Shire of Mundaring 2023 – Making it happen

2013-2017
Culture Framework
Putting People First for Better Business
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Message from the Chief Executive Officer

I am delighted to introduce our Culture Framework, which provides a clear vision that defines the values and behaviours that will drive us towards achieving the strategic priorities identified by Council in line with the Strategic Community Plan 2013 – 2023.

More than twenty years ago, John Kotter and James Heskett found clear evidence that corporate culture drives business performance\(^1\). Since that time, a wealth of evidence has been accumulated that confirms the business benefits of focussing attention on culture and the perils of neglecting this key enabler.

In 2007 we commenced a journey to create a culture of putting people first for better business. We set about identifying our corporate values and developing a Values Integration Strategy to clearly express why this was important and how it was to be achieved.

Since that time we have come a long way towards our desired culture. But, as this plan demonstrates, it is a continuing journey. To ensure this journey continues on track, a team known as the Culture Forum, comprising employees and management representatives, was established to develop, implement and review culture-related strategies.

The Corporate Business Plan provides a roadmap directing our attention and resources towards addressing Council priorities for the next four years. As an informing strategy, the Culture Framework focusses on how we go about our business – “the way we do things around here”. It includes strategies to ensure we maintain a values-driven workplace culture that provides a welcoming, supportive working environment; enables our staff to thrive; and enables the Shire to deliver relevant, valued, customer-focused services to the community we serve.

Developing and maintaining the workplace culture is a dynamic process and we will continue to monitor and evaluate our strategies and activities as part of our integrated planning and reporting framework; and to use the results for continuous improvement.

In closing, I wish to thank all of those people involved in the development of this framework and I believe we can all look forward with confidence that our culture provides the foundation for a successful, sustainable local government.

Jonathan Throssell
Chief Executive Officer

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**Introduction**

**Western Australia Local Government Integrated Planning and Reporting Framework**

The diagram (pictured right) shows the elements of the Integrated Planning and Reporting Framework and how they inter-relate. The idea behind the framework is to ensure that Council’s decisions take the community’s aspirations into account and deliver the best results possible within the available resources.

The Strategic Community Plan sets the scene for the whole framework – it expresses the community’s vision and priorities for the future and shows how Council and community intend to make progress over a 10 year period. The plan is dynamic, continuously looking ahead by incorporating a review cycle to ensure that the best decisions are made in the short to medium term.

A range of informing strategies assists in developing the Corporate Business Plan (CBP) which provides a detailed implementation plan for the next four years. One such informing strategy is our Corporate Culture Framework.
What is Corporate Culture?

Corporate culture is often described as “the way we do things around here.” It is what is created from the messages that are received about how people are expected to behave in an organisation.

Values underpin what happens within organisations and these are reflected in how people behave, as well as the symbols and systems operating within the workplace environment. This is depicted in the diagram (pictured right).

Workplace behaviours, symbols and systems send messages that indicate what is actually valued. Behaviour sends messages about what is expected of people. Symbols are created when events or decisions are seen to be part of a larger pattern. Examples include how time and money is spent and how resources are allocated within a business eg office space, who gets promoted and workplace rituals. Systems reflect how things are managed including planning and budgeting, what gets measured and reported, communications and feedback.

While the culture is the deeply rooted nature of the organisation that is a result of long-held formal and informal systems, rules, traditions, and customs; organisational climate refers to the “feel of the organisation” based on perceptions of organisational practices reported by the people who work there.

Climate is more readily measurable and includes a variety of factors such as leadership, organisational structure, historical forces, standards of accountability, standards of behaviour, communication, rewards, trust, commitment, vision and strategies, and organisational connectedness.

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3 Don Clark, Consultant at Knowledge Jump
4 The Kennedy Group, Ltd., Culture vs Climate, thekennedygroup.com/_pdfs/culture_vs_climate.pdf
Why Does Culture Matter?

Stanford University Professors Jim Collins and Jerry Porras undertook an extensive study to identify how top performing companies get to be so successful. They found that what distinguished these companies from other less successful ones was their culture.\(^5\)

Corporate culture influences the way organisations tackle problems and make decisions, people’s attitude to and ability to change, the way people work together; how they interact with stakeholders and their commitment to strategy.\(^6\)

To be most effective, corporate culture needs to be aligned with the business strategy and organisational leadership.

