Empowerment – How Do They Know?

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The trend to flatter organizations has made it necessary for people throughout our companies to make decisions and take immediate action. Our customers demand 100-percent on-time and zero-parts-per-million defects rates. This makes it mandatory that every person who recognizes a nonconforming condition must take immediate action.

How is it that we communicate to our people that they are empowered? And to what extent are they authorized to take action to ensure 100 percent on-time and zero defects? Most organizations would start with a job description. However, look closely; does your job description empower or does it prescribe a list of "thou shalts" and "thou shalt nots?"

Many of our most competitive shops have management and quality systems tied to ISO and TS. These shops can point to their standard procedures for the various areas in their systems. Again, the question to be answered is, "Does this procedure communicate to people the fact that they are empowered and the extent of that empowerment?"

Responsibilities and authorities.
In my experience, it has been helpful to create a responsibilities and authorities document for each position. The responsibilities portion explains what the employee is expected to be responsible and accountable for. The authorities portion describes the employee's authority to perform and decide.

A shop needs a clear, documented means of conveying to employees their responsibilities and authorities. Without documentation and management reinforcement to maintain awareness, employee be-

havior will be controlled by social and peer pressure. If employees are empowered, the first critical question is, "How do they know?"

Problem-solving, new process development (process realization) and complaint resolution are three areas where empowerment is severely tested. What if a machine has to be taken offline to try a new fixture to determine its capability? What if the samples show that the process is out of control? What if the customer needs to have costly remediation taken at his or her shop? Are the folks that you assigned to these tasks up to the test?

"How much are you authorized to spend to make the customer's pain go away?" is the second critical question to ask your people. I was sent out to help resolve an issue between another division of my steel company and a customer that manufactured parts. It was an automotive application and it was already in third-party inspection. No one had a clue as to the actual root cause of the problem.

Lab results from 12 samples seemed to clear our material (11 samples exonerated the material, but one was inconclusive). I asked the quality control people from the other division if they had a plan. Their plan was to do fact-finding, listen to the customer and report back to management. I asked them what they expected to do to make the customer's pain go away. Blank stares were the responses of all.

The customer needed help with third-party inspection costs. All of us—steel supplier, parts manufacturer and automotive OEM—needed more data to track down the root cause. It seemed obvious that we should underwrite a portion of these third-party charges in order

to get the data and representative samples we needed for further lab work.

We authorized these charges despite no clear authority to do so. The additional samples and data enabled us to establish the root cause (handling and tooling issues in the customer's forging operations).

After removing these through third-party inspection, we determined that the OEM was also cracking parts with aggressive heat treatment. The OEM had refused to consider this before, figuring that as long as it was getting nonconforming product from the parts manufacturer, it must have been the manufacturer's fault.

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The expense for our share of the third-party inspection was $25,000. The account was worth about $10 to $12 million annually. Why wasn't every person sent on that visit authorized to spend $25,000 to make the pain go away?

Agency and empowerment.
However you document it, the empowerment must also release the employee from the fear of taking action. I call this agency. This might not seem to be a significant issue, but my experience in turnaround and startup situations indicates that fear of failure is a significant demotivating factor for individuals.

Unless you clearly convey to

Empowerment...continued

employees your expectation of "agency to perform" and you show that employees will be held harmless for doing their best, sins of omission ("I'm afraid") will significantly outnumber sins of commission ("I dared").

Senses of agency. I have observed four predominant senses of agency inherent in both organizations and employees: victim, passive-reactor, active-performer and free agency. If the employees you assign to resolve issues are not active-performers or free agents in terms of their approach to agency, you can expect to lose customers as you forever fail to reach root causes and eliminate problems permanently when they arise.

Victim is the role that describes employees and organizations that seem to have no sense of agency. Their fate is determined solely by externalities. Blame and finger-pointing behaviors characterize this "victim" sense of agency. A sense of futility of action and powerlessness is prevalent throughout a victim organization. Victim culture seems to be especially widespread during and after downsizing at a company.

Passive-reactor describes the organizational sense that initiatives will not be taken until an event demands an organizational response. In a high-rate-of-change environment, waiting to react can minimize expenses and outlays of resources until necessary. It can also prevent the organization from taking action until it is too late. Inspection or checking departments typify the passive-reactor agency role. No real value is gained from prior experience. Firefighting (instead of fire prevention) is a typical passive-reactor organizational response.

Active-performer is a role where both the organization and its people take an active approach to

attempt to manage both the environment and the organizational response. Active-performing allows the company to capture a dividend from both the employees' and the organization's learning and experience. Preventive maintenance, quality assurance and maintaining a lobbying presence in seats of power are ways to describe the active-performer sense of agency.

Free agency describes the organization that works to create its own future to its own ends. Of all the agency models, free agents are the least reactive and employ the "management as design" philosophy. Examples, in fact, often are pioneers in design and innovation. Akio Morita's Sony (it fits on the palm of my hand) and Steve Job's Apple iPod are two examples of organizations as free agents that employ design innovation to make their existing environmental challenges less relevant.

The iPod was such a "blue ocean strategy" development that the European Union and music recording industry both find themselves placed in the role of reacting to the innovations. Other examples include Nucor's pioneering of technology in the steel industry and Toyota's use of its unique approach to manufacturing in the automotive market.

The critical component to free agency is that employees know they are empowered; that they know failures will be celebrated as lessons learned; and that what is sufficient today will no longer be tomorrow. This gives your company the maximum return on your people's and your company's knowledge and experience.

Are your employees empowered? How do they know? How much are they authorized to spend to ensure that the customer is delighted with your 100-percent on-time and zero-defects performance? How will you know if you don't ask?

PMPACalendar

Below is the calendar of upcoming conferences and events scheduled for the 2007-2008 program year. For the latest district/chapter meeting information, please view the Calendar of Events at www.pmpa.org/calendar/. If you have questions about PMPA conferences or regional meetings, please contact Rob Kiener, director of marketing and communications, at (440) 526-0300 or rkiener@pmpa.org.

PMPA Annual Meeting
October 12-16, 2007
The Westin La Paloma Resort & Spa
Tucson, Arizona

PMPA Management Update
February 27-March 1, 2008
Astor Crowne Plaza
New Orleans, Louisiana

PMPA National Technical Conference
April 26-29, 2008
The Westin
Indianapolis, Indiana