



**PROACTION – Generating Best Practices**

## **Best Practices – Who Owns the Work?**

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### **Article Summary:**

This article discusses the common thread of ownership of work activity, or process ownership – a Best Practice common thread that runs through all of the 4 Essential Factors on the Path to Best Practices. Here, we discuss how this powerful concept acts as a catalyst and powerful leverage of excellence in each of the 4 Essential Factors. Topics include:

- Work Ownership – the continuum.
- How Ownership Supports the 4 Essential Factors
- Alternatives
- Powerful Results

### **Work Ownership – the continuum.**

One of the most fundamental issues in understanding how organizations work is the question of who owns the work – i.e., who has felt or perceived responsibility for the work itself and the results it engenders. In a full-fledged, many-layered bureaucracy, there may be thousands doing work, being busy, creating documents, etc., but actual approval for actions, signatures, and therefore the “real” authority and responsibility is highly centralized. By contrast, in a highly decentralized company, people either doing the actual work of the company, or those very close to it, have final decision authority, and may bind the company in various ways.



These contrasting ways of organizational functioning can be said to comprise a continuum, with bureaucracy at one end, and a high-performance, highly decentralized, highly delegated organization at the other. Of course, most organizations are somewhere along this continuum. Let's explore the ends of this continuum a bit further with examples.

**Bureaucracy style** - In a traditional military bureaucracy, historically everything was done “in the name of the King.” This translates in more modern settings to everything being done in the name of the commander. People who are essentially clerks prepare documents, but have no real authority, and so no real responsibility. These documents are sent, often through a series of reviewers, to a final “approver” who has the actual authority, and therefore the responsibility for the action. Each reviewer will “endorse” the action (or sometimes not), and then forward it to the next person in the chain.

Consequences of this method include:

- **Diffused actual responsibility** – since many prepare and review a document, they are to a degree “involved” in it. However, since there are others “downstream” the perceived, or felt ownership is minimal.
- **Time-delay** – it takes a while to “process” an action through multiple steps. This aspect also reduces flexibility, since actions are tied to the organization structure.
- **Paperwork intensive** – since all communication is via written document, the document is THE thing, adding to the preparation time. Reviewers, endorsers and approvers must have all the information they need for their actions, so it has to be in the document, or attached to it. There are no informal, or oral communications with this method.
- **Approval authority remote from action point** – the initiator of the action is always in the best position to know the most about the situation, what action is needed, and why. However, since all of this must be written down, then forwarded “up” the chain of command, subtle aspects are lost, and there is a CYA aspect to the whole process. Finally, the approver simply cannot know enough to insure the best possible action in every case.
- **Senior level approval** – this is a highly desirable method for accomplishing actions that have a major impact on the organization as a whole, bind it in a major way via a contract, or are strategic in nature. These are the kinds of actions that should NOT be delegated down to the front line levels of a sizeable organization.

**Highly Decentralized / Empowered style** – this method is often referred to as an “empowerment” model for an organization. This means that the authority and responsibility to act are in close alignment, and as close to the “front line” workers as possible. In many cases, those on the production line, for example, will have authority to initiate what are considered capital projects in other companies, responsible for the return on investment it involves. Or, for customer-facing workers, the person may have what is essentially a blank check to do what is needed to take appropriate care of the customer.



Southwest Airlines became the most profitable airline in the US, earning more total profits than all of the other airlines combined. They buy their aircraft, parts, fuel and airport gates at the same places as all of the others, so what are they doing differently? In a word – employee empowerment – focusing on their people, what they need to do well, giving them authority and responsibility, plus the room to try and fail.

One of the most remarkable success stories with empowerment is Harley Davidson, which made business history by transforming its failing, over priced, bottom-level quality motorcycles of the 1970's and early-mid 1980's into the business power-house we know today. Here is a link to an excellent article describing why the company won the [Catalyst Award in 2004](#).

The highly decentralized / empowered style involves pushing authority and responsibility as far down the organization as possible. Leadership, rather than management control, is emphasized. The result is that individuals “doing the work of the company” feel personally responsible for its success, for the achievement of its vision and mission. In a word, they “own” their jobs and the activities it involves, regardless of where in the organization they function. Other examples of these companies include Whole Foods Market, the Container Store, and SAS Institute.

### **How Ownership Supports the 4 Essential Factors**

We view the issue of work activity ownership as the common thread running through each of the 4 Essential Factors on the Path to Best Practices. When the level is high, there is the opportunity for true excellence in each of these areas, and for gaining the maximum benefit and synergy with the other Essential Factors. With a low level of ownership, it is quite difficult to achieve anything like excellence in the 4 Essential Factors. Here's how each is “powered up” by high work activity ownership:

- **Effective Enterprise Systems & Processes** – in the bureaucratic model, system implementation is experienced as something people are doing for the “higher ups” in the company. Often, they have no notion that the system is there to help them in their jobs at all. Conversely, with high levels of ownership, implementation is not even considered until everyone at the “lowest” levels of the organization fully understands and has enrolled in the benefit the system will bring the company, and sees how their work results will fit into the overall structure. Then, even the most challenging implementation will go well.
- **Continuous Improvement Process** – this area is, in truth, very difficult without high levels of work activity ownership throughout the company. If people at the line level have little authority, responsibility or involvement, improvements must be generated by “experts” – i.e., staff-level people such as industrial or manufacturing engineers, consultants, business process engineers, or teams of managers. Companies attempting to achieve improved performance this way seem to never quite make it. Witness the current situation in the US with the auto industry. Those that have mastered the empowerment culture, and with it, have generated powerful continuous improvement processes, are literally slaughtering companies



that have not – the “Big 3” of Detroit, still stuck in the command & control culture of decades ago.

