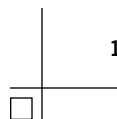


Unleashing the Power in Your Workforce

This is a book about creating a company of leaders—a workplace where people at all levels are energized to contribute as much as they can to realizing the organization's goals; a workplace where people at all levels show initiative, flexibility, and innovation in their everyday work and decision making; a workplace where people at all levels are as committed as any executive to making the organization successful. Our goal is to show how you can change your behavior and your organization to unleash this kind of power in your workforce.

In this book, we will demonstrate that creating a company of leaders requires empowered leadership. From our years of research and practice, we now know that empowerment comes





from within, not from administrative programs. Empowered leadership begins with you. It requires you to take a hard look at yourself to see whether you are modeling the very mindset and behavior you seek from your people. Such empowered leadership must then be complemented with a special kind of work environment where your people will be stirred to take initiative to further the collective purpose of the organization. This kind of environment leads to increased commitment and spontaneous contributions on behalf of the organization. Creating this kind of empowered leadership and environment requires what we refer to as the *disciplines* of empowerment—the disciplines that allow you to unleash the power within your workforce and create a company of leaders.

Does a company of leaders sound too good to be true? We maintain that this kind of organization is not only possible, it is essential for competitive advantage in today's marketplace. Consider the following two examples of truly high-performing workplaces.

■ Too Good to Be True? Just Ask These Companies

Our first example comes from some work we did recently with a well-known pharmaceutical company. The example begins as we relay our experience with their top management team.

As we started our session together, our colleague asked the top management team to make a list of the strengths of the company. They did. As the list grew, and despite my initially positive feeling, we began to suspect that they were posturing. The list was too good to be true. The characteristics were outside the normalized realm of organization. Consider their claims:

- We are proactive: When a product is still climbing in the market, we move on.

- We shape practices in the market.
- We love responding to a challenge.
- We think big and seek success at all costs.
- We are the place you go in the larger corporation if you want to become a leader.
- We cannot stand to be anything less than number 1.
- We take strength from having done the impossible in past crises.
- We are highly galvanized and rally in times of crisis.
- We have quality people with a “can-do” spirit.
- We have people-friendly policies; it is a place of high trust.
- We appear to have very few formal systems, but when a problem arises, a team spontaneously emerges, solves it, and then disappears.

The last statement seems to be the most extreme claim of all. At the moment it was made, a woman on the management team responded: “That is right. I have been here three months, and it is driving me crazy. I have worked in a number of corporations, and I pride myself on being able to rapidly comprehend the culture of any organization. This place baffles me. I watch those teams form and disintegrate. It is like magic. I cannot understand or explain it.”

To this statement, there was a rejoinder by another member of the organization: “I have been here more than a year. I am in charge of systems and processes. I cannot understand it either. It is an extraordinary phenomenon.”

As the day unfolded, we became convinced that the list was for real. These were people with a powerful culture. The company was a productive community. It was a hard-driving organization making lots of money. There are, however, many hard-driving organizations that make money. This one was more. It was an organization in which people were as committed to each other’s success as they were to their own. Because there was trust, people could communicate their problems, get help, and cooperate. The self-interest, which is the bedrock of most corporate cultures, was also operating here, but the collective interest and individual interests were one. Here everyone was a servant to the system and to each other. This was a focused, money-making company that was also a productive community.¹

Our second example comes from an interview we conducted with a senior executive of a *Fortune* 500 company in the building industry. The executive managed branches all over the world. He told us the following story:

Our worst branch was in Detroit. On every numerical indicator they were at the bottom. We could not find anyone inside who would head up that job. I had an application on my desk from a guy who had been fired by one of our competitors. I kept telling myself to throw it out but I kept picking it up and rereading it. Finally I called the guy. There was something about him that appealed to me. He knew who he was. Anyway I took a risk and hired him. That was eighteen months ago. Today that branch leads the company on every major indicator. When I visit I see the same bodies that were there before. But now there are different people in those bodies. They are full of fire. You feel it when you first walk in. You know you are in a world-class operation. People are focused, they walk around with a sense of intention. They care about the customer. They care about each other. They are enjoying themselves while they produce the best numbers in the corporation. When I leave I feel like I want to be better. It is difficult to define what it is, but I will tell you it is a contagious thing. I try to visit them as often as I can.

