

EMPLOYEE SOVEREIGNTY: “MORE YOU OWN THE MORE YOU PERFORM”

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If tensions are running high in your company, then implementing empowerment programs and its measures like, setting teams, cost saving tasks, decentralization of decision making and introducing rewards could be the remedy.

Angela Stangroom, UK Group Communication Manager, BMW

Dominion, Rule, Power, Independence, Control, Autonomy, Self-Government are the synonyms provided. It is well known by corporate world that autonomy can be very complex and requires extensive creativity and innovation, because it's not easy to stand against all odds, which ultimately will make them shining amongst others.

IBM's approach to knowledge sharing within their HR divisions has a strong emphasis on providing local branches with extensive autonomy. *Bob Calamai said that “We are trying to be less paternalistic, and want people and managers to own more of their stuff...to do this we had to make sure that our line managers know that this is their company and you make the decisions.*

Why Employee SOVEREIGNTY is a necessity, because:

- The response time expected these days is just an eye blink.
- First point of contact is expected to be more responsive.
- A controlled and balanced self life is important for employees.
- No potential should be customized.
- And yes, flying bird is happier than a caged one.

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A gentle reminder to having not to forget the basics of employee engagement, “a ray to just revive the hopes of those, who are sinking and feel being trapped” and to put a smile on the face of individuals, those who think, can do it better.

Questions all around about, what are we up to?

- What does it take to empower individuals?
- Are we really willing to grab the candies that comes our way and we as an organization ready for a change?
- What does company’s do, to let the employees decide upon what is learn and unlearn?
- How strong our mission statement is, and is it understood by all?
- Have we made our working future plans and are we ready to walk the talk?
- Does it really help; let the employee explore what it takes to motivate him to perform his job better? How employees will identify on what affects their job and how do they go with it?
- Do we have sufficient talented workforce? If yes, how are we motivating our current strength workforce?

Jet Blue Airways once had had delayed its takeoff, due to poor weather conditions and how lead flight attendant saved it’s customer’s mood from getting spoiled, Mike Schoultz’s, a customer of **Jet Blue Airlines** **shared his experience about**. It was just a small act of kindness and allowed it to become a major brand statement? And midflight, when he went to the back of the plane and asked. I wanted to know the policy that enabled a flight attendant to make such a call. And the answer was we’re allowed to make almost any decision, the flight attendant explained, as long as we can justify it on the basis of one of the airline’s five core values: Safety, Caring, Integrity, Fun or Passion. If we can tie doing something back to one of these principles, the decision is going to be supported by the company. *What JetBlue is saying to its employees? If you act in support of the values that really matter to our business, we want you to take risks in order to care for our customers.*

Peter Shankman, marketing guru and a serial entrepreneur, and his experience at the **Ritz-Carlton Hotel**, when a maid at room noticed that he was low on toothpaste and bought him a new tube. He was so impressed that he tweet a picture of the note she’d written. The Ritz later told him they had tracked “thousands of dollars” of reservations back to his tweet. This story was no surprise to DeRose and Tichy, who explored the Ritz- Carlton’s Ideas and values, education, experimentation, mindset and investment. They know that maids, and all

other Ritz-Carlton front employees, are empowered to spend up to \$2000 to improve a “Guest’s Experience”, handle a complaint or fix a problem.

The **Apple Store** is considered as a customer service champion. One simple secret behind its success is so simple, so basic, that most brands and businesses fail to grasp its importance. It's a fundamental principle that works for best-in-class brands in any industry. It's called "empowerment." Managers must hire friendly, passionate people, train them properly, and have the courage to trust them to make good decisions. Apple Store employees are instructed to enrich the lives of customers and to do what they believe is the right thing to do in every situation.

HCL Technologies’ empowerment philosophy has enabled the company to provide innovative, high quality service to their customers, resulting in revenues tripling and customer satisfaction increasing by 73% in the last 5 years. Empowered employees take personal pride in their work and responsibility for doing a good job. As a result, organizations reap the benefits of empowered employees by delivering high quality products and services.