Culture is the most powerful driver of organisational success available to leaders.\(^7\)

**“Culture eats strategy for breakfast”**

*Peter Drucker*

The culture of the workplace affects both productivity and the quality of work life for employees. It influences the level of employee engagement and motivation. When the experience is positive it enhances individual and organisational performance.

The influence of culture on performance is illustrated below:


Key points of the Culture Framework

Shire of Mundaring made a conscious decision to focus on culture as one of the key enablers of business performance and as a powerful driver of corporate brand – ie what makes Mundaring a great place to work.

The following summary provides some of the factors that influenced our decision.

The change drivers
As a publicly funded service organisation there is increasing demand for accountability and transparency.
Continuing economic pressures demand effective fiscal policies and control.
To be recognised by the community for the quality of our services we need to be responsive to changing community needs and aspirations.
There needs to be greater collaboration to streamline business processes and maximise efficiency and accessibility of services.
We need to understand and manage our risks.
There is continuing structural reform in local government increasing the need for personal and organisational resilience.
We aspire to be an employer of choice to remain attractive in an increasingly competitive employment market.
We recognise and respond to changing workforce expectations to enhance employee engagement.
We need to have a clear vision of the required culture to drive business decisions.

Our strengths - what we do well
At Mundaring, culture is integral to who we are and how we do business.
Our Leadership Team has a clear shared vision, purpose and common goals.
We value our employees and support them to develop.
We encourage continuous improvement of business practices.
We value and care for our natural environment.
We have open and accountable decision-making processes.

Areas of focus
We are striving to:
Consistently “walk the talk”
Enhance values-based decision-making
Provide a level of certainty about the future
Encourage and support employees to take mindful risks
Embrace diversity
Provide professional development opportunities that are appreciated, valued and aligned with strategic objectives
Maintain a sense of connection between managers and employees
Universally practice our “one team” ethos
Putting People First for Better Business

What this looks like is outlined below.
We are people focussed and look after each other.
We are engaged, productive and enjoy our work.
We are customer focussed.
We are a learning organisation encouraging innovation.
We are values driven – we are open, honest and transparent in our dealings with others - we take responsibility and are accountable for our actions.
We are interconnected parts of the whole organisation working together co-operatively across teams.
We are solution focussed.
We promote safety first and take responsibility for continuous improvement without blame.
When it comes to values, we “walk the talk”.

What we are doing about it?
The model we adopted to drive our cultural journey is as follows:

Cultural Framework- Steps for Development
Step 1- Identify desired culture – where do we want to be?
Step 2- Identify where we are now – including the impact of structure, processes, policies and procedures
Step 3- Identify what the desired culture looks like – including the behaviours, symbols and systems
Step 4- Identify what we need to do to get there – our strategies
Step 5- Commit – engender a common leadership vision

Step 6- Plan – how will we get there?
Step 7- Implement – who, what, where, when, how and why
Step 8- Monitor and adjust as required – striving for continuous improvement

Shire Workforce Profile

Staffing numbers are based on a standardised unit of measure for all employees called the paid full time equivalent (FTE). In 2012/13 the Shire’s annual average FTE was 193.92.

The actual number of employees (headcount) varied throughout the year due to part time working arrangements and seasonal fluctuations, for example employment of a large pool of casual employees to staff aquatic centres and other Shire facilities during the peak summer season.

Being located in the outer metropolitan area, the Shire’s main labour supply is from the local area. An analysis of employee address post codes indicates that 75% of the current workforce lives within 15 minutes’ drive of their place of work.

Shire of Mundaring has a high retention rate compared with the sector average. For example, over the past four years this has remained steady at around 90% compared with the sector average retention rate of 81.64% in 2013.

Factors that attract and retain Shire employees have been identified through recruitment and employee surveys and include organisational values; friendly, professional atmosphere; flexible working arrangements and other benefits; interesting, challenging and varied work; location (eg natural environment, trails, close to home); sense of community and pride in what we do; and professional development opportunities.
Our Workplace Culture and Practices

Recognising the importance of corporate culture in driving business success, Shire of Mundaring set about identifying its values during 2007. At the same time, a Values Integration Strategy was developed to clearly articulate why this was important and how it was to be achieved. The process involved holding a series of focus groups with the Leadership Team and a cross section of employees.

