

YOUR FREE GUIDE

Cultural Transformation

A Blueprint for Regional Councils



Dattner Group
Little by Little

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1. Introduction

Regional councils in Australia face unique challenges not experienced to the same degree by urban and metro councils. Long-range cultural transformation in regional councils requires a well-thought-out blueprint that considers various aspects of organisational culture, employee engagement, community involvement, and leadership. This blueprint outlines the key steps for achieving long-range cultural transformation.

1.1

What is cultural transformational in council?

Cultural transformation in regional council occurs when (typically) the executive team and/or General Manager/CEO recognise that the current culture of the organisation is actively working against the execution of the strategy. The culture is acting as a tailwind (think riding a bike), propelling ambitions forward, as opposed to a headwind, which creates drag. In the best-case examples, the CEO or General Manager (likely recently recruited) initiates

a process of realigning the culture to better support the council's strategic ambitions. Sometimes, incumbent leaders recognise that without changing something fundamental, the council will continue to get what it has always got, be that around leadership behaviour, engagement of staff, or indeed the relationship between councillors, staff and the community.

Cultural transformation involves engaging in a comprehensive process to change the attitudes, beliefs, and behaviours of leaders and staff at all levels. A shared ambition must exist to create an environment that fosters collaboration, innovation, and empowers individuals to support the desired culture.

For regional councils, cultural transformation is particularly important in the face of the volatile, uncertain, complex, and ambiguous (VUCA) environment. Without proactive efforts to shape the culture, regional councils may be susceptible to unintentional cultural changes that hinder strategic decision-making and responsiveness in the wider community.

Conflict is commonplace and expands to fill the gap. The organisation struggles to attract the necessary talent, councillors may undermine the work of the professional staff in and with the community, and over time, despite the best efforts of many people, the organisation fractures; functions don't align, field staff feel left out, library, operations, engineering, corporate, customer service functions, snipe across boundaries.

No one is happy.

1.2

The role of leaders – the practice of leadership

Leadership plays a crucial role in spearheading cultural transformation within regional council. When leadership teams can address the challenges constructively and work together to proactively find a solution, great results emerge. It takes time (2 – 5 years) but once embedded, has a life beyond any individual leader's remit. Councils become a magnet for talent, councillors see their role as constructive advocates and staff build pride in the work they do together.

‘When culture is impeding the achievement of councils’ strategic objectives it is time for a transformation.’

1.3

What are warning signs that you need a cultural transformation in your council?

Some warning signs are more obvious than others. However, if one or more of the below exist, it's a clear indicator that culture must become the focus.

- Low employee engagement
- High turnover in the executive leadership team
- High staff turnover across the business
- High operating deficits or getting administrators involved
- Poor council reputation in the community
- Staff that fundamentally do not trust one another
- High conflict among council employees between departments or with Councillors
- Poor customer service satisfaction results
- A culture that is intolerant of mistakes and lacks initiative
- Poor asset management
- There is a perceived barriers and segregation among staff
- Severe disruptive behaviour on the part of councillors leads to the appointment of an administrator and the suspension of elected members

1.4

The purpose of cultural transformation

Undergoing cultural transformation is a marathon, not a sprint. It typically involves a three-to-four-year long journey that requires collaboration with leaders at all levels and engagement with everyone - from elected Councillors to frontline staff - to design and develop the desired culture.

The ultimate outcome of cultural transformation within a council is a notable shift in people's behaviour, thoughts, and attitudes towards work. When executed effectively, the council will become the beating heart of the community, reflecting a place that genuinely represents and resonates with the residents.

Furthermore, transformation will go beyond superficial changes, permeating deep into the fabric of the organisation. It will shape how individuals approach their work, interact with one another, and make decisions. This new mindset will foster a stronger bond between the council and the community, creating a shared sense of ownership and a brighter future for all.



2. Are you ready for change?

The simple answer is either no, or somewhat. We are rarely fully ready for significant change. All of us are capable of resistance at some level. Yet we recognise that change is both inevitable and more successful when it is owned by leaders rather than imposed on them. Hearing the truth can be hard, but it is the backbone of effective and sustainable change.

2.1

Changing culture is a marathon, not a sprint - what needs to be in place for it to be successful?

