

Harnessing Everyday Genius

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The loss of “good jobs” in the U.S. economy and elsewhere has inspired a slew of proposals, including mandatory labor representation on corporate boards, benefits for gig economy workers, tax breaks for investments in human capital, and a minimum guaranteed income. While some of these ideas have merit, they don’t address what we believe is the root of the problem: the widespread assumption that low-wage jobs are filled by minimally capable people—a prejudice that has denied millions of employees the opportunity to enhance their skills and exercise their minds.

The view of employees as semiprogrammable machines goes back to the early decades of the Industrial Revolution, when most workers were poorly educated. It was reinforced by Frederick Taylor in 1911, when he published *The Principles of Scientific Management*, in which he described the typical laborer as “so stupid that the term ‘percentage’ has no meaning to him.” The solution, said Taylor, was to strip judgment from frontline jobs: “It is only through *enforced* standardization of methods, *enforced* adoption of the best implements and working conditions, and *enforced* cooperation that...faster work can be assured.” And who was to do the enforcing? Professionally trained managers, of course.

Taylor’s model of industrial bureaucracy set up a caste system of thinkers and doers that persists to this day. Although the total quality management and *kaizen* movements both emphasized employee empowerment, the basic bureaucratic approach still dominates. A 2019 Gallup survey found that only one in five U.S. employees strongly agreed with the statement “My opinions seem to count at work” and fewer than one in 10 with the statement “I take risks at my job that could lead to new products or solutions.” In the 2015 American Working Conditions Survey, just 11% of frontline U.S. employees said they were consistently able to influence decisions important to their work. Meanwhile, our analysis of Bureau of Labor Statistics data shows that 70% of U.S. employees are in jobs deemed to require little or no originality.

Though today’s employees are far better educated than their early-20th-century forebears, the distinction between managers and employees—the clever and the compliant—is still deeply entrenched. As a result, a vast reservoir of human ingenuity is going untapped. That depresses the performance of individual firms and the economy overall.

Yet a growing band of organizations around the world have freed their employees from the yoke of bureaucratic control. These companies significantly outperform their peers. They include Nucor (America’s preeminent steelmaker), Buurtzorg (the Dutch home-health-care



provider), and Svenska Handelsbanken (the Swedish bank). These champions of empowerment pay better-than-average wages—not because they’re exceptionally generous but because their employees create exceptional value. They share a deep belief that “ordinary” employees, when given the chance to learn, grow, and contribute, are capable of extraordinary accomplishments. That conviction, when consistently acted upon, produces a workforce that’s deeply knowledgeable, relentlessly inventive, and ardently focused on the customer.

Empowerment in Practice: Nucor Empowerment in Practice: Nucor

At America’s leading steelmaker, operating crews take responsibility for business development, capital planning, product innovation, process improvement, and cross-plant coordination. Every worker is trained in the economics of steel, and generous bonuses reward teams for boosting capital efficiency. Overhead is low: Though Nucor has \$22 billion in revenue, its head office houses only about 100 employees—a fraction of the headquarters staff of most firms its size—and at 3% of revenue, its G&A expenses are roughly half those of its peers. Its return on capital exceeds industry norms by 50%, and its revenue per employee is three times the industry average.

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The question is, why haven’t more organizations followed suit? Even the best-intentioned CEOs have found themselves watching helplessly as their companies’ top-heavy management structures squeeze the enthusiasm and originality out of employees. For instance, near the end of his tenure as co-CEO of SAP, Jim Hagemann Snabe discovered that the German software giant had amassed more than 50,000 KPIs (key performance indicators) covering every job in the company. He was horrified. “We were trying to run the company by remote control,” he recalls. “We had all this amazing talent, but we had asked them to put their brains on ice.”

In this article we offer a path out of the bureaucratic trap, drawing on the example of the tire manufacturer Michelin. The company has been challenging many of the unspoken norms that characterize France’s notoriously hierarchical corporate giants, whose shop floors are known more for militant protests than for constructive engagement with management. Since 2012, under the banner of *responsabilisation* (French for “empowerment”), Michelin has dramatically increased the authority and accountability of its frontline workers, reversing the centralization that has characterized the automobile sector for five decades. In early 2020 the *responsabilisation* program was on course to deliver half a billion dollars’ worth of manufacturing improvements, prompting Jean-Dominique Senard, Michelin’s CEO from 2012 to 2019, to proclaim it one of his “proudest achievements.”



