Organization of Choice
Spruce Grove, Alberta

ICMA Best Practices 2002
March 20-22, 2003, Tacoma, Washington

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The Community of Choice!

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Form of Government	Council-Manager
Legislative Body	Mayor, 6 Alderman
Election Schedule	Occurs every three years, next election will be held in 2004
Population	15,983
Area	26.2 sq. kms.
Budget	$23,000,000 (Cdn $), $14,839,000 (US $)
Revenue Sources in FY02 Total Budget	Municipal Taxes – 73% Other Revenues – 3% Fines, Penalties, Permits – 7% Return on Investment – 2% Grants – 6% Equity from Utilities – 1%
Bond Rating	Not applicable
Number of Employees	176 (120 FTE)

Socio-Economic Indictors
   Percentage of Owner-Occupied Housing
   Percentage Unemployed
   Percentage of High School Graduates
   Percentage of College/University Graduates
	
	77.9%
	9.2%
	37% (based on population over 15 years of age)
	33%

Leading Employers	City of Spruce Grove, Wal Mart, SuperStore, Canadian Tire Store, Trans Canada Pipe, Maloney Electric, Alberta Honey Producers, PentaStar, PTI, TransAlta Tri Leisure Centre
Other Distinguishing Characteristics	– Spruce Grove has 50 hectares of natural wooded area in the heart of the city. Nine different types of forests can be seen while walking, jogging or biking the 22 km of trails that link each neighborhood to natural areas. – Spruce Grove is equipped with baseball parks, football and soccer field, tennis courts, twin indoor ice arena, curling rink and skateboard park. The latest recreation facility to open in Spruce Grove is the TransAlta Tri Leisure. This multi-use facility includes two NHL sized rinks, two indoor soccer fields, indoor running track, free time leisure skating rink, concession, sports lounge, family fitness center, multi-purpose community rooms, child play center, community gym, sports retail and physiotherapy services. – Spruce Grove is a community rich in artistic talent. From the performing arts on the Horizon Stage to the works of over 450 area artisans – there's always something to choose from. – Spruce Grove has one of just a few standing grain elevators remaining in the province.

NOTE: 1 Canadian Dollar = $0.66 U.S. Dollars

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EXECUTIVE SUMMARY

The City of Spruce Grove – Building the Organization of Choice

Can municipal governments in the 21st century be flexible and responsive enough to manage and support rapidly changing public expectations? To do so, large bureaucracies must become more flexible. They need to shift not only the way they do things, but shift the way they think. That was the challenge facing the city of Spruce Grove.

Spruce Grove is on a journey to implement cultural change to achieve the city's goals of improving responsiveness and flexibility. Organizational culture is the driving engine of municipalities, and it is critical to maximize the intellectual, attitudinal and behavioral capital of each employee. The task is to create a culture where each person feels secure in:

- Growing and developing their skills
- Expanding their perspective
- Taking action based on their own analysis and thought process
- Challenging the status quo
- Making decisions that are in the interest of the organization, the market or the constituents they serve
- Challenging with passion not anger

The five-year journey that the city of Spruce Grove has embarked on focuses on the practical application of strategies to positively influence an organizational culture and employee capacity, as well as directly influencing the quality of service provided. The outcome is a strategically motivated, innovative, flexible and pro-active organization with good morale in a rapidly changing environment – and the benefits and challenges have been felt from day one to the present.

Prior to 1997, council relied on a large management team for department-based advice. While there was a strong focus on day-to-day activities, less thought was given to strategic direction. Late 1997 saw a significant change in personnel and direction with the appointment of a new chief administration officer. A new management team followed in March 1998. To meet the challenge of providing strategic leadership and a strong focus on governance, council adopted as a vision "The Community of Choice" in October 1998.

The Community of Choice!

This vision was supported through public input, a Community Development Plan, and a strategic three-year business plan focusing on 11 Key Initiatives. Through an innovative process focusing on behavior and attitude change, the staff of the city of Spruce Grove worked to support the initial vision and build the "Organization of Choice" through the development of the leadership principles and guiding principles. In October 2001, a new council was elected. Council reaffirmed the city's leadership principles and created their own set of council principles and values. The city held its first ever Community Caucus at which a vision for 2010 was created.

