

## WYONG SHIRE COUNCIL

28 May 2008  
To the Ordinary Meeting of Council

General Manager's Unit

### **211A Leadership Development Program**

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#### **SUMMARY**

This report provides information on Council's Leadership Development Program and highlights the achievements to date.

#### **RECOMMENDATION**

*That the report be received and the information noted*

#### **BACKGROUND**

At its meeting held on 26 March 2008 Council resolved:

*"RESOLVED unanimously on the motion of Councillor FORSTER and seconded by Councillor PAVIER :*

*That Council receive a report on the Leadership Consultant's Program including detailed information on total costs to Council and outcomes achieved.*

*The report should include:*

- detailed costings for the consultants including fees, travel, accommodation, meals and other incidentals.*
- Positions of staff members and total numbers of staff involved in the program.*
- Benchmark criteria used to assess the success or otherwise of this program.*
- an explanation as to why this program has not been subject to public tender requirements.*
- the justification used in renewing the program on a reportedly three monthly basis.*
- the credentials of those involved in delivering the program.*
- examples, if any, of their work in other Local Government areas.*
- what outcomes have been achieved from staff participating in this program.*
- what percentage of staff, that have participated in this program are still employed by Wyong Shire Council.*
- that given the budgetary impact of this program on the 2008/2009 Management Plan, this report be included in the Council Business Paper for the meeting of 28 May 2008."*

## **Leadership Development Program (contd)**

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### **Leadership Development Program**

During 2005 Wyong Council implemented an organisational restructure which included the creation of three Departments, the appointment of Departmental Directors and the establishment of the Senior Management Team (SMT).

To complement this restructure, Council embarked on a Leadership Development Program to change the culture of the organisation and to ensure that the Senior Management Team had the personal and professional capabilities required, to lead the organisation into the future.

The previous organisation was what might be termed a classical management model and characterised by:

- Very hierarchical
- Centralised control and decision making
- Major barriers between departments from both a communication and a work point of view
- Lack of team work
- Lack of communication – reactive decision making
- People at lower levels not prepared or afraid to make decisions (blamed for being wrong)
- At lower levels, no direction or micromanagement
- On issues from lower level, slow decision making or ill informed decision making.

In this day and age, in any large complex organisation such as Wyong, no single person or very small group of people, can know and control everything. In such an organisation, a shared leadership model is the only effective leadership and management system.

In this model the management team take on the responsibility for leadership rather than perpetrating the belief that a single individual with enormous leadership abilities, who is the formal leader, can lead the way to a successful future. It implies a shared responsibility for problem identification, solutions and action taking. Skills such as team building, conflict management and building a new culture are among the skills needed rather than technical skills.

Shared Leadership makes available to the organisation a depth of experience, talent and organisation-wide understanding, which in turn can enhance staff engagement and organisational performance. Without shared leadership there is a risk of reactive decision-making and compromises, potentially leaving the core of an issue largely unchecked.

### **Leadership Development Program (contd)**

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To achieve Shared Leadership it was recognised that a significant cultural change was required to bridge the gap between the existing and desired level of performance of the Senior Management Team (individually and as a group). This transition necessitated not only considerable training and personal development but also systems diagnosis and redesign.

The Project Outline for the Leadership Development Program consists of four phases:

- 1 Conceptualisation
- 2 Development
- 3 Implementation
- 4 Maintenance

The conceptualisation phase occupied considerable time in looking at a range of possible ways of implementing the necessary cultural and behavioural change. It was clear that a simple approach of sending senior people away to a series of short (ie 1-2 week) courses would not achieve this change and it was necessary to develop a sustained program particular to Wyong.

To assist Council with the development and implementation phases of the Leadership Development Program, consultants Marvin Oka and Catherine Devine were appointed.

Marvin is a highly sought after international consultant, specialising in the areas of leadership development, organisational culture and strategic change. Marvin has assisted a number of organisations, from private enterprises to government agencies who, like Wyong Council, operate in business environments which are highly complex, uncertain and continually changing. Marvin is internationally recognised as a leader and innovator in the field of behavioural modelling. Organisations that have utilised Marvin for strategic leadership and development consulting include The Australian Taxation Office, Lotus Asia Pacific, Telstra, BHP Coal, MLC Insurance, Suncorp, Ernst & Young, National Australia Bank and ANZ Bank. In addition, Marvin was listed in 2006 as one of the top 15 keynote speakers for the prestigious Saxton Speakers Bureau, as voted by their top corporate, government and industry clients.