How the Journey Began

The idea for *responsabilisation* was born out of frustration. In the mid-2000s, the tire maker had launched the Michelin Manufacturing Way (MMW), a corporatewide program to improve productivity through standardized processes, tools, dashboards, and performance audits. It wasn't alone: Car companies and their suppliers across the world, increasingly obsessed with control, were also standardizing processes.

But as MMW was rolled out, factory leaders raised concerns that it was crowding out local initiative and creativity. It also seemed at odds with a company value set forth by cofounder Édouard Michelin: "One of our principles is to give responsibility to the person who carries out a given task, because he knows a lot about it." Jean-Michel Guillon, then the head of Michelin's personnel department, mused to a colleague, "Are we at risk of losing our soul?"

Ricky Linn

By 2010 the standardization efforts were producing diminishing returns. At the same time, shorter product cycles, new competitors, and the growth of services were pressuring Michelin to become more creative and flexible. Looking for a way forward, Guillon hosted a workshop in early 2012. Though the 20 participants failed to come up with a new plan, they agreed that frontline teams needed more autonomy to pursue their own goals and improve local operations.

One of the workshop's most vocal participants was Bertrand Ballarin, the manager of Michelin's Shanghai plant. In a company known for long tenures, Ballarin was an exception—he had spent three decades as an officer in the French army before joining Michelin, in 2003. Nevertheless, he'd soon earned a reputation for rescuing underperforming factories. At each one, Ballarin had developed a sense of shared purpose, upgraded workers' skills, and given production teams more freedom. Many of his hard-nosed peers viewed his approach with skepticism. As Ballarin would later joke, they considered it "as useful as poetry."

A few weeks later, Guillon invited Ballarin to join the personnel department as head of industrial relations. Eager to broaden his impact, Ballarin quickly accepted. He felt that Michelin, like other companies, "had been organizing work with an exceedingly narrow view of human beings. We had assumed that people would exert effort only if closely supervised or motivated by pay. As a result, people in our factories were using only a fraction of their capacities." The solution, he believed, was *responsabilisation*, and by the summer of 2012, Ballarin had sketched out a bottom-up initiative to promote it, which he labeled MAPP, the French acronym for "autonomous management of performance and progress."

The first step would be to recruit volunteers—supervisors and operating teams willing to pilot the new approach.



Step 1: Launching the Movement

Ballarin toured the factories, making his pitch to local managers and teams. Among the first to sign on was the assembly crew in the Le Puy tractor-tire plant. “When I started at the company, I noticed a lot of expertise on the shop floor being wasted,” explained Olivier Duplain, a team leader there. “I saw the project as a very interesting opportunity, and when I suggested this to the team, everyone agreed.” By October 2012, Ballarin had recruited 38 teams, comprising 1,500 people (about 1% of the company’s head count), from 17 plants.

The next few months were hectic. At each of the 17 factories Ballarin held kickoff meetings, where he reminded plant leaders that the point of the exercise was for teams to discover the solution. “The only help they need from you,” he warned, “is to encourage them to be bolder and more creative.”

The Path to Empowerment *The Path to Empowerment*

Redistributing authority isn’t easy, but it can be done. Michelin’s journey laid out a road map that others can follow:

1. Begin at the bottom.

Build early momentum with those who have the most to gain from greater autonomy—frontline teams. Starting here avoids head-on battles with senior managers who aren’t yet ready to share power.

2. Make it voluntary.

Nothing is more likely to kill a new idea than an order, so invite teams to participate. You don’t need every team on board at the outset, just a representative sample.

3. Encourage discovery.

Give teams a lot of freedom to explore the best ways to expand their responsibilities. Being overly prescriptive in the early stages chokes off opportunities to learn.

4. Keep your commitments.

Don’t ask for relief from near-term goals or for extra budget. Doing so gives others the chance to block your progress.



5. Upgrade skills.

New responsibilities often require new capabilities. Be creative in helping teams get the training and information they need to add more value.

6. Be patient.

Human potential takes time to grow. Before trying to scale up, let teams cultivate their skills, gain confidence, and produce positive results.

7. Work for win-wins.

Managers need to believe that handing over power will make their jobs better too. Most people would rather be mentors than micromanagers, and while positional power is zero-sum, influence is not.

