

Transforming the Performance Culture

*European Case Study
A Leading US - Owned Global Organisation*

The Challenge

The organisation identified a number of issues that were restricting organisational performance:

- Uncertainty amongst staff resulting in high performers leaving.
- Disengaged staff resulting in lower productivity.
- Increasing resistance to change.
- Negative PR within the local communities.
- Staff members negotiating high severances with support of the works council.

Most of the issues centred on employees' resistance to change. The organisation had long recognised that a culture change was required but struggled to implement an effective programme.

The organisation stated a number of objectives that needed to be achieved as part of the Rialto Transforming the Performance Culture project:

- Increase revenue and profitability.
- Deliver a step change in customer facing quality.

- Create a performance - oriented company culture.
- Save £500,000 in employment costs through headcount reduction.
- Reduce the risks of any negative impact on the business during the change period.
- Exit low performers who resisted embracing the new world change programme.

Transforming the Performance Culture Solution

In order to deliver the change it quickly became obvious that a number of people issues would need to be addressed. Inherently there was a fear of intrusions into 'little kingdoms' with a belief that change would result in a reduced team size, less freedom and influence.

The workforce were generally proud of having resisted change in the past and had made change responsible for their failures (decline in quality/loss of revenue). As a result of this low performance issues had never been truly addressed.

Rialto recommended its flagship change management methodology “Transforming the Performance Culture” (TPC). The approach would strengthen workforce capability to deliver future results, increase profitability and secure a step change in performance.

Every employee was given a choice to raise their performance within the organisation or for those that lacked either the ‘skill’ or the ‘will’ an exit option without severance was offered. This was essential in addressing a culture which had repeatedly rewarded low performance with high severance pay.

The change message positioned with employees through their line managers was that the status quo could not continue and that there were a series of supported options which employees must align to, whilst understanding that the organisation would not pay severance.

The three options presented to employees were:

- Change self – deliver against the (new) expectations.
- Change situation – move to another role within the organization.
- Leave the company – with transition programme support.

The ‘Skill v Will’ model was actively used in the project and line managers were supported to be able to use it in relation to employees, their performance history and performance potential. Where employees had the potential to perform in the new world the ‘Potential – Interference = Performance’ model was used to understand the internal and external factors that were getting in the way of an individual achieving their potential within the organisation.

Managers were also assisted to fully understand how to balance the requirement for managing, leading and coaching. As part of the programme Rialto actively and successfully engaged with the Works Council to fully implement the innovative programme.

The Results

The Rialto Transforming the Performance Culture project has saved **circa 1 million Euros** in severance costs.

22% employees elected to transition out of the organisation.

75% employees elected to stay and step up performance levels to the required standards.

3% employees moved into new roles and have achieved a step change in performance.

To find out how Rialto can transform the performance culture in your organisation, please contact us:

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