Catherine Devine BA, MA, DipCH, MAPS, a Psychologist and Organisational Management Consultant, has extensive experience in facilitating leadership development and cultural change through psychological profiling and behavioural development both on an individual and team basis. Over the past ten years Catherine has worked with a number of local governments, including Baulkham Hills, Liverpool, Waverley, North Rocks and Auburn Councils. Consultancies, both in the private and public sector have included working with individuals, teams and business units to identify strengths and address instances where development is needed. Catherine was also involved in a leadership project with NSW Health which involved driving cultural change via a leadership development program for 80 Nursing Unit Managers at Westmead Hospital. Other clients have included Telstra, AMP, HCF and she has delivered coaching and professional development with staff from KPMG, Virgin Money, Virgin Management and Rio Tinto.

### **Leadership Development Program (contd)**

Changing behaviour is an incremental process, and the Senior Management Team are at varying levels of development. As a result the development phase and implementation phase of the Program have been intertwined. Individual and team progress is continually monitored and the course of action refocussed in line with the circumstance and utilising feedback from Directors and Consultants.

It was not possible to map out the breadth and extent or even to fully identify every element of the program at commencement. The program is, by its nature, a dynamic one needing to respond on an individual and team basis depending on progress being made and problems being identified.

Detailed planning of the project has, and continues to be, carried out on a three to six monthly basis in order to respond to these issues.

For that reason, the consultants were engaged on a "body hire" arrangement similar to other such arrangements throughout Council, where particular individuals are employed on an hourly basis and perform most of their work at Council and under direction, as for award employees.

Over the past two–three years, as part of the Program, members of the Senior Management Team have participated in comprehensive personal and professional development. Initiatives have included:

- Workshops to identify the 10 key management attributes e.g. communication skills, Decision making/assuming responsibility, commitment to team, flexibility, assuming responsibility.
- Workshops to explore relevant standards and behaviour statements for each of the key management attributes e.g.
  - Attribute: Decision making/Assuming responsibility
  - Standard: Consistently analyses all aspects of an issue prior to making a decision
  - Behaviour: Takes all stakeholders into account when making a decision.  
Makes timely, insightful decision to achieve successful outcomes
- Development of a 360 degree feedback tool to assess behavioural aspects of performance (linking back to 10 key management attributes)
- Psychometric profiling and feedback on individual and group profiles
- Individual personal and professional development sessions
- Developing and implementing Learning & Development Plans for members of the Senior Management Team utilising input from psychological profiling, 360 degree feedback, Director/GM input and self-analysis.
- A thorough review, diagnosis and redevelopment of the systems and process in place to support Shared Leadership, resulting in the establishment of the Strategy Forum, Organisational Management Forum, People Forums and Informal Networking meetings.

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### **Leadership Development Program (contd)**

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- Transfer of facilitation skills to selected managers for Forums e.g. Facilitating Organisational Management Forum and Strategy Forum
- Workshop to develop departmental & group approaches to implementing Shared Leadership
- Action coaching of individuals, groups and forums
- Action coaching of Executive Team
- Development of a specific Senior Management Team site on Sharepoint to improve communication and manage Forums

Thirty three senior managers have participated in the Leadership Development Program to date:

General Manager	Manager, Estuary Management (2 incumbents)
Director, Shire Services	Manager, Financial Services
Director, Shire Planning	Manager, Headworks
Director, Corporate Services	Manager, Information Technology (2 incumbents)
Assistant Director, Shire Services	Manager Land Use & Policy
Manager, Business Development (2 incumbents)	Manager, Plant & Fleet
Manager, Business Improvement	Manager, Planning Legal & Policy
Manager, Business Unit	Manager Regulation & Compliance
Manager, Communications	Manager, Roads & Drainage
Manager, Contracts & Special Projects	Manager, Staff Services
Manager, Corporate & Admin Services	Manager, Water & Waste
Manager, Customer & Community Services	Manager, Workplace Change
Manager, Community Strategic Vision	Manager, Workplace Strategies (2 incumbents)
Manager, Development Assessment	Manager, Natural Resources
Manager, Economic & Corporate Planning	

In addition, other staff such as the Internal Auditor and Project Executives have been included in parts of the Program.

In any organisation where there is change, there will certainly be individuals who are not receptive or suited to the desired change. However, Wyong's Leadership Development Program is proving to be an effective tool for retaining talented managers with an annual turnover rate of 7% (including two retirements). This is in line with the organisation's overall turnover rate currently running at 7.2% and below the overall turnover average in local government of 9%.