Becoming the "Organization of Choice" takes the dedication of all employees, support of the organization, willingness to consider attitudinal and behavioral change, and a great deal of collaboration. All staff have the opportunity to provide input into the formulation of strategies and action plans to implement the city's Key Initiatives. These strategies and action plans are being incorporated into the annual work plans of all organizational units. The staff of the city of Spruce Grove continue to build the "Organization of Choice". This initiative is distinctive because it:

- Is a process, not a program
- Is designed for long-term sustainability
- Involves all employees in its design and implementation
- Focuses on translating good ideas and intentions into observable actions, behaviors and outcomes
- Integrates various programs such as performance management, skill development, and leadership to sustain change and improvements
- Contributes to significant improvements for staff and the community

PROBLEM ASSESSMENT

Prior to 1997, council relied on a large management team for department-based advice. While there was a strong focus on day-to-day activities, less thought was given to strategic direction.

<u>A Need for Cultural Change</u>

There is extensive literature that suggests that an organization can improve its responsiveness and flexibility by positively influencing organizational culture. So what is organizational culture? Organizational culture is the driving engine of entities, institutions, businesses, and municipalities. Organizational culture not only influences the direct outputs and efficiencies of the organization, but also the health and flexibility of the employees in an ever changing environment. It is critical that municipalities maximize the intellectual, attitudinal and behavioral capital that all their employees own. How an employer motivates, stimulates and energizes an organization will have a direct bearing on that organization's intellectual and emotional capacity to thrive, and ultimately the quality of the product that is provided.

> *"Quality is never an accident; it is always the result of high intention,*
> *sincere effort, intelligent direction and skillful execution;*
> *it represents the wise choice of many alternatives."* – Willa Foster

Traditionally, businesses thrive with a strong commitment to the bottom line and a clear hierarchical structure. While these methods have been successful, they are becoming increasingly challenged in today's environment where the need to recognize the social, psychological, and behavioral elements of human capital is paramount. It is not enough to say "the job got done", it is how that job got done and what influence it will have on the next job to be done.

Understanding, paying attention to, and tending the culture of one's organization enables leaders to maximize the intellectual, attitudinal and behavioral capital that each employee owns and chooses to share with the organization. The culture that leaders influence and build with their employees has a huge impact on what individuals and teams achieve for their organization. With increasingly complex demands placed upon municipalities, the culture of your organization can be either an asset or liability.

The significant contribution each person makes in shaping the look and feel of a culture is critical. The case study of the city of Spruce Grove demonstrates this, and the fact that an individual's capacity to grow not only benefits them personally, but also influences and supports others in their individual growth.

This is the journey of the city of Spruce Grove over a five-year period, which continues today. The benefits and challenges of this journey have been felt from day one to the present. The outcome is a strategically motivated, innovative, flexible and pro-active organization with good morale in a rapidly changing environment.

PROJECT DESCRIPTION

In the fall of 1997 a new Chief Administrative Officer was hired for the city of Spruce Grove. This initiated a change in leadership style and organizational structure. The existing management team was reduced from eleven to six and a value based decision-making process introduced.[1] The new management team developed a set of leadership principles which provided a foundation for decision-making and progressive leadership. To meet the challenge of providing strategic leadership and a strong focus on governance, council adopted as a vision "The Community of Choice" in October 1998. This vision was supported through public input and a Community Development Plan, as well as a strategic three-year business plan focusing on 11 Key Initiatives *(Attachment 1).*

> **"We live in a well-planned city built through the strength of a partnership**
> **among our own citizens and with those of the greater community,**
> **the city of Spruce Grove is committed to the values, attitudes and quality amenities**
> **that make our city the "Community of Choice."**

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[1] The previous CAO left to pursue a different career of his own choice. There were issues in the organization, but these were not recognized or resolved by the existing CAO or the existing Council. Changes to the organization were initiated by the new CAO who reduced the existing management team from eleven to six, but retained existing staff (nobody was removed). The new group went through some leadership training, developed principles of governance and became the driver of organizational change.

