

Kennards Self Storage



Kennards Self Storage

Quick Facts

Industry
Transport

Customers
Australia & New Zealand

People
230

CEO
Sam Kennard

Internal Change Agents
Sam Kennard & Darren Marshall

External Change Agents
Stephen & Mara Klemich – Achievement
Concepts

HSI Tools Used
LifeStyles Inventory®
Organisational Culture Inventory®

Outcomes
Improved customer satisfaction
Improved employee satisfaction
Successful acquisition

The Challenge

Founded on strong family values since the 1970s, Kennards developed the first Self Storage Centre in the country, opening in 1973. It remains today 100% Australian, privately owned and family run although has grown from a seven person family business to 230 people, with 83 locations and 524,000 square metres of storage space across Australia & New Zealand. Sam Kennard has been Managing Director for 20 years, taking over from his Father, Neville Kennard. Neville was always very thoughtful around people and leadership and firmly believed that in order to have a successful business you need to have the best people. However, believing the culture was okay, Sam was not convinced to invest in culture measurement until the late 90s. He started to see some unrest amongst people and decided to get more insight into how they were feeling. In the 1990s the idea of measuring culture was new, but it was attractive to Sam Kennard who thought if he could measure it, he could manage it.

“We are very innovative and open to change. We change things often around here. One of the intangible benefits of having a strong culture is that it allows us to make changes easily as people trust us.” - Darren Marshall, General Manager

CULTURE MEASURED

The first culture measure using the Organisational Culture Inventory® (OCI®) was completed in 1998 in partnership with Stephen and Mara Klemich of Achievement Concepts - Life-Time Accredited Practitioners with Human Synergistics. In doing so, focus was also brought to the leadership team and clear values were articulated.

The results came as a shock to Sam, who said:

“I took them quite personally. I looked at them and thought, that’s not me and that’s not the business I want to lead.”

This motivated him for the journey that followed.

CULTURE & LEADERSHIP DRIVE BUSINESS PERFORMANCE

KSS and Achievement Concepts designed a Personal Effectiveness Program (PEP), aimed at increasing personal self-awareness for the KSS team, using the Life Styles Inventory® (LSI). This was seen as the foundation required for helping individuals understand their role and responsibility and bring the values of the company to life.

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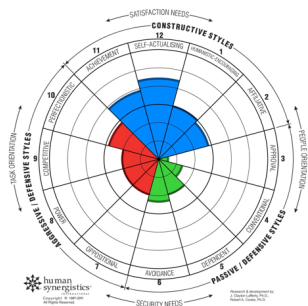
Figure 1

Thinking Styles (LSI1)

Leadership Team LSI 1 – Time 1



Leadership Team LSI 1 – Time 2



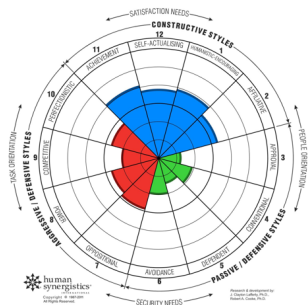
Constructive thinking ↑ 3%
 Defensive thinking ↓ 39%

Behaviours (LSI2)

Leadership Team LSI 2 – Time 1



Leadership Team LSI 2 – Time 2



Constructive behaviours ↑ 2%
 Defensive behaviours ↓ 17%

The program has evolved over the years and continues today across the business.

KSS's experience supports Human Synergistics research confirming that a high level of leadership commitment is necessary for building a Constructive and resilient culture.

Believing that a strong focus on building self-awareness is fundamental to leading effectively, KSS's leadership team started work with Mara Klemich of Achievement Concepts to build their capability. They used the LSI 1 & 2 to understand their personal styles and how they impact overall culture. Figure 1 shows the collective improvements the leadership team has made in both their thinking styles (LSI 1) and their behaviours as reported by others (LSI 2). This focus in the leadership team has been a key factor in driving cultural change throughout the business.

Mara also carried out psychological assessment for the recruitment of senior roles. This has been a successful initiative that, coupled with the development activities, has helped to create and cement a highly effective group of leaders.

The leadership team has challenged their internal systems and processes to build alignment with the desired culture.

Examples of changes that have been made include:

- All written material (job descriptions, advertisements, internal communications, KPIs and competencies) is shaped by language that is aligned with the desired culture.
- The rewards system now focuses on team achievement rather than competitiveness. For example Storage Centres now work to achieve Bronze, Silver and Gold status rather than first or second place - in theory every centre could be awarded Gold status.
- KPIs have been reworked to increase role clarity.

