

Case study

Self-development fuels empowerment at Texaco

Abstract

Texaco in the UK introduced self-development using 360° feedback as part of the company's quest to move away from hierarchical management. Describes the firm's Mpower initiative.

The Mpower self-development program

The JR management style, in the hit television serial *Dallas*, is a million miles away from modern notions of empowerment. Oil companies have traditionally had a committee-based management style in their headquarters, and a command-and-control style in their operating companies.

But Peter Bijur, the new chief executive of Texaco Inc., has made clear that the hierarchical way in which people were managed in the past is no longer valid. He wants the company to engage every mind in the business, by exciting and involving all its employees. Texaco's UK arm has turned to self-development as an important way of achieving the change.

The company's first comprehensive self-development program, Mpower, was offered to its supply and marketing managers who were below general-manager level. It aimed to underline the focus on profits, optimize feedback and coordination, and encourage staff to challenge assumptions. Each of these aims is firmly a part of company policy.

The Mpower design group included three human resource staff, and three line managers who had been through an earlier self-development program aimed at Texaco's high-potential managers. The good reputation this program had developed helped with the introduction of the Mpower self-development initiative.

Support and challenge groups

The program began with 360° feedback from managers' teams, followed by a team debriefing. A two-day workshop introduced the idea of self-development and the use of small learning teams, called support and challenge groups.

These groups met monthly for ten months. Individuals initially concentrated on pursuing a personal development plan. Later, the possibility of action-learning projects was added.

The Mpower design team linked Texaco's business strategies to individual competencies which formed the basis for each manager's 360° feedback. Mpower thus sought to channel the energies released by 360° feedback in a constructive direction. Participants were given ideas for a range of activities they could pursue under their personal development plans. Support and challenge groups helped

them to achieve these by monitoring and encouraging progress.

Managers as beneficiaries and victims

Mpower gave managers the chance to have quality time with colleagues, to address the issues of management style and to understand the impact that managers have on others. Mpower sought to change managers' perceptions of themselves as beneficiaries or victims of Texaco policies. In this way, the managers could see themselves as people who could, with the help of others, significantly affect their fate and the success of their business.

Mpower was helped by the fact that Texaco reorganized its downstream marketing business while the program was taking place. The firm hoped that introducing a flatter, team-based structure, in which individuals were more empowered, would improve profitability and create new opportunities for individuals.

Managers were not obliged to take part in the 360° feedback or the support and challenge groups, although most chose to do so. Half-way through the ten-month period, non-participants were given the chance to see what was involved and each group was asked whether it wanted to continue. Some teams opted to undertake a business project. For example, one supply and marketing group completed a profitability study of a business unit and came up with fresh perspectives on a decision about its future.

Unnecessarily prolonged negotiations

Staff in Texaco's human resource department developed facilitation skills and themselves joined support and challenge groups. But the company underestimated the need to make clear that the facilitators should play only a consultative role. As a result, unnecessarily prolonged negotiations took place between facilitators and groups.

Texaco now plans to round off the Mpower program in supply and marketing. But at least one of the four support and challenge groups is likely to continue to meet. The lessons the company has learned from the program include:

- the activities and style of the program should match the aims of the firm;
- the design process should center on line managers who are enthusiastic for development;
- senior managers should be engaged in as many stages of the program as possible; and
- timing and luck contribute significantly to the success of the change process.

David Megginson, one of two external consultants involved in the Mpower program, told the most recent Institute of Personnel and Development (IPD) national conference that organizations committed to cultivating self-development soon find that encouraging their people to grow feeds through into business results.

Taking risks and doing things differently

He argued that about 85 percent of what employees do at work is constrained by structures, systems and procedures. Yet there is potential for major change in the remaining 15 percent.

Self-development requires employers and employees to accept greater responsibility, to take more risks and to do things differently. Would JR have been bold enough to take up the challenge?

Of course, there is no such thing as a self-development recipe book. But the Texaco experience provides some useful pointers to what makes a self-development scheme successful.

This is a précis of an article entitled "Embracing Mpowerment," which was originally published in *People Management*, of October 24 1996. The authors were David Megginson, research fellow at Sheffield Business School, Sheffield, UK, and Tim Casserley, human resource development consultant for Texaco. The précis also draws on material which David Megginson presented at the Institute of Personnel and Development annual conference at Harrogate, UK, in October 1996. David Megginson and Vivien Whitaker have written a book, *Cultivating Self-Development*, which is published by the IPD and was launched at the conference.