If you're not ready to launch a companywide campaign yet, you can start by testing the power of everyday genius within your own team. Ask your people, "What decisions could you make without my help?" and "What am I doing that feels like interference and adds no value?" Depending on their answers and your own judgment, you can invite your team to take on new and more-challenging roles.

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Ballarin also walked each team through the mission of *responsabilisation*. The focus was on the what, not the how. Team leaders were encouraged to let go and shift their role from "deciding" to "enabling." To get the ball rolling, they could ask their teams two questions: "What decisions could you make without my help?" and "What problems could you solve without the involvement of support staff like maintenance, quality, or industrial engineering?"

The workers were encouraged to initially focus on expanding their autonomy in just one or two key areas. Teams were given 11 areas to choose from and asked to document their progress through notes and videos.

Things advanced slowly at first, but by March 2013 experiments were ramping up. The tipping point, says Ballarin, came when the teams figured out that no one was going to stop them. The experience of two teams, in Le Puy and Homburg, were typical.

Le Puy.



Standing in front of his 40-person team, Duplain introduced *responsabilisation* with a question: “What do I do today that you can imagine taking over tomorrow?” The answer surprised him: The workers had no idea what he did after he stopped by each morning for equipment checks and reviews. (Some even suggested that he just hung out in the café.) He realized he was unfamiliar with the specifics of their jobs, too. So they struck a deal: He would work a few shifts side-by-side with the team, and then three of his subordinates, one from each shift, would shadow him for a week to identify where workers could expand their responsibilities.

Empowerment in Practice: Buurtzorg Empowerment in Practice: Buurtzorg


The leading Dutch provider of home health services is organized into more than 900 self-managing teams of 12 nurses. Every team is given a territory with a population of about 10,000 and is responsible for finding clients, renting space, recruiting, budgets, scheduling, and constantly improving the quality and efficiency of care. Each team has a “housekeeper and treasurer,” a “performance monitor,” a “planner,” a “developer,” and a “mentor”—part-time roles filled by nurses who spend most of their day working with patients. Buurtzorg trains all employees in group decision-making, active listening, conflict resolution, and peer-to-peer coaching. Administrative personnel include just 36 regional and head-office coaches, 50 back-office employees (mostly in IT), and two directors, including founder Jos de Blok. The organization’s overhead costs are 68% lower than the average in its peer group. Meanwhile, its staff turnover is half that of similar providers, and its patient satisfaction is 30% higher.

Shift scheduling was the first duty the workers took on. Duplain gave them a few basic constraints, such as ensuring that every shift included operators with the requisite mix of skills, and then stepped out of the process. One of the team’s early decisions was to reassign long-serving colleagues from night shifts to daytime ones. Another was to give colleagues more flexibility in switching shifts. After this taste of autonomy, the team set out to take over production planning. Within a few weeks, it was fully effective at this task—much to the surprise of Le Puy’s planning engineers.

Homburg.

The Homburg pilot team produced components such as steel cord and bead wire. Having struggled with workflow issues, it chose to focus first on improving internal coordination. Historically, the team’s daily production targets had been set by the plant’s engineering group. Recently, though, the introduction of a new and finicky assembly machine had complicated efforts to meet internal customers’ needs. Sometimes the team produced too much material and sometimes too little. Planning engineers had been working for months to iron things out, with little success.





After studying the problem for several weeks, the team set up a direct communication channel with the downstream assembly team. At the beginning and end of each shift, representatives of the two teams would meet for 15 minutes to discuss equipment issues and coordinate production timing. This simple fix reduced downtime from two hours a day to nil.

According to Ballarin, the Homburg experience provided a powerful lesson about the limits to central planning: “The engineering team can’t anticipate every issue. If you allow people to self-regulate and build the competence to do this successfully, you solve problems much more efficiently.”

Like their colleagues in Le Puy, Homburg team members looked for other areas where they could be self-directed. Gradually, they took over managing attendance and set up a WhatsApp group to facilitate real-time staffing decisions.