This generated three core values - respect, integrity, team spirit; and three driving values - excellence in customer service, continuous improvement and innovation. This was followed by having employees identify behaviours that demonstrated each value.

By listing acceptable and unacceptable behaviours for each value a “touchstone” was formed which would guide how people interact with each other.

A Values Integration Strategy was developed that identified the key steps to embed the values into service delivery, workplace practices and decision making processes. The strategy began with a clear statement of commitment, articulating the role of Managers and senior leadership in demonstrating, supporting, promoting and rewarding values. The implementation plan included incorporating values into position descriptions, job advertisements, recruitment processes, new employee induction programs, performance management processes as well as the employee recognition scheme. Work also commenced to align existing corporate standards and processes with the values including the Code of Conduct, Customer Service Charter and other relevant organisational policies, procedures and practices.

While these actions were gradually implemented over a period of time, a range of activities was undertaken to communicate progress on these initiatives, promote understanding and commitment, and to facilitate change towards the desired corporate culture. To ensure this journey continues on track, a team, known as the Culture Forum, comprising employees and management representatives, was established to develop, implement and review culture-related strategies.

Acknowledging the important role of effective leadership in developing and maintaining organisational culture, much activity has been focussed on systems and processes to enhance leadership capability. For example, a values-based leadership capability framework has been developed which is underpinned by the ability to “walk the talk” ie demonstrate integrity, behave ethically and live the values. Success is measured through regular performance reviews that incorporate 360° feedback processes as well as through employee perception surveys.

Other factors influencing employee engagement include having clear performance expectations that align employees to the organisation’s goals and values and bring meaning to their work; reward and recognition practices that encourage employees to contribute discretionary effort; and managers who create the conditions for employees to excel. Priorities identified through the Strategic and Corporate Business Plans were incorporated into Directorate and Service Level Plans then rolled out to individual employee level through the Performance Development and Review (PDR) processes. This way each employee understands how their work activities and performance indicators contribute to the “bigger picture”. The PDR process also incorporates discussion around how and to what extend employees demonstrate the values. It also incorporates...
discussion about individual goals and aspirations as well as formulation of a professional development plan.

Another important factor is clear communication about what employees can expect, for example, professional development, work-life balance and employee wellbeing initiatives; and ensuring practices support this. These strategies help the organisation to be more competitive in attracting and retaining employees in a tight labour market.\(^8\)

A key initiative to address employee expectations is the Shire of Mundaring Workplace of Choice Strategy. Workplace of Choice is a term used to describe organisations that are preferred or the most desired to work for in an industry or sector. The level of connection an employee has to the organisation and their willingness to apply discretionary effort to improve individual and business performance is referred to as “employee engagement”. Contemporary research indicates a clear link between employee engagement, discretionary effort and productivity.

As part of our Workplace of Choice Strategy, the Shire aims to provide a welcoming, supportive working environment where the safety, physical and emotional wellbeing of employees is maintained. Some of the initiatives to support this include:

- discounted health benefits and gym memberships
- provision of an Employee Assistance Program
- health and wellbeing initiatives including health assessments, skin cancer screening, influenza vaccinations; hepatitis immunisation; audiometric testing and ergonomic assessments; and relevant follow up to target priority areas of focus for example Manual Handling training
- awareness raising activities focussing on mental and physical health and building resilience
- supporting and promoting initiatives such as R U OK? day and Get on Track
- policies encouraging family-friendly practices such as flexible working arrangements; flexible leave arrangements including “Wellness” leave (where an employee can access personal leave to enhance their wellbeing)
- promoting and supporting Social Club activities.

Feedback received through employee surveys indicates that these initiatives are valued by employees and it appears to be a contributing factor to the high retention rate.

The most recent employee survey was conducted by Integral Development in August 2012. The Integral Organisational Indicator (IOI) measures employee perceptions of the quality of work life. Shire of Mundaring received a rating of 55 points (on a scale of -100 to +100). This is 17 points above the National Survey Average and 20 points higher than the Local Government Average which indicates that employees rate Shire of Mundaring significantly higher with respect to quality of work life than the average of the sample of Australian organisations who have undertaken the survey.

