

Creating an Empowered Organization

Introduction

If you were a retail store manager what would you do if...

You walked up to find an employee gift wrapping a customer's packages--from another store, or giving a refund--for a product you clearly don't sell, or off in the parking lot--warming up a chilly customer's car?

Nordstrom, one of the top retailers in America, would tell you to preach them as how-tos to new employees.

These are stories of empowerment.

Stories that have made Nordstrom famous for amazing customer experiences.

Stories that command the highest prices in retail--and still have customers singing their praises.

Building an empowered organization is about creating compelling customer experiences, fanatical employees, and dramatic growth.

Empowerment drives success.

What is Empowerment?

Before we go too deep--let's kill a few empowerment myths.

It's not: throwing out the rules, navigating around people who might say no, doing the cool parts of others' jobs, or carte blanche to make bad decisions.

It is: responsibility, ownership, working independently towards shared goals, understanding why, making good decisions with the best information, collaborating, and earning the right to be empowered.

Empowerment is not handing over control to a bunch of anarchist.

In fact, proper empowerment is never given. It is created--internally--within each individual according to their own confidence, skills, and desire.

Sharing Vision

Often misunderstood, empowerment is not every person for themselves. Effective sharing the common vision prevents this potential calamity.

Nordstrom's extraordinary stories were not coincidences of individual motives.

No, they happened because the Nordstrom vision is clear--customer experience...at any cost.

Empowerment can not take hold of an organization, without a vision...and everyone needs to get it.

This is where another misconception creeps in. Creating a snappy mission statement and hanging posters is guaranteed to fail. Vision is best executed when people are part of it.

Empowerment doesn't work when handed out like a treat. Results come from within each individual. Vision is the best place to start nurturing the empowered individual.

Create and share your organization's vision with real stories and recognition of exemplary behavior and performance. Sharing concrete examples clearly show managers and employees the why and how of the vision. It gives everyone frameworks for making future decisions. Decisions that will become more consistent and aligned with the core vision--even though each is made autonomously.

Distributing Knowledge

This brings us very nicely into a discussion of how to equip your people to make empowered decisions.

The best decisions are made with good information. Not, information handed out piecemeal, but rather a consistent flow of knowledge.

Encouraging open information sharing is hard. Managers have long been taught--knowledge is power.

Knowledge squirreled away in pockets, while empowering people to make autonomous decisions, is likely to create a lot of symptomatic bad decisions. This is a death sentence for empowerment. Everyone begins to pull back decision authority--and out come the approval forms in triplicate.

Building Skills

Empowerment can be a little intimidating.

Can you imagine running out on the field...in the final seconds, of the fourth quarter, of the Super Bowl...the quarterback barks in the huddle..."red dog, goal right, shift, on blue 23," and then turns to you and says..."we're counting on you to make this catch for the win."

What? Where do I go? How do I line-up? When do I go? What route do I run?

When we advocate empowerment--there is a natural tendency for leaders to toss their players out the field without the necessary skills. This is not wise for the manager or the employee.

Skill building is critical. Going into situations and decisions with confidence brings the best execution.

An empowered organization must have processes and encouragement for skill building. This can be as simple as rewarding and praising folks for teaching others or as formal as tuition reimbursement. Regardless of its design skill building is central to creating an empowered organization.

One of my favorite approaches, is simple and free. Promote mentoring and coaching. New employees...put beside experienced people...making empowered decisions...is highly effective. It allows them to observe and ask questions in a safe environment. As they build confidence they will naturally venture out--internally empowered.

Harnessing Desire

Passion is impossible to teach, but it is the fastest way to effective empowerment. It creates evangelist that will bring you more revenue than any sales person.

Desire is best captured, not manufactured. This means doing a lot of listening.

Encourage your employees to be creative and innovative. Reward risk. Then watch and listen. You will be amazed by the sparks that align perfectly with the organization's vision.

To make this work, begin by encouraging innovative behaviors--then recognize the best results by integrating them into corporate strategies.

Nothing strikes desire and passion like one's own idea.

Over time employees will independently repeat the process. Innovations will become closer aligned. You will begin to move faster than the competition. Suddenly, you have

inspired an organization full of R&D.

Google figured this out early with 20% projects.

The concept is simple--everyone is expected to spend 20% of their work time doing something different and of personal interest to them.

The results? Well maybe you have heard of a few of these--GMail, AdSense, Google Reader. The point is obvious...harnessing personal passion is profitable.

Oh, and what happens if you don't? Hewlett-Packard wouldn't let Steve Wozniak--you know the co-founder of Apple--build a personal computer. That's right--good ideas prevented, can become your competitor.

Creating Opportunity

Wozniak is a perfect illustration of why empowerment is important.

Wozniak was told to build calculators. He was measured by how well his calculator designs sold. He knew building a personal computer at HP was impossible--it wasn't a calculator.

Organizations need to enable a culture where people are attacking opportunities not just tasks. Managers need to encourage opportunity seekers. Make people comfortable trying and failing. Show them a path for innovations to become mainstream initiatives.

Larry Page and Sergei Brin, founders of Google, dress up in lab coats once a month and host pitch sessions. The good ones--they invest in and put them into core Google development.

This investment of time and encouragement has been highly profitable. Google is working on opportunities. HP was working on tasks.

What's the irony? Wozniak and Jobs hocked their HP calculator and Volkswagen bus, respectively, to raise the \$1300 it took to start Apple.

Apple has a market cap of \$150+ billion versus HP's \$115 billion. Apple is worth \$175 a share versus HP's \$45. And most ironic of all--HP's core revenue is now from the sale of personal computers.

Oh my...to have only empowered Wozniak to build a personal computer at HP!

Conclusion

There is little doubt that the traditional hierarchical organization is eroding. Younger workers are passionately looking for challenges and opportunities--top down strategies won't work.

The traditional pyramid organization is rapidly, and uncontrollably evolving into a matrix of highly specialized nodes--talent. Empowerment is the only organizational design that will execute in this new organization. It must be designed with clear vision, free flowing knowledge, learning, and full of opportunities to mainstream individual desire and passion.

Empowerment is not a buzzword it is a survival strategy. If well designed it is a powerful differentiator that will attract talent, customers, and financial growth.

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