Step 2: Converging on a Shared View

During the first half of 2013, the *responsabilisation* teams worked independently, but in the summer, Ballarin began connecting them with the help of Olivier Marsal, an enterprising manager in Michelin’s manufacturing function. The pair began hosting monthly phone conferences and set up an online space, MAPPEDIA, where teams could share findings and address common problems. Ballarin also ran a series of three-day workshops, at which teams shared videos about their experiments and then worked to define the signature practices of an autonomous team. To get things started, each team filled out a card answering four questions about its experience with *responsabilisation*:


- What specifically changed?
- How did this compare with existing practices?
- Why was this change important?
- What were the critical enablers (for example, new skills or information)?

The insights from the workshops clustered into six categories—developing a shared mission and objectives, organizing work, developing competencies, driving innovation, coordinating with others, and managing performance—which became the foundation of a framework for new teams joining the *responsabilisation* journey. Critically, it was not a theoretical construct produced by HR staffers or consultants but a detailed menu of what actually worked on the ground.

By the end of the year, the effects on productivity and engagement were remarkable. The Homburg team, for instance, had seen defects on some popular tires decline from 7% of units produced to 1.5%, while productivity increased by 10% and absenteeism dropped from 5% to virtually zero. Teams in other plants reported similar gains.

Step 3: Scaling Up





With the pilot teams delivering encouraging results, Ballarin and Marsal aimed higher, wangling their way onto the agenda of a December 2013 senior leadership meeting. After playing a selection of the teams' videos, Ballarin summarized the performance gains and noted the rising engagement scores. Then came the big ask: He wanted to test *responsabilisation* at the full plant level—which would challenge plant leaders and support functions to redefine their roles. Even more contentious, the corporate staff groups would have to cede some decision rights to the plants involved.

Ricky Linn

Executives were enthusiastic and eager to learn more about the pilots. Florent Menegaux, who would succeed Senard as CEO in 2019, exclaimed, “We have a chance to be the company we’ve always aspired to be.” Hoping for permission to test *responsabilisation* in two factories, Ballarin left the meeting with the go-ahead to scale up in six. Guillon and Terry Gettys, Michelin’s R&D head, volunteered to become advisers for the next stage of experimentation.

Once again, Ballarin set off in search of recruits. Eighteen plant leaders raised their hands, and six factories were chosen to maximize geographic and business diversity—in Ireland, Canada, the United States, Germany, Poland, and France.

In the spring of 2014 representatives from each factory, including plant managers and function leads, came to headquarters for a three-day orientation. They were briefed on the pilot teams' work and reviewed the practices cataloged in MAPEDIA. Plants were told to adopt whatever solutions worked in their context, and in a departure from other corporate initiatives, there would be no top-down guidelines or monthly reviews. The plants would, however, be able to draw support from a new team comprising former plant leaders and specialists who had codified the learning from the pilots.

During the summer and autumn of 2014, the test plants fleshed out their plans. Le Puy invited employees to a daylong brainstorming session on how to turn the factory into a model of empowerment. The event generated more than 900 ideas, which were subsequently grouped into 13 priority areas, including cross-team coordination, multiskilling, collegial decision-making, and taking the lead on quality and safety. For each priority, a small team of frontline operators, managers, and support staff was assigned to convert the most promising ideas into practical experiments.

The Polish plant, in Olsztyn, held an opening event with 200 team members. Over two days the group drafted a set of *responsabilisation* goals, such as delegating daily production planning, involving workers in recruitment, and changing compensation criteria. As in Le Puy, cross-functional teams formed around each to develop and test specific ideas. In a significant twist, the launch team identified “trust” as the key word for its experiments. As plant manager Jaroslaw Michalak explained, “We used to operate with the implicit assumption that operators weren’t trustworthy, and that trust must be earned. We now start



by completely trusting everyone, and it's up to the individual to lose trust based on his or her actions. It sounds like a trivial shift in perspective, but it's had a big impact."

Step 4: Redefining Boundaries and Roles

In the test plants, frontline employees began playing bigger roles in areas such as safety, quality, and scheduling and even participating in high-level planning meetings. For the first time they weighed in on decisions about plant design, capital programs, staffing levels, and yearly targets.

As their responsibilities grew, the factory workers asked for more information. "We can't expect operators to make the right decisions, to have good business judgment, without the proper information," Michalak noted. "Previously, frontline workers had no idea where the tires they were producing were going and how much it cost to get them out the door. Now they have as much information as we do."

The plants also invested in building workers' skills. In Homburg the maintenance, quality, and engineering functions created training programs for operators. Maintenance, for example, set up a room with equipment and spare parts where operators could practice repairing machines. Other plants, like Olsztyn and Greenville, South Carolina, launched courses to sharpen operators' business acumen.


