivity.
2. 88.9% believe there is a correlation between organisational culture and corporate performance.
3. More than 90% believe that employees commit themselves to actively achieving organisational goals when they buy into cultural norms of the organisation.

Improving the organisational culture will be a primary focus of *#changesCGGstaff* to drive productivity and efficiency.

Our Vision, Mission & Purpose

A Vision Statement is an aspirational description of where the Council wants to be in the future. The City of Greater Geraldton has two Vision Statements:

Community Vision - A creative city-region with the capacity to sustain a population of 80,000 – 100,000 which has a prosperous, diverse and sustainable community within an attractive Western Australian setting.

Organisation Vision - A creative city-region which has a prosperous, diverse and sustainable community within an attractive Western Australian setting.

A Mission Statement describes how we intend to achieve our vision. The City of Greater Geraldton's Mission Statements is as follows:

> **Organisation Mission** - A leading organisation that works in partnership with the community, industry and government to plan and provide quality services and infrastructure in a sustainable environment.

The problem with Vision and Mission statements is that they tend to be a hodgepodge of purpose, values and vision, resulting in a lack of clarity and focus. They are often hard to remember, and do little to resonate with the staff of the organisation.

More contemporary practice advocates the adoption of a Purpose Statement. A Purpose Statement succinctly captures why the organisation exists and what it does. It should be memorable enough so that everyone connected to the organisation can remember it and use it. It can also be used to build morale and gain support and understanding inside and outside the organisation.

Managers, Directors and all staff will be engaged as part of the *#changesCGGstaff* strategy to develop a Purpose Statement that provides a common understanding of why we exist and what we do. Alignment of effort, consistent **vital behaviours** and shared values are key to our effectiveness in the future. The job of each leader is to **'breathe life into our values and vital behaviours'** each and every day so they become our natural habit and the manifest expression of our desired culture.

Our Values

At a recent strategic workshop the Executive Management Team (EMT) considered the organisations current values of Respect, Excellence, Teamwork, Openness and Leadership. They agreed that, whilst these values are commendable, they want to adopt new and fresh values to hold each other accountable to, and form the basis of evaluating their individual and collective performance. Furthermore, they thought it was important that these values better reflect the culture that they want to see in the organisation and in the behaviour of staff.

After much deliberation they agreed on the values of **S**ervice, **T**rust, **A**ccountability, **R**espect, and **S**olidarity - **S.T.A.R.S**. It was also agreed that quarterly surveys would be undertaken with each other, the Councillors, their peers and direct reports on how well they demonstrate the values, so that they are held accountable for their actions and behaviours.

These values will be considered by a joint Managers and Directors meeting to be held on 20th September and, if adopted, rolled out throughout the organisation as part of *#changesCGGstaff* strategy.

SERVICE
TRUST
ACCOUNTABILITY
RESPECT
SOLIDARITY

In adopting these values staff will be committing to the following behaviours:

Service
- We will make our customers the focus of everything we do.
- Our service will be fair, flexible, innovative and reliable.
- We will show genuine concern for our customers.

Trust
- We will make trust the foundation of all relationships.
- We will rely and depend on each other.
- Our communications will be open and genuine.

Accountability
- We will honour our commitments.
- We will take responsibility for our own actions.
- We won't blame others.

Respect
- We will treat others like we would like to be treated.
- We will listen before we talk.
- We will seek and value the contributions of others.

Solidarity
- We will be united in our decisions.
- We will be united in our actions.
- Our strength will come from interdependence.

Change Leadership and Transition Management Framework

Change leadership and transition management is the coordination of a structured period of transition from the current situation to a desired situation, in order to achieve lasting change within an organisation. Change leadership and transition management involves:

1. Defining and instilling new values, attitudes, norms, and behaviours within an organisation that support new ways of doing work and overcome resistance to change;
2. Building consensus among customers and stakeholders on specific changes designed to better meet their needs; and
3. Planning, testing, and implementing all aspects of the transition from one organisational structure or business process to another.

Fig. 3 #changesCGGstaff Change Leadership and Transition Management Framework

The change leadership and transition management processes that will be followed in **#changesCGGstaff** include:

Stage 1 – Diagnose the Current State - This stage involves undertaking a stocktake of the current cultural position of the City's staff and its various teams using the OEP model. This will identify cultural, strategic and process gaps within the organisation and serve as a benchmark to gauge the success of **#changesCGGstaff**.