In November 1999 staff began to review and analyze the vision and the Leadership Principles. Staff welcomed the opportunity to develop their Guiding Principles which would lead the city to become the "Community of Choice".

In October 2001, a new council was elected and Spruce Grove's journey continued from a governance perspective. Since that date council has *(Attachment 2).*

- Reaffirmed the city's Leadership Principles.
- Committed to a team approach to decision-making and participated in team building exercises resulting in the development of a set of council Principles and Values.
- Endorsed and hosted the first Community Caucus (2002) to bring stakeholders together to share the vision of what Spruce Grove 2010 should be.
- Developed eight city Key Initiatives to guide decision making for the period 2002 to 2005.

All staff had the opportunity to provide input into the formulation of strategies and action plans to implement the city's Key Initiatives. These strategies and action plans are incorporated into the annual work plans of all organizational units.

Building the Organization of Choice

So what does it take to create and sustain a culture that is an asset to the organization, constituents and employees? More importantly, how does one go about creating a culture where each person feels secure in:

- Growing and developing their skills
- Expanding their perspective
- Taking action based on their own analysis and thought process
- Challenging the status quo
- Making decisions that are in the interest of the organization, the market or the constituents they serve
- Challenging with passion not anger

Involving the organization in cultural change provides clarity of purpose and a consensus on what to achieve. The organizational perspective reflects the business of the organization and also the engagement of the participants. The desired outcome is improved service delivery and a rejuvenated workforce.

The city staff have been welcoming change through this process "one face at a time".

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ONE FACE AT A TIME

FRAMEWORK
ALGNMENT
COMMITMENT/COURAGE
ENGAGEMENT

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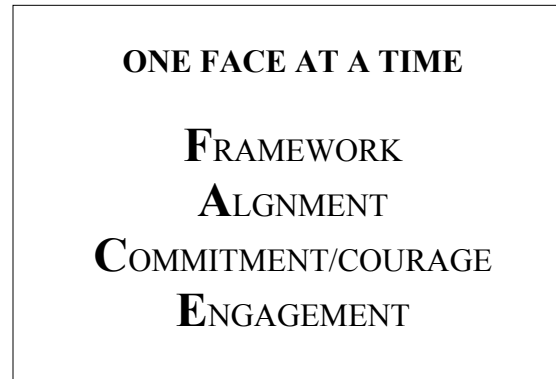
Framework

There is the need to develop a framework that stimulates or allows the organization to paint a picture of a desired end. The framework provides the stepping-stones in achieving the desired end. *(Outcome: Create the vision)*

Alignment

A practical challenge of influencing cultural change is the political and senior administrative support for such a strategy. It is not necessary to have everybody aligned or even advocates of cultural change. What is important is that politicians are supportive or remain neutral in the process and that senior managers agree and support the initiative or at least are willing to give it a try. *(Outcome: Management and council support)*

Commitment/**C**ourage

Making the decision to change ones behavior is a significant commitment, which takes courage. Attitudinal shifts often take place in the most unlikely situations. *(Outcome: Leadership Principles)*

> *"Change happens not in splashy events and announcements, but in the quiet waking moments of the dawn; when on person alone with their thoughts, makes a decision to change."*

Engagement

With commitment, alignment and the framework there comes engagement. The organization reaps the benefits of a collective vision, agreed upon behavior, individual capacity building, innovation and flexibility.

Project success, improved morale, and a sense of purpose become the modus operandi. The municipal government becomes more like an evolving organism than a static bureaucracy. *(Outcome: Committees, Learning Models)*

It Starts with a Vision

To create the desired shift in organizational culture, a plan was evolved that focused on four key elements – collaborative leadership, agreed upon vision, individual commitment, and continuous learning. At the beginning of the process, there needed to be a vision – a vision and desire that included working in a collaborative environment that helped people to be their best. Once the vision of "The Community of Choice" was developed and adopted by the community, management and staff went about applying that vision to create "The Organization of Choice" through an innovative process focusing on behavior and attitude change. This initiative is distinctive because it:

