

Transforming local government

What works

Local government is in the midst of an historic modernisation. Many councils are experimenting with innovation, design thinking and collaboration across boundaries to reinvent services to match rapidly changing community expectations and business conditions.

Many are undertaking the momentous revolution towards 'all digital, customer first'. This is a seismic shift that challenges time-honoured expectations, skills, modes of thinking and work methods of staff, managers and executives. It leaves nothing untouched.

What are the conditions for success? To explore this question the Municipal Association of Victoria asked leaders in successful local government transformation projects.

Here are their insights, in their own words.

This study suggests a formula for successful local government transformation:

**Executive drive x Investment in culture x
Participative processes x Clear business
rules x Listening and addressing staff fears**

“Graham (the CEO) was 100% behind us. He said ‘Do what you need to do. Tell me what you need.’ He gave us artistic licence.” - Brad Wynter, City of Whittlesea

1) Executive drive

In every case, transformation was driven by a CEO and individual executives who understood that the status quo was not acceptable. They had strong personal visions about what a smart 21st century council should look like.

Most understood that this was a journey without a roadmap, and one that required sustained effort. They accepted that the journey involved uncertainty and would be uncomfortable for themselves and their executive leadership teams.

They were not micromanagers. They authorised and backed staff to lead the change and take risks.

“If you’ve got leadership at the top, supporting it, and talking about it at every instance, it’s going to work. The CEO would say ‘I’ll support anybody who’s willing to go on this journey 110%.’ He empowered staff to push back to their managers. He thanked individuals and gave staff regular updates or progress.”

“A CEO that gets it. This is the work of leading an organisation. They have to be the change they want to see. And they need to do it first, change themselves, and talk about it. The CEO did it extremely well, and the Corporate Services Director, speaking the unspeakable, voicing discomfort, speaking their truths, being real people.”

“[I had] no extra staff, no extra budget. But the complete authority I needed to have conversations with anyone. The CEO stood up in a meeting and said 'I want you all to understand that if [the project managers] are in the room with you, I'm on their right shoulder.' As a result I never had any problems having conversations with anyone in the organisation.”

“You've got to get the right governance in place, senior stakeholders with skin in the game to drive outcomes. Setting off on a transformation journey without governance authority at the top, I wouldn't start.”

“You need more than benign neglect. You need a champion. A CEO who shows that they can change and talk about how uncomfortable they feel.”

“The CEO gave myself and my colleagues the freedom and support to get on with it, throwing away the organisational chart if required.”

“It's a journey and it's not easy. None of this is easy. Saying 'We're going to do digital transformation and it's going to take 18 months, and it's going to be awesome.' is BS.”

“You want a commitment for a reasonable period of time. For big transformation, if you don't get funding for 3 years you're wasting your time.”

“For the leadership team not to think they have to know what the outcome will look like. Because no one knows. To be authentic about wanting to learn through it together. If you think you know what the outcome is, you might as well not start. Innovation is about working out what the problem is, and getting that right, and then working into what could be a multiplicity of solutions.”

“The challenges we face are cultural, deeply cultural. If it was just about the technology it’d be over and done.”

- Colin Fairweather, City of Melbourne

2) Investment in culture

These transformations call for a workforce that’s “change competent” and positively engaged in the process.

They require leaders throughout the organisation to have the ability to question their own practices, self-lead and lead others through change.

Change competence involves a mix of problem-solving, creative thinking, acceptance of risk, social intelligence, optimism, team leadership, and self-leadership. (Amabile 1988:128-129)

Councils are tackling this need in different ways, including:

- **Staff leadership programs** that create a growing cadre of motivated and competent change leaders throughout the organisation;
- **Training and supporting change champions** in each team;
- **Participative innovation events** such as service “hackathons” or “innovation experiments”. For example Yarra City Council’s 3-day, off-site “innovation experiment” with 120 staff that “shifted thinking, created a licence to do things differently, broke down silos and hierarchies, and developed 16 projects.”
- **Hiring for cultural behaviours** (such as empathy, collaborative leadership, and change competence).

“I needed to learn that I could change myself. Because I didn't know that I could.”

“You can't do digital transformation without cultural transformation. You have to put employee experience front and centre. The CEO knew that if your people are not happy and engaged and interested in their organisation and their work, then the outcomes for customers are not going to be great. For him innovation was about getting people who were really engaged in their work they are doing and feeling empowered that they could make change for better outcomes, because that's how the community gets served.”