These two stories are cases of people and organizations living up to their potential. If the stories seem extreme, it is only because they illustrate something that does not happen in most organizations. In the first story, members of the organization are highly energized. They willingly take initiative. They work together in spontaneous ways that seem almost magical. They have a workforce of people willing to take initiative—a company of leaders. The second story is very similar. What is striking in this story is that the organization was once at a dreadful level of performance. But something happened. Employees across the

organization were enticed to reach their full potential. They began to behave like leaders.

In these kinds of companies, people do their best work because they *want* to. Their minds and hearts are intertwined with their work. Just as important, they show initiative, they take responsibility, and they are innovative and creative. Their power to contribute is unleashed.

There are many ways we might characterize the employees in our examples. We could say they are energized or vitalized. We could say, in a metaphor that has become popular in Silicon Valley, that they act almost like volunteer employees—people who contribute their best effort willingly, not because they have to earn a living but because they want to. Or we could say, to use another popular image, that they act as though they were owners of the firm. We think the best way to characterize these kinds of employees is to say they act like leaders.

■ Why a Company of Leaders Matters

Although the attractiveness of a workforce that behaves like leaders may seem obvious, it is worth considering the many reasons that creating a company of leaders is a competitive advantage. Indeed, in the business world of the twenty-first century, a company of leaders is arguably a necessity. In today's marketplace, many products and services are becoming commodities. Where products and services offered by competitors are seen as interchangeable, the level of service and responsiveness distinguishes one company from another. And that means that what employees do and say matters more than ever before. Given their proximity to the customer, lower-level employees can often spot problems better than upper-level managers. They are the ones who endure the customer tirades resulting from a bad service policy and the ones who spot product defects as they go out

the door. And they are the ones who can solve those problems if they have the power and willingness to act.

Further, increasing competition, a global economy, and rapid technological change require organizations to innovate continually in order to survive. The kind of passive obedience that worked when it was sufficient to do the same thing over and over efficiently won't take today's organizations where they need to go. To be competitive in today's fast-changing environment, organizations need the knowledge, ideas, energy, and creativity of every employee, from the front line to the executive suite. A successful organization requires the flexibility and innovation to respond to rapidly changing market and technological conditions. Like innovation, flexibility needs to be both a mindset and a lived reality throughout the organization.

The flattening of organizational structures creates another reason a company of leaders is essential in today's business environment. With whole bands of middle managers removed in white collar downsizings, employees are expected to be more self-managing. More and more often, employees work in self-managing teams that make all the decisions pertinent to their work, including hiring, firing, and disciplining their members—behaviors that have long been the responsibility of leaders in the company. In a flat organizational structure, leaders are necessary at all levels of the organization.

For all these reasons, today's challenge is to create an organizational culture in which all employees want to work to their full potential—to take initiative and act as an owner of the firm. Yet this challenge arises at the very moment when it may be harder than ever before to attract, develop, and retain people with the skills, motivation, and dedication to behave like leaders. Record low unemployment rates and a shortage of skilled workers has created a "war" for talent. High-potential employees are in extremely high demand, thus creating much competition among companies trying to attract them.

Hence, a company that can create a culture that attracts and keeps the best and the brightest would have an important competitive advantage. To be competitive, today's organizations need to create a culture that supports, nurtures, and develops workers to be all that they can be. Employees want to know that they are valued and that the company is investing in them to help them be all that they can be. High-potential workers demand such a work setting, and they are reluctant to leave it once they experience it. They know they will be unsatisfied and unfulfilled in a more ordinary environment.

■ How Can I Create a Company of Leaders? Revisiting a Familiar Concept

Over the decades there have been many attempts to describe how to create the innovative, responsible, dedicated workforce that every company should want. Veteran managers have lived through a number of "movements," including employee involvement, participation, and quality of work life. For much of the 1990s, the popular notion was "empowerment." We believe that empowerment has come and gone, not because it lacked value, but because it was incompletely understood and, to say the least, imperfectly applied. We believe that embedded in the notion of empowerment are important kernels of truth about how to energize and unleash the power in people.

In this book our aim is to draw out those kernels of truth and translate them into the specific behaviors that enable executives and managers to create a setting in which employees at all levels display responsible leadership. We do this by drawing on over ten years of rigorous research on the notion of psychological empowerment in the workplace, as well as a decade of experience helping organizations unleash the power in their workforce. Our belief is that there is still no better way to encourage employees



to act like leaders than through genuine empowerment. But so many misunderstandings—and disappointments—have accumulated around the word *empowerment* that we must first make clear what we mean by *genuine* empowerment. We begin by doing a “controlled burn” of current understandings of this much-maligned notion, with the aim of disengaging the baggage that has accumulated over the years.