Stage 2 – Identify Desired Future State - This stage involves working with teams within the City's staff to determine the desired outcomes that will help us achieve and demonstrate an improved organisational culture.

Stage 3 – Design How to Get There – Utilising tools from Kotter's Change leadership and transition management Model and the Influencer Model, multidisciplinary teams will be established to design activities, processes and projects to achieve the desired future state.

Stage 4 – Implement & Monitor Progress – Once approved by EMT, teams will be tasked with implementing the activities, processes and projects and will be required to evaluate, monitor and report on progress and performance.

Stage 5 – Embed & Grow – Successful initiatives will be embedded within the City's normal business processes and will be further enhanced through a process of continual improvement.

Learning –A learning environment has five main features; systems thinking, personal mastery, mental models, shared vision and team learning [10]. Learning organisations have been shown to:

1. Maintain levels of innovation and remaining competitive. [14]
2. Be better placed to respond to external pressures. [14]
3. Have the knowledge to better link resources to customer needs. [16]
4. Improve quality of outputs at all levels. [16]
5. Improve corporate image by becoming more people oriented. [15]
6. Increase the pace of change within the organisation. [15]

All stages of the change leadership and transition management process will be undertaken within a learning environment.

Engagement – Research has consistently shown that employee engagement is powerfully linked to a range of business success factors such as:

1. Employee performance and efficiency. [16,17]
2. Productivity. [18]
3. Safety. [19,20]
4. Attendance and retention. [17,21]
5. Customer service and satisfaction. [22]
6. Customer loyalty and retention. [23]
7. Profitability. [24,25]

Accordingly, employee engagement will be a key focus in the delivery of **#changesCGGstaff**.

Change Leadership and Transition Management Tools

A number of change leadership and transition management tools will be utilised within the adopted change leadership and transition management framework. The primary tools that will determine and govern the activities within **#changesCGGstaff** will be the OEP Model from the Centre for Organisational Innovation (COI Group), John Kotter's Change leadership and transition management Model and the Influencer Model from VitalSmarts LC. These models are briefly summarised below.

OEP (Organisational Effectiveness Profile) Model

Organisational Effectiveness Profiling (OEP)™ is a process which uses employee-generated data collection to assess performance against 19 critical 'Drivers' of organisational effectiveness and more than 100 underlying issues, in the areas of Strategic Intent, Culture and Behaviour, and Business Processes.

Fig. 4: OEP Interplay of Elements

The model is based upon the premise that the interplay of strategic intent, culture and behaviour, and business processes, builds an effective organisational platform within which people can work at their best.

As part of the **#changesCGGstaff** strategy all staff will be surveyed, and the performance of their team and department will be analysed with respect to the following 19 Business Effectiveness Drivers and benchmarked against the whole of Council and industry.

Fig. 5: OEP Business Drivers

Business Driver	Description
Strategic Intent	
Organisation Purpose & Vision	Meaningful and well communicated purpose. Clarity of vision and future direction. Alignment of effort.
Organisational Strategy	Well communicated and relevant organisational strategy. Designed for effectiveness and efficiency. Systemic and viable outcomes from
Business Plan & Objectives	Written and well communicated team plans. Clear and achievable job objectives are routinely pursued.
Strategic Initiatives & Resource Allocation	Organisational initiatives and priorities are aligned with team, enterprise process and/or functional group objectives and are supported with the
Culture/Behaviour	
Core Values and Behaviours	Meaningful core values are clearly defined, well communicated & routinely practiced. Values & associated behaviours are well understood &
Management Style & Behaviour	Effective people management. Gets things done.
Workplace Dynamic	Good work environment & conditions; fulfilling & engaging work. Teamwork and Co-operation: People work effectively and well together.
Communication	Communication is open, constructive and effective.
Individual Development, Empowerment & Training	People are appropriately trained, coached, developed and empowered.
Attitude to External Contacts	Strong customer service culture. Working as partners with suppliers.

