



THE CHALLENGE

A leading US owned global organisation identified a number of issues that were restricting organisational performance within its European operations. As a result they selected to partner with Rialto and implement our Transforming the Performance Culture Solution to resolve existing change management and business improvement challenges.

Areas that prevented the organisation moving forward included:

- Uncertainty amongst staff, which drove high performers to leave.
- Disengaged staff resulting in lower productivity.
- Increasing resistance to change.
- Staff members negotiating high severances with the 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 had struggled to implement an effective programme.

The organisation stated a number of objectives had to be achieved as part of the Rialto Transforming the Performance Culture (TPC) project:

- Increase revenue and profitability.
- Deliver a step change in customer facing quality.
- Create a high performance oriented organisational culture.

- Save €500,000 in employment costs through headcount reduction.
- Minimise the risks of any negative impact on the business during the change period.
- Exit low performers who resisted embracing the new world change programme.

“TPC increases employee engagement, and alignment of employees to deliver future organisational growth in productivity and profitability”

EUROPEAN CASE STUDY

BACKGROUND, CONTEXT AND RAPIDLY CHANGING MARKET CONDITIONS

THE 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, particular issues had never been truly addressed.

Rialto recommended its flagship change management methodology "Transforming the Performance Culture" (TPC). The solution 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 .

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 and deliver against the new organisation's performance expectations.
- Change situation – move to another role within the organisation.
- Leave the company with outplacement and career transition support provided by Rialto.

The 'Skill v Will' model was actively used throughout the project and line managers were supported to use it in relation analysing to employees performance history and future performance potential.

Where employees had the potential to perform in the new world, the 'Potential Interference = Performance' model was used.

The model provides an extensive understanding into the internal and external factors that were blocking individuals in achieving their potential within the organisation.

As part of the programme Rialto actively and successfully fully engaged with the works council to implement the innovative TPC programme.

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THE RESULTS

The Rialto Transforming the Performance Culture project has saved circa 1.5 million Euros in severance costs.

- 27% 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.
- Managers were assisted to fully understand how to balance the requirement for managing, leading and coaching.





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