■ A Controlled Burn of the Notion of Empowerment

Over time, a forest accumulates a significant amount of debris made up of leaves, branches, and scrap trees. This debris sucks the life out of a healthy forest and can turn an ordinary forest fire in an uncontrollable inferno that devastates the entire forest. Many forestry ecologists believe that the way to prevent out-of-control fires is a process of regular controlled burns. A controlled burn is a premeditated fire or an unplanned fire from lightning that is allowed to burn off forest debris in a systematic manner. It is a quick burning fire that stays low to the ground. As a result, its flames do not reach the treetops, and tree roots remain undamaged. A controlled burn not only contributes to a healthy ecosystem but also creates something new: Some kinds of seeds can only be germinated when a fire breaks through their hard outer coating. So from the fire comes new life.

It is time to bring a controlled burn to the notion of empowerment. The idea of empowerment has become weighted down with significant baggage—or debris—that has sucked the life out of the construct. What happened to sour so many managers on the once-promising idea of empowerment?

The Promise of Empowerment

Empowerment’s beginnings were in the civil and women’s rights movements of the turbulent 1960s. The initial idea was noble: to give people the power to control their own destiny. For business

organizations, transferring real power or decision-making authority so employees could control their destiny was more than most managers could stomach, so empowerment got translated into limited delegation and participative decision making. The hope was to get greater productivity from employees often with less management. During the 1990s, empowerment took on almost fad proportions when Peter Block's 1991 book *The Empowered Manager* became a management bestseller. Everyone wanted to say that they were "doing" empowerment.

As with many management fads, the core concept of empowerment was soon prostituted. Managers, consultants, and union members were implementing programs in the name of empowerment that had little to do with the genuine article. And when empowerment programs failed to work, people tended to conclude, "We have tried empowerment and it did not work."

Why Empowerment Failed

Our research suggests that there are five factors that particularly explain the failure of empowerment: (1) ambivalence, (2) bureaucratic culture, (3) conflict within the organization, (4) personal time constraints, and (5) a fundamental misunderstanding of how empowerment is achieved. Examining these sources of failure will help clear away some of the debris around the notion of empowerment and make room for a better understanding of how to release the power in employees.

Ambivalence

Empowerment programs often aren't really about empowerment at all. Genuine empowerment requires that authority figures become leaders of people, have the courage to give up control, and trust in their people to do the right thing. Many efforts at empowerment have failed because of a fundamental ambivalence about trading authority for empowering leadership.

When thinking in the abstract or about ourselves, most of us are quite comfortable with notions of initiative, risk, personal

growth, and trust. We become much less comfortable, however, in thinking about these same characteristics when considering how we manage our own direct reports. We wonder about how much autonomy our people can handle without becoming loose cannons. We worry about losing control. When we measure our value by the authority we wield, we are likely to feel threatened by empowerment. Peter Kizilos has nicely captured this ambivalence:

How lovely to have energetic, dedicated workers who always seize initiative (but only when appropriate), who enjoy taking risks (but never risky ones), who volunteer their ideas (but only brilliant ones), who solve problems on their own (but make no mistakes), who aren't afraid to speak their minds (but never ruffle any feathers), who always give their very best to the company (but ask no unpleasant questions about what the company is giving back). How nice it would be in short to empower workers without actually giving them any power.²

The reality is that many managers reinforce control systems that, intentionally or unintentionally, send the message that employees are not trusted to show initiative, take risks, or make responsible decisions. For example, organizations often develop such strict standard operating procedures that there is no opportunity for employee initiative when it is really needed to solve a customer complaint. Consider the case of an airline employee who went the extra mile to help reroute a frequent flier during a snowstorm and then was reprimanded because the policy for weather delays was not followed. You can bet this employee would hesitate to take initiative the next time such an opportunity arose.

These kinds of control systems create pressures for conformity rather than encouraging initiative and risk taking. When this happens, employees are apt to believe that an empowerment program is merely a guise to have them take on greater responsi-

bility and assume more risks without additional rewards—and with an increased chance of being blamed when things go wrong.

