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Strength in Numbers

Business success depends on employee empowerment for all

In our last department, we talked about Toyota's concern for delivering what its customers want while exceeding these same customers' expectations. Company leaders recognize that their firm's long-term survival will be determined by their willingness to continuously do better. For Toyota, this means all employees must understand and accept their role in making the changes necessary for the company to improve.

This brings us to another key capability for world-class performance: an employee-empowered culture. This is a situation in which organizational structure and internal processes are driven by motivated people, who are empowered to systematically make the changes necessary to meet and exceed customer expectations.

Employee empowerment has become commonplace throughout many businesses. According to "Organizational Dynamics," for example, 70 percent of organizations have adopted some kind of empowerment initiative for at least part of their workforce. Still, many professionals are struggling with empowerment programs.

If so many are doing it, why is it so hard to implement? To answer this question, we have to look all the way back to Adam Smith's 1776 *Wealth of Nations*. In this text, he proposed the concept of a division of labor in which the production process was broken down into a series of small tasks to be performed by a different worker.

Fredrick Taylor's scientific management philosophy added definition to Smith's worker specialization through method standardization. The manager's role became defined as "command and control," and the efficiencies gained established the United States as an industrial powerhouse.

Next came Edwards Deming, who advocated employee involvement and empowerment in the 1950s. He urged organization leaders to eliminate the fear of reprisals for asking questions, implement employee training, do away with barriers among departments, enhance employee pride and self esteem, and install a team approach. His philosophy flew in the face of conventional wisdom and helped reshape operational understanding.

However, it took the increased competitiveness of the Japanese industry to get domestic manufacturers to take notice. Once market share started shifting to Asian manufacturers, many U.S. operations implemented the tools of lean, including employee empowerment. But many did not—and still have not—implemented the philosophy that nurtures empowerment.

The fact is, people who are personally empowered will extricate themselves from disempowering environments.

What can be done?

A medium-sized, two-plant manufacturer with about 800 employees needed new direction, having suffered for several years from poor service performance and negative profitability. Both plants were unionized, and relations with members of the workforce were strained. The new plan was to implement a demand-based shop floor control system that would support a build-to-order flow manufacturing process.

Through a series of meetings, the following messages were successfully conveyed:

- The company was in trouble.
- Customers were taking their business elsewhere.

- The new system could help bring the customers back through superior service.
- Because the employees knew the most about how to make the products the company sold, they were the best ones to develop how the system would work.

The subsequent efforts redefined job descriptions, eliminated redundant activities, and streamlined processes. The entire plant was restructured into either flow path teams or supporting teams. There was now one goal: Save the company by serving the customer.

The end results were very successful. Senior managers demonstrated commitment to the team-based approach. Interestingly, the position of plant manager was eliminated. Most of the work center supervisors became technical support advisors, whose only role was to coach and train. Companywide daily metrics were available to everyone.

Empowerment is an important component of a company's recovery plan. However, in order for it to work, there must be a commitment to a common goal. Whatever that goal may be, it needs to engage everyone, clearly show how everyone can help, and benefit everyone once it is accomplished. But, mostly, everyone at the organization must be committed to empowerment as part of the culture. ■

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