- **Education & Training** – if individual workers are just carrying out instructions, narrowly defined guides for what and how they do their jobs, they feel like uninvolved cogs in a machine. As one such worker told us years ago “you are confusing me with someone who gives a s\_\_\_\_.” Adding education and training into this non-fertile field is typically a waste of money, as the worker has little he/she can do with the new knowledge. Conversely, in a highly empowered culture, education and training is like adding oxygen to an already hot fire – leverages the fuel already present to intensify and speed up the combustion rate.
- **Effective Leadership & Culture** – When a person with otherwise good leadership ability assumes leadership of an otherwise bureaucratic organization, most of what he/she has to offer ends up being wasted or so completely diffused as to accomplish little. Exciting visions of the future for the organization are filtered “down” through layer after layer of entrenched bureaucracy before ever reaching the line level. This is why putting a new Cabinet-level official in a government agency typically has so little effect, or why a new leader in a big-city school system seems to accomplish little. In private sector, we have seen truly exciting leaders step into CEO roles at large corporations only to accomplish little, due to their inability to change the ponderous, change resistant non-empowered organization culture. By contrast, if the new leader is able to substantially alter the culture towards a highly empowered work environment, then the vision for the company’s future, its possibilities and potential, and mission, can all serve to inspire and motivate the empowered, now-capable individual workers in the company to become individually high-performing, collaborating team oriented contributors towards that success.

## Alternatives

Since leaders of organizations are faced with the reality that their company is somewhere along the bureaucracy – empowerment continuum we outlined above, the alternatives facing them are simple on the surface, while involving some difficulty at the detailed level. Having engineered several of these organization culture changes ourselves, plus our research, we can offer some suggestions:

- **Move now** – delay, extensive consideration, deliberating, all convey a not-too-subtle message of fear, lack of confidence in both yourself and in your coworkers. Success seems to go to those who act boldly, expeditiously, and with courage.
- **It’s not as hard as you think** – much of the details of how to operate effectively in a newly empowered culture can and will be effectively worked out by those who do the work. You do not have to resolve every issue a team of left-brained thinkers comes up with.
- **Act from the heart** – inspiration, courage, and confidence do not come from the logical, left-brained parts of our beings. People have an inherent desire to make something of value with their lives – leadership’s job is to give them the chance to do this. When one actually



takes in an inspirational vision articulated by a good leader, something powerful within them shifts. Remember that there are tears of inspiration, joy and meaning – altogether different from the tears of sadness, grief and loss. Do not confuse them – allow the former to occur.

- **Ask for help** – an effective leader, who “gets” the servant leadership concept, confesses his limitations frankly and openly, asking for those he is leading for their involvement, caring about results and performance, and their knowledge and effort to achieve the vision for the organization. This is where each person’s inherent desire to be useful, valuable, if not blocked by cynicism and resignation, comes into effective play.

### Powerful Results

Increasingly we are seeing a global world where companies that have mastered the principle of work activity ownership – of empowerment cultures, are leading the way into the future in their industries. It is vital in seeing this to not be distracted by short-term successes, of companies who are, for the moment, leading in their industries because they went to China first (or to Bangladesh), have a ring of patents around their processes, or other such historical or strategic advantage.

The fundamental fact is that, even in these situations, there is an untapped advantage, potential that is not being put to use, in making the most of each person in their organization. Moving to a low-cost country, such as China, will give a temporary advantage – very temporary, however. When high levels of empowerment and work activity ownership are added, the advantage is the same as in a higher cost environment – better performance, higher profitability, growing market share, more secure, predictable performance.

### Best Practice Q & A

**Question:** “In working with people from other cultures, such as Mexico or China, how can one overcome the decades of often counter-productive cultural conditioning? People have been taught to simply follow the bosses direction for centuries. What actions can be taken to create a more involved, less passive mentality among workers in these kinds of cultures?”

**Answer:** “First, it is important to be patient – but not TOO patient. People can and will change, given the right reward system. They are the way they are because of the reward, and too often, the punishment system they have lived and worked in. Under the old-style Communist system in China, for example, people taking initiative and responsibility sometimes just disappeared in the night – not exactly an incentive for taking more responsibility. Japanese companies such as Toyota started with these cultures, then gradually evolved over the years into the highly participative, highly empowered cultures of today.

They did this by carefully altering the reward system, so people who took initiative and responsibility were rewarded in a way that made sense to them and others around them. Also, by



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explicitly talking about the culture change you want to engender, people are aided in making the transition. Finally, it helps to hire carefully, to screen people for deeply entrenched attitudes that are simply never going to change. Toyota was successful with the Fremont, California plant, starting with a serious labor union problem, by hiring carefully, then training thoroughly to get the culture the rest of the company had, even with a UAW union.