Bureaucratic Culture

A bureaucratic culture encompasses multiple layers of hierarchy that inevitably impede change. In such a culture, to get an initiative approved, five people must say yes, but to get it stopped, only one of the five has to say no. This tendency is only magnified by a strong tradition of top-down direction and control. Typically the result is short-term managerial thinking, narrowly defined accountabilities, and lack of support for employee-initiated change. Further, the entire culture is reinforced by a reward system that emphasizes the status quo. Employees are rewarded for their performance in a given year rather than how they develop and grow the business for the future. In short, a bureaucratic culture creates barriers to change, risk taking, and initiative.

Conflict

Conflict at a number of levels—both up and down the hierarchy and across functions and work groups—is embedded in most large organizations. Often, for example, the organizational structure exacerbates the natural tension between functional areas by creating strong divisions between functions; some organizations actually refer to this divisional structure as “chimneys.” The performance management system creates conflict between peers by pitting them against each other for raises and promotions, thus creating competition rather than collaboration. Not least, conflict between managers and subordinates over the means to achieve goals creates a hostile working environment where people worry about protecting themselves rather than doing what is right for the organization. Each of these sources of conflict discourages employees from taking initiative and focusing on doing the right thing.



Personal Time Constraints

Intense time constraints are imposed on managers and employees alike in the majority of organizations. In today's business world, with the trend toward downsizing and layoffs, one person may be doing the job of two or even three people. This situation actually argues for encouraging even greater initiative on the part of employees, but going beyond the routine takes time and energy. For example, management at the now defunct Montgomery Ward told salesclerks that they were "empowered" to accept merchandise returns that previously were under the authority of department managers.³ At the same time, management cut staff and reduced benefits. The message was, We want more for less. Needless to say, employees didn't feel empowered at all. In addition, employees today often complain about having less and less time for family life. Working under these types of stressful conditions, people often indicate that it is very difficult to think about initiating anything new. If we want employees to exercise their initiative and discretion, we need to align roles, responsibilities, and work demands in a way that makes it possible for them to do so.

Fundamental Misunderstanding

A fundamental misunderstanding of how empowerment is achieved is reflected in a semantic trap that is all too easy to fall into: We speak of managers or organizations "empowering" their employees. In reality, it is clear from our experience and our research that no one in an organization can truly empower anyone else. *Telling* people they are empowered only demonstrates that the listeners don't really have power at all—that the authority figure is still very much in control. In short, most empowerment programs have been implemented so as to achieve the exact opposite of their espoused intent.

What managers and organizations *can* do is create environments in which people are more likely to choose to empower

themselves. From the organization's point of view, it's less accurate and helpful to think in terms of "empowering" the workforce than to think in terms of *releasing* the power *in* the workforce to help the organization excel. When conditions are right, employees will indeed *feel* empowered—that is, they will feel trusted to make decisions, take initiative, be flexible, and do the right thing. As a result, they will be more likely to demonstrate the kinds of leadership behaviors that result in exemplary performance.

■ The Four Dimensions of Genuine Empowerment

Given the several reasons for the failure of empowerment programs, it is little wonder that the construct of empowerment has little meaning to so many managers. Yet all along there were important kernels of truth in the notion that empowerment can release the energy that creates real ownership and initiative in employees. Now that we have all been singed by experience, the task is to burn away the misunderstandings about empowerment, learn from our failures, and build on what was true and valuable in the original concept.

To begin, we need to come to a clearer understanding of what empowerment is. Our research suggests that genuine empowerment consists of *fundamental personal beliefs that employees have about their role in relation to the organization*. This view of empowerment emerged from in-depth interviews in which we asked individuals to describe times when they felt particularly empowered and times when they felt particularly disempowered. The resulting perspective was confirmed by our analysis of extensive survey data from a range of organizations.

More specifically, our statistical analyses reveal that the mindset of people who feel empowered has four dimensions: empowered individuals see themselves as having freedom and



discretion (*self-determination*), as having a personal connection to the organization (*meaning*), as confident about their abilities (*competence*), and as able to make a difference in the system in which they are embedded (*impact*). Let's briefly examine each of these four dimensions as illustrated in Figure 1.1.