- Is a process, not a program
- Is designed for long-term sustainability
- Involved all employees in its design and implementation
- Focuses on translating good ideas and intentions into observable actions, behaviors and outcomes
- Integrates various programs such as performance management, skill development, and leadership to sustain change and improvements
- Has contributed to significant improvements for staff and the community

Becoming the "Organization of Choice" took the dedication of all employees, support of the organization, willingness to consider attitudinal and behavioral change and a great deal of collaboration. If this organization could become one where individuals truly wanted to work, were encouraged to contribute and were valued, then amazing outcomes could be achieved for individuals, teams, the organization, and the community.

Leadership Principles

Firstly, a set of Leadership Principles were developed. More than just words on paper, these principles were translated into observable actions by the management team. Next, the city turned to employees to help transform the organization:

- With council's endorsement employees created a set of organizational guiding principles, ensuring a consistent way or working together across the city supporting the "Organizational of Choice" vision. *(Attachment 3).*
- The principles were translated into observable actions by each workgroup. (*Attachment 4*)
- Each workgroup assessed which principles they were already demonstrating and which ones needed to be enhanced
- A cross-departmental advisory group was created to plan the ongoing process and act as a link with all employees
- Employees met regularly to share strategies, successes and outcomes through staff meetings, committee structure and council updates.
- Specific skill building opportunities were provided to the workgroup leaders, including Myers Briggs assessments, giving and receiving feedback, and facilitation skills.
- Other skill development sessions were provided to all employees to support the organizational guiding principles.

- The organizational guiding principles were integrated into the performance management process.

From 1998-2001, the city developed the foundation needed to focus on becoming the "Organization of Choice".

<u>Administrative Leadership</u>

The city's management team provides the leadership framework for the initiative, however, it is implemented on a daily basis throughout the city. The management team acts as a facilitator, but also ensures that decisions and initiatives are consistent with the aims and aspirations of the community, as articulated through city council.

The city's "Organization of Choice" Committee demonstrates the continuation of the process. Ongoing work ensures that administrative practices and policies are consistent with the Organization of Choice Initiative. The key focus areas include:

- Continuing to review the Human Resources Policies – Council recently approved a new Salary Administration Policy allowing employees to progress through the pay range in a shorter time frame.
- Continuing to invest in learning opportunities for employees – A Learning Committee has been established and the city is working at developing a learning partnership with a post secondary institution to assist in equipping the employees to succeed. Developmental steps are being taken in establishing individual learning plans in conjunction with the performance management process. *(Attachment 5).*
- Continuing to share information in a meaningful way through improved communication – A monthly newsletter, "Choice Cuts" has been well received by the organization and the Choice Cuts Newsletter is being used as another learning opportunity where articles on meeting management were featured in the monthly editions for the first half of 2002. *(Attachment 6).*
- Continuing to provide opportunities for staff to have input through employee surveys – Employee wellness was identified as an important issue by the staff and a Wellness Committee has been established. Wellness newsletters have been subscribed to and steps are being taken to organize a smoking cessation workshop. *(Attachment 7).*
- Continuing with providing strong customer service is a significant initiative where the city has established a Customer Service Enhancement process – Staff are directly involved in this process, resulting in a review of work processes from a customer perspective. Development of detailed plans is currently underway to retrofit city hall from both a customer service perspective and an improved efficient and effective physical plant. Employee wellness initiatives such as common staff rooms, change rooms to accommodate exercise activities, ergonomically friendly work environment, and a quiet room are being incorporated into the plans.
- Continuing to create opportunities to celebrate staff success – This has been done through staff events such as a formal noon hour dinner, an evening out at a baseball game, and a staff golf tournament, to name a few**.** *(Attachment 8).*

FISCAL IMPACT/COSTS

The city of Spruce Grove initiated the project with the assistance of a consultant in Organizational Effectiveness. The consultant worked alongside the organization throughout the process (workshops, materials). An Organizational Effectiveness budget of $30,000 (Cdn.) was allocated for this purpose. During the initial development stages an abundance of staff time was utilized. All staff was involved in the brainstorming workshops, the implementation of working sub-groups and general staff meetings for communication purposes were held. These costs were absorbed in the annual budget and recognized as a priority by all.

