

# Empowered Employees Power Profits

Employee empowerment is defined as allowing employees to make fast decisions, on the spot, in favor of the customer. Empowerment is the single most difficult skill to get employees to utilize. That's a problem for businesses and government because if you don't have empowered employees, you will never be a service leader.

It is critically important for businesses to give employees the power to make decisions on the spot because one policy can't cover everything. There are too many weird things that happen every day. The best news is that most decisions will cost the company less than \$50 which is a pittance when you consider the lifetime value of the customer and the good will that empowered decisions can make.

If you have over happy customers you make a lot of money. And since 99 percent of all customer contact is with an employee either by phone, in person or over the Internet, it is vitally important that employees know they can make bring resolution to a problem by being empowered

But employees are afraid to make empowered decisions on their own—regardless if the company actively supports empowerment. There are three key reasons employees don't take initiative to solve problems.

1. The primary reason employees will not make an empowered decision is they think they will lose their jobs. In their minds, they absolutely know they will lose their jobs. Most people don't want to go home and tell their family they are fired. They think it is less risky to lose a customer than your job. After all, they think, "No one ever got fired for enforcing a policy, rule or procedure."
2. They are afraid they will be penalized and have to pay for what they did. For example, if they

upgraded a person from a room to a suite, they will have to pay the difference.

3. They don't want to get chewed out. There is very little upside for an employee who makes decisions. They don't get any pats on the back and there aren't any celebrations when they make a decision.

Companies need to adopt an employee empowerment plan.

- To implement an employee empowerment plan, every top manager and department head needs to be on board. They must enforce a culture of empowerment culture and they must celebrate when employees make empowered decisions. It just takes one negative management feedback for the employee grapevine to get the message that the policy is just lip service or the policy du jour.
- Train employees on empowerment. You have to teach them what is it, how to do it and how we make a big deal about it.
- Reinforce and celebrate empowerment. Most empowered decisions have no significant cost. For example, they might open the doors early to let in a customer. They can bend policies and procedures to fit a situation. In a restaurant, they can let customer mix and match menu items.

There are so many things you can do to make customers over happy.

In fact, I wanted to buy my wife an iPad from the AT&T store so I could get a \$100 voucher. However the store was out of stock. But instead of sending me to the Apple store across the mall, the employee walked me to the Apple store, we bought the iPad and he gave us the \$100 voucher

even though I didn't buy the computer at his store. That's empowerment.

Unfortunately, most companies don't have empowerment programs. I can think of only a handful that fit the bill – Ritz Carlton, Marriott and Amazon. Very few organizations understand employee empowerment or are good at it. Ritz Carlton empowers any employee to spend up to \$2,000 on the spot. However, no one has ever given away \$2,000! The irony is that other companies think employees will give away the store. They won't.

Some decisions don't take any money at all, but they improve the customer experience.

Another irony is that companies spend massive amounts of money on marketing to attract customers. If companies spent part of their marketing budgets to retain customers by training employees to make empowered decisions they would see an immediate, measurable return on their investment.

You want to empower employees to make decisions on the spot. When he does, the impact on customers is immediate.

If employees know their jobs are to make over happy customers, the company will grow faster. By empowering employees, you can build market share and market dominance. You will have happy customers and you will make more money. **RO**

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