

Empowerment & Decision-making

Building a Framework for the
Future

Guiding Principles

- Fewer Levels of Decision-making
 - Fewer levels of approval are required for all levels of decisions.
 - Reduced levels of Bureaucracy
 - Pyramids are flattened.



Guiding Principles

- Managers trust employees to make decisions; staff trust managers and feel supported in their decisions
- People help develop a mission/vision for MDOL, own it, and are proud of it.
- Procedures and guidelines are generated by the people who do the work everyday.
(This is one of the key Bend the Curve elements presented at China Lake.)
- Decisions are made as close to the customer as possible.

Guiding Principles

- Good ideas are implemented right away! Time frames are established and announced for full implementation of decisions.
- A process is developed to continue culture change including the establishment of an Empowerment and Decision-making Advisory Team, which includes both management and front line staff.

Culture Building

- Risk taking is celebrated!



Culture Building

- Failure is okay. We learn from our mistakes.
- Management continually encourages teamwork and risk taking.
- MDOL's environment is "serve & support".
- People embrace the work as more than just a job and are excited to come to work.
- Thank God it's Monday!

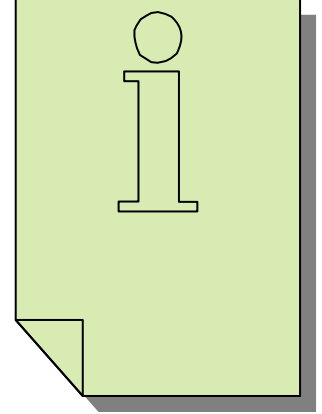
Culture Building

- Recognition for good ideas: Good/Bad & Big/Small.
- Departmental & Bureau conferences for all staff.
- People are proud of the mission & vision they have created for MDOL.
- True collaboration between frontline and managers.

Culture Building

- Management continually encourages teamwork and risk taking.
- Employees can establish teams when they see a need for a special project.
- Creativity & initiative are fostered.
- There is an established mechanism for cross training among all divisions and bureaus. It is in this way that all staff have the information they need to be truly empowered to collaborate effectively.
- A process is developed to continue the culture change so that true empowerment for informed decision-making is not lost as just the “flavor of the month”.

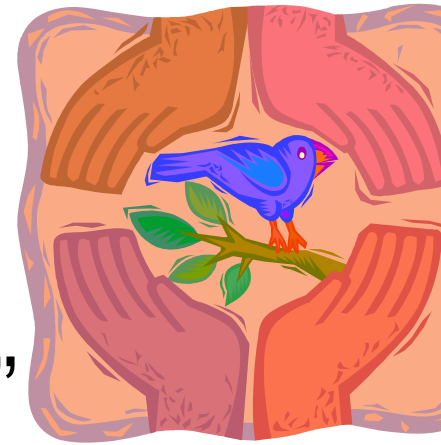
Communication



- Can email or call anyone in the organization needed without checking with anyone.
- Feedback is sought and response received.
- Upper management is open to suggestions from anyone directly.



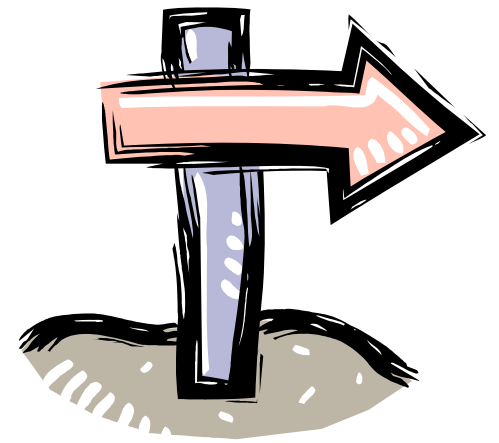
Challenges



- Turf issues & individual “Fiefdoms”
- Pockets of areas where people don’t trust
- Saying “ I don’t know, but I will get the answer” IS a culture change.
- Some staff have lost focus that we are **ALL HERE FOR THE CUSTOMER.**
- We need to understand the structure and what is outside of it to learn where the structure can “be bent”.

Challenges

- Historical examples of Top Down Management in the Current State: Currently people from Union Street Central Office are coming down to managers in the field with prescribed measures to be implemented without input from staff.



Examples of Current State

- Top Down state for Human Resource allocation, Capitol Equipment such as computers, Salaries, Space allocation and design, and Hiring Process. Even the questions to be utilized in interviews for hire are standardized to reduce the chance of a challenge by a candidate not hired. (example of a rule made as a result of the possible 1% problem rather than the majority affected.)

Challenges

- Most staff generally don't think about how what they do affects the budget.
- All staff need the knowledge and information they need to make decisions. It isn't just about Up and Down communication.



Common Themes

- Most decisions involve just Good Common Sense.
- In Gray Area environments, staff need to be able to make decisions to be productive.
- There is a way to identify decisions frontline staff can make, based upon State and Federal Statutes which guide MDOL and each bureau/division, as well as which decisions may require further consultation.