Costs over three financial years to 30 June this year will be:

Consultants	\$692,088
Travel Accommodation	\$134,197
Incidentals	\$ 7,928
<b>TOTAL</b>	<b>\$834,213</b>

### **Leadership Development Program (contd)**

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This equates to an average of \$12,640 per Manager per year in its Leadership Development Program. Given the intensive, hands on nature of this program and the practical benefits of the on-the-job action coaching, this is considered a worthwhile investment. It is also comparable with in-house programs conducted by government agencies, such as (although, clearly, they would not have accomplished the necessary cultural change):

- The Australian Institute of Police Management, Executive Leadership Program - a two week residential program plus distance education (\$16,940 pp).
- The NSW Premiers Department Executive Development Program – a five day workshop program (\$9,460 pp).

This investment also compares favourably with externally-provided leadership development programs, such as:

- University of Melbourne's Business School, Leadership Development Program – over five days (\$9,854 + travel pp).
- The Australian Graduate School of Management, Middle Manager Program - a five day program, (\$7,590 + travel pp).

The ultimate objective of the Leadership Development Program is to have leadership capabilities embedded into the way the Senior Management Team operate i.e. cultural norms that enable shared leadership practices and processes to be sustained and continuously improved. This is the final phase - ongoing monitoring, diagnosis and intervention.

At the start of this year, a Project Control Group was established to continue leadership development within the organisation, with the consultant input scheduled to be significantly decreased by the end of June 2008. The objective of this Group is to ensure that managers continue to understand and contribute to the concept of shared leadership and that systems and process support the approach, and with a further aim of achieving decentralised decision-making and self-managed teams throughout the organisation that permit trained and motivated employees to influence decisions about work.

As previously discussed, leadership ability is evidenced by the quality of people's interactions rather than their position. Communication skills are crucial, with a stress on conversation rather than remotely. When identifying benchmarks and objectives for the program it is important to note that the rate of learning and development varies between individuals, and as such, success is measured by demonstrated ongoing improvement by an individual or team.

Individual improvement is monitored via the Learning & Development Plans, which have been designed specifically to address behavioural development towards the 10 key management attributes. Utilising input from the psychological profiling, 360 degree feedback and input from Director or General Manager, the development areas can include knowledge, exposure and experience, skill development, self awareness and insight, motivation and attitude. The Learning & Development plans are an important component of the program, and complement the normal performance appraisal system, where success and outcomes are measured regularly.

### **Leadership Development Program (contd)**

Team development and progress is also monitored. The Senior Management Team, which includes Directors **and** Managers; and the forums that are used for strategic discussions and operational decision making, are the most obvious example of the integrated and shared approach to leadership that Council is pursuing.

Over the past twelve months there has been evidence of improved quality of interaction at individual and team level, as well as significant system and process enhancements. Examples include:

- Evidence of significant improvement in communication throughout the SMT – across, up and down, utilising skills developed through action coaching.
- Facilitation of Forums by SMT managers – no longer consultants or GM required to facilitate productive conversations.
- Strategy Forum and Organisational Management Forums working well and delivering results e.g. Shire Strategic Vision, HR Strategy, Emergency Response Plan, Information Management Methodology, Project Management.
- Organisational project teams have good inter-departmental representation and cooperation – breaking down inter-departmental competitiveness.
- There are staff that are on these project teams who are not SMT members, providing exposure to staff on the concept of shared leadership.
- A group of staff, who have been identified as having particular skills, are receiving training as “mappers” to capture and make sense of strategic conversation for the Shire Strategic Vision. This will enable staff from various levels and departments within Council to contribute to a major organisational project
- Willingness of managers to take up the opportunity of acting positions, even though it may be outside their normal area of expertise or Department, this in turn provides other staff with an opportunity to step up.
- Existing managers are supporting these managers and staff who are taking up the challenge of “acting” - offering collegial support both formally & informally.
- Managers are offering themselves to provide mentoring for aspiring managers within the organisation.
- Improved communication and facilitation skills utilised during departmental managers meetings.
- Action coaching is now being conducted at the next level down i.e. managers with their staff - getting informal feedback that staff are seeing changes
- Increased acceptance of responsibility and accountability by managers
- Ownership of issues lower in organisation
- Transition from a “blame game” to identifying and implementing solutions
- Increased willingness to embrace change and accept new ideas
- Increasing identification of and responsiveness to emerging issues
- Better quality and less rework
- Starting to transition down into organisation with next level (team leaders/supervisors) – driven by Managers

### **Leadership Development Program (contd)**

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Periodic testing of the degree to which employees believe the values are being upheld is planned. The HR Strategy will be testing this shortly.

The program will continue in the 2008/2009 financial year but, as identified above, will now involve much less work by the consultants and more work by the Process Control Group and the team members themselves. The projected budget for 2008/2009 is \$120,000 which amounts to \$4,100 per person.