Purpose, Confidence & Ability	Innovative, flexible team able to successfully navigate & manage change. People feel that things are going well and are confident about the
Business Processes	
Procedural Steps & Safety	Safe work environment. Work procedures are modern, flexible, effective, efficient & appropriate.
Coordinating Mechanisms	Teams work well together. Purposeful & disciplined. The activities of different functions are well coordinated. Inter-functional Information
Inter-functional Information Transfer & Management	People receive the information needed to complete job tasks. Functional groups share systems & information readily & appropriately.
Systems Software & Documentation	Appropriate software, well documented tasks/procedures. Easy to use, reliable and comprehensive software and paperwork.
Information & Communication Equipment	People have the equipment they need – e.g. computers, networks, phones – to enable them to perform at their best. Sufficient, up to date
Reporting & Performance Measurement	Individual & team performance measures are realistic, fair, timely & useful. Performance feedback is constructive and encourages
External Business Partners & Systems	Computer systems link effectively from team to team, where & when required.

The model will provide staff with a detailed analysis and deep understanding of the issues that require attention. **#changesCGGstaff** multi-disciplinary project teams from all levels within the organisation will be established to critically analyse the issues and develop, implement, and monitor improvement strategies.

The City of Greater Geraldton will initially employ this proven approach and associated technologies for 1 year. The system includes web-enabled, team-based tools for problem identification, decision-making, priority-setting and progress monitoring. The daily actions and behaviours to resolve and overcome immediate and chronic long-term problems occurs heavily at the team level. The OEP system encourages and enables teams to solve many of their own problems, all co-ordinated through and with senior executives and managers.
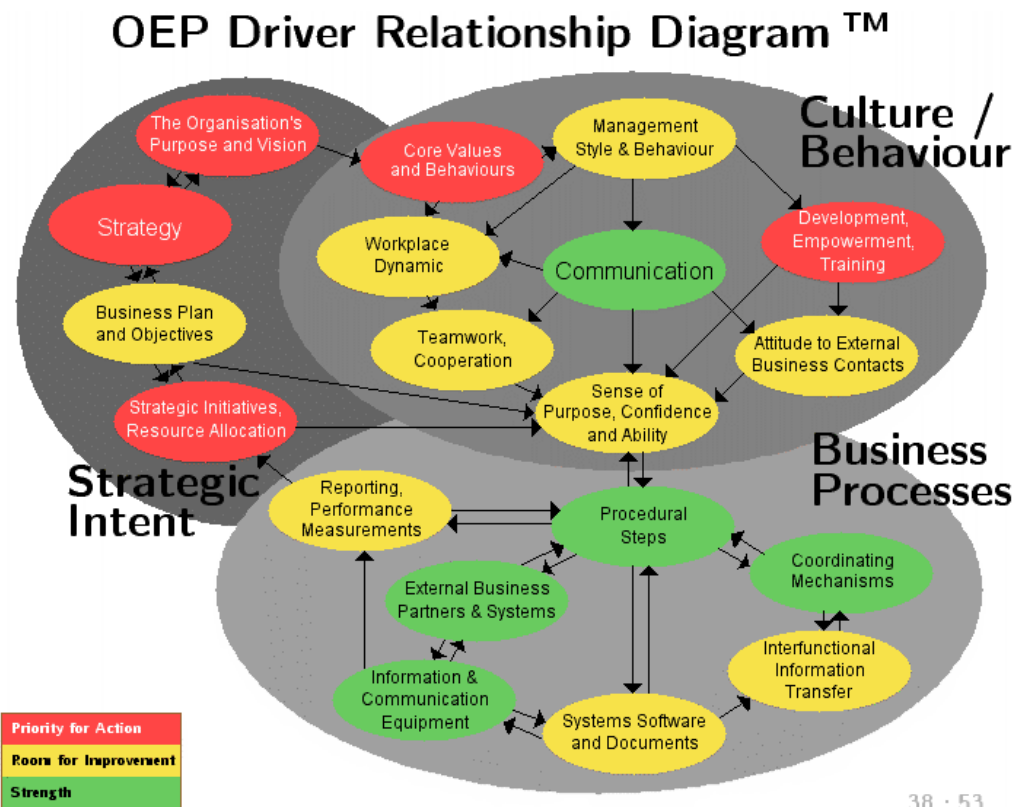
Fig. 6: OEP Relationship Diagram

Figure 6 above shows a high-level summary of the typical result of an OEP survey. The areas in red are those which require urgent attention and would be the immediate focus for organisational and team improvement. Yellow areas would be a secondary focus, whilst the established practices that result in a 'green light' should be embedded into the organisation. More detailed reports, analysis and debriefings are available from the OEP software by hierarchy, function, team and geographical area, to identify unique issues and specific areas for improvement.