Mara Klemich says "KSS's strength is in their ability to translate a reading on a tool into the reality of their environment and to bring it alive through their internal systems."

The integration of leadership and culture across the business happens in subtle, everyday ways. It's not primarily about running the programs, but rather about encouraging people to have greater self-awareness, to be genuine and to work in ways that are aligned with the desired culture.

For example, they have worked hard to eliminate the political nature of business and build openness and transparency internally around all decisions, ensuring people understand the context and purpose for things.

There are also high levels of accountability. All people are encouraged to thoughtfully and respectfully have the hard conversations and to pull each other into line if they see language or behaviour that is out of sync with the desired culture.

Figure 2 shows how a more constructive culture translates into improved outcomes.

The integrated and holistic approach to leadership and cultural development has been a key factor in enabling the business to continue to grow and remain stable through various challenges.

OVERCOMING CHALLENGES

Geographical dispersion of people

The design of the business means that people are widely dispersed geographically and often working in small teams. Storage Centres have between only 2 and 6 team members onsite, so building strong communication channels and accessibility to each other and the leadership team has been essential to enabling affiliative work practices and a sense of belonging.

KSS invested in an enterprise social media platform to enable informal conversations to take place across the business. This has helped people engage with each other, share feedback and innovations and solve problems.

Operations Managers and the General Manager, Darren Marshall, make a deliberate effort to be regularly present across the various centres, and the team comes together for large events annually including the 'Achievement Dinner' and the Christmas party.

Acquisition of Millers Self Storage

In 2004 the business faced a major challenge with the acquisition of Millers Self Storage, virtually doubling the size of the business to 56 locations. Executing this deal was a significant challenge, and they attribute the success of the deal and the integration that followed to the strength of the culture.

"It helped that the current business was stable and I didn't need to focus on fighting fires internally. This [the culture] gave me the confidence to execute the deal." Sam Kennard, Managing Director

The real challenge started once the transaction was executed and integration began, revealing a real clash of cultures posing a threat to the Constructive culture that had been developed by this stage at KSS.

The newly acquired business exhibited strong Competitive and Power styles of behaviour. Reward systems had encouraged internal competition and inhibited personal ownership and decision making.

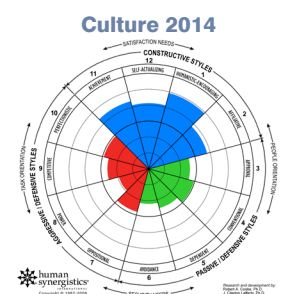
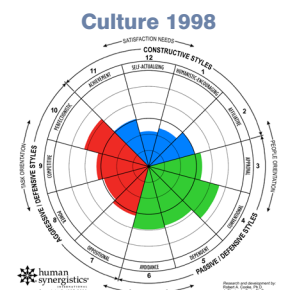
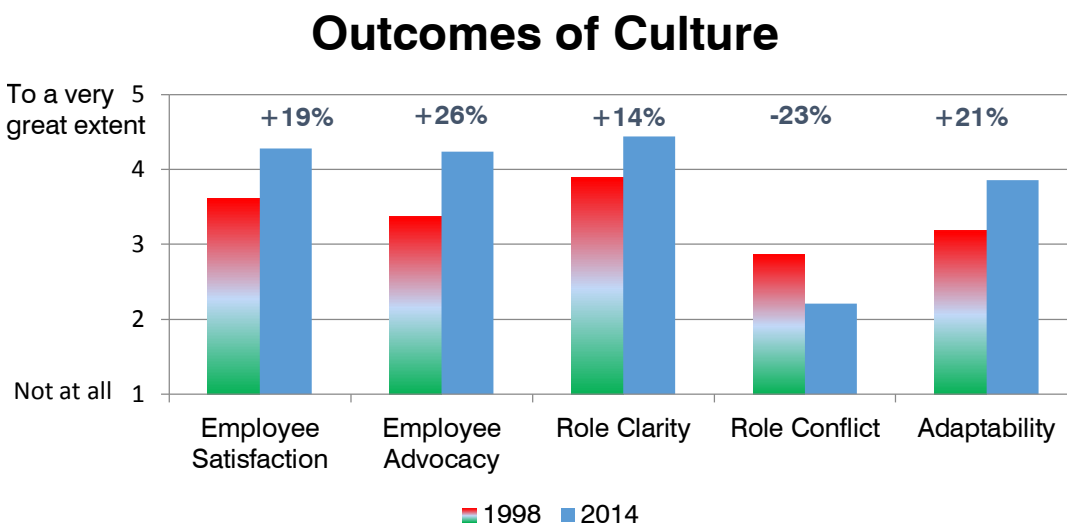
The KSS culture, on the other hand, promoted team-based achievements, and equitable, fair and transparent processes. People were encouraged to make their own decisions, be accountable, problem solve and take risks.