Self-Determination

Self-determination refers to the degree to which people are free to choose how to do their work. This dimension is close in meaning to popular perspectives on empowerment focusing on

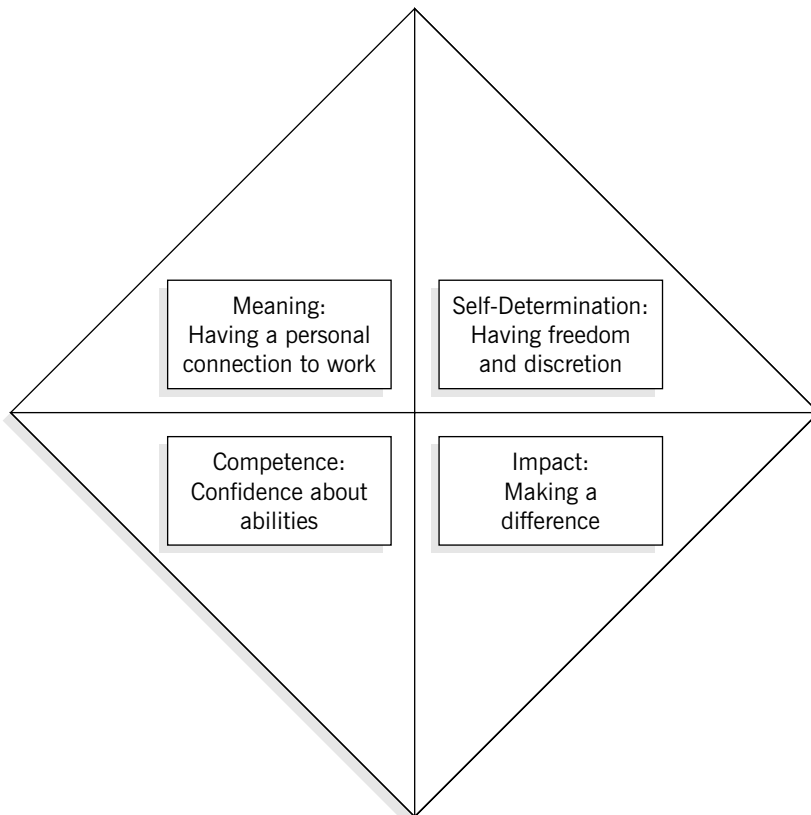


Figure 1.1. The Four Dimensions of an Empowered Mindset

delegation—giving individuals the power to make decisions. When people feel a sense of self-determination, they do not feel micromanaged. They believe they have the freedom to make appropriate decisions and take initiative when they see that something can be changed and improved upon. Initiative aimed at the collective good envelops the accountability and responsibility that follow from this kind of autonomy. A sense of self-determination is driven by a self-perception that one's involvement in a given activity is volitional and intentional rather than pressured and coerced by the larger system. Self-determination represents an inner endorsement of one's actions, a sense that they emanate from oneself and are one's own.

Employees in different organizations have expressed in a variety of ways the take-charge mentality of people who have a sense of self-determination:

- “With the help of my people, we decided the best way to attack [the problem]. It was our baby. It wasn't ‘do it the way we tell you.’ Instead, it was ‘how do you think we should approach this?’ ”
- “I take things in my own hands. I am the one in the driver's seat.”
- “I initiate action and am proactive. I decide what I think is the best course of action and then act on it. I take initiative at my own accord.”
- “I am energized and free to decide the best way to get my job done. I feel autonomous.”

Employees' feelings of self-determination are often cited as a primary reason for Southwest Airlines' (SWA) incredible safety record. SWA management allows pilots much more discretion in the cockpit than other airlines, which tend to rely on the autopilot and standardized procedures for virtually all segments of the flight, including takeoffs and landings. The upshot is that SWA pilots are engaged. The result is a spotless, nearly three-decade safety record.⁴

This kind of self-determination is becoming more of an expectation in today's business environment. More than ever people desire and enjoy having the authority to define their work, have personal control, and take ownership of what they are doing. Clearly, this dimension of self-determination is the foundation of a leadership mindset.

Meaning

Meaning is the degree to which people care about their work and feel that it is important to them. Employees feel a sense of meaning when an activity counts in their own value system—when they believe in what they do and feel that what they do matters. As one executive put it, the challenge is to move from success to significance—to create a sense of legacy, of some lasting presence. Involvement in activities where personal meaning is lacking can create feelings of dissonance and lead to personal disengagement. The result is work done by rote, without conviction. Conversely, activities infused with personal meaning create a sense of purpose, passion, and energy.