In a 1999 research study conducted by the **National Association of Working People**, companies with high levels of employee satisfaction were examined to uncover the source of satisfaction. The case study discovered that companies with high levels of employee satisfaction had a flexible, engaging work culture, which empowered employees.

GE instituted a “work-out” program intended to empower employees to identify and eliminate redundancy, waste, and bureaucracy that exist in big corporations like GE. Employees felt energized to meet the challenge and their creativity was unleashed as they restructured daily job functions and processes. As a result, employee productivity skyrocketed and transformed GE into one of the largest, most profitable companies in the world.

The Gallup Organization, organizations that enable employees to be more empowered and engaged experience 27% higher profits (Wagner & Harter, 2006). Empowered employees feel comfortable sharing their innovative solutions with management, providing cost-cutting measures that benefit the organization. These solutions are invaluable to the organization running both efficiently and effectively without excess overhead costs.

The Gallup Organization notes that organizations that empower employees experience 50% higher customer loyalty (Wagner & Harter 2006). As customer retention and satisfaction increases, costs associated with keeping and maintaining the organization's customer base decreases.

Hence, company resources are freed up to focus on growing the business instead of on how to stop customers from leaving.

According to a **Wall Street Journal article**, a training manual instills the APPLE approach into every employee: "Approach customers with a personalized warm welcome," "Probe politely to understand all the customer's needs," "Present a solution for the customer to take home today," "Listen for and resolve any issues or concerns," and "End with a fond farewell and an invitation to return."

Empowerment is not handing over. It needs to fit the business strategy and be relevant to the employee's job. In "The Empowerment of Service Workers" (article in *Managing Innovation and Change*, Third Edition), David Bowen and Edward Lawler argue that empowerment fits better when one or more of the following contingencies are met:

- Basic business strategy: differentiation, customized, personalized
- Tie to customer: relationship, long time period
- Business environment: unpredictable, many surprises
- Type of people: Theory Y managers, employees with high growth needs, high social needs, and strong interpersonal skills.

In 1990, **Federal Express** became the first service organization to win the highly coveted, Malcolm Baldrige National Quality Award. The company's motto is "people, service, and profits." Behind its brightly colored blue, white, and red planes and uniforms, there are self-managing work teams, gain-sharing plans, and empowered employees seemingly consumed with providing quality service to their customers— 4 whose individual needs for pick up time and locations, and destinations, are flexibly and creatively serviced.

Elements of employee empowerment are the keys that predict the strengths and weaknesses of any organization and some of the organizations have best practices to benchmark the outputs of it. To quote one example here: While my tenure in **Manpower professionals, India** from 2006 to 2008, we use to get a training brochure every three months consisting a list of specific skills required by the HR Consultant and we were suppose to choose and tick any 3 or 4 areas to wish to get trained upon, on a priority basis. The program was called as

“*learning on Demand*” and this was designed specifically for those who thought that these few skills will add more to their performance. Manpower being an organization with multination presence wanted to lead the market with specific services provided by their trained consultants, Hence this kind of “empowerment” of choosing what you want to learn created interest amongst all of us and therefore we spent less time on what is not required or should have been forced on us.

It's true some companies win by “wowing” their customers. But CX (Customer Experience) can also be a differentiator in low-cost business models. Like **Southwest Airlines**, one of the best examples of a customer-friendly business that is also low-cost. Some have called southwest a “cattle car airline” because it doesn't offer pre-assigned seats, unlike virtually every major airline. It's remarkable, then, that Southwest just celebrated **39 consecutive years** of profitable growth.

An academic lit. Review in 2008, concluded that more than 70% of organizations have adopted some kind of empowerment practices for at least some part of their workforce. The goal of the best organizations is to get employees to take initiative to “serve the collective interest of the company.” Academics argue that “social-structural” empowerment is about employee participating through increased access to information, support and resources.

We are living in a world full of Gen X (Born between 1964 to 1983), known for their passion in working, have been through hardship, self-sufficient and they believe in hierarchy and it all makes a socialist economy. Keeping in mind this era, these days corporate world offers a lot activity to develop the self efficient attitudes of their employees by providing freedom to learn, to develop, to connect, to explore and feed forward and are encouraged to safe a place in board of directors, in corporate governance team and company networks.