The business continued to work on - and measure - its culture annually following a slight backwards step with the addition of the new business, KSS's culture continued to improve in the years following the integration, despite the high levels of stress that the business and individuals experienced - such resilience is characteristic of highly Constructive cultures (Figure 3).

The company wide focus on leadership and cultural development through the use of Human Synergistics' integrated tools – LSI and OCI® – provided the platform for this.

Figure 2 – The Impact of Culture Change on Business Outcomes

The business has seen a considerable shift since the start of their journey in 1998 towards a more constructive (blue) and less defensive (red and green) culture and as a result on average a 20% improvement has been felt across the business in areas including employee satisfaction, employee advocacy, role clarity, role conflict and organisational adaptability.



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THE JOURNEY CONTINUES

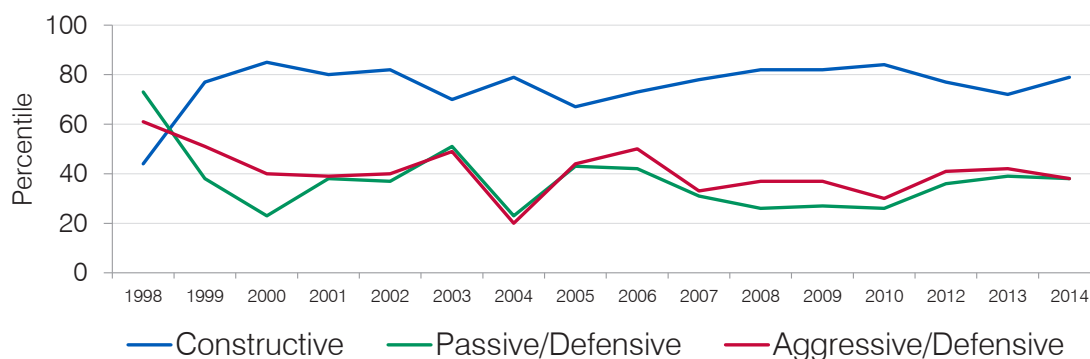
KSS is now 16 years into their Culture journey (Figure 3) in partnership with Human Synergistics and Achievement Concepts. Having tangibly felt the benefits over the years, KSS will continue their focus on leadership and culture.

They have a firm belief that greater personal effectiveness leads to cultural development and improved business performance. As a company, they maintain a strong focus on developing leaders and people who are aligned with, and can further develop, the highly Constructive culture that they enjoy.

It is now an integral part of the way they do business. People in the business anticipate the annual culture measurement and leadership programs and this is one of the ways the leadership team shows their commitment to being genuinely interested in people.

"I liken it [measuring culture] to auditing our books every year. Culture is a diagnostic of what's going on with our people, and like with the books, we hope we find nothing wrong, but it's important to do it regularly." - Sam Kennard, Managing Director

Figure 3 - Kennards Self Storage Cultural Norms 1998 - 2014



HUMAN SYNERGISTICS INTEGRATED MODEL

Through the common language of the Circumplex, as seen in Figures 1 and 2, the Human Synergistics Integrated Model links culture and leadership in a way that allows individual managers and leaders to understand how they are perpetuating the current state through their thinking and behaviour. This level of insight empowers and motivates individuals to make changes that directly increase performance.

	Increased personal effectiveness	More effective teams	High performing leaders and managers	Increased organizational performance	Improved customer relationships
INSIGHT REQUIRED	How I see myself (self-concept) How others see me behave	How we work together	How I impact performance	How our Culture helps and hinders performance	How our customers and clients experience us
DIAGNOSTIC TOOLS	Life Styles Inventory™ (LSI1 / LSI2)	Group Style Inventory™ (GSI)	Leadership / Impact® (L/I) Management / Impact® (M/I)	Organizational Culture Inventory® (OCI®) Organizational Effectiveness Inventory® (OEI)	Customer ServiceStyles™ (CSS)
EFFECTIVENESS LEVEL	Individual thinking and behavioural styles	Group behaviours	Leadership and management approaches and behaviours	Organizational behaviours and performance	Customer relationships



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