# Building an Empowered Organization

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With the maturation of the Industrial Revolution 3.0 and the advent of Industrial Revolution 4.0, we have seen the organized sector witnessing several transformations in every sphere of business. The technology and digital revolution has disrupted the business models resulting into new age industries and virtual businesses where the customers are buying based on 'look' and 'information' on product features and have moved away from the traditional 'touch n feel'. Thus shifting from the brick n mortar structure to virtual organizations like Uber, Airbnb, and many others. Whilst the third wave itself has brought in various newer skills, the advent of fourth wave of AI, Robotics and IoT, the industrial society is surely setting in some radical changes in the workforce impacting the skill sets, aspirations and in managing the engagement practices. These changes have led to the emergence of new customer behaviours.

The external environment with its new patterns of behaviour has caused organizations to relook at the way they manage talent internally. As I reflect through my journey as a human resources professional over three decades, the experience has been extremely interesting and dynamic, requiring abilities to continuously evolve, be agile, flexible and maintain a continuous learning mindset.

The employee management had shifted its course from being reactive to proactive; from top down to bottom up participation; from hierarchical to matrix and now it is on creating a networked self- managed structures, with 'a-la carte' type eco-system to be provided. Thus, each era bringing in its own set of perspectives, dimensions and challenges. The structures within the organizations have changed to ultimately meet with the growing dynamic expectations of the customers, the style of leadership is also undergoing a change. The exchange of information has led to wider exposure to global practices bringing in newer perspectives in managing businesses. The leaders are moving out from 'controlling' to 'participative' style of leadership. However, the need is to go beyond the 'participative' style to 'empowering' leadership style where the leaders empower their employees with responsibility and accountability for their own performance creating a positive ecosystem. As Kanter (1993) states 'power is 'on' when employees have access to lines of information, support, resources, and opportunities to learn and grow, in a structural empowerment.

Coupled with the fact that in the fourth industrial wave the work force composition would be largely the millennials and the Gen Z, whose aspirations, working preferences are way different than the ones in early third industrial wave and that of the Gen X. As per the 2018 Deloitte Global Human Capital Trends Report, there is a rapid rise in what we call the social enterprises which is a profound shift from the earlier business enterprise. The social enterprise not only focuses on financial performance but also assesses their impact on the community and society at large. With millennials being at the forefront of the workforce, we have also become aware of the changing Motivators. Financial rewards and benefits, positive work culture, and flexibility in terms of hours and location become the top most motivators for choosing an employer. Furthermore, the blend of freedom and responsibility provided at work and the development opportunities gives the much needed support as they actually want to think, learn and grow.

In these conditions there is a constant endeavor to manage the external stakeholders and the internal expectations, leaders recognize that to get the right talent, to make them take smart decisions and create a culture of innovation and change, they need to provide them the space to be the best. Thus, organizations that are able to give and nurture a clear sense of purpose and direction to its employees and equip them with the necessary freedom is what we call as 'Empowered Organizations'.

We all understand that employees can be shaped to face the future and undertake challenges arising in workplace situations. Research indicates that when employees are given the freedom to perform in different opportunities,

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when they see growth in their expertise and value in the work they do, is when they commit to the changing dynamics of the organization. Some of us may fret on the extent of freedom that can be shared with the employees. It may create a sense of insecurity or an anxiety on how it will be actualized when you ask them to think on behalf of the organization. However, when this freedom is backed by a strong sense of buy-in and connection to the values and purpose of the organization, it can help employees to express themselves and find value in what they contribute.

A research study of more than 500 employees in service industry across different levels of hierarchy, in different roles as individual contributors, managers, senior managers to leaders reveal that employees seek a congenial environment where they are able to take responsibility and accountability. Similarly, discussions with leaders and senior managers reveal that where the leadership style has been more delegating, giving autonomy and believing in the capabilities of the team has yielded best results in terms of productivity, retention, engagement and satisfaction. The other impact is in encouraging innovation, responding to the market, and customer satisfaction. The need to change with changing times, externally and internally was acknowledged confirming that sooner the leaders adapted to reality the better it was for the growth of their respective businesses and customer satisfaction. Undoubtedly there are some challenges as well.

The derivation from the above study has also been that in any organization there exists three dimensions. These dimensions are the given conditions in organization both in brick n mortar and virtual organizations. These are Structure, Motivators and Leadership— the interplay between these three dimensions facilitate Enablers. The combination of 3 Dimensions (3Ds) and Enablers can facilitate the organization into being an Empowered Organization. Therefore the model is named as 3Ds & EE (3 Dimensions and Empowerment Enablers). The research data also shows a high degree of co-relation between Employee Empowerment and Employee Engagement and Employee Satisfaction
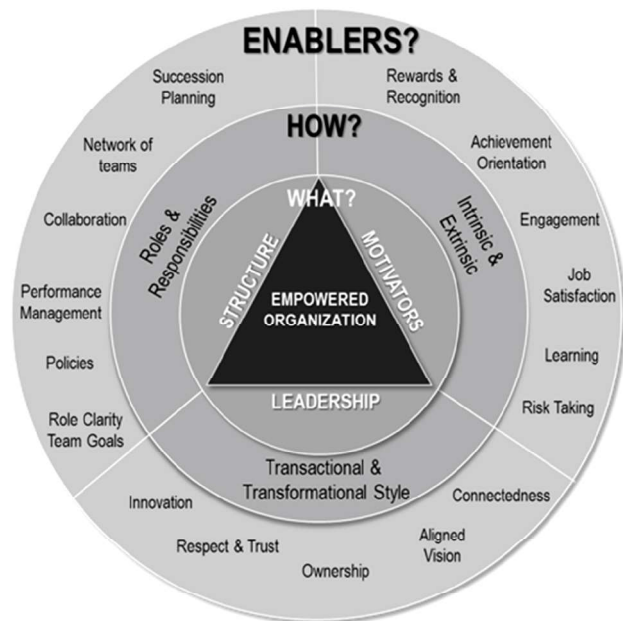


Figure 1.0 Representation adapted from 3D & EE Model © by Dr. Rani Desai

The Motivators illustrated in the Maslow's hierarchy of needs or Herzberg theory remain constant across employees and leaders in the given environment. With the changing millennial workforce we observe that the younger generation in the organized sector come with their basic physiological needs met. Therefore, this is not so much of a contributor to the need as much as it was before the global shrinkage.

However, their other hierarchy needs such as Safety, Belonging, Esteem and Self Actualization needs continue to exist and are observed much more amongst the millennials setting in early. Similar is true for Herzberg's theory of needs where the extrinsic factors including role clarity, expectations of outcomes, compensation, work life balance continue as hygiene factors.

A well-designed Structure provides a positive and stimulating framework within which leaders can allow the employees for autonomous decision making. Once they have thought through the structure, and backed them with substantial resources it becomes easier for leaders to allow them to flourish within it. One of the key challenges facing organizations today is the way they have redesigned their workplaces. Evolving from a traditional functional hierarchy system, organizations understand that if they

need to empower their employees it would need to create smaller network of teams and provide them with the autonomy to make thoughtful choices on their own that align to the overall strategy. There are roadblocks that come in the way of creating empowering organizations. A leader from a leading pharma company once told me, "We are strictly guided by regulation and compliance, giving the freedom to our employees can be threatening". Therefore, the Leaders need to constantly monitor the boundaries of their framework, the level of energy that they can bring in it, which can connect them to the higher purpose.

Leadership plays a critical role in raising the ambition of the organization. They understand the pain points of where the process becomes stressful, fix gaps, rejuvenate talent and continue to invest further. An empowering climate is backed by the abilities of a transformational leader who can look beyond silos and cross-pollinate disruptive ideas and experiences. By connecting the talent to the higher purpose, leaders can further strengthen and transform the entire organization.

Understanding of these dimensions makes it easy for the human resource managers when designing any initiatives including when designing policies. The Enablers are the initiatives, programs, policies within the ecosystem. The scope for implementing Enablers are when designing performance management system, creating career paths, in policies like flexible work arrangements, in very small activities like exit processes, onboarding processes. On the other side the organization also needs to facilitate psychological empowerment when supporting the managers through their own growth from individual contributors to team managers, so also supporting in 'letting go' and delegating authority to the next level. The organization eco-system should build a culture of Trust where in dynamic environment failures are accepted and potential is nurtured.

In one of the high end software technology company with high intellectual capital that I worked for had conducted its annual employee satisfaction survey. In the survey the performance management system and linked to it the compensation and reward was rated lowest. Taking up the cause for improving the performance management; there were multiple multi-level, multi-location focused group

discussions conducted which revealed that the current performance management system lacked three elements

1. System was not user friendly

2. Process and output lacked transparency, thereby communication was an issue

3. There was no feedback on the performance from the manager

4. The compensation and reward did not seem linked to the performance management process.

5. The KRAs were not in sync with the job they were carrying out

Having understood the pain points each of these elements were taken up and tackled. A team was set up and we committed ourselves to work on each of these elements before the next cycle of employee satisfaction survey. It was also decided that we partner with vendor who would take care of some part of the project and thus a collaborative work was initiated.

The current system and the process was evaluated, the KRA templates for assessing the competency based goals were reviewed and the gaps identified. It was realized that there was no relation between the work done by the employees vis a vis the KRAs templates thereby the appraisals brought in subjectivity and no uniformity in the experience. The other sore point was the payout of the performance pay which was linked to the performance of the individual based on measurable goals.

Multiple rounds of small group discussions were conducted in order to gather ground base realities. There was involvement of the employees in creating these templates. The sample size for the focus group discussions were almost 30%. The specifications for the system were determined which were shared with the vendor to create a customized system for the organization with the capacity to meet with scaled operations.

Whilst the project was initiated, the goal templates and KRAs were being built at each stage. It was the employees performing the respective role who were consulted for the inputs in the templates, also duly validating with the managers the KRAs both for role based KRAs and performance pay linked KRAs. The system built had two processes developed one which gave the output in terms of

rating and the other gave precise percentage of performance payout based on the output. The goal templates pre-finalizing were shared with the business heads to ensure their linkage with the business goals and purpose.

Post finalization of the KRA and performance pay goal templates, these were communicated and shared within the organization which brought in transparency to the employees on expectations on their roles as well to the managers who were expected to assess their performance. The employees were also encouraged to give feedback if any of the goals were missed out from the template, so also to create additional goals which they would have like take up during the year.

Thus the involvement in the process empowering the employees, managers in this exercise gave a sense of satisfaction to the employees. In the meantime the development of the system alongwith the vendor continued and at due milestones the system was being tested and corrected. It was a much user friendly process for the appraisee as well as the appraiser. The moderation processes were introduced with much more involvement upto the team leader as they were the connect point between the individual contributors and the managers. Thereby the team leaders felt empowered in the decision making process with the responsibility of bringing in fairness and objectivity when discussing their team member.

The next step was in creating transparency and communication on the processes, the calculation of the performance pay, the appraisal process and the compensation and reward linkage.

This concern was addressed with presentation in groups of employees across locations with examples of how the performance pay would be calculated, the rating scale and alongside there were workshops organised for appraisers and appraises on the process of how to give feedback, conducting conversation and also the art of reverse feedback.

The system and process was launched. The first round of appraisal brought in a lot of learnings which once again was shared by the employees and those were incorporated including adding the goals in the KRA templates with a

process of acceptance laid out. However, this inclusiveness in driving the process got the employees engaged, there was transparency in the output. The new system and process had also made the tasks of appraiser easy and the skill sets imparted in carrying out conversations had bettered the process.

The next annual employee satisfaction had shown an increase in the satisfaction of employees on both the dimensions of performance management process and the compensation and rewards. However, this was possible post recognizing the 3 Dimensions and the Enablers in bringing about a feeling of being empowered amongst employees in designing a performance management system which was designed by the employees and for the employees.

At a later stage these processes were taken to global geographies as well.

A study by Kanter, 1979; Tannenbaum, 1968 reveals that the total productive forms of organizational power and effectiveness grow with superiors' sharing of power and control with their subordinates.

In another organization, so to say in pre-globalization era that I had worked for, had a queer problem of employees not wanting to take ownership and responsibility for their jobs. The diagnosis said that the leader they reported wanted them to consult him on each and every matter and he felt much content when he micro managed all the operations inspite of the fact that the team was much competent and intelligent. With this high level of micro management and insecure feeling the leader had not taken leave for two odd years. At the same time the team to be completely frustrated and retention was becoming difficult. Post discussion with the CEO it was thought that leader would be advised to proceed on leave for six weeks which was also much needed for him alongwith his family, partly also coupling it with nomination to one of the top western university programs. This being times of no cell phones the communication was a challenge. During his absence the team performed with greater degree of freedom, there were decisions taken with through consensual mode amongst themselves, the business targets were on track, the deliveries had been met with. There was

greater degree of freedom experienced, and the entire department was charged with positivity. By the time the leader returned to work the environment had changed in the department raising self-esteem and motivation. Post the leader's return upon reflection and discussions the leader had to change his attitude and aptitude in managing the team into a new style of leadership.

As per the Harvard Review article May- June 2018 in the example of Netflix says that "its culture as a blend of "freedom and responsibility." That means employees are at liberty to use their own judgment within the strategic priorities articulated in "foundational" documents, which include such things as FAQs about the company's philosophy and priorities and instructions about minimizing rules and valuing flexibility over efficiency" This blend of freedom and responsibility has paid off at Netflix in encouraging innovation.

The Empowerment elements work as a catalyst for cultural change. As an analogy, we can relate it to creating fertile soil where seeds can germinate, spring out their roots and grow into a beautiful plant bearing fruits for all to see and enjoy.

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