

# Education Program: Transitioning to Employee Ownership

## Context

Business organisations which adopt employee ownership have a greater potential for developing high performance workplace cultures - and hence maximising their commercial results - than traditionally structured organisations. This is because employee owned businesses have much greater capacity to engender a real - rather than a manufactured - sense of ownership and commitment to the business amongst employees.

Given this capacity for a *real* sense of ownership and commitment, there will be a strong desire by 'employee owners' to understand and develop the factors involved in ensuring a high performance workplace culture within their organisation.

The three essential factors in support of a sustained high performance workplace are:

1. **Organisational formation:** Organisation policies, practices and the provision of needed resources (e.g. systems, tools) which enable (not hinder) the formation of a high performance workplace culture.
2. **Workplace formation:** Workplace / shop-floor and team management policies and practices which enable (not hinder) the formation of a high performance workplace culture.
3. **Individual formation:** Education and training programs which provide individuals with relevant knowledge and skills to develop and sustain their individual contributions to those organisational and cultural practices enabling high performance in their workplaces.

## The Objective of an Employee Ownership Education and Training Program

To develop and provide education and training materials and services to employees and managers of employee owned companies to ensure that each individual involved has the *skills and knowledge* to contribute effectively to:

- A. The employee owned business in which they participate and are employed, through monitoring its success and constructively influencing its direction;
- B. The business's strategy and its implementation, again through monitoring its success and constructively influencing its direction;
- C. The productivity of their workplace, again through monitoring its success and constructively influencing its direction;
- D. The advancement of their own career prospects within their business organisation.

## Principles of Employee Ownership Education & Training Programs

Employee ownership education and training programs must:

- (1) recognise and support the objective stated above;
- (2) adopt the principles of 'adult learning' in their design, delivery and evaluation;
- (3) acknowledge the Australian community's policies, practices and legislation on fair work, cultural diversity, equal opportunity and anti-discrimination;
- (4) seek to build in appropriate flexibility of design and delivery methods (e.g. webinars, distance learning, self-paced/interactive learning) so as to suit individuals, their workplaces and their companies;
- (5) utilise existing and relevant education materials that have been produced by the employee ownership community internationally;
- (6) build on existing resources, materials and services already available in the education, training and human resources industries
- (7) seek to ensure that the content of such programs draw from best practice in recognised and sustained high performance work practices;
- (8) aim to link where possible management training into the Australian Qualifications Framework (e.g. at Certificate IV or Diploma level) with a view to developing support from existing Registered Training Organisations (RTOs);

(9) aim to foster financial literacy and an understanding of business language throughout the workplace.

Having the 'right' values, objectives and principles in place – and the appropriate knowledge and skills amongst all staff – are essential but not sufficient conditions for employee ownership business success.

Employee Ownership Australia can assist with consulting services to employee owned businesses in relation to the two additional, essential factors - organisational formation and workplace formation.

### **Organisational and workplace formation initiatives**

Employee ownership education and training programs should seek to support and complement those organisational and workplace formation initiatives pre-existing within the 'learning business' in order to:

- (i) Further assist in the implementation of broad-based employee ownership within the company, and widespread employee participation within the workplace;
- (ii) Maximise the impacts that can be gained from soundly functioning employee ownership;
- (iii) Generate increased financial literacy and technical understanding of the business model;
- (iv) Enable workplace cultures and practices which encourage employees to "think and act" like owners.
- (v) Generate broad commitment amongst management and employees towards organisational change and 'continuous improvement'.
- (vi) Generate interpersonal and group based skills focussed on conflict resolution and the development of lean processes and efficient, friendly and diverse workplaces.

### **Summary of Education Topics**

Employee ownership training providers need to deliver therefore a package of education and support services over several months based on the above and covering the following topics, with a view towards embedding sound financial literacy and open book management in any workplace:

- (i) Financial planning for the employee: understanding the 'employee ownership offer'.
- (ii) Business basics: knowing the business you are in (including financials, enterprise agreements, OHS, IR and compliance issues).
- (iii) The business structure: the role of employees, management and the Company Board.
- (iv) Performance management: good governance in an employee owned business.
- (v) Building an ownership culture: understanding and influencing your business, including communication and participation for employee owners.
- (vi) Building a great team: shared vision and commitment and sound communications structures.
- (vii) Understanding the critical numbers: open book management and the employee's role in 'business success' (including 'balanced scorecards' and the like).
- (viii) Doing business better: business and quality improvement, innovation and lean engineering.
- (ix) Leadership for the "worker leader": peer to peer support and connections.

### **What can be done from within the employee ownership sector to support such programs?**

- (i) The availability of suitable education materials and programs for specific projects can be facilitated.
- (ii) Where suitable educational materials are not available, these may be produced through the letting of contracts to preferenced education module developers.
- (iii) Service providers - preferably members of EOA – can assist with ongoing design and production of education materials, as well as with their suitability to a range of delivery methods and workplaces.
- (iv) Depending on demand, an EOA endorsed "Education and Training Program" may need to be developed for use by service providers for use across the business spectrum.

For further assistance and support with employee ownership training and education materials, please contact us at: [info@employeeownership.com.au](mailto:info@employeeownership.com.au)