

How Empowered and Empowering Cultures Unleash Innovation

HOW EMPOWERED AND EMPOWERING CULTURES UNLEASH INNOVATION



Committee of 200 Contributor

Leadership Strategy

We are female leaders committed to advancing women in business.

March 2025

By C200 Member Lin Coughlin



Empowered team members feel valued and trusted.

“A leader is great, not because he/she has power but because of his or her ability to empower others.”

John Maxwell

Today’s leaders face a critical question: How can they drive meaningful change without creating chaos? The answer lies in empowerment. Adaptability and innovation are essential for success, and empowering employees at every level is the key to driving lasting transformation. A Harvard Business Review study shows that organizations with robust empowerment practices see a 50% increase in employee engagement and performance.

Hitting a wall at work can be demotivating, especially when employees feel they have untapped potential but lack the authority, resources, or a platform to voice their needs. A study of over 7,000 employees revealed that

those who felt disempowered ranked in the 24th percentile of engagement, while those who felt empowered scored in the 79th percentile.

Employee empowerment—the autonomy and control organizations grant their teams in everyday tasks—enables individuals to make decisions that are focused on outcomes, promoting creativity and innovation. By prioritizing empowerment at every level, leaders can create dynamic, adaptable, and resilient organizations that secure a sustainable competitive advantage and drive sustained breakthroughs.

- **Empowered team members feel valued and trusted:** When employees feel trusted, they are more likely to focus on the work itself, rather than just their careers. They become proactive, accountable, and find deeper purpose in their roles.

Research shows that over 70% of CEOs view employee engagement as vital to corporate success, resulting in a 22% increase in productivity. Furthermore, happy employees are 20% more productive than their unhappy counterparts. Giving employees the freedom to think for themselves fosters collaboration and sparks innovation.

- **Empowered employees drive creativity and innovation:** Leaders who empower their teams cultivate creativity, which fuels innovation. Empowering leaders, in turn, are freed to focus on vision and strategy. These leaders are trusted more, achieve greater buy-in, and are uniquely positioned to build high-performing teams.
- **Empowering organizations retain top talent:** Empowered employees are more engaged, leading to better job performance, satisfaction, and commitment. Retaining top talent reduces turnover costs and preserves valuable knowledge.
- **Empowering organizations build strong brands:** Empowered team members become advocates, strengthening their employer's brand through word-of-mouth and social media. This boosts awareness, enhances online reviews, builds job recommendations, and creates positive brand associations.
- **Trust plays a big factor:** Leaders who trust their teams to make decisions and contribute innovative ideas lay the foundation for a highly collaborative culture. In turn, employees feel their voices are heard, and their contributions matter.
- **Providing necessary resources and support is essential:** Empowerment without proper tools and training leads to frustration. For example, when implementing a new project management system, offering thorough training, resources, and continuous support ensures teams are not only equipped to use the system but motivated to explore its full potential.
- **Effective communication is vital:** Clear, frequent, and positive communication simplifies the change process, making it more inclusive and less intimidating. For example, organizations that use town halls, newsletters, and feedback sessions keep employees informed and engaged in ongoing transformation efforts.

Empowered cultures seed innovation, employee well-being, and proactivity.

To position your organization for continuous innovation and growth, building a culture of empowerment is essential. Follow these four steps to get closer to this energized state:

1. Appreciation and Feedback

Recognition drives motivation. A recent survey conducted by the American Psychological Association found that 79% of employees who left their jobs cited "lack of recognition" as the reason, and that 65% of North Americans said they had not been acknowledged even once in a year. When employees are acknowledged for their contributions, they are motivated to exceed expectations.

Top Tips

- Invest in each employee's development through challenging assignments and mentorship, expanding their responsibilities.
- Encourage employees to seek feedback, and when they do, respond thoughtfully and fairly to build trust and reduce anxiety. Offer constructive, relevant feedback to guide their growth, empowering them to take on more responsibility and contribute at higher levels.

2. Openness and Inclusion

Acknowledging feedback is important, but creating an environment where employees feel comfortable giving feedback is critical. Show employees that you value their input and build a process that gives them a voice. The "Achievers' Engagement and Retention Report" found that 90% of employees are more likely to stay with companies that are open to feedback. Actively listening and responding with clear, outcome-focused actions boosts employee satisfaction, engagement, and performance.

Top Tips

- Be honest with yourself. How do you react when someone disagrees or offers a different approach? Do you treat dissent differently based on seniority? Acknowledge your biases and limitations to create an environment where you, too, can learn and grow.
- Involve high-potential employees in key projects. Show you value their input by including them in cross-company initiatives and encourage them to share their insights with others.

3. Embrace and Learn from Mistakes.

Embracing failure is pivotal for success in an empowered culture. One leader shared that as a young adult, her father would ask, "What did you fail at today?" at every dinner. Failure was reframed as an opportunity to learn, try, and grow. Similarly, let your team know that mistakes are part of the process, and you'll have their backs no matter what.

Top Tips

- Ensure employees have the resources to act, whether it's technology or information, to complete tasks effectively. Avoid unnecessary limitations just because "that's the way it's always been." Encourage questions and creative thinking when resources are made available.
- Share outcomes 'early, ugly and often'. As a Fortune 100 CMO noted, "this cultivates an environment of agile creation, experimentation and new thinking -- hallmarks of healthy empowered and empowering environments."

4. Set Clear Expectations and Empower Execution.

A key step in building a culture of empowerment is setting clear expectations then stepping back to allow employees the freedom to perform. Clearly define their authority and responsibilities, ensuring they align with their abilities.

Introduce this process gradually, so employees feel confident in their autonomy while still receiving mentorship and feedback as needed. This approach ensures high-quality work, fosters accountability, and develops skills. When you trust your team, they will trust you, demonstrating greater loyalty and a desire to grow and expand their responsibilities.

Top Tips

- Focus on outcomes, not processes. Avoid micromanaging, which can be demotivating. Before communicating with employees, clarify your expectations and the desired results, then clearly define what success looks like.
- Refer to resources such as *The Ladder of Empowerment* by Elizabeth Rocha and *Monkey Management* by William Oncken Jr. and Donald L. Wass, which detail how to manage employees through gradual stages of empowerment.

Empowering your team isn't just about giving them a voice; it's about providing them with the guidance, responsibility, and authority to drive change. As Howard Schultz, former CEO of Starbucks, wisely stated, *"People want guidance, not rhetoric. They need to know what the plan of action is and how it will be implemented. They want to be given responsibility to help solve the problem and the authority to act on it."*

By focusing on clear expectations, open communication, and continuous support, you create an environment where employees are equipped to contribute, innovate, and lead. Empowerment isn't a one-time initiative; it's a mindset that can transform your organization and fuel sustainable success.

Lin Coughlin has been a member of C200 since 2002; she currently serves on the board. As an Executive Coach, Board Chair/Director, Speaker, Author, and Positive Disruptor, she advises leaders navigating career inflection points and works with leadership teams to reimagine their business models.