

## **Empowerment – delegation on steroids ...**

**Last month we began looking at 3 ways to have employees help grow our business** – giving instructions, delegating and empowering. Many of us will admit that we probably don't use 2 of them – delegation and empowerment – often enough. But is that because giving instructions is just easier (it takes less time and is less likely to result in an increase in our frustration)? Or are delegation and empowerment simply impractical theories - which can't really make a difference to the bottom line?

**When we compared giving instructions and delegating in terms of Investment, Risk and Payoff, 3 things popped out.** One, delegating does require a greater investment in time than giving an instruction. Two, the risks are greater because delegating is a more complicated tool to use (how you delegate varies with the situation) and we use it for more complex tasks making the impact of failure greater on the company.

**The third was that the payoff is much greater when we delegate.** We can use employees to complete more complex and fulfilling - for them – assignments (making them more productive) and increase their feeling of engagement with the company (reducing turnover and the associated costs) – both of which impact profits.

### **Empowering**

**This month we'll look at the Investment, Risk and Payoff of using empowerment and compare them with the other two.** While, in theory, we can empower anyone, we are most likely only to empower employees in whom we have confidence and who we trust; or who can demonstrate (or claim to have) experience with the task, functional area or subject matter.

**There's also a major difference between giving instructions and delegating to employees - and empowering them.** When we give instructions or delegate, we remain responsible for the successful completion of the task or project. However, when we empower an employee, we transfer that responsibility to them. We allow employees to use their judgement and to make decisions on their own in order to perform a task or complete a project.

**So, when we empower an employee, we must define the extent of the responsibility we are transferring to them.** We do that – after discussing it with, and getting input from, the employee - either in their Job Description or, in the case of a specific task or project, a document identifying the scope of the judgement they can use and the decisions they can make.

**If we don't take this step, we're abdicating the responsibility we, as the owner of the business, have for the company's overall success.** Having done it, all that remains is to ask the employee if they're comfortable taking on the responsibility.

The **Investment** in time is much more than for giving an instruction and is similar to delegating. We have to develop confidence and trust; choose the best person for the job; discuss the scope of the assignment with the employee – and follow up.

The longer a task or project lasts, the more tempting it becomes to delay, postpone or miss regular follow up meetings. Giving in to that temptation adds to the risk of failure. There can also be fairly significant financial investment involved – in, for example, training, equipment, personnel, or other resources.

Clearly the **Risks** are also much higher than giving instructions and delegating. The operational and financial impact of only partial success or failure can seriously affect the company's results – before we realize it. The consequences of partial success also directly impact the employee's credibility - and his/her pocket if, for example, a success bonus is involved. As a result, there is also the risk that the employee will try to hide the fact that things are not going well.

But the **Payoff** is the biggest payoff – for both owner and employee. Empowerment allows us to recognize previous performance by giving employees the opportunity to take responsibility for tasks and projects which are vital to the company's success - enriching and expanding their existing jobs (improving motivation and productivity). One of the problems facing growing companies is hanging on to good talent, and empowerment enables us to overcome the problem of not being able to promote everyone, immediately (improving retention).

**By investing the time to develop people and taking the risks of using delegation and empowerment, there are 3 big wins – payoffs - for us as business owners.**

One, we can focus on the things only we can do – the visionary, strategic stuff - and not be too busy or too tired to do them. So we make more money while we're working in the business. Two, it's easier to demonstrate that the business it is not dependant on us – which means we will make more money if we sell the company. Finally, it is more likely the business will survive if we pass it along – because we will have trained our successors and given them an opportunity to find their feet.

To take issue with anything I've said or to share your experiences, send me an email at [jimstewart@profitpath.ca](mailto:jimstewart@profitpath.ca) or call me at 416-258-9610.