

Empowerment – The best way to become a World Class Organization

By Diane Prange

Empowerment is often cited as a critical component of any successful customer satisfaction/delight, process and/or quality improvement initiative. The rewards of empowerment are touted as enhanced effectiveness and business performance. The empowerment of Japanese workers to stop a line without authorization is legendary.

Why Empowerment?

Any company that cannot produce at a lower cost, with better quality, and at a faster pace than its global competitors may soon be out of business. At the level of team members, the result will be loss of jobs, with more work piled on those who are left behind. Leaders will feel the stress of producing more with fewer people and with a wider span of control. It is for these very reasons that the traditional management model of “the manager in control and the employees being controlled” does not work. What every leader is seeking is solutions to make his or her job – achieving results with fewer resources – easier. At the same time, team members are searching for job security, ownership, and a renewed sense of pride in their work.

What is Empowerment?

Let’s first spend some time understanding what the word **empowerment** means. Unfortunately, there are almost as many different definitions of empowerment as there are initiatives. Perhaps the most basic definition of empowerment is “the process of involving employees in their work.” Utilizing this simple definition, many organizations argue that their workforce is already empowered. Their employees often do not agree, and the argument centers on the term “involved” and the level of this involvement.

If an organization wants to achieve the competitive advantage of empowerment, utilizing this simple definition will not accomplish that goal. A more complex and concise definition of empowerment is “the process which supports and encourages employees to fully utilize their skills, abilities and creativity to accept ownership and accountability for their job/project.”

Empowerment can assist any leader (willing to make some key changes) tap into the knowledge, skills, experience and motivation of every person in the company. Leaders who empower people are placing additional responsibility for the results on the team members. That is correct: **empowerment is not soft management**. But even though it places high expectations on people, team members embrace empowerment because it leads to the joys of involvement, ownership, and growth. Unfortunately, too few leaders and team members understand how to create a culture of empowerment. The real essence of empowerment comes from releasing the knowledge, experience, and motivational power that is already in people but is being severely underutilized.

Reality is a successful implementation of an empowerment initiative requires both cultural and organizational changes which are far reaching – and therefore painful.

Creating an Empowered Culture

Share Information

If we want people on the front lines of companies to be responsible for making good business decisions, they must have the same information that managers use to make good business decision. People without information cannot make good business decisions, nor are they motivated to risk making decisions in such a void. On the other hand, people with information are almost compelled to take the risk of making business decisions to the best of their abilities.

If we want people to take the risk of being accountable in making important decisions, they must feel they can trust management and the organizational systems. What we have learned from

experience is that sharing information is one of the most effective and simplest ways to kick start the enhancement of trust. If a leader is willing to share the power that information represents, people hear – more clearly than any words can express – that this leader is reducing the barriers and including people into the circle of influence and involvement.

Another factor that pushes information sharing to the forefront of the journey to empowerment is the need people have for direction, both individually and in teams, during the early stage of the change process. Most people start the empowerment journey as enthusiastic beginners. They need a leadership style with high direction, and if they do not get it, they must feel safe enough to ask for the information and direction they need to start moving down the road to empowerment.

In any organizational change effort, people initially have a variety of information concerns that need to be addressed. Information sharing at this time will help people answer these kinds of questions:

- What is the change and why is it needed?
- What is wrong with the current situation in our company?
- What exactly needs to be changed, and what outcomes must be expected?
- How much do we need to change and how fast must we change?

Addressing the information concerns that people have during this first stage of change can provide them with the direction they need to focus their energy in positive ways. Particularly, this focusing leadership style should help people understand the desired outcomes and provide them with an image of what things would look like if a culture of empowerment was realized.

Information sharing helps people understand the need for change. And when people understand the need for change, they develop willingness that helps drive the process. Information sharing is the key tool to drive continuous improvement. In an empowered company, people want the ongoing challenge of getting better and better at their work. They recognize that continuous improvement is the means for keeping the company healthy and competitive. But they also recognize that it is the means for success, satisfaction and fulfillment in their jobs and careers. Information sharing is, quite simply, the lifeblood of an empowered organization. Without it, a company can never become or say fully empowered.

Create Autonomy by Setting Clear Boundaries

It is important to recognize the need to provide boundaries for acting in a culture of empowerment. Most people have an initial excitement about empowerment and the expectation to use good judgment, but they do not fully understand what that will mean or what to do. High levels of frustration and or apathy will quickly follow initial reactions if there are no boundaries that provide direction for acting in a culture of empowerment.

The boundaries of empowerment and boundaries of hierarchy must be clear. Boundaries that exist within a hierarchy and with which most people are familiar tell people what they cannot do. In other words, these boundaries constrain behavior.

Essentially there are two categories of decisions to focus on at first; strategic directions and operational decisions. It needs to be made clear that strategic decisions will continue to be made by senior leadership. Senior leaders will decide what markets to serve, what products or services to provide, profit margins and prices, the mix of products or services, the financing arrangements and so on. What team members will decide are operational matters, focusing initially on less complex and involved decisions but gradually moving toward more complex and involved decisions.

Over time, the boundaries should be widened to create more autonomy and responsibility. Goals need to be SMART (Specific, Motivational, Attainable, Relevant and Trackable). Help teams and their leaders use information that has been shared – and is being shared – more regularly to define areas for continuous, ongoing improvement. By focusing on continuous improvement,

rather than momentous improvements, teams and their leaders will experience a feeling of progress toward getting results and feeling empowered.

To get good teamwork, expect it, measure it and reward it. Then let the teams assess the performance of their individual members. As the team becomes empowered, boundaries need to be incorporated into everyone's value system.