Meaning can come from either the activity itself or the outcomes associated with the activity, such as valued rewards. Whatever its source, a sense of meaning is the engine of genuine empowerment. Empowered individuals derive a sense of self-identity and personal integrity from their work. That personal connection with their activities energizes them to do their best work. These feelings are captured in the following statements by employees:

- “I was so excited about what I was doing that I couldn't wait to get out of bed in the morning—you know that feeling? My work took on a personal dimension that I don't usually feel. It really meant something to me.”
- “Following those things and ideas that I think are important and necessary. It's working toward a personal vision of how

I believe that things are supposed to be. It means doing the right thing.”

- “I am doing things that I most believe in and maintain my integrity.”

Statements like these reflect the deep sense of meaning and purpose experienced by empowered employees. Many speak of the spiritual nature of the experience. There is a strong affective quality to these reports; people say that their “heart and soul” are into it.

Yet in the workplace, many people often feel a disconnect between their values and their behaviors. Living with that gap means that they are living in conflict with themselves. When people feel a deep sense of meaning in their work, that conflict disappears, and they feel a wholeness. They experience congruence among their values, their behaviors, and the organization’s expectations. This wholeness is reflected in one entrepreneur’s response to his personal physician, who asked how many hours a week he was working. The entrepreneur replied, “I don’t know. How many hours a week do you breathe? It’s one integrated whole.” This is the essence of personal meaning in work.

Competence

Empowered people are confident about their ability to do their work well. Individuals feel confident when they have the ability and technical *competence* necessary to perform a task *and* that no outside causes will prevent them from attaining the required level of performance. Here are some statements from employees that express feelings of competence:

- “As a woman, I always felt that I had to prove myself. I wasn’t always very confident about what I had to contribute. But doing [the project], I felt extremely confident in myself—I knew that I did have what it takes, that I could do it and do it well.”

- “I know I have the skills and abilities necessary to get a project done. It’s feeling confident, believing in myself, trusting myself, knowing that I can do it. I can follow my intuition.”
- “[My job was] highly challenging, but never completely beyond my capacities. I was able to overcome especially difficult times on my own by drawing on my special talents and abilities.”

In addition to feeling competent to perform familiar tasks, when people are empowered, they believe in their capacity to learn and grow to meet new challenges. They have a sense of personal mastery. As an example of what can happen when a sense of competence is lacking, listen to this story told by a high-ranking executive about his arrival at an Internet start-up:⁵

After just two weeks, my boss asked me to present a product plan to my colleagues. I was shocked. He tried to reassure me: “Just throw some slides together and tell us what you want to do.” The rest of the company was only about fifty people. I came from a big conglomerate where the idea of figuring out a new product, let alone presenting it, took months or years. I had no idea what to do; needless to say, the meeting went badly. My voice tends to quaver in direct proportion to the amount of bull in my message—I was virtually stammering. I stopped trying to reach for the Coke that some sympathetic soul pushed my way because my hands were shaking too much. My colleagues listened to my idea . . . but it was a bad idea and I knew it.

This executive was given the “power” to do an important task, but clearly he lacked of a sense of competence for it. He felt out of his league, not ready to bare his ideas to the company. Though good managers stretch people so that they are constantly learning and growing, it is important to stretch them in ways that help build their sense of competence rather than caus-

ing them to fall flat on their faces. When people don't have a sense of confidence in their ability to do their work, they tend to become paralyzed and withdraw from the task at hand. The result often is high levels of absenteeism or turnover. Building a sense of competence can also be important for retaining the best talent. Michael Schlow, chef and co-owner of Radius, one of Boston's hippest restaurants, realized that money had little to do with keeping his best young cooks from jumping ship. They were most often leaving so they could learn more. So he decided to run his kitchen like a cooking school, where his people would continually update their capability and skills. One ongoing assignment is for each person to share the latest news and trends in the restaurant business. Each day, a member of the kitchen staff is responsible for researching information about food and presenting it at the daily staff meeting. There are even thirty-minute exams about the restaurant, its cuisine, and staff.⁶ Schlow recognized that good people *want* to stretch their abilities, and he provided the means for them to do so.

Impact

Impact is the degree to which people can influence their surroundings and to which their work units and organizations listen to their ideas. Impact is people having input into strategic, administrative, and operating decisions. Empowered individuals believe that what they do has impact; in short, they see themselves as making a difference. They do not experience what psychologists call a sense of "learned helplessness"; they see themselves as active participants in shaping the direction and outcomes of the larger system in which they are embedded. Consequently, they believe they can challenge existing organizational mindsets and push organizational boundaries. It is through this lens of personal control that empowered individuals see the world and choose to act.

