I was running an electricity company in the early '90s that had been through the process from being nationalized to privatized, and that had given a kick to our performance; we were doing reasonably well. However, I was conscious that we weren't really getting the best out of the people that worked in the business. We employed about 4,500 people; a mix of professionals and white-collar and blue-collar workers.

We needed to enable the business to perform to a higher standard, to give our customers better quality of service, to cut our costs more and to be more efficient. Also, within the business, I felt we weren't really tapping into the potential in the best way we could.

We decided to bring in some outside help to set about changing the culture of the business, because we still had within the organization a number of characteristics that I felt were not helping us. In particular we were an engineering-based organization. Most of our managers had been promoted because they were technically expert, and it was this expertise that had taken them forward, rather than their ability to manage people.

We found that they thought about people in the same way that they thought about machines: they had a green button for go and a red button for stop. They couldn't understand why people just wouldn't do what they were told.

Secondly, we came from a nationalized industry past, so we had a very bureaucratic organization with a very slow clock speed which took a long time to make decisions. It was very much safety first, so it didn’t move as responsively and as quickly as it could.

Thirdly, many of our people were focused on being part of a process; they felt that as long as they did their bit, that was all that mattered. Whether they got the right result or not was not their concern.

Those key issues about the engineering ethos, bureaucracy and process mindset all needed to be addressed. We decided that we couldn’t do that on a piecemeal basis. We couldn’t do it just by dealing with senior management or middle management. This was something that pervaded the whole organization because this culture had taken many years to grow, but it had taken root in a very deep way. We had to change that, and it wasn’t going to happen in five minutes.

But whatever we were going to do it had to be driven from the very top of the organization, so, as Chief Executive, it would be my role to lead this process. We found an organization in America that helped us, and we set out on a culture change process that in the end took nearly three-and-a-half years. We spent a significant amount of money, but I didn’t regard it as a cost; it was an investment. Everybody throughout the whole organization went through a process of learning about how we were getting it wrong, the problems and obstacles that were preventing people doing the very best they could. We were not saying to people “You’re thinking the wrong way” or “Your mindset is wrong.” We were saying: “We recruit very capable people; you all have a huge amount of potential. But, as an organization, because of our culture and inheritance, the way we organize ourselves is obstructing you realizing your potential.”

I fundamentally believe that nobody goes to work wanting to do a bad job. It’s what happens at work that stops them doing a good job, and the whole purpose of the culture change process was to take down those barriers and obstacles that got in the way of people performing well as individuals and teams.

So everybody went through a process that started with a three-day workshop to talk through how we behave and interact with each other at work and how we work as teams. We began to explore some of the problems and some of the ways in which we don’t perform as best we can.
The importance of doing this was that, first of all, it was a learning process; we all learnt from it. Secondly, it was a common shared experience: we all did the same thing, so it gave us a common language. We began to talk about the issues and problems in the same way. Probably most importantly of all, for many people in the 4,500-strong organization, it was the first time they’d had any kind of training experience for many years. Perhaps when they started they had had some training as an apprentice, but after that the tendency was to get on with it. The fact that we invested in them was an expression of interest and belief by the organization that: “You are worth it. We want to invest in you and help you.” That, apart from anything else, produced a really positive reaction.

In the space of 18 months to two years, the whole atmosphere of the place tangibly changed and became a lot more positive: people worked together more effectively; they were more focused on what they were trying to do; they were more enthusiastic, and we spent less time bickering amongst ourselves. If I go back to my initial diagnosis that we were too process-driven, too bureaucratic and too much dominated by our engineering culture - all of those things changed. We became far more output-oriented and focused on the end result and how to get it. We became a lot more slick commercially; we moved things more rapidly, we made decisions more effectively. A lot of our middle managers, who were engineering technologists, became very much more focused on the human side of the business. Without any doubt, the whole performance of the business improved.

This process taught me that, if you invest in people and show an interest in their welfare, education and training, and back that up with a demonstrable investment, it comes back many, many times over in terms of improvement.