

## **Workplace Culture – A Stake in the Outcome**

**The ‘open book management’ material summarised and presented below has been adapted from the book “A Stake in the Outcome: Building a Culture of Ownership for the Long-Term Success of Your Business”, by Jack Stack (CEO of employee owned Springfield Re-Manufacturing and creator of “The Great Game of Business”)**

### Case Study Results – HR

- Job satisfaction linked to democratic principles
- Pride by staff in their status as “co-owners”
- Whole of company involvement in strategic direction
- Commitment to teamwork
- Sense of value – employees views considered at Board level.

### Case Study Results - Operating Efficiencies

- Broad-based innovation - service design improvements
- Ready acceptance of new systems that improve work-flow
- Increased productivity
- Low staff turnover
- Commitment to achieving KPIs and growth targets

### Case Study Results – Competitive Advantages

- More engaged staff - direction setting, commitment to quality, achieving targets
- Lower staff turnover, fewer compensation claims
- Commitment to continuous improvement – design improvements, taking on new clients, external and customer feedback.

### Ownership Culture – ‘The Five Tasks’

- Free flowing information
- Individual autonomy
- Opportunity for All
- An atmosphere of trust and respect
- All share a stake in the outcome.

### Task 1 – Free Flowing Information

- Install Open Book Management or similar
  - includes all employees in the management of the enterprise
  - gives people the information they need to successfully participate in achieving common objectives
- Communicate all information
  - Financial information
  - Operational processes
  - Current issues and business priorities
  - Future plans and strategies
- Make communication networks work

### Why Share Information?

- It's the right thing to do. People respond to inclusion
- Regular information sharing improves enterprise performance and growth through ongoing disclosure and reporting
- Makes it easier to weather difficulties
- Generates more efficient use of resources
- Input closer to problems, faster recognition and solution, shared responsibility
- It's also a lot of fun!

### Task 2 - Individual Autonomy

- Giving employees the right and the responsibility to fix problems really pays off.
- When a problem arises, it is likely that the person closest to the work will see the problem first.
- The easiest time to fix a problem is as soon as it is noticed. Delay always makes problems worse.
- Autonomous people require less management

### Task 3 - Create Opportunity

- Tackle the 'poverty of aspiration'

- Develop your employees' ambition and make it your friend.
- Giving employees a chance to share in the outcome engages them in ways that magnifies the positive and minimises the negative.

#### Task 4 - Develop Trust and Respect

- Respect means more than just listening to people or suggestion boxes or "open door policies"
- Respect cuts both ways – it is both given and required and includes a willingness to communicate both the good and the not so good
- Trust is the result
- Respect is the driving feature of a corporate culture that is open, cooperative, collaborative and performance oriented.

#### Task 5 – Share Enterprise Results

- For best results, cut stakeholders into formal ownership of the enterprise
- When broad ownership is coupled with participative management, growth and performance are enhanced.
- Fostering an "ownership culture" creates a much larger organisation to share.
- Ownership is just one element in the recipe – it won't cover for bad management.