Plans made by HR Managers in any industry have the life of maximum five years. Current period is most crucial because of baby boomers also known as defining generations era ending, and the HR Managers have to altogether create a new world for paradigm shift in value system and a strong and visible empowerment strategy to welcome the youth in 21st century. There will be a gaga of impact of organizational culture rather than just performance and HR Strategists will have to be aware of correlation, little correlation and no correlation between impact of any program they run and its impact on overall performance.

Because the next generation will be ambitious, emphasizing of financial rewards, entrepreneurial, business savvy, technological capable and adept. (Srinivasan, 2012)

The Common Problem faced by most of the company's, these days is unprecedented pressure to INNOVATE, to be STRATEGIST and to IMPLEMENT. Hence we understand that whenever there is a talk on innovation, we have to nurture, develop and create such environment which lets the employees think to the core and INNOVENT i.e. invent with innovation .

Few Empowerment strategies, facilitated by IBM and SHELL, to overcome the above mentioned issues are:

IBM	SHELL
1. Learning on Demand (learning what you want to learn, not what you should)	1. HR Entrepreneurial culture (different strategies for different nations)
2. Job rotations (for 18 to 24 months)	2. Logical explanation system (as to why they should have a stronger more integrated HR Systems)
3. Training Opportunities	3. Key HR Networks (from different local offices)
4. Five minutes drill (refers to checking periodically on key employees)	4. Strong social networks and uniform information system
5. Monthly Knowledge sharing meetings	5. Networking with external councils

Rishad Premji, Chief Strategy Officer, **Wipro** in one of his interviews to Elsevier spoke about: leadership orientation towards developing agile workforce through Intrapreneurship, by establishing a Centre of excellence, By creating an external innovation group including entrepreneurs, academicians, venture capitalists etc., and exploring innovation through open networks. He said it's also crucial and there is a rigorous need to look after executive functions and their decision making.

According to the article "Employee Empowerment: "Eliminate Us Versus Them" published on the ThomasNet News Industry Market Trends website. Two of the key elements of employee empowerment are an **efficient hiring system** and **constant training**.

Wayne L. Douchkoff, Executive Vice President Professionals for **Technology Associates, Inc.** in his article named as The Seven Elements Of Employee Empowerment, 80th Annual International Conference Proceedings - 1995 - Anaheim, California, has mentioned that, We have worked with a number of companies in various industries in developing seven elements which can be used to accurately observe and measure indices normally thought to be purely subjective. These elements are Authority, Resources, Information Access, Skill Set, Alignment, Self-Determination, and Accountability.

Christopher Head in his article named as Beyond Corporate Transformation: A Whole Systems Approach to Creating and Sustaining High Performance, has put his words forward about leadership support for encouraging empowerment amongst employees and these fundamental elements are: 1. Vision, value, strategy sharing , 2. Knowledge Sharing, 3. Relevant training , 4. Power and authority sharing.

Zacharias Cherian, Country HR Manager, Agilent Technologies told in an interview to people Matters magazine that they have a concept of MAPS (My Accountability & Performance Standards), which is the foundation of our culture and that is something that is very unique. We operate on the mantra of managing people by objective. In Agilent, we do not believe in telling a person how to do a job, but believe in telling people what needs to be done, providing them with the required tools and resources, and empowering them to get the job done.

Vasanthi Srinivasan, OB and HRM, IIM Bangalore in her article in IIMB Management Review (2012) 24, 48e66, named as Multi generations in the workforce: Building collaboration mentioned that differences in generations theorized to occur because of major influences in the environment within which early human socialization occurs, influences that have an impact on the development of personality, values, beliefs and expectations that once formed are stable into adulthood.

Few questions that I discussed with my friends working in different firms are:

How many times do you meet different customers facing the same problem? And how many times did you incorporate different methods to help them to get a switch from current facets of trouble?

How many time as a key account holder, you used an innovative strategy to handle your customer's specific problem?