“[Our digital transformation was preceded by] a massive project around culture across the organisation. This is the deepest foundation stone you can build. It was all around the ability to have conversations based on values, and the expectation that you would be a leader in your own personal space, your team space, and your organisation. Everyone participated from coordinator level and above, including directors and the CEO. The CEO and Directors would lead half a day of this program as part of their own leadership development. It was enlightening, funny and scary. When I heard the CEO talk about his hopes, I could buy into it.”

“Start with the individual, build their capacity and ability to think differently. Socialise that into their peer and team group. And then leverage off those two things to do the organisational transformation. That's what works!”

“Council's culture change program taught me to 'Accept nothing challenge everything.' It taught us to take 15 minutes a day to think, dream, reflect. The boss would ask us 'What did you think about this week?' We were expected to have a response. We kept journals. It was so valuable. We were expected to shut the door and spend 15 minutes reflecting and challenging ourselves.”

“We didn’t walk in and say ‘you’ll do this, this and this’, because straight away walls come up and you get resistance.”

- Angela Robertson, City of Brimbank

3) Participative

“**With people not to people**” was the common refrain of change leaders, when asked about staff and public engagement in change programs.

In every case they found ways to empower users, whether they were staff or members of the community.

The most important change tool was, simply, “frequent conversation”, in small teams or one-on-one, where objections were worked through in detail.

Those conversations were commonly led by:

- a dedicated manager authorised to have any conversations, with any staff, as they required; or
- a transformation team to working as internal consultants.

External consultants were not used to *lead* these conversations in any of the cases we looked at, although they were brought in for specific tasks like facilitating a process improvement program, or facilitating innovation events.

“If I had my time again, I’d work more with staff, get their ideas, and work with them to deliver change broadly.”

“You can make small innovations in silos, but big picture change is inherently cross-silo, interdepartmental, and reaching out beyond the council to the community. We were never afraid of bringing outsiders onto working groups and sharing information with them. That was just the norm.”

processes

“We pushed out prototypes, asked staff to give feedback, and made changes in real time. This sustained the momentum. Staff became the champions.”

“Whatever your change or transformation is, you have to bring the staff along on it. What we did was set parameters and had very robust discussions around how they might achieve these things.”

“We involved the staff to get as much knowledge as we could. They were fantastic in what they did. It was novel. They were there because they were capable and knowledgeable. That was the one thing that gave me the greatest kick. Now, the staff knew it was coming - they'd been immersed in the whole process: 500-600 years combined experience. Now, I'd always get people involved early in the process, so they understand the 'why' and are comfortable with what's coming down the track.”

Communicating with middle managers, early

A number of leaders noted that not communicating early and well with middle managers was an early failing of their programs, which they later corrected.

“How are managers brought in? We didn't do this very well in the beginning. In some areas managers were engaged, in others they only knew what their change champions told them. Now we report back to the leadership and level 3 managers on a more regular basis.”

“A mistake was staying away from the management layer for as long as we did. We should have focused on our front line for the first year, then focused on our people managers, anyone who leads teams. Their capacity to lead people through change really needed to be built far earlier.”

“We asked: ‘what does a smart 21st century organisation look like?’ The architecture: we want to own the data, we want to own our integration and business logic, and we want to own the interaction with the customer.”

- Colin Fairweather, City of Melbourne

4) Clear business rules

Agile vs business case. Some councils began with a detailed business case. Others preferred to be ‘agile’ by quickly developing “light touch proofs of concept” and prototyping them to test whether the benefits were real.

In either case, successful projects began with broad discussions, involving the leadership, to clarify objectives, in order to avoid the syndrome of “developing solutions before understanding problems”.

Clear “business rules” was emphasised by a number of change leaders. These rules codified the definition of success and provided discipline for the transformation effort.

The rules freed staff teams to get on with designing fine-grained changes to procedures, with the change leaders checking back at intervals to see if the rules were followed.

As an example, one council's rules for digital transformation were:

- All documents received, stored, worked on, issued digitally;
- Exhaust existing systems before buying new systems. “Recycle, Reuse, Repurpose, applied to technology: our mantra.”
- Compliant with document control system (TRIM);
- Open source. Not locked into a big vendor.

“In the beginning, the individual will say ‘how’s this going to affect me?’ And once ‘me’ has been addressed they’ll open their eyes and look at the bigger picture.”
- Kevin Rusbridge, Library Intregation Project

5) Listening and addressing staff fears

Change management was taken seriously by these councils. They either brought in consultant change managers, employed staff with the right skills, or built change management skills into the transformation team.