Common Themes

- If staff have the Basic Guidelines, they should be able to make informed decisions without having to go to the next level. In this way, the customer is served more quickly and effectively and managers are freed to make decisions that really **require** their level of expertise.
- Decisions should be made in a way that best serves the customer.
- There is a general published code of ethics which guides our work as State employees but most of us have never seen a copy.
- Creating confident and competent staff fosters Empowerment & Decision-making across the board!

Common Themes

- The Sesame Street song “ Over, Under, Around, and Through” is a perfect example of what we are trying to do: We can Stay Stuck; we can Admit We Can't Do It and Just Walk Away; we can Figure It Out Individually Ourselves; or when we can't, We Can Go Get Help (sometimes from a higher level, sometimes by teamwork).



Selling Points



- When decisions are made as close to the customer as possible, each staff member is more productive because they are not waiting for approval.
 - More work in less time
 - May not need as many staff, which will save money
 - Customer satisfaction is increased
 - Rehiring cost is saved because morale is better so there is less turnover.
 - MDOL must have employees who believe in the organization to develop staff retention.

Selling Points

- By increasing productivity with the same workforce, you save money.
- By allowing and encouraging staff to be an active part of the process for cost savings, MDOL can really save and be creative! Ask the following:
 - How can you save money in your job?
 - What do you think you can do to improve your job?



UI Call Center Pilot Proposal

PROPOSAL:

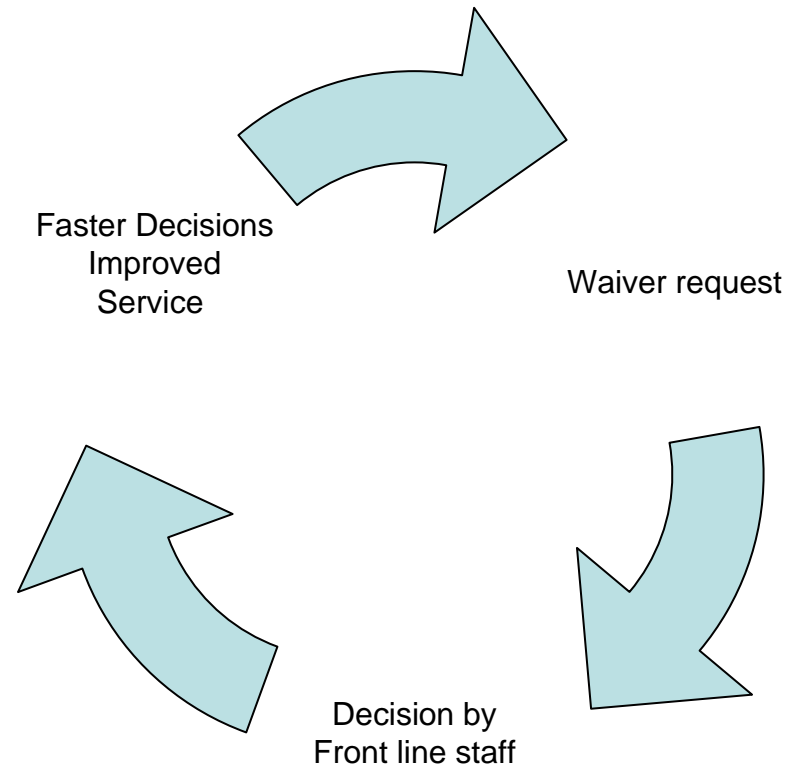
To process and approve all work search waivers in the call centers. The goal is to have most work search waivers processed and approved by front line staff.



WHY ?

To provide faster service to our customers and reduce the number of calls to the call center that occur when work search waivers are delayed.

To empower employees to make educated and informed decisions



HISTORICAL DATA

Last year, 25 work search waivers and 9 extensions were processed by the Director's office.

Documentation of specific cases and the time it took to process them are as follows on the next slides.

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graph TD; A[Work Search Waivers] --- B[Time to Decision]
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Work Search Waivers

Time to Decision

Loggers

Request received on Thursday 3/3/04 (believed to be when Laura was on medical leave – Carol Webb and Judy Williams were handling work search waivers). This request was approved on 3/10/04 and notification was e-mailed to the Claim Center on 3/11/04

LP Woodlands

Director's Office received employer's letter on 3/1/04; additional information was requested from the employer. This information was received on 3/10/04. This request was approved on 3/11/04 and notification sent out the same day.

3rd Extension for Warrior (Aero-Marine Inc.)

Letter to employer was received by fax on 4/2/04; this 3rd extension was denied because there was no definite recall date. Notification was mailed to employer 4/6/04 with “cc” to Pam Kelly and George Thomas.