Does your company provide platform for Intrapreneurship? If yes, how beneficial you think it is for you?

These all questions point another and latest phenomenon that is corporate entrapreneurship. It is the act of behaving like an entrepreneur while working within a large organization "Intrapreneurship refers to employee initiatives in organizations to undertake something new, without being asked to do so. Hence, the intrapreneur focuses on innovation and creativity, and transforms an idea into a profitable venture, while operating within the organizational environment. Thus, intrapreneurs are inside entrepreneurs who follow the goal of the organization. Intrapreneurship is an example of motivation through job design, either formally or informally.

In 1992, *The American Heritage Dictionary* acknowledged the popular use of a new word, intrapreneur, to mean "A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation. The first written use of the terms 'intrapreneur', 'intrapreneuring,' and 'intrapreneurship' date from a paper written in 1978 by Gifford and Elizabeth Pinchot.

Dozens of executives at Fidelity Investments sat down, Friday 8/8/14, and listened to **Harvard University students** pitch ideas for new Fidelity products and services. The event, held at the company's Boston headquarters, was the culmination of a nine-week summer program teaching students how to be innovators, or so-called intrapreneurs, in large companies. Sixteen students were involved in the program.

Josh, the bellhop @ **Kimpton family of hotels**, did it all. Kimpton hotels offer guests the option to request a live goldfish to stay overnight in their guest room. The children in one family of loyal Kimpton guests had grown accustomed to the goldfish program by the time they checked into a new Kimpton Hotel with their parents. In the elevator on the way up to their room, the children voiced their excitement to meet "Speedy." Josh accompanied the family in the elevator, quietly frowned when he realized what the children were talking about. This particular hotel brand did not have the same goldfish program that other Kimpton brands had, so it pained Josh to know that the children would be disappointed when they got to the hotel room. Later that day, Josh saw the family leave the hotel to go to dinner, at which time he ran (on foot!) a mile-and-a-half away to a nearby Kimpton hotel — a brand which he knew happened to have the goldfish program. He scooped up a goldfish and ran back to his

hotel, where he subtly put the goldfish in the room of the young family. When the family returned to the hotel from dinner, they were delighted to find that Speedy had made it to their room after all!

Did the hotel have a policy for Josh to turn to regarding how to deal with customers disappointed by the lack of a goldfish program that other Kimpton brands had? Of course not! Josh took it upon himself to think of a way that would provide amazing service to the family. It was Kimpton's culture of empowerment that provided the support for Josh to be a hero.

Recent article by Dale Carnegie has reported that in US Organizations \$11 billion is lost annually due to employee turnover; companies with Engaged Employees outperform those without by up to 202% and 71% of all employees are not fully engaged. Reason to exhibit this example here is the 4 traits given by Dale about employee engagement are Enthusiasm, **EMPOWERED**, Inspired and Confident. Also they conclude with five tips on EE are: Clear Vision from the top; open communication; employee-employer relationship; valued individuality and a culture of belongingness and last but not the least a sense of empowerment.

Nestle India, by increasing the responsibility level and skills set of its employees, has been able to reduce accidents, waste by 35%, unplanned stoppages by 25%, quality defects, consumer complaints and has improved productivity of its employees.

Dell has defined it through their own unique practices of volunteering to work on green initiatives, sharing ideas and best practices in carpooling and telework programs and have become the greenest technology company on the planet. Dell's concentration is on talents, dedication and ideas of their employees.

Cisco Systems, India has online reviews on its website, by 445 employees, stating employee empowerment and flexibility is the best part of working here.

Wipro offers stock options to deserving candidates as a part of their employee empowerment program. The Wipro employee stock option plan allows them to make employees share in the success of the business.

Power of empowered professionals has well word by Elber Hubbard *"One machine can do the work of fifty ordinary men but no machine can do the work of one extraordinary man."*

This has to be a prime agenda to nurture with freedom and, individuality has to be respected. If we are in a cost saving mode we must not forget that negative reinforcement still works. *Let's have it all not just by taking, rather by giving it all, And giving freedom to think should not have a question on loyalty, rather believe on what we feed.*

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