



**Dattner Group**  
*Little by Little*

# Armidale Regional Council

A BENCHMARK CULTURE TRANSFORMATION



# Overview

Armidale Regional Council (ARC) was formed in 2016 through a merger of two former Shire Councils, Guyra, and Armidale Dumaresq. Today it has a workforce of over 300 people and serves a population of more than 30,000 people living and working across 8,621 km<sup>2</sup> in the New England and Northern Tablelands regions of New South Wales, Australia.





# The Challenge

There was significant instability in the Executive leadership prior to Dattner Group commencing work. There were at least nine people appointed as CEO or General Manager in an Acting, Interim, or Permanent capacity between the start of 2018 and the end of 2020.

Between June and December 2020, ARC Councillors were suspended, and an Administrator was appointed by the Minister for Local Government.

This followed identification of serious concerns about the council's ability to function properly and effectively following a breakdown of relationships between councillors.

This had a measurable impact on key council officers and created significant reputational, legal, work, health, and safety risks.





A Council Performance Improvement Order (PIO) was also issued which required a broad range of actions by Council.

These challenges, compounded by the loss of staff in key areas and the Covid-19 pandemic, meant that by early 2021 incoming General Manager, James Roncon, faced an organisation where culture and morale were at an all-time low, levels of staff engagement in the operation of council had dipped and staff pride was very low, to the point where wearing the Council uniform in public was avoided for fear of being abused.

The returning councillors following the end of the suspension (seven of 11 returned) were hesitant, if not distrustful of each other's behaviour. The organisation was operating at a significant deficit and the community described council as 'dysfunctional and nothing to be proud of.'

The new General Manager (GM) James Roncon's remit was to address the significant cultural, governance and reputational deficits of ARC and at the same time, seek to turn the extremely poor financial state of council around.

In February 2021 ARC issued a Request for Quotation (RFQ) to undertake a culture review; the brief also included requirements for the development of a strategy, development of leadership across the business and organisational engagement. ARC commenced working with the Dattner Group shortly thereafter; DG was the successful partner chosen through the RFQ.



# The Solution

Prior to recommending any action, it was important to gather data on which to base interventions. This was important not only to develop an evidence-base to work from but to ensure the voices of staff who had understandably become demoralised and disenfranchised by their experience, were appropriately represented.

In April 2021, 55 people from across all levels of the business (including Councillors, executives, senior leaders, managers, and team members across the functional areas of ARC) were interviewed to help identify the current strengths and challenges of the organisation and its leadership.

The results of this review were shared, not only with the Executive and Councillors but the entire staff group in a series of all-staff meetings, with their responses to the review being incorporated into the final report and recommendations. This was done bravely and honestly.

Based on this review a program of leadership and culture development was created. This was framed as a 'turnaround strategy' to put ARC's culture on a constructive and sustainable footing and to rebuild the business and its performance.



The following initiatives, in addition to the extensive business processes that James led with the newly formed ELT, were undertaken to build the skill and will for ARC leaders to lead this journey:

# 2021

## Focus:

Turn the council around, give people a voice, align and invest in the leadership capability of executive and a broad group of leaders (Operation: Planet ARC) to ensure people at all levels understood what was being done, why it was being done and they were able to be the constant voice of the people.

## Components:

The following provides headlines for each of the key components. This created a shift because it was carefully facilitated, purposeful, values aligned, consistent with the organisation's strategy and involved all levels of leadership and staff. James Roncon, the General Manager, was a constant advocate, gave significant visibility to the work, held people to account and was constantly mobile in the business explaining what he was doing and why; what he expected from people and how he would support them.



## Councillors' workshop

and coaching to align the Elected Members and provide feedback on their own leadership style/s and its impact on culture.

## Creation of an implementation team

OPARC (Operation Planet: ARC) team was formed, comprising not only senior and executive leaders but a representative cohort from across the organisation to lead culture change. In their first retreat they:

- Developed a team charter (purpose, vision, values, and behaviours)
- Processed individual feedback on leadership beliefs and style.
- Developed a draft plan and principles to guide the implementation of the turnaround strategy.

## Build skill and will and align the Executive team

Defining their charter and role as stewards for the strategy (this team was being recruited at the start of the project)

## Develop Initiatives

With the OPARC team to achieve the goals of the strategy.

## Embed ARC Values

Through an inclusive process including 360-Degree feedback for all ARC leaders on their demonstration of the values and behaviours.



## Develop the Emotional Intelligence

Capability of the Executive, Senior management and other leaders using the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT) to provide robust feedback.

## Maintain momentum and review execution

Of the culture strategy with the OPARC team; engagement on governance and execution of initiatives agreed on to turn the culture around.

## Cascade the Lifestyles Inventory

LSI 1 & 2 down to the 2nd tier of leaders (and then beyond)

## Work with the ELT

To increase their own team effectiveness using Lencioni's 5 Behaviours model.







