

City Saves \$10 Million and Transforms its Culture Following Crucial Conversations® and Influencer Training®



INDUSTRY: Government

About The City of Greater Geraldton. Located 424 kilometres north of Perth with a population of more than 40,000, Greater Geraldton is one of Australia's regional capitals. The City boasts a prosperous economy and a number of industries including mining, fishing, manufacturing, construction, retail, agriculture, and tourism. The City Council members and Chief Executive Officer are responsible for all matters relating to governance, policy, local laws, and budget appropriation.

THE PROBLEM

Ken Diehm became the Chief Executive Officer of the City of Greater Geraldton in April 2013. Prior to his arrival, the Council was financially unsustainable with annual operating losses of more than \$7 million and no clear direction on how to achieve financial sustainability. On top of the fiscal challenges, staff engagement surveys revealed that the organisation was culturally distressed and employees were disengaged and highly dissatisfied. Survey results included:

- 17 percent of employees felt the organisation appropriately recognized high performance
- 21 percent felt poor performance was addressed timely and effectively
- 20 percent felt senior leadership demonstrated the organisation's values
- 61 percent were convinced that change was necessary

THE SOLUTION

Diehm recognised that the City's financial issues would not be solved without developing complimentary strategies to address the cultural issues. With the assistance of his Executive Team, he developed the #ChangesCGG program—a leadership and transition change management strategy to improve engagement, productivity, and efficiency, as well as align corporate outcomes with community expectations. #ChangesCGG incorporated two major elements:

- 1. #ChangesCGGcommunity:** An externally-focused strategy based on the principles of democracy and participation in the budgeting process. Community panels were called to review the Council's community infrastructure priorities and level of service.



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2. #ChangesCGGstaff: An internally-focused strategy to transform the culture so individuals, teams, and the organisation could achieve peak performance. The strategy encouraged and enabled all staff members to demonstrate behaviours of 'visible leadership'. It also involved helping staff identify and agree on their reasons for coming to work and the values that are important to them.

To get an idea of where the organisation started, at the internal launch of #ChangesCGGstaff, Diehm offered \$50 to any staff member who could share the vision, mission, or organisational values. No one received the reward. That's when Diehm knew it was time to reinstate the values and create new ones that would be meaningful to staff.

Together, leadership and staff identified a new purpose which was: serving today while building tomorrow. They also outlined the following values: Service, Trust, Accountability, Respect, and Solidarity. These principles became the City's driving force.

To create a framework for their change management strategy, leaders created a five-stage change leadership and transition management process:

Stage 1 – Diagnose the Current State:

Assess the current status of the organisation to identify gaps in culture, strategy, and process.

Stage 2 – Identify Desired Future State:

Work with teams of staff members to determine the desired outcomes for achieving and demonstrating an improved organisational culture.

Stage 3 – Design How to Get There:

Utilise contemporary management tools and techniques to design activities, processes, and projects to achieve the desired future state.

Stage 4 – Implement and Monitor Progress:

Task teams with implementing the activities, processes, and projects as well as evaluate, monitor, and report on progress and performance.

Stage 5 – Embed and Grow:

Embed within the City's normal business processes and further enhance through continued improvement. To achieve the best likelihood of success in implementing these stages, leaders knew they needed to create an environment of learning and engagement centred around their core values. They conducted extensive research on training programs and change management processes

and selected three tools that were integral to their success. Among those were Influencer Training and Crucial Conversations Training by VitalSmarts.

Influencer Training teaches the Influencer Model—a change management model built on thirty years of applied research and experience in the behavioural, social, and organisational sciences. It's based on the premise that leaders can achieve long-term sustainable behaviour change by enabling and motivating people to adopt new, vital behaviours through personal, social, and structural influences. VitalSmarts' research shows that leaders who have employed the Influencer Model are **10 times more likely to succeed** than those who do not use the model.

The Influencer Model involves three simple steps:

- 1. Clarify Measurable Results:** Clearly identify the goal as well as the qualitative and quantitative metrics to track progress.
- 2. Find Vital Behaviours:** Focus on a few (typically three to five) vital behaviours that if used routinely would bring about the desired changes. Hold everyone accountable to practice those 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.

Because of the very poor culture and the significant change that was required within the organisation, leadership felt it was important to provide staff with the necessary skills to engage in dialogue with each other. As a result, leaders added Crucial Conversations Training to their initiative.

Crucial Conversations teaches skills for communicating when the stakes are high, opinions vary, and emotions run strong. Participants learn to improve dialogue and engagement, develop skills to create changes in behaviour, and build a high-performing culture based on trust and respect.

Following training, leadership noticed a significant change in the culture and the way staff members communicated.

“One of the great things about Crucial Conversations Training is that it provides people with some very easy-to-follow steps that allow them to get to the heart of the issue in a non-confrontational manner,” said Diehm. “Mastering these simple steps increases people's ability to raise and constructively resolve disputes without damaging relationships. It is a powerful tool!”

RESULTS

By utilising Influencer and Crucial Conversations Training, the City of Greater Geraldton experienced transformational results including:

- **Culture transformation:** The City turned its culture around from septic to best-in-class—despite undergoing an organisational restructuring that resulted in a 19 percent reduction in staff.
- **Recouped significant operating losses:** Leadership and staff identified more than \$10 million in sustainable savings (or 17 percent in operating costs) following their change management and training initiative.
- **Process improvement:** The City saw dramatic improvement to their business processes.
- **Improved employee engagement and staff morale:** Across all employee levels, the City saw increased employee engagement and participation among staff.
- **Improved teamwork:** This initiative empowered work teams to develop solutions for workplace issues that effected them—evidence of sustainable change that can adapt to any future concern or issue.

Results at A Glance

- \$10 million in sustainable savings
- Complete culture transformation
- Improved business processes
- Improved productivity and efficiencies
- Improved workplace safety
- Increased employee engagement