The continued journey requires that funding be allocated for supplementary workshops, staff training and development, and continued external resource support. A $15,000 (Cdn.) corporate training and development budget was established as an investment to the staff. A supplementary budget of $15,000 (Cdn.) was also established to maintain the city's organizational effectiveness. These have been retained in the budget but are primarily for training purposes. The city recognizes the need to increase its monetary support to the program to ensure the program is alive and well. Through the "Learning Model" a number of new educational programs are being organized.

Although a quantitative pay back analysis has not been completed, the city has experienced the results of the city's new culture which are producing innovative costs savings, a sound progressive fiscal plan, and new approaches to funding and partnerships.

RESULTS

The Organization of Choice Initiative continues to provide positive results. Prior to the initiative, taxes in Spruce Grove were amongst the highest in the region. Now taxes are near the middle range. The city's work continues to be recognized by external organizations, including the 2002 Environmental Award from Canadian Association of Municipal Administrators.

For employees, the process is proving invaluable. The cultural change is one that encourages initiative and open and effective communication, and that provides clarity around what is important to the organization. It stimulates people's creativity as opposed to supporting a status quo or satisficer behavior. When an initiative is brought forward it can be initiated from an employee in any area of the organization. In a number of instances employees have generated ideas for new initiatives, talked to their supervisors, confirmed the initiative was consistent with the general direction of the city, and then proceeded to implement the ideas themselves.

One employee, who resigned from their position to pursue their dream, stated, "I know how you believe in an organization that inspires the leader in all of us, and I believe that it has been this attitude that has given me the confidence and the knowledge to make this move." As the journey continues, there are always new challenges:

- Staff continues to be directly involved by working on committees focusing on issues from an organizational perspective. Staff feedback through employee surveys has shown concern about balanced workloads and committee participation. Efforts have

been made to balance workloads by focusing on organizational priorities and by rotation of committee members, based on their work projects and volume of work to allow for more balance. *(Attachment 9).*

- There is the challenge of integrating new staff into the organization and helping them understand the Organization of Choice Initiative and organizational culture. An orientation process was established where the new employee works with their hiring supervisor and Human Resources to understand the organization culture, their job responsibilities, and commitment to work from an organizational perspective. The next step in continuing this integration process is to revisit the city's Guiding Principles, which were developed by staff in 1999, to allow new and existing staff input into confirming and enhancing these principles.

- Employee surveys continue to be a good tool to gather feedback and information from staff. The survey data gathered is shared with all staff, as are actions plan status reports for staff follow-up.

- Employee capacity and new expectations have been developed along the way. This has been a position challenge for the organization in that the standards have been raised. Expectations have increased where new initiatives are no longer new initiatives, but rather just how the city operates. The organization has worked hard at changing the culture to one in which trust, respect, and open honest communication are the norm

- The change has affected the traditional hierarchy. Supervisors are now more facilitators than pure decision makers. There are still clear roles and responsibilities, but it is an inclusionary model, with cross-functional teams. There are times when a project team has more authority than a supervisor. The key factor is to ensure decisions are good for the organization. In Spruce Grove's Virtual City Hall project, the IT Supervisor works as the project manager, but the project sponsor is the Economic Development Manager who has no direct supervisory authority. The overall governance of the city remains the purview of the city manager and the management team. The city manager does have formal decision making authority, but there is a strong focus on using the management team. The management team members have individual responsibilities as formal department heads, but also ensure that decisions are organizational in context rather than departmental.

This shift in culture is demonstrated by reduced morale based issues (stress, time off) and numerous initiatives by the city that have received external recognition and awards (international, national and provincial). The city works hard to maintain the culture through continued training opportunities, walking the talk, celebrating success and orientating new employees.

There have been challenges with cultural shift. A few individuals have left the organization as this form of decision-making is inconsistent with their way of doing things. Different areas of the city have embraced this initiative at different levels and rates, however, the overall impact has been very positive.