# 2022

## Focus:

Despite covid, momentum was building in the council. Behaviours that had been the norm (and were undermining) were starting to stand out and everyone felt able to call them. Feedback from the community was increasing, i.e., we see the change.

The senior leadership team worked incredibly hard to align strategy and culture and did this at the same time as a series of other critical long range regional strategies (including securing water for the region) were being developed.

The GM's credibility skyrocketed. If he said something would happen, it did. If he said the change would occur, it came about. He listened, coached, engaged and, in his own right, role modelled learning.

## Components:

The major elements were put into play in year one. In year two, the focus was on educating and engaging a broader level of leadership and maintaining the development and strategic focus of leaders.





## Cascade Emotional Intelligence capability

(Using MSCEIT) to the 2nd tier of leaders.

## Bring people along on the journey

All newly elected councillors and appointed managers were brought up to speed

## Cascade the Lifestyles Inventory

LSI 1 & 2 and Values/Behaviours 360-Degree feedback down to the 3rd tier of leaders.

## Maintain momentum and review team charter and execution

Reviw the culture strategy with both the Executive and OPARC teams.

## Refocus Councillors, Executive and OPARC teams

on their role as environmental stewards of the region's future in the face of climate change and other existential challenges facing the planet



# 2023

## Focus:

ARC has become an engaged, constructive organisation. Staff are proud to wear their uniforms in public, the 'feel' of the organisation is positive, hardworking, excited, aligned, kind and incredibly grateful for the change that James has led.

The next phase has just launched which now involves 'deep dive' engagement of all staff in the learning journey, all teams, all levels, starting with the outdoor workforce.

## Development of a Culture Strategy Mapping Methodology

During COVID, Dattner Group developed a culture strategy mapping process. This was intended to ensure that the culture of an organisation (in this instance ARC) is clearly mapped out including:

- Purpose of the culture
- Visionary goal
- Key aspirations
- Priorities
- Underpinning values
- Initiatives

This is a partner process to normal strategy; it helps leaders articulate the culture they want as a 'tail wind' to support the strategy.

This becomes an embedded feature of the ARC journey from 2021 onwards.



# Supporting Women

James and the executive leadership team are significant champions of women. James held that elevating their (women's) visibility (skill and will) in leadership in ARC would improve both engagement and business outcomes.

‘Council is aware like a vast majority of Councils, particularly in regional areas, that it has a way to go in ensuring gender parity within its leadership group.

The Compass program is absolutely the first step to changing this.

As we see more women moving into typically male dominated areas of our operations, to me, this investment just makes good sense.

We know that the impact of this program is not only on current participants, building confidence and leadership capability, but it will develop strong role models and mentors for the next generation of women who join Council.’ reports Annie Harris, Executive Manager People and Culture at ARC.



I am confident that with the programs we have in place and with a values-based leadership model embedded into the organisation more women will join me at the executive level before too long.'

**Annie Harris,**

Executive Manager People & Culture,  
Armidale Regional Council

At the time of writing, some 30 women at many levels and representing many skills and functional areas of responsibility have participated in the Dattner Group flagship leadership development program for women, Compass.

Developing opportunities for women to grow personally and professionally was a key objective of the change journey and culture development that the organisation had to undertake in 2021.

'Over the last couple of years, we have put a lot of effort into providing a culture that fosters the growth of women and values their unique insights into leadership and management.



Often women already possess many of the skills and attributes of a humanistic and encouraging values-based leadership style so it makes good business sense that women should hold positions of influence.

In the past women in the organisation have felt that they cannot influence a decision or contribute to creating a better workplace. Since we commenced our 'Restore and Thrive' change journey and have an alumni of women who have completed the Compass - Women in Leadership Programs, I am starting to witness more women in the organisation sharing their unique insights and backing their own abilities to deliver some great initiatives for the community and the organisation.'

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**James Roncon,**  
General Manager,  
Armidale Regional Council



# Sustainability, Culture and Leadership

Finally, the ELT and OPARC teams of ARC, under James' guidance, participated in an environmental leadership program called 'Look Up', designed by Dattner Group to elevate the visible skills of leadership towards a sustainable future

"Climate change is surfacing as a real and complex problem for leaders of organisations to grapple with. Our Council is one of many in Australia who have declared an environmental emergency and we were looking for solutions to play our part in combatting the broader issues facing our community. While the problem is broad, reducing our carbon footprint via efforts to reduce energy consumption became our focus.



Marshall's facilitation was sensitive to all views in the room about Climate Change and participants felt comfortable to share different perspectives in an environment without judgement. To this end, I felt Marshall presented enough data to ensure participants got an understanding for how we have arrived at this point, the consequences of inaction, and for us all to formulate a collective view that there is indeed a problem.

The result was that we could move forward with a collective understanding and preparedness for what is going to be required of our leadership over the next decade and beyond.

It has paved the way for valuable discussions around initiatives and performance measurement to ensure we play our part in addressing the problem.

Many of our staff were grateful for having attended the Look UP! Program and felt good about Armidale Regional Council bringing Environmental and Social Goals (ESGs) into focus”.

