

Should We Empower Our Staff?

Below is an excerpt from a manager's meeting at a large department store chain. They are discussing the merits of introducing a system of greater staff empowerment.

Unfortunately, there are good arguments both for and against and the team cannot decide what to do - can you help them?

Comments from the Manager's Meeting

- Kristi:** Personally, I think greater empowerment for our sales staff is a fantastic idea. If our staff were able to do special deals and resolve customer complaints on the spot, then we would have such a competitive advantage in the marketplace.
- Katelyn:** It would give us an opportunity to be more clearly differentiated in the marketplace, and that should help us attract more new customers.
- Jasmine:** Well actually, it would probably have the greatest impact in enhancing the loyalty of our existing customers.
- Bianca:** Initially, but then over time our satisfied existing customers will spread positive word-of-mouth that will attract new first-time customers.
- Brandon:** Look, I know that there are a lot of benefits, but I'm just not sure whether we could effectively implement such a scheme, particularly given our current staff. For instance, we have many young casual staff, do we really want them doing special deals for customers?
- Mitchell:** That's right. I would be concerned with the lack of control. Some staff might end up doing special deals all the time - and we will end up being known as a discount store.
- William:** Not to mention that this could eventually lead to almost every sale being a negotiation, where customers haggle over the price. That's a very inefficient practice for a large retailer.
- Kristi:** I think that we're getting off the point. We can put policies in place to control and direct staff - so it's clear when they can provide special deals.
- Katelyn:** But that's not really true staff empowerment, is it? That's just a store policy. Clearly the solution here is greater staff training and education. Give them the empowerment, but also give them the skills to use it effectively.
- Brandon:** That will work for some staff only. We have some good people, who would be great at it, but then we have some less skilled staff (particularly in our casual pool) that will never really get their new role. And besides, the cost of training all our staff in these practices would be enormous.
- Jasmine:** Well maybe we only empower selected staff, not everyone?

Mitchell: But then you create customer service inconsistencies. One day a customer gets a great deal and the next day they don't - all because they are dealing with a different sales assistant.

Bianca: Well maybe it's time that we looked at our overall recruitment approach. Is it really beneficial to hire young casuals without experience? I know it's a cheaper option, but it limits our ability to provide great service through empowerment.

Student Discussion Questions

1. List the potential advantages of empowering staff.
2. List the potential disadvantages of empowering staff.
3. If you were part of this management team, what would you recommend? Why?
4. Discuss why staff empowerment should be a marketing-related decision, especially in service firms.