Position Teams to Replace the Hierarchy

Information sharing sets the stage for change, while boundaries provide the framework for acting with autonomy. What is missing, to truly get the journey going, is a mechanism that uses human interaction to provide the direction and support needed to best use and develop the talents that people have and will acquire. Self-directed teams provide the vehicle for this missing human interaction.

Empowered teams can do far more than empowered individuals. Teams are crucial to empowerment because they bring a diversity of ideas and experience to bear on the complex problems that organizations face in the competitive and changing world of business. Collectively, the team of people knows far more than any individual on the team. Furthermore, teams can implement complicated solutions to problems, as in the outdoor challenge activities for team building, where a team of people can carry a heavy load, move their members over a barrier, or provide assistance for everyone in getting through a difficult experience.

The power of teams can be truly amazing, but until teams have had the time to develop through the early stages of Orientation and Dissatisfaction, they will not be that effective. Just like a sports team or a ballet corps, it takes practice together to learn how to perform as a team and to gain a clear understanding of each other's roles. As long as you do not expect immediate miracles with teams and do make the time for training and practice, teams will become a powerful source of direction and support for all members of the organization.

By setting team goals that tie directly to company and site goals, teams can be held accountable for contributing to company performance. Team-based goals need to become more and more common in the organization. Begin using team-based evaluations and rewards as part of the review step of the performance management system. Be sure that the evaluation/review step of the process is a validation of what has been occurring throughout the performance cycle. The teams should not be receiving new information at the time of the review. Now, all this is not to say that individual goals and evaluations are not to be used, but a greater emphasis needs to be of team goals and evaluations if we expect teams to become empowered.

A valuable systems change is to reduce the number of departmental and staff meetings and to substitute team meetings in their place. If teams are to be held accountable for results, they will need off-line time to work together to identify problems and opportunities for improvement and to develop their skills for working together as an empowerment team.

One of the most debilitating problems teams can encounter in the valley of discouragement is a nagging fear of failure. When the inevitable snags are encountered, it is quite natural for team members to place blame for their difficulties on their team leaders and on senior leadership. Team leaders can help the teams understand that this fear of failure is a natural occurrence along the journey to empowerment.

Teams will not yet be capable of performing at high levels of team efficiency. They have to develop some of the skills of teamwork -- group communication skills, information sharing and some problem identification skills. But they still need to further develop the skills that lead to synergistic performance, such as reaching and supporting consensus decisions, sharing leadership, resolving conflicts among team members, and effective group listening. The lack of these skills will inhibit the teams in their ability to function.

Use simulations, as well as real world problems, to help team members and team leaders appreciate the power of empowered teams. Reinforcement with success is a powerful motivator for further development of teams. Team leaders must continually seek opportunities to catch

teams doing things well as a team and to then deliver positive feedback, which will be a powerful motivator for the team and its development.

With information and clear boundaries, the self-directed teams will be able to identify problem areas or potential problem areas and initiate plans for resolving the problems.

Teams will begin to hold themselves accountable for understanding company strategic goals, tracking the same information that senior leadership tracks relative to the strategic goals of the business and setting team goals that link to the accomplishment of strategic goals. Teams should even begin interpreting information and offering suggestions to leadership.

In support of this responsibility, senior leadership should make it clear that the teams are expected to take on this more analytical and strategic activity. Additionally, it is time for the teams to embrace the responsibility for innovation and new ideas that reduce cost, increase quality, increase productivity, improve customer service, or enhance flexibility. In other words, the self-directed teams should now become responsible "leaders" of key business outcomes.

Teams must be encouraged to extend their range of influence. No doubt some teams will move more quickly toward empowerment than others. By reaching out to other teams, they can positively influence the other teams to continue their journey to empowerment. By spreading word of their success, self-directed teams can demonstrate to the company how an empowered team can have positive results and also be an exciting place to be involved.

The self-directed teams should be called upon by the senior leadership to cross train members within their teams in order to expand the overall team ability and to keep people on the teams excited by growing. The more everyone on each team can perform all the functions on the team, the better prepared the team will be. And one of the greatest rewards, individual team members can receive in an empowered company is the opportunity to develop the use of new skills.

The teams must be encouraged to share their knowledge and experience with each other, thus reducing their range of diversity as people learn from each other. At the same time, the teams through exposure to new problems and in concert with the different learning styles and experiences of their members will develop new diversities that allow the cycle to begin again. Members of these teams will find that through their involvement in this process, they are rewarded in way that far exceeds any financial reward.

Information should be flowing smoothly between teams and leaders, as well as among the teams. In addition, there should be clarity of perspective flowing from an agreed-upon vision and set of values. With the teams functioning as a relatively high level of empowerment, what remains is the final cementing of a partnership between teams and senior leadership, as the teams replace the hierarchy with a relationship of effort and responsibility. Now the focus should expand to include strategic issues as well as business innovation. The empowered teams will have the information, perspective, and knowledge to offer suggestions regarding new strategic directions for the company.

The self-directed teams should be encouraged to continue to raise the bar of performance standards in order to stay ahead of competitors in other companies.

Fully incorporate rewards, bonuses, profit sharing, and stock options (where possible) into the performance management system for the teams and their members. Of course, this means that leadership and the teams must share in the opportunity to benefit from improvements in the company's performance and in the risk associated with problems in company performance. The most promising way to achieve this level of direct responsibility is through stock plans and incentive schemes that allow for both positive and negative bonuses that are tied to company or site performance. The most progressive empowerment companies have pay plans that are comprised of an individual component, a team component, a site or department component, and a company component. And while there is a wide variety of means for achieving this combination, and a wide variety of weightings that can work, one common theme is reward and risk. When the company does well, all the partners (leadership, team leaders and team members) benefit, and

when the company does not do well, all the partners suffer together. The result is a very powerful partnership based upon mutual interests and concerns.