This aspect of empowerment relates directly to the need for current organizations to be quick on their feet and responsive to change. In our interviews, individuals who expressed a sense of personal control articulated a mindset of change rather than regulation or maintenance. They viewed change as a necessary and vital part of their role in the organization, and they felt that they had some control over such change. Here are some examples:

- “I don’t assume that the current situation is a given. I think about how things can be different and better and develop a new vision on which I act. I know that I can make a difference.”
- “I usually feel empowered in times of crisis and difficulty. I feel very challenged because the outcome of the situation is usually pretty uncertain, but I know that ultimately with a lot of hard work, I can have an impact.”
- “Empowerment means doing things that have an effect on the company. It’s making a difference through my work.”
- “Our division was contemplating some major restructurings, and it was not at all clear where our department would fall in the move. There were rumors that we would be absorbed into other departments. Though our jobs were not immediately on the line, we knew that it would be a mistake for the division to disband our department for a number of reasons I won’t go into here. I knew we had to take action with top management. [Some details deleted here.] In the end, we did save our department and actually had our responsibilities expanded.”

The Interdependence of the Four Dimensions

An important lesson that emerges from this account of empowerment is that all four of the dimensions we have discussed are necessary for people to feel genuinely empowered; any one dimension is only part of the equation. In other words, the dimensions combine multiplicatively rather than additively. If any

one dimension is missing, a person will not feel empowered, even if the other three dimensions exist.

For example, in one service organization, employees were asked to take part in a strategic decision-making process. These individuals felt a sense of meaning (they cared about the company and its future direction), a sense of self-determination (they were part of the decision-making process) and a sense of impact (they felt able to influence the process), but they felt overwhelmed by the request. They had never been involved in strategic decision making before and didn't feel that they had the capability to contribute effectively. In short, they felt little sense of competence. As a result, these "empowered" individuals were largely silent.

In another example, employees were delegated the decision about what color to repaint the walls of the production facility in a remodeling. Clearly, they experienced a sense of self-determination (it was their decision) and competence (they have the ability to make a good decision), but they lacked a sense of meaning (they really didn't care what color the walls were) and impact (the decision had little bearing about what they actually did in their jobs or on the organization's performance).

These examples illustrate a crucial reason that many empowerment efforts have failed: They focused on only one or two dimensions of empowerment—often just emphasizing the autonomy that comes with self-determination and neglecting the others. An organization that seeks to release the leadership capabilities of its employees must develop all four dimensions.

■ Outcomes of Empowerment

Self-determination, meaning, competence, and impact: If this is what genuine empowerment means, it is perhaps not hard to see why many employees would value feeling empowered. But how does the organization benefit by creating the conditions in

which this kind of empowerment can happen? What can we expect from empowered people?

We have conducted research on hundreds of employees (from lower-level service workers to middle-level managers) in many different kinds of organizations (from high-technology firms to *Fortune* 500 manufacturing companies to health sector entities to government bureaucracies). Our research suggests that empowerment, as we have defined it, produces specific outcomes that can create a significant competitive advantage for today's organizations.

- Empowered individuals see themselves as more *effective* in their work and are evaluated as more effective by those with whom they work.⁷
- Empowered employees are *less resistant to change* in the context of major organizational change such as downsizing because they tend to be more hopeful that organization problems can be overcome.⁸
- Empowered individuals are more *innovative* and not afraid to try new things.⁹
- Empowered individuals are *transformational in their leadership ability*. They are more likely to engage in upward-influence activities with their boss.¹⁰
- Empowered individuals report *making transformational change* (as opposed to more incremental types of adjustments) when stimulated to make change.¹¹
- Empowered leaders are seen as *charismatic* by their followers, a quality that enhances their ability to bring transformational change to their organization.¹²
- Empowered individuals are more satisfied with their work, and their sense of competence reduces job-related strain.¹³

In today's fast-paced, global economy, people who are more effective, innovative, open to change, and transformational

in their leadership abilities are very attractive indeed. They are the kind of workers who make an organization stand out from its competitors. They are, in a word, *leaders*. And in today's business environment, a company of leaders can be an important source of competitive advantage.