As production teams began to exercise greater autonomy, managers at the test plants worked to redefine their roles. Each factory developed training programs on topics like emotional intelligence and "leading from behind." In Greenville and Le Puy, managers met every few weeks to share learning. What had they tried? What worked and what didn't? That peer support helped them transition from boss to mentor.

Empowerment in Practice: Svenska Handelsbanken Empowerment in Practice: Svenska Handelsbanken

This European bank treats every one of its more than 750 branches like a stand-alone business. Branch teams—typically eight to 10 employees—are responsible for credit decisions, loan rates, deposits, customer communications, and staffing levels. In any year that the bank's return on equity exceeds the average of its peer group, one-third of the difference is put into an employee profit-sharing program that invests in the bank's stock. Each person gets an equal share of it, regardless of rank. Through the program, the employees are indirectly the bank's largest owner. Thanks largely to a well-below-average cost-income ratio, Handelsbanken has outperformed its European peers on return on equity in each of the past 48 years.

A few plant executives also off-loaded some of their responsibilities. At Olsztyn, the decision to clear products for shipment moved from the department manager to a team leader. At Le





Puy, plant manager Laurent Carpentier let go of budgeting, production planning, equipment selection, and customer relationship management. “I have hands-on responsibility for safety and major personnel issues, but for everything else, it’s up to the teams to propose and drive solutions,” he explained. “Everyone,” said team leader Duplain, “leveled up.”

In a win-win, frontline empowerment freed managers to focus on more-rewarding work, such as building team skills and resource planning. A team leader summarized how it had changed his role: “It went from my solving their problems, and probably not solving them in the best way, to the experts solving the problems right there and then.”

Step 5: Renegotiating Relationships with HQ

Michelin’s plants traditionally depended on central functions to set standards, define processes, and hand out production quotas. It was clear to Ballarin that unless factories could start managing those tasks themselves, *responsabilisation* would stall out. Wrestling authority from central functions was a challenge, yet several plants made progress—none more than Olsztyn. The key, local managers realized, was to win permission for a targeted experiment and then use the results to push for more autonomy.

The first experiment in the Polish plant concerned monthly production targets. Olsztyn invited representatives from the central planning function to a daylong workshop, at which local team members argued that they were better positioned to set the targets because they had closer relationships with customers and would know first about shifts in demand.

The central staffers agreed to a monthlong test. It was a clear success, and in time headquarters delegated target setting to all plants. Through similar experiments, the Olsztyn plant gradually took over quality audits and decisions on major capital purchases such as tire molds. For the first time in decades, central control shrank instead of growing.

An Irreversible Movement

At the end of 2016, Ballarin, together with the head of manufacturing and members of the MAPP team, visited each of the test plants to gauge progress. While results were uneven, *responsabilisation* had not only boosted Homburg’s productivity by 10% but enabled the plant to expand its workforce by a third without hiring additional managers or professional staff. Le Puy and Olsztyn reported similar improvements, and soon additional plants were lobbying to join the trailblazers.

The ripples of MAPP have now spread beyond manufacturing. A major reorganization in 2018, developed by 70 cross-unit teams with little executive input, further decentralized decision-making. In a sign that *responsabilisation* is here to stay, Menegaux has declared empowerment to be a new company hallmark. “We’re too big and too global,” he argues, “to not rely on the skills of everyone across the company.”



Unlike most top-down initiatives, the *responsabilisation* program kept early objectives broad and the means purposefully vague. The goal was to build commitment rather than force the adoption of specific protocols. Ballarin and his team understood that real change happens through persuasion and persistence, not mandates and metrics. They realized they didn't have the on-the-ground experience to envision all the things they would need to change in frontline work. Instead, they relied on the pilot teams to discover and map the many dimensions of the *responsabilisation* journey.

The Case for Radical Empowerment

A big part of what makes jobs unattractive is the perceived lack of opportunities for personal growth and individual contribution. Companies like Michelin show what can be achieved when an organization has faith in the potential of its people and is prepared to invest in their skills and reward their contributions. This workplace alchemy—turning dead-end jobs into get-ahead jobs—doesn't require new legislation or billions of dollars in public spending. It just takes commitment to building organizations that kindle the spark of everyday genius in each human being.

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