Imagine A City Where…

- A secretary presents the city's new waste management initiatives to schools

- An Arena employee initiates an analysis on the effectiveness of his work area and reports on the year's achievements
- Staff create and implement to pilot test earned time scheduling
- The public, through a plebiscite, says "Yes, raise our taxes" to help build a new $28 million tri-municipal recreation facility
- Another city, over 50 times Spruce Grove's size, purchases the use of the city's records management system
- With full council support, staff volunteer during their regular work day for the Big Brothers & Sisters In-School Mentoring Program
- A Public Works employee creates a new initiative for traffic signs where street sweepings are recycled for parking lot bases and asphalt millings are used for dust control
- The city wins international, national and provincial awards in the areas of governance, environment, marketing and partnerships

This is the City of Spruce Grove – The Organization of Choice!

GROUP DISCUSSION

Exercise A:

These exercises will provide participants with the opportunity to assess an organization's culture, as well as explore the characteristics and values needed for an organization to explore change.

1.   As a group, identify why would you want to change an organization's culture? *(Worksheet #A-1 attached)*   [10 minutes]

2.   As a group, identify what would contribute to an organization embracing change? What would constrain an organization from embracing change? *(Worksheet #A-2 attached)* [10 minutes]

3.   Culture is defined by a set of common values and beliefs. As a group, create a list of values and principles that would characterize the culture you would like to see. *(Worksheet #A-3 attached*) [10 minutes]

BREAKOUT SESSION #1 – EXERCISE A-1 Worksheet

Why would you want to change an organization's culture?

BREAKOUT SESSION #1
EXERCISE A-3 Worksheet

List the values/principles that would characterize the culture you would like to see.

BREAKOUT SESSION #1
EXERCISE A-2 Worksheet

Identify characteristics that would contribute to an organization **embracing** change.	Identify characteristics that would **constrain** an organization from embracing change.

BREAKOUT SESSION #2 – EXERCISE B

1. What tools and/or techniques would you use in an organization to assist with change? *(Worksheet B-1 attached)* [10 minutes]

2. **Scenario**: Your organization has created a set of guiding principles; it is now your group's responsibility to develop strategies using the GAP Analysis technique to move forward to implement culture change in your organization. *(Worksheet B-2 attached)* [20 minutes]

   From Ideas to Action

   Translating Our Guiding Principles into Behavior & Action
   Ideas…great ideas…can be the stimulus and catalyst for progress and results. In order for this to happen, however, work must be done to translate the ideas into concrete and observable actions.

   You will also need to talk about what you would like to do more of as a workgroup and maybe some things that you would like to do less of…

   The Steps

   A worksheet is provided to help you work through the following steps with your workgroup.
   a) **Review the guiding principle**
      Use the suggested principle or identify one that is most relevant for your work group…which one would you, as a workgroup, like to focus on strengthening…which one will be most helpful to your workgroup in contributing to "the organization of choice"?
   b) **Identify specific actions or behaviors**
      Identify specific actions or behaviors that would accurately reflect these principles. You need to define what the principles "look like"...what would others see you or your group doing that would lead them to conclude that you are "walking the talk?"

   This is a very important step. If a jurisdiction does not take time to translate the guiding principles into observable actions and behaviors, it runs the risk of having different interpretations and expectations. This can result in two individuals thinking they are demonstrating a principle but in fact are doing it in "contradictory" ways.

The Community of Choice!

BREAKOUT SESSION #2 – EXERCISE B-1 Worksheet

What tools and/or techniques would you use in an organization to assist with change?

BREAKOUT SESSION #2 – EXERCISE B-2 Worksheet

FROM IDEAS TO ACTION
"GAP Analysis Worksheet"

Guiding Principles	What would we need to demonstrate to bring the Guiding Principles to life…what will it look like?	HOW ARE WE DOING		
		Action…we need to do less of…	Action…we need to do more of…	Action…we need to continue…
1. Work as a team				

Adapted from work by marc & associates incorporated

Other Guiding Principles might be:
- **Communication**
- **Work towards success**
- **Create a positive, trusting work environment**
- **Customer Service focused**