■ What Organizations and Managers Can Do


Earlier, we indicated that one of the key reasons for the failure of past empowerment efforts was the misunderstanding of how genuine empowerment is achieved. No one can empower anyone else; empowerment comes from within the individual. What managers and organizations can do is create the conditions in which self-empowerment flourishes. This effort goes well beyond simply delegating responsibility or pronouncing that people are henceforward "empowered." It involves a personal change on the part of leadership and a culture change on the part of organizations. How you can go about making these changes is the focus of this book. We draw from findings from our research and practice to offer specific strategies, tools, and techniques that you can follow to develop a company of leaders. Real-life examples from organizations that have adopted these approaches are highlighted throughout.

In the chapters that follow, we introduce what we call the five disciplines for unleashing the power within people. In Chapter Two, we demonstrate that these disciplines are not quick and easy fixes but approaches that require hard work and persistence. In that chapter, we also make clear that genuine empowerment involves an inherent tension, a sort of paradox composed of seemingly opposite forces that must coexist: on one hand, freedom and personal liberation, which require trust and an openness to risk; on the other hand, direction, security, and support, which require more control and guidance.



In Chapter Three, we show how the first discipline sets the stage for the others. It emphasizes that in creating an empowering system, we must first empower ourselves. Only if we model an empowered mindset and behavior to others can we expect them to follow suit. To help benchmark your own empowerment, we offer a personal assessment.

In Chapters Four through Seven, we describe how to create a context that unleashes the power within your workforce. In Chapter Four, we introduce the second discipline, the need for a clear vision and challenge to “hook” people to the organization and its mission. We introduce the third discipline of security and support in Chapter Five, which is so critical for enabling employees to feel the psychological safety necessary for initiative and risk taking. In Chapter Six, we describe the fourth discipline of openness and trust, focusing on how to create a culture that truly values its human assets. Then in Chapter Seven, we discuss the need for guidance and control, the fifth and last discipline, so that employees know the boundaries of their empowerment. And finally, in Chapter Eight, we address some specific recommendations on how to apply the disciplines to your organization. We close the book with a discussion of whether there are certain types of employees who can’t or perhaps shouldn’t be empowered.

As an additional aid to help bring the ideas of this book alive and personalize them, we encourage you to begin an empowerment journal. Before proceeding any further, take a moment to locate a small notebook or pad of paper to record your journal entries. Keep it at your side as you work through the book. Wherever you see the icon  sprinkled throughout the book, pause for a moment and complete a journal entry. Each should take no more than a couple of minutes but will help you make personal connections with the material, as well as create an agenda for action as you begin to create your own company

of leaders. Before concluding this chapter, take a moment to create your first journal entry below.



Reflect on your own experiences with empowerment by responding to the following questions.

- What does the word *empowerment* mean to you? How is it different from the definition we offer from our research?
- What has your experience been with empowerment in your workplace? If you had a negative experience, what reasons do you attribute to the failure of the empowerment initiative?
- What would you like to get out of this book to help you create your own company of leaders?

CHAPTER SUMMARY

Creating a company of leaders—a high-performance workplace in which employees willingly do their best work and act as owners of the business—is both a strategic advantage and a necessity for attracting and retaining the best people. Leadership, in this sense, is a direct outcome of creating conditions of empowerment. Unfortunately, the once-fashionable notion of empowerment has suffered from the failure of empowerment programs to achieve their intended results. The solution, however, is not to discard what was true and valuable about the idea of empowerment but to rescue the kernels of truth in this concept, learn from both research and experience, and build a new and more effective understanding of the conditions that foster genuine empowerment.

In this chapter we have taken key learnings from research and practice to burn away some of the debris weighing down the notion of empowerment and identify its central core. This core is a mindset characterized by self-determination, meaning, competence, and impact. All four of these dimensions are necessary to release the energy, creativity, and initiative in an organization's workforce. When people feel genuinely empowered, they exhibit the kind of leadership qualities that can be a strategic advantage to any organization.



But creating the conditions required for genuine empowerment is not easy. It involves significant changes in the behavior of executives and managers as well as a deep understanding of what empowerment is. In the next chapter, we draw on our research and practice to identify the five disciplines of empowerment. As you will see, each discipline is in creative tension with the others. Implementing these disciplines requires that managers and executives maintain a delicate balance among them while focusing relentlessly on shaping a workplace that nourishes leadership at all levels.