In every case, leaders listened with empathy and patiently constructed solutions to staff anxieties. This was found to lower resistance and built staff support. *“Critical was buy-in by all staff and removing the threat to jobs”*.

“The CEO was talking about it all the time. We acknowledged and addressed fears. Drilling down to find out what the real reason was... address...How will I find anything? Where will I park? Staff got to walk through the new building with the change team. The biggest thing is: don't make it happen to them. Make them part of the change. With lots of feedback along the way. Working with people. People are in the centre.”

“I facilitated the team sessions in each department...a lot of the objections were fear based. Put the fears on the wall and worked through them.”

“The biggest issue was people being expected to move "where am I going to sit?' A lot of the meetings were taken over by that. So we really had to focus on that and deal with those issues first.”

Involving councillors

Some, but not all, councils brought councillors into their transformation efforts, so they understood the processes and contributed ideas for specific innovations that were relevant for them (leading to, for example, a pop-up council).

“The CEO had a clear sense of the burning platform, and he knew that you only get results in local government by working at the political level. Managers can manage until they are blue in the face but if they don’t have enough political support and understanding in the body politic...they are not going to make much progress.”

“The chain back to the political leadership is so vital. You need to have a framework where everyone knows they will be supported. And a very good way is to bring councillors into the work. Why shut them out? Shutting them out always achieves the opposite result. It diminishes the support that you get when the going gets tough. We always had a councillor who had a thorough understanding of what was going on, because they were chairing the management committee, or whatever it was.”

“The CEO and the Corporate Services Manager ran a process with the councillors, about customer experience and digital transformation. A round table with experts, one from Australia Post, experts in digital transformation and what other local governments were doing: Vancouver, Hawaii, UK. Looking at their websites. The CEO would then brief them along the way.”

“We had a CommsComm group...a group of councillors who helped on communication. We took them to NABs new building in dockslands...so they could see what others were doing. Phil kept them regularly briefed in confidential briefings, so they were always in the loop.”

“We also did a Community Innovation Tournament, the councillors took part. It was a conversational ideation process...the top issues and possible solutions, Post-it notes, created ideas then voted. A result was a pop-up council, with a lounge room so members of the public could sit and talk to council. “

Key roles

Councils relied on one or more of these key roles to drive the process.

An innovation/transformation leader

A director-level position with a broad remit to drive internal cultural change and innovation programs, with a budget and small team

An innovation/transformation team

A core innovation team including diverse skills: project management, change management, marketing, facilitation, web design, reporting directly to CEO.

"Our team is a platform that makes small bets. So we build a plan of attack with a small team, then built the team as the challenges got more complex. The team is co-located, they work in agile six-week sprints."

A senior manager with a "conversation mandate"

A senior manager with authority to talk to anyone, who uses robust one-on-one and small group conversations to co-build solutions, reporting directly to CEO.

Tools

Councils are utilising many different tools and methods, the most popular being [Human Centred Design](#). Others tools/methods included:

Process mapping

Process improvement

Customer experience studies

Customer journey mapping

Customer personas

Agile (design sprints and prototyping)

Innovation temperature survey

Innovation tournament, challenge or "academy"

Lego Serious Play

Systems Thinking

The interviewees

The interviewees were the following local government transformation leaders. Their ideas were later tested and expanded with 20 change leaders at the MAV Reinvent.LGOV conference in April 2018.

Colin Fairweather, Chief Information Officer, City of Melbourne

Rowena Morrow, Formerly Innovation Lead, Boroondara City Council.

Tim Newbegin, Boroondara City Council

Formerly, lead on Paper Independence Project, Cardinia Shire Council

Angela Robertson, Business Analyst, Brimbank City Council

Kevin Rusbridge, Formerly manager of SWIFT Library Integration Project, MAV

Graham Sansom, Formerly Deputy Planner, Wollongong City Council
Formerly CEO, Australian Local Government Association

Brad Wynter, Formerly Innovation Manager, City of Whittlesea

The interviewer

Les Robinson, Director, Changeology

www.enablingchange.com.au

Further reading

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Sahni, N.R. et al (2013) *Unleashing Breakthrough Innovation in Local Government*, Stanford Innovation Review, https://ssir.org/articles/entry/unleashing_breakthrough_innovation_in_government