Kotter's Change Leadership and Transition Management Model

John Kotter, the retired Harvard Business School professor published in 1995, the article 'Why Transformation Efforts Fail'. The change leadership and transition management article outlines eight critical success factors, to changing the culture

Kotter argues that "Leaders who successfully transform businesses do eight things right (and they do them in the right order)."[26] Today the change leadership and transition management model developed by Kotter is still highly relevant and is considered to be one of the most comprehensive tools for managing organisational cultural change and making it stick.

The eights steps identified by Kotter are summarised as follows:

Phase 1 – Creating a climate of change

> **Step 1: Establishing a Sense of Urgency -** Help others see the need for change and they will be convinced of the importance of acting immediately.
> **Step 2: Creating the Guiding Coalition** - Assemble a group with enough power to lead the change effort and encourage the group to work as a team
> **Step 3: Developing a Change Vision** - Create a vision to help direct the change effort and develop strategies for achieving that vision.

Phase 2 – Engaging & Enabling the Organisation

> **Step 4: Communicating the Vision for Buy-in** - Make sure as many as possible understand and accept the vision and the strategy.
> **Step 5: Empowering Broad-based Action** - Remove obstacles to change, change systems or structures that seriously undermine the vision, and encourage risk-taking and non-traditional ideas, activities, and actions.
> **Step 6: Generating Short-term Wins** - Plan for achievements that can easily be made visible, follow-through with those achievements and recognize and reward employees who were involved.

Phase 3 – Implementing & Sustaining the Change

> **Step 7: Never Letting Up** - Use increased credibility to change systems, structures, and policies that don't fit the vision, also hire, promote and develop employees who can implement the vision and finally reinvigorate the process with new projects, themes, and change agents.
>
> **Step 8: Incorporating Changes into the Culture** - Articulate the connections between the new behaviours and organisational success, and develop the means to ensure leadership development and succession.

Kotter's change leadership and transition management model will be utilised as part of the *#changesCGGstaff* strategy and Managers and Directors will be provided training in its theory and application to successfully manage the change process before the end of 2013.

Fig. 7: Kotter's Change Leadership and Transition Management Model
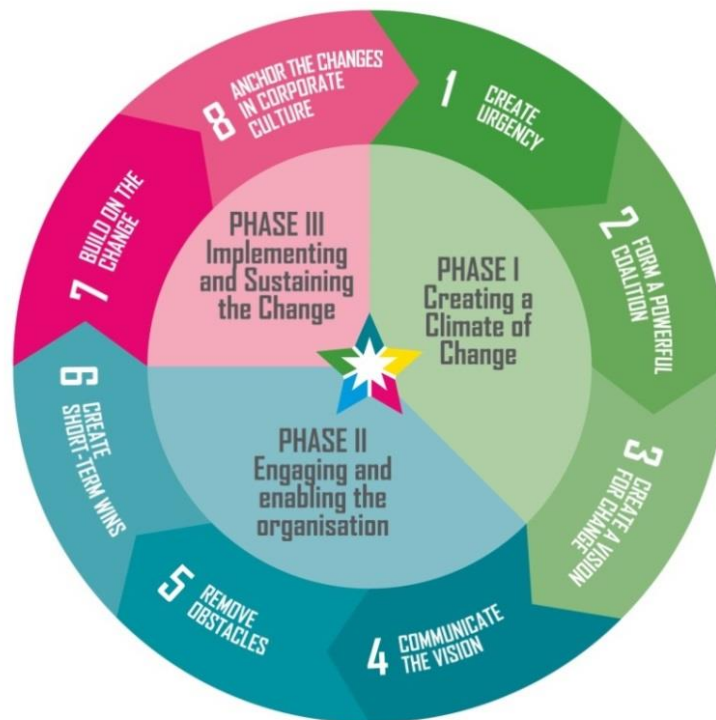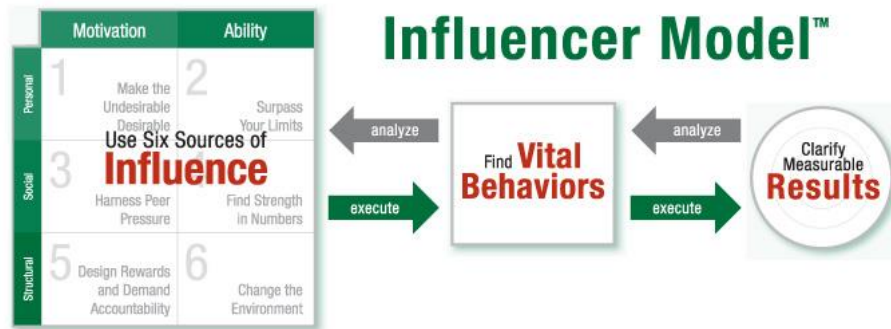

The Influencer Model™

The Influencer Model was developed by K. Patterson, J. Grenny, D. Maxfield, R. McMillan and A. Switzler and is built on 30 years of applied research and experience in the behavioural, social and organisational sciences. It's based upon the premise that leaders can be more effective in achieving behavioural change through using influence, because influence is about changing hearts, minds and operations to create long-term sustainable positive changes - as opposed to simply managing people into compliance through delegated tasks or inspiring short-term action.

Indeed, VitalSmarts' applied research results demonstrate that leaders who have employed the model are **1,000% or 10x more likely to succeed in achieving their change goals**, results and outcomes than those who did not use the Model.

The model provides for three simple steps:

1. **Clarify Measurable Results** – Clearly identify the goal and identify qualitative and quantitative metrics to track progress.
2. **Find Vital Behaviours** – Focus on a few (typically 3-5) vital behaviours that will routinely work towards bringing about the desired changes and hold everyone accountable when not demonstrating these behaviours.
3. **Use Six Sources of Influence** – Use all six sources of influence to motivate and enable people to behave in new, vital and effective ways that naturally lead to the desired changes. When a minimum of 4, preferably all 6, of the sources of influence are focused on the new vital behaviours, the likelihood of success increases by 1,000% or tenfold.

Fig. 8: Influencer™ Model

The six sources of influence identified in the Influencer Model are:

Source 1 - Make the Undesirable Desirable – Personally motivate to make the change pleasurable and connected to a person's sense of self.

Source 2 - Surpass Your Limits – Influencing behaviour by providing staff with the skills and personal strengths to do the right or most effective action or behaviour.

Source 3 - Harness Peer Pressure – Create of an environment where formal and informal leaders tirelessly encourage good (effective) behaviours and discourage bad (ineffective) behaviours so that there is greater social motivation and commitment to change.

Source 4 - Find Strength in Numbers – Create greater social capital and collaboration by rewarding people who pitch in when others need help, support, information, and resources.

Source 5 - Design Rewards and Demand Accountability - Don't reward activity, reward vital behaviours, build them into the formal reward system. Teach individuals what they're expected to do, measure if and when they do it, and then reward success. Equally important to rewarding people is holding others accountable who fail to embrace the change.

Source 6 - Change the Environment – Look at changing spatial arrangements, workspace proximity, data streams, work flow, systems, machinery, or other non-human ***things*** that enhance people's ability to get the job done.

As part of the ***#changesCGGstaff*** strategy, staff will be trained in the influencer model and applying the six sources of influence. Additionally they will work collectively to identify the vital behaviours required to bring about lasting change including the reward and accountability framework.

Management Engagement & Critical Skills

The Directors and Managers have identified that greater management engagement and critical skills training will be required to successfully deliver the desired ***#changesCGGstaff*** strategy outcomes.

Initially management engagement will be improved by:

1. Holding Leadership meetings every 2 months. The format of this meeting to be generally as follows:
    a) Discussion in small groups on challenges facing the organisation, including areas within the organisation, and how they were /can be overcome.
    b) A learning/leadership exercise based around the critical skills required by Managers.
    c) An EMT question and answer session.
2. Distributing of all Draft Policies to Managers for their review and comment prior to EMT consideration.

3. Ensuring reports submitted to EMT to include comments on internal consultation conducted.
4. 360^0 performance surveys for all Managers on their demonstrated behaviour and its alignment with our agreed values.
5. Managers will lead organisational wide project teams that are required as part of *#changesCGGstaff*

Further opportunities for the productive engagement of management will be identified and developed throughout the *#changesCGGstaff* process.

Critical Skills training to be provided to Directors and Managers as part of the *#changesCGGstaff* strategy will include:

1. Leading Change and Managing Transitions
2. The Influencer Change Leadership and Transition Management Model
3. Kotter's Change Leadership and Transition Management Model
4. Crucial Conversations and Crucial Accountability
5. Conflict Resolution
6. Facilitation
7. Negotiation
8. Active Listening
9. Building Teams
10. Assertiveness
11. Building my Emotional Intelligence (EQ)

This training will be progressively rolled out throughout the organisation and will encourage, equip and empower staff to more effectively deal with change and improve individual and team performance.

Social Media

A variety of innovative and social media will be used to successfully deliver the *#changesCGG* strategy and its components - *#changesCGGcommunity* and *#changesCGGstaff,* such as:

1. Facebook
2. Twitter
3. Council's Internet
4. Council's Intranet
5. Live Web Streaming
6. Everything Geraldton

The extent to which these resources are utilised will be determined through consultation with the Council, Community Panels, Project leadership Teams, and staff of Council.

Implementation

Upon adoption, the **#changesCGG** will be implemented immediately. Key milestones associated with the strategy include:

Fig. 9: Indicative Milestones

#changesCGG Key Milestones	Date
10 Year Capital Works Program	
Framework endorsed by Council	24-Sep-13
Formation of the Governance Committee	30-Sep-13
Launching the PB Project with the broader community	7-Oct-13
Formation of the Community Panel	22-Oct-13
Deliberations of 10 Year Capital Works Projects begins	2-Nov-13
Deliberations of 10 Year Capital Works Projects ends	23-Nov-13
Community Panel presents draft report on recommendations to the Project Leadership Team	4-Dec-13
Governance Committee reviews Community Panel processes to date and submits a Project Evaluation Report to Project Leadership Team	4-Dec-13
Community Panel report presented to Council and the Community	10-Dec-13
Community Panel Recommendations and Project evaluation submitted by EMT to Council	28-Jan-13
Range and Level of Services	
Framework endorsed by Council	24-Sep-13
Formation of the Governance Committee	30-Sep-13
Launching the PB Project with the broader community	7-Oct-13
Formation of the Community Panel	22-Oct-13
Deliberations of range and level of services begins	7-Feb-14
Deliberations of range and level of services ends	22-Mar-14
Community Panel presents draft report on recommendations to the Project Leadership Team	1-Apr-14
Governance Committee reviews Community Panel processes to date and submits a Project Evaluation Report to Project Leadership Team	1-Apr-14
Community Panel report presented to Council and the Community	15-Apr-14
Community Panel Recommendations and Project evaluation submitted by EMT to Council	22-Apr-14
#changesstaff	
Develop agreed values with Managers and Directors	20-Sep-13
Develop agreed critical skills for Directors, Managers and Supervisors	20-Sep-13
Develop and agree on Management engagement	20-Sep-13
Provide training to Managers and Directors on the Influencer Model and Kotter's Change Leadership and Transition Management Model	3-Oct-13
Launch #changes to staff	7-Oct-13
Launch OEP project	14-Oct-13
Open OEP staff survey	18-Oct-13
Close OEP staff survey	29-Oct-13
Complete analysis, reporting and publishing OEP survey results	6-Nov-13
OEP training for Directors, Managers and key staff	18-Nov-13
Executive and Manager debriefing workshops	19-Nov-13
Establish, develop & engage teams to implement high-priority improvements projects	22-Nov-13

Cost

The expected budgetary impacts associated with the implementation of *#changesCGG* are as follows:

Fig. 10: #changesCGG Estimated Budget

#changesCGG Estimated Budget			
Expense	**#changesCGGcommunity**	**#changesstaff**	**Total**
Community Panel fees	$50,000.00	$0.00	$50,000.00
Consultants & Facilitators	$30,000.00	$40,000.00	$70,000.00
OEP Model	$0.00	$40,000.00	$40,000.00
Initial Influencer Training	$0.00	$20,000.00	$20,000.00
Marketing (internal & External)	$15,000.00	$3,000.00	$18,000.00
Catering	$9,000.00	$2,000.00	$11,000.00
Sundries	$6,000.00	$3,000.00	$9,000.00
Total	**$110,000.00**	**$108,000**	**$218,000.00**

The current budget has an allocation of $120k, additional funds will be made available within the confines of our existing budget.

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