ZF Lemforder Corp

Director's Office received e-mail on 5/27/04.
Requested employer provide list of
employees involved. The list was received
6/2/04. Letter to employer and e-mail to
Claim Center sent same day (6/2/04)

Cooper Brothers

Received e-mail (followed by fax attachments) from Orono on Friday, 6/25/04. Laura approved on Monday 6/28/04. Letter to employer and e-mail to Claims Center sent the same day 6/28/04.

Sebasticook Farms

Employer's letter was dated Sunday 4/10/04, but addressed to 323 State Street. Laura received and approved on Thursday, 4/15/04; letter to employer and e-mail to Claims Center sent the same day 4/15/04.

Houlton Band of Maliseet Indians Head Start Program

- Waiver for one employee

Employer's letter was received in Presque Isle dated 7/13/04. The letter was forwarded to the Director's office with a route slip from Presque Isle dated 7/13/04; this was received on 7/14/04. Laura approved on 7/14/04; letter to employer dated Friday, 7/16/04 and e-mail to Claim Center sent on 7/19/04. E-mail not sent to claims center until letter signed.

Industry & Energy Associates

Director's office received employer's letter 5/17/04. On 5/20/04, employer was asked to send list of employees; the employer provided the list on 5/24/04. Request approved and letter was sent to employer and e-mail to Claims Center on the same day (5/24/04).

Request for 2nd Extension for Industry & Energy Associates

Laura approved waiver extension after talking to employer on 7/19/04. Letter to employer dated 7/23/04; e-mail to Claims Center on 7/27/04 (e-mail not sent until letter is signed). Part of this delay was because Laura was at an out-of-State meeting in Chicago during this time period.

Cives Steel

Director received phone call from employer on 8/25/04. Waiver was approved, but asked employer to send listing of employees. The list was received by fax on 8/30/05. Letter to employer was dated 8/30/04 and e-mail to Claims Center dated 8/31/04. Again, e-mail not sent until letter is signed.

McDonald's on Main Street in Waterville

Director's office received e-mail from Orono on 9/14/04. Laura approved on 9/14/04, but asked employer for list of employees. List was received on 9/17/04. E-mail to Claims Center on same day (9/17/04). Director asked that Orono contact the contact person at McDonald's that request was approved.

Wild Willy's Burgers Inc.

Director's office received letter from employer on 12/14/04 – this is a seasonal, annually occurring layoff. Request was denied; letter was mailed to employer on 12/14/04.

HOW?

- Provide all staff with criteria to direct them in making decisions regarding work search waivers.
- Obtain work search waiver information when the employer calls in lieu of directing them to write a letter or contact the director.

What Required?

- A rule change
- Possibly an administrative letter in the interim?

Cost Savings

- ❑ 6.5 hours of actual work is performed in an 8 hour day. A 0.5 hour lunch period is NOT part of the 6.5 hours. Bathroom breaks, smoking breaks, water-cooler talk- type activities actually account for the 1.5 hours lost.
- ❑ One basic assumption is that people are focused during that 6.5 hours. So 1.5 hours per day times 5 days equals the 7.5 hours per employee that can potentially generate cost savings. Once contractual breaks – 0.5 hours total per person per day is deducted, it essentially leaves a one hour per day timeframe to focus on added productivity.
- ❑ Overall, working smarter WILL generated more work output. This in turn means that more work done equals cost savings. The problem is knowing the dollar amounts attached to each man-hour in order to quantify the real savings.
- ❑ Amount of time saved with empowered decision making can also be utilized to determine cost savings, particularly if fewer people can then do the work at lower rate of pay than upper management.

Dollar Savings Figures

- 5 hours per week of productivity X 52 weeks = 338.0 hours per year.
- 338 hours X approximately 622.0 MDOL employees = 210,236 hours per year.
- 210,236 hrs X 60 = 12,614,160 minutes.
- 12,614,160 minutes X \$.58 (the standard unit recommended by John Rioux for calculating BTC cost savings) = \$7,316,212.80 in potential cost savings per year.

Converting Time to FTEs

- 12,614,160 Potentially productive minutes from Cost savings Page
- Divided by 622.0 FTEs
- = 210,236 Potentially productive hours per FTE
- Divided by 1,635 hourly equivalent of 1 FTE
- = 129 FTEs potentially saved!

Final Points

- ✓ The Empowerment & Decision-making team was formed BECAUSE OF BEND THE CURVE.
- ✓ We were formed to HELP WITH CULTURE CHANGE.
- ✓ Decision-making is currently too top heavy. Decisions need to be pushed down to the lowest level possible to SAVE MONEY, which, along with IMPROVED CUSTOMER SERVICE is the BOTTOM LINE for BEND THE CURVE.
- ✓ Should have organizational meetings as needed so we must create a method for gathering.
- ✓ Recognizing staff for the work they do COSTS NOTHING but is PRICELESS!
- ✓ Remember: “Thank you takes the same breath as if you said nothing at all.” – Paul Trahan