

**Philip Atkinson** reflects on a new approach in 1993 – managing performance by focusing on culture, not systems

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**T**he original article was about the motor vehicle business of Lloyds Bowmaker and its Excellence Through People process, that would have an impact on the lives of 970 staff.

Excellence Through People

ran from 1987 through to the mid 90s and focused on empowering people through top-down cultural change. It was a completely new approach, based on changing behaviour and leadership by managing performance. Other initiatives employed by competitors focused entirely on quality systems that did not generate the desired results.

The focus was on action not theory. The management team committed to implementing 80 per cent of improvements within six to 12 weeks. The drive was very successful, and the MD and half his board were subsequently headhunted by General Electric to merge GE Capital with Mercantile Credit, recently sold to GE by Barclays.

By applying many of the issues noted below, the new team went on to develop the old Mercantile culture “through post acquisition integration strategy” into a strong business culture – GE Capital Motor Finance.

### Learning issues:

- You change behaviour by focusing on the culture rather than systems. This is just as critical today but still not the norm for most businesses. Many do not understand the dynamics of how you can speedily have an impact on culture and performance.
- Change in culture can happen very quickly if you have the focus

and energy of the top team behind it. It is a myth that “culture change” is a tedious, drawn-out process.

- People can be motivated very quickly. They can learn to become stronger leaders, and manage their teams to new performance levels
- Performance standards must be precise and ever-evolving. Productivity supports the competitive edge of any organisation.
- In some companies, 5-10 per cent of employees are poor performers. Research in several business suggested that managers often did not have control of performance. It’s no longer as high as the 25 per cent quoted in the original article, but it is still too high.
- Nowadays some management teams are keenly focused on managing out poor performers, but this is not practised by all businesses.
- Management get the staff they deserve. If you have lousy managers, you develop poor practices and standards that fall well below the norm. Introduce a leader who is good with people and watch performance rocket.
- Managers have to create a climate of trust and integrity, and deal with performance issues even if they are unsavoury. They have to learn to give bad news as well as good.

The basic tenets of the article still hold. Nevertheless, the problem is still around. An operations manager was talking with me recently about poor performance and the lack of talent in the market. She said simply: “It is better to have someone doing the job poorly, than no one doing the job at all.” I can understand her viewpoint, but what happens to the overall thrust of the business if performance issues are continually ignored? ■