Employees indicated they felt the work undertaken is worthwhile and of a high standard, and employees are encouraged to improve themselves by learning new skills and gaining more knowledge.

When asked “What do you like about working with the Shire of Mundaring?” the most frequent responses included:

- Team – friendly, helpful, positive, proactive, professional, spirited;
- Good salary, location, natural environment, employee benefits;
- Work-life balance, flexible hours, workplace of choice;
- Work – secure, interesting, varied, challenging;

\(^8\) Aon Hewitt Best Practice Employers Program
• Organisation values – community, people, heritage trails, respect; and
• Training, learning and development opportunities.

When asked where we needed to improve, responses included communication, change management and customer service.

**Structural reform in local government**

In Western Australia, the Metropolitan Local Government Review Panel was appointed in June 2011 to examine current and anticipated factors affecting the growth of metropolitan Perth in the next 50 years. In October 2012 it released its final report in which the panel was unanimous in its finding that 30 local governments are too many for the Perth region. The State Government’s preferred model is that the number of metropolitan councils is reduced from 30 to 14 by July 2014.

The Local Government Advisory Board (LGAB) will be receiving joint merger proposals from Local Governments until 4 October 2013 after which it will conduct an inquiry and report its recommendations to the Minister for Local Government by July 2014.

**Factors for successful amalgamation**

If reform proceeds as anticipated, one of the key factors for merger success will be the development of a shared culture for the new entity.

Research by Mercer indicates that the key to successful mergers is effectively integrating the two or more cultures. They identify 10 critical success factors for mergers and acquisitions and note that each one can be undermined by the cultural attributes of an organisation, or by highly differentiated cultures. Some behavioural characteristics may be well aligned to the critical success factors and others may be incompatible. “In any given transaction, the key is to identify and reinforce those critical behaviour patterns that have the greatest positive impact on success while discouraging those that will erode value.”

Research by Towers Perrin highlights the importance of leadership as a driver of employee engagement, particularly during mergers and acquisitions. During times of change, what leaders do will have a significant impact on how employees react and adapt. It is also a powerful symbol of the new organisational culture.

Effective leaders create and drive the organisational culture. The success of a merger will be increased if leadership “fit” and actions, organisational culture and business strategy are aligned.


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10 Richard Able, The Importance of Leadership and Culture to M&A Success, 2007 (Towers Perrin)
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Workforce Implications of the Strategic Community Plan

The Strategic Community Plan (SCP) sets out the community’s vision and Council’s priorities.

**Vision: Connecting Community and Environment**

**Community**
- For young and old – meets the needs across the generations
- Strong sense of community – engaged, connected, inclusive, learning
- Easy to get around – within and to/from Shire

**Economy**
- Visitors are attracted to our natural beauty and culture
- Our businesses reflect our identity and are thriving

**Environment**
- Known for our arts, culture and heritage
- Celebrate our unique features
- Village lifestyle – with a strong town centre

**Governance**
- Strong civic leadership and trusted governance

**Workforce implications**

The Shire’s capacity to achieve the outcomes of the SCP is strengthened through effective resource utilisation. The Corporate Business Plan (CBP) provides a roadmap directing our attention and resources towards addressing Council priorities for the next four years. As an informing strategy, the Culture Framework focusses on *how* we go about our business – “the way we do things around here”. It includes strategies to ensure we maintain a values-driven workplace culture that provides a welcoming, supportive working environment; enables our staff to thrive; and enables the Shire to deliver relevant, valued, customer-focussed services to the community we serve.

**Cultural change**

Our vision - *Connecting Community and Environment* – provides a cultural change driver. Achieving the vision will require focus on both organisational and community cultures to generate a stronger sense of shared responsibility and engender greater collaboration.

Across the organisation there will need to be increasing emphasis on “one team culture” to overcome any artificial barriers that organisational structure can inadvertently create.

Greater collaboration, more effective communication, more flexible deployment of resources and continuous improvement of business processes will be required to engender a service excellence culture where community members are seen as business partners.

Enhancing community engagement is a priority for Council. Skill development will need to focus on enhancing customer
service-related skills including consultation, collaboration, facilitation, negotiation and effective use of social media.