**Darren Schaefer**

Chief Officer Corporate and Community,  
Armidale Regional Council





# The Outcome

To achieve objectively measurable culture change takes time. Many try it, few are successful and even fewer still are exceptionally successful. Huge expenditure of energy at the beginning sees the culture change process inch forward. There is significant scepticism (if not downright cynicism) about leadership intention and ‘stickability’ of initiatives.

Over time the actions gain momentum.

As effort is continually applied in multiple ways at multiple levels, change accelerates until it reaches a tipping point. People shift from judge and jury to active participants. Leaders move from turnaround specialists to coaches and mentors.

Today, ARC is a profoundly different organisation. A pulse survey conducted in January 2023 provided considerable evidence of the success of the effort applied to the change.





Before change can be objectively measured, it first shows up anecdotally, in the narrative of people on the job and how they speak to people outside the organisation about what it is like to work there.

“When I started (pre-James) Everyone was unhappy with management; the community was unhappy. You know when you feel heavy? I do not feel that way now. In terms of the whole organisation, it is so much better.”

“There’s support for calling out poor behaviour, so you do not have to put up with rubbish; you can call it out and feel supported. People understand that it is not an attack, we are just trying to create a culture where you can bring up those issues. People are becoming more aware that you can do that.”

“Now we have an exec team here for the long run and you feel a bit more secure and teams like Dattner Group coming in, it has an impact for everyone. In my 16 years we have had about 8 restructures, it always gets to a certain level then it stops. Whereas this time it has come straight through.

This time they've done what they said they would do. Build trust and rapport with outdoor [staff]. Less ‘us and them’. They have stepped out of the White House.”



Today there is lots of positivity; people are prepared to speak their mind; they now wear their Council uniform confidently in public and are very happy to make suggestions and be part of the engagement process; they are proud to say they work for council.

The trust in James Roncon as General Manager is exceptional. The executive leadership team feel supported and confident about their choices. OPARC, the representative team guiding the change, feel empowered, supported, educated, and united in their contribution. The culture strategy map and values are always talked about overtly, and together they underpin all messages from James; from union representatives to the executive table, people feel comfortable in conversations about displaying the values and behaviours that have been agreed to.

If a staff member is working next to someone who does not behave consistent with the 'aspired-to' culture and underpinning values, staff can and do call it out constructively.



Corporate and outdoor staff alike know they will be wholeheartedly supported if their behaviours are constructive.

The organisation has changed the way new staff are recruited; people understand that it is better for the organisation to recruit for organisational fit, accepting 80-85% of the requisite technical skills may be present and that people are good humans, rather than 100% technical skill being present but they are terrible human beings that will tear down the culture. If the alignment with the ARC brand is there, ARC is prepared to invest, train, coach, and mentor people the rest of the way.

Increasingly James takes the role of coach and mentor. A constructive culture is his number one priority, as it is the number one priority and focus for all ELT. This in turn supports the continuous focus on the evolution of the culture by all staff and increasingly, councillors alike.



# Conclusion

Armidale Regional Council continues to invest time and energy in the development of its culture. Because of this, it is now reaping the rewards of its culture development strategy, spending less time focusing inwards and on getting its house in order, and is now directing enormous energy and enthusiasm from its people to focus outwardly on the delivery of services to its community. Some of these initiatives include:

- A significant water security plan for the region.
- A significant jobs and growth strategy for the region.
- Significant strategic planning initiatives previously never undertaken.
- Proudly focused on elevating women into senior and executive leadership roles.
- A 'Girls in Civil Program' a first-of-its-kind initiative aimed at empowering female high school students to explore opportunities in the Civil Construction Industry
- Active transport strategy, encouraging residents and visitors to embrace healthier and more sustainable modes of active transport networks in the region and to provide the facilities they need to walk and cycle safely in and around the city.



- Renewable Energy Action Plan (Net zero by 2030).
- \$408 million reconstruction of the Kempsey Road project, which is the single largest road project ever undertaken by an NSW Council.

“If we hadn’t put culture and people first, we wouldn’t be attracting the high calibre staff to these projects and ARC more broadly.”

Most importantly, ARC continues to lead this process internally, having developed the capacity of leaders at all levels to lead people through change. They have created a common language and deep alignment to some simple cultural propositions:

- **We care about wellbeing**, managing expectations and supporting our people.
- **We are committed**, holding ourselves to account and delivering for our community.
- **We are Inclusive**, we involve people and welcome diverse perspective.
- **We are transparent**, explain why we do what we do and are open to feedback.



“A lot of people use the expression ‘chalk and cheese’ to describe what it is like to work at the council now compared with two (or more) years ago. There is an increased sense of purpose and willingness to collaborate and lead the way. People feel secure in their jobs and supported by the new structure.

There is a focus on being one team, a strong social fabric and widespread trust and growing collaboration. Overall, the council is more action oriented, with a clear strategy that is spoken about, continually worked on, and owned.”

James Roncon,  
General Manager,  
Armidale Regional Council