Organisational change demands significant, concerted effort and a willingness to delve deep into the underlying issues. It requires having open and sometimes uncomfortable conversations about what is not working and why. While this process can be challenging, the desire for change must outweigh the cost of remaining complacent.

Above all, there must be alignment among the executive leadership team regarding the worth of the change. Once that alignment is established, it is crucial to involve the entire council in the change conversations early on. When individuals feel included as part of the solution and perceive that their ideas and voices matter, they are more likely to embrace the change and become advocates for the process, regardless of the difficulties they may encounter.

Peeling back the layers of the metaphorical onion can be a confronting experience for some. It requires a willingness to examine the current state of the organisation, including any deeply ingrained practices or mindsets that may be hindering progress. By engaging in these uncomfortable conversations, the organisation can gain a deeper understanding of its challenges and identify areas for improvement.

By involving employees from various levels and departments in the change process, the council taps into a wealth of knowledge and perspectives. This inclusivity fosters ownership and commitment among individuals, as they recognise their role in shaping the future of the organisation.

Ultimately, successful culture change requires a collective effort. It necessitates creating an environment where individuals feel empowered to contribute their ideas, challenge existing norms, and support one another throughout the transformation.

'Peeling back the onion requires a willingness to examine, to engage in uncomfortable decisions and gain a deeper understanding of areas for improvement'



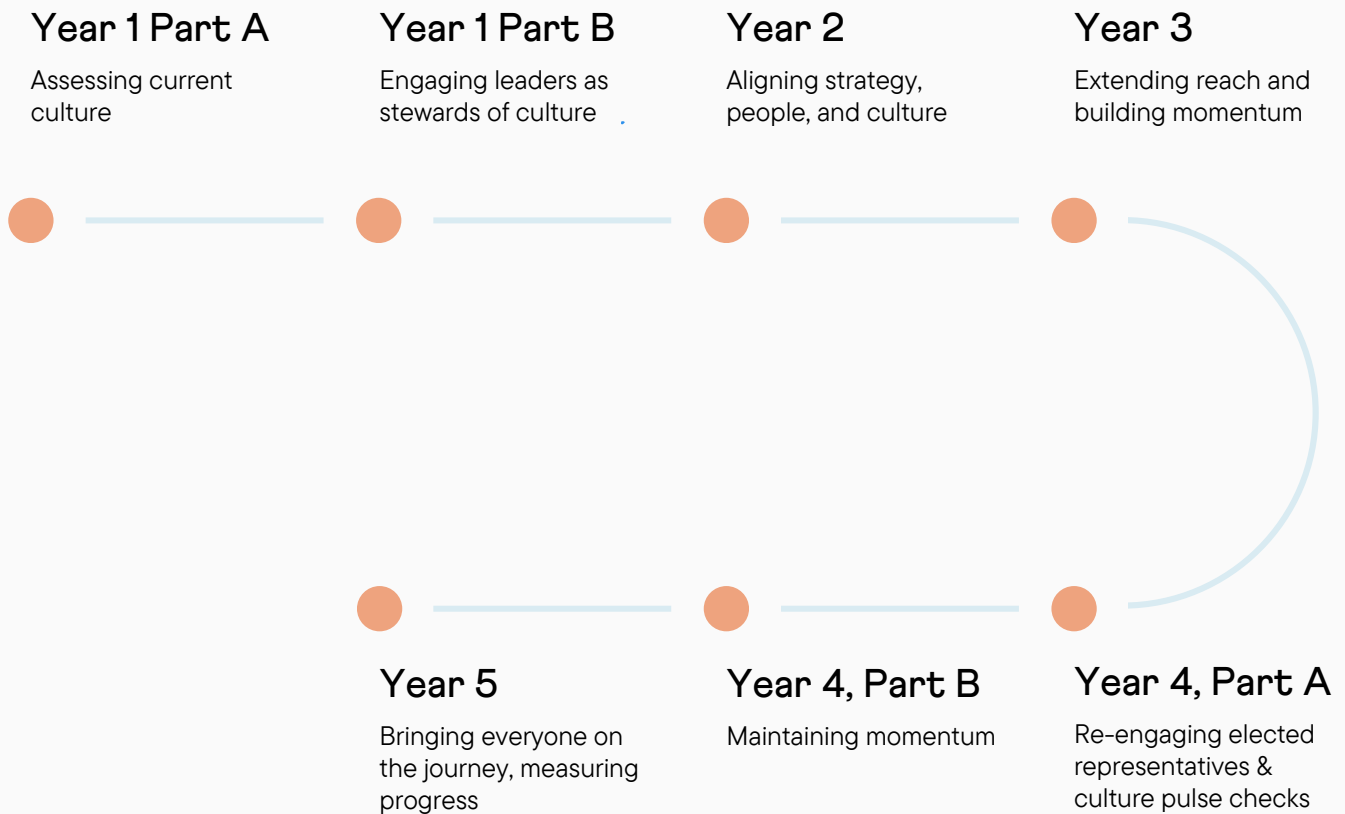
3. Roadmap of a cultural transformation process