Our Community Engagement Framework will also need to reflect this emphasis and provide guidance for how staff and elected members engage with the community.

Ongoing delivery of services
Continued delivery of existing services remains a strategic priority. To remain sustainable, we need to explore new and innovative ways of working to ensure our services represent value for money for the community.

Current service levels need to be reviewed and more clearly articulated. Efficiency and effectiveness measures need to be developed and monitored to ensure we are optimally managing resources to deliver the right services to the specified standards.

Performance management systems, processes and measures will need to be aligned with the SCP and CBP requirements and priorities so that we can effectively monitor progress and make any necessary adjustments in a timely way.

Leadership
The Strategic Community Plan identifies four strategic themes including Respected Civic Leadership which underpins the Shire’s activities in the other themes (Valued Natural Environment, Balanced Development and Thriving Community).

Shire of Mundaring recognises the important role of effective leadership in developing and maintaining organisational sustainability.

A Corporate Leadership Capability Framework has been developed that describes the capabilities and behaviours that are needed to manage and lead people, and to deliver services in accordance with strategic directions and business priorities. This framework is values-based and underpinned by the ability to “walk the talk” ie demonstrate integrity, behave ethically and live the values.

Strategic Areas of Focus for the Cultural Journey
In developing our culture we will:

- Confirm and build on our natural strengths.
- Continue to develop our leadership framework.
- Review our processes and practices.
- Focus on building individual and organisational resilience in the lead up to amalgamations including developing emotional intelligence.
- Engender effective communication practices, be sensitive to and act on employee and customer feedback.
Strategies

Workforce Plan Key Focus Areas

The Strategic Community Plan sets out the community’s vision and Council’s priorities. The Workforce Plan aims to enhance the Shire’s capacity to achieve the outcomes of the SCP through effective utilisation of one of its key assets – its employees.

To ensure we have “the right people in the right place at the right time” the key areas of focus will be:

- attracting, retaining and developing the right people
- promoting collaboration and engagement
- creating a vibrant, healthy and productive workplace culture
- improving organisational performance

These areas of focus are complementary rather than mutually exclusive and are underpinned by the community vision.

Strategies to address these key areas of focus over the next four years are outlined in the Shire of Mundaring Workforce Plan 2013-2017.
**Action Plan**

Actions by Shire of Mundaring to support and develop the workplace culture include:

- conduct a culture audit
- finalise the leadership framework
- roll out the capability framework to Tier 4 leaders
- develop a change management framework
- develop systems and processes to enhance inter-directorate communication and teamwork
- conduct community satisfaction surveys biennially
- conduct employee perceptions surveys biennially
- include programs in the corporate training plan to develop leadership capability and enhance resilience

**Implementation**

This informing strategy complements the Workforce Plan and consolidates work already undertaken by Shire of Mundaring through Human Resources Plans and Strategies, in particular, our Workplace of Choice Strategy and our EEO and Diversity Management Plan which remain contemporary and relevant.

It also builds on work in progress, including our Workforce Development Strategy (becoming a Learning Organisation) and our Workplace Culture and Values Integration Strategy.

These core strategies and plans will enable us to concurrently address a number of areas of focus to attract, retain and engage the workforce and continually improve our business practices and services.

**Measuring and reporting on our performance**

Feedback received through monitoring and evaluation enables us to track our progress; gauge the success of our strategies and activities in addressing the identified gaps; identify issues arising, including any new risks; and to adapt to changing needs in a timely way.

One of the key measures is the biennial employee climate survey. This is supplemented by “pulse” surveys focussing on specific aspects of the culture or our workplace practices; as well as information gleaned from employees as they enter (Recruitment Surveys) and leave (Exit Surveys) the workforce. Other indicators include turnover rates and unscheduled absence. A new planned initiative is to conduct a culture audit during year one of the plan.

Community satisfaction surveys also provide insights into the extent to which we are meeting the needs of the community we serve.

**Conclusion**

Workplace culture when aligned with the business strategy is a key enabler of organisational performance. Developing the culture is a continuing journey. Regular reviews of the strategy will be undertaken by the Culture Forum to inform changes required to keep us on track towards achievement of the strategic priorities identified by Council in line with the Strategic Community Plan 2013 – 2023.

*Putting People First for Better Business*