

# THE VALUES OF EMPLOYEE EMPOWERMENT

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**Most executives and managers are afraid to empower their employees. They don't trust employees, and they don't trust customers.**

They think employees will 'give away the store,' and they think customers will take advantage of employees who are empowered. Most employees are also afraid of empowerment. They think that if they make an empowered decision that will satisfy the customer, they will be reprimanded or, worse, lose their jobs. They prefer the safety of operating under the company's rules, policies and procedures.

Empowerment is a powerful tool that will drive your business. It is also the single most complicated skill to get employees to use. When employees are empowered, they have the authority to make decisions, to bend and break the rules, on the spot to take care of a customer.

Every customer has different needs and expectations when they experience problems with products or service, so flexibility in how your employees satisfy them is critical. Of course, you can't let employees run wild and give away huge amounts of money in order to satisfy your customers. Set a monetary limit.

#### Marketing Money

You're probably thinking, 'If I empower my employees, it's going to cost me money, money I don't want to spend.' Look at that money as marketing money. If you spent a little money to retain current customers, you won't have to spend as much to attract new customers to replace those you lose.

Let me give you an example of how one company lost me, and my money, as a customer. Eighteen months ago, I purchased an orchid plant for my wife from Trader Joe's. It quickly died, and I went to return it. The employee I spoke with

told me there was nothing he could do about it. I then spoke to the manager who told me he could not give me a refund because I didn't have a receipt, I had not purchased the plant there, and they don't sell orchids. I put the dead plant on the counter, said some nasty words, and told him I would never be back. So, for the R310 (\$20) the manager wouldn't refund me, he has lost my business forever.

The supermarket industry is the most customer-service oriented industry in the United States. If I buy tomatoes and they go bad within a few days, 99 percent of supermarkets will gladly give me a refund, most of them without requiring a receipt. They wouldn't think twice about denying me a refund and losing me as a customer for something that will cost them less than R155 (\$10).

You can't look at the short-term impact of poor customer service; you must look at the lifetime value of your customers. For example, supermarket customers spend, on average, R111,000 (\$7169.58) a year. The lifetime value of that customer is R6 million (\$437,344.46). Are you willing, as, apparently, Trader Joe's was with me, to lose that money because you won't reimburse a customer R310 (\$20)? The answer should be clear.

Amazon understands the importance of empowered employees. Returns are quick and easy, and the company maintains records of each customer's purchases so there is no need to produce a receipt. It's so easy to do business with Amazon that its 2021 sales increased 22 percent, a whopping \$83.7 billion, over the previous year. It's impossible to be a customer service leader without having empowered employees.

When your employees make empowered decisions, support them, recognise them and celebrate them. Doing so will send a message to other employees that you support them in their efforts to ensure that your customers are happy. The result will be an increase in your customer base, which translates to an increase in sales. 📈

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