As explained earlier, effective cultural transformation is a three-to-four-year long process that requires deep examination, consultation, engagement, training and monitoring. Below is step-by-step outline of the process to ensure your cultural transformation provides your desired outcomes.

The following is step-by-step outline of the process to ensure your cultural transformation delivers your desired outcomes.

3.1

A step-by-step process of cultural transformation



3.2

Diagnosing and defining your company culture: the assessing, engaging, aligning and extending phases

While the following phases describe a staggered, structured approach, throughout the journey, successful culture transformations include regular ‘townhalls’ - where all may hear from the GM or leader, and ‘world cafes’, where all are invited to contribute, and all perspectives and ideas are gathered. The following questions may be considered, as all contemplate the proposition of culture change:

- What will be possible for us that wasn’t previously possible?
- How will this transition most challenge us, individually and collectively and what can we do about it?
- What will have to change, what will we need to let go of?
- What shouldn’t change, what should we enshrine as critical to who we are?

Year 1 - Part A: Assessing current culture

- Conduct a comprehensive assessment of the current organisational culture, including values, beliefs, norms, and behaviours.
- Gather feedback from employees, community members, and stakeholders to understand their perspectives and identify areas for improvement. This is done through townhalls, surveys
- Use surveys and interviews to gather qualitative and quantitative data.
- Create a cultural audit report which presents the findings of where organisational culture currently sits and recommendations for development.

Year 1 - Part B: Engaging leaders as stewards of culture

- Executive team development: Engage the executive to their role as stewards for cultural development for entire organisation.
- Development of council values and behaviours: Articulate the values and observable behaviours that support or do not support as the foundation for cultural development.
- Conduct a values 360 Assessment: Obtain individual data on demonstration of behaviours associated with each of council's values, commencing with the executive then cascaded to Senior Management Team (SMT).

Year 2: Aligning strategy, people, and culture

- Executive and SMT development: Build leadership bench strength and self-awareness in key leaders at the council. Collaborate across executive and SMT to build cabinet solidarity on cultural ambitions, using diagnostics to support.
- Creation of council strategy: Develop a strategic plan, not for the infrastructure and assets of the community, its economic or cultural growth, but for the organisation itself, to ensure it grows its capability and effectiveness in line with the needs of the community. This includes an introduction to a comprehensive strategy development process that is translated into clear initiatives that everyone at council has a hand in, led by a high-quality governance team.
- Surveying and action planning: Retest the culture, including departmental and team level snapshots of actual culture using the Organisational Culture Inventory (OCI) and Organisational Effectiveness Inventory (OEI). This step involves extensive team-based action planning on results, passing the baton of growing culture to the frontline.
- Councilor development:
 1. Using individual beliefs and behaviour 360-degree feedback data (LSI 1 & 2) in workshops and 1:1 coaching to create shared intention - 'How we want to work together as a team'.
 2. Developing principles and methodologies for managing constructive relationships
 3. Integrate this with the executive team, and articulate clear mutual expectations:
 - a. Councilors of Executive
 - b. Executive of Councilors

Year 3: Extending reach and building momentum

- Executive Team Development: Maintain momentum and lift the bar on executive leaders as role models of what's required to bring about cultural change.
- SMT Team Development: Deepen the skills at the next level where much of the heavy lifting in bringing teams on the journey takes place.
- Frontline Leaders Development: Increase self-awareness on the individual behaviour that generates constructive or defensive behaviour in their team.
- Frontline Leaders Embedding Values: Conduct 360-degree feedback that highlights individual data on how behaviours associated with each of the council values show up.
- Development of Council Balanced Scorecard: Support the execution of the strategy with creation of measures/metrics/targets for each strategic objective and initiatives to achieve them, with 'theme teams' set up to support strategic governance.
- Development of Cascading Engagement Plan: Leverage enhanced leadership skills already built, clearer mechanisms for leaders at each level to do their part in engaging their teams to new plans, projects, policies, and other changes.

Year 4, Part A: Re-Engaging Representatives & Culture Pulse Check

- Re-engage councillors: Assess either newly elected members or identify further development for those who are incumbent.
- Culture Pulse Check: Review the interim trends emerging or factors that are creating the future culture, renew focus on work done at the departmental/team level to shift culture in their patch, and put in place some simple governance framework to ensure this continues.

Year 4, Part B: Maintaining momentum

- Re-test 360 feedback (with 1:1 coaching) done across all leadership levels, pulse-checking personal progress on building behaviours that create a constructive culture. Share results, renew conversations between leaders and direct reports, build individual accountability for behaviour.
- Emerging Leaders program: Build the pipeline of leaders, developing self-awareness using diagnostics such as LSI and ESCI .
- Team workshops: Tailor interventions for individual teams that have long-standing morale and engagement issues.

Year 5: Bringing everyone on the journey, measuring progress

- World Café: In a one-day whole-of-organisation process, harnessing the collective intelligence of the whole council and key external stakeholders to generate collaborative answers to three key strategic questions for the council. The World Café's enable people to have fun together, break down the barriers AND collaboratively contribute ideas.
- Wellbeing Workshop: Post-Covid, with Council at the epicentre of the Community response, asking ourselves 'RUOK?' – using GLWS Wellbeing framework
- Re-testing Values alignment: Executive and SMT Leaders processing 360-degree values feedback together (including 1:1 coaching)
- OCI/OEI Surveying and Action Planning: Measuring shift to a constructive culture for whole-of-council: results broken down to smallest team/unit (5 or more people)



"World Café's enable people to have fun together, break down the barriers AND collaboratively contribute ideas."



4. Outcomes

At various stages during this transformation process, as we work together and desired behaviours become ingrained in the everyday culture of the organisation, a range of positive outcomes can be expected.

4.1

Expectations of what you should achieve undergoing this journey

1

Cohesive teams: Teams will work together more, leveraging their diverse strengths and talents to achieve common goals. Collaboration and synergy will become the norm, leading to increased productivity and innovation

2

Increased trust: Trust between team members will be strengthened. As a result, communication will improve, conflicts will be resolved more effectively, and a supportive work environment will be fostered.

3

Empowered decision-making: With a cultural shift, there will be greater autonomy in how decisions are made. Employees will feel empowered to contribute their ideas and take ownership of their work, leading to more efficient and effective decision-making across the council.

4

Enhanced responsiveness: The council will become more responsive to the needs of the community it serves. By embracing cultural transformation, the council can develop a deep understanding of the community's diverse needs and deliver services and programs that are more relevant and impactful.

5

Councillors and staff cohesion: Cultural transformation fosters greater cohesion between Councillors and the council staff. It builds bridges of understanding and collaboration, leading to improved working relationships, shared goals, and collective accountability.

6

Connection and belonging: Employees at all levels will experience a greater sense of connection and belonging within the council. A culture that values diversity and inclusion creates an environment where individuals feel valued, respected, and supported in their professional growth.

7.

Increased engagement: Cultural transformation promotes employee engagement. When employees feel a sense of purpose, have opportunities to contribute their unique perspectives, and see their contributions recognised, they become more motivated and committed to their work and the council's mission.

8

Reduced staff turnover: A positive and inclusive culture reduces staff turnover. Employees are more likely to stay with an organisation where they feel valued, supported, and have opportunities for growth and development.

9.

Achievement Orientation: Cultural transformation nurtures an achievement-oriented culture across the council. Employees will be inspired to set ambitious goals, strive for excellence, and celebrate achievements, leading to continuous improvement and success.

Cultural transformation takes time and effort, but the long-term benefits are substantial and can positively impact both the council and the community it serves.



To check out more, read this case study on how Dattner Group has performed this work with Broken Hill City Council.

Contact



Dattner Group
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Dattner Group works closely as a culture and leadership development partner for many councils, large and small, around Australia.

To find out more about the work we do, contact Michelle Foster, Director.

✉ info@dattnergroupp.com.